Dommo Energia S.A.

Individual and consolidated financial statements accompanied by the independent auditor's report

On December 31, 2020

Contents

Independent Auditor's Report on the Individual and Consolidated Financial Statements

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To:
Shareholders, Board Members and Management of
Dommo Energia S.A.
Rio de Janeiro – RJ

Opinion

We have audited the accompanying individual and consolidated financial statements of Dommo Energia S.A. ("Dommo" or "Company"), identified as Parent and consolidated, respectively, which comprise the balance sheet as at December 31, 2020, and the statement of profit and loss, statement of comprehensive loss, statement of changes in equity, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the individual and consolidated financial position of Dommo Energia S.A. as of December 31, 2020, and its individual and consolidated financial performance and individual and consolidated cash flows for the year then ended, in accordance with the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board – IASB.

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the individual and consolidated financial statements" section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical requirements set forth in the Code of Ethics for Professional Accountants and the professional standards issued by the Federal Accounting Council and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Significant uncertainty as to the ability to continue as a going concern

We draw attention to Note 1.3 to the individual and consolidated financial statements, which states that the Company and its subsidiaries recorded net working capital deficit in the amounts of R$502,585 thousand and R$230,841 thousand, Parent and consolidated, respectively, basically arising from its short-term debt with suppliers, other accounts payable and related parties reported recurring losses and equity deficiency in the year ended December 31, 2020 in the amount of R$754,362 thousand. This situation, among others described in Note 1.3, indicates that there is material uncertainty that may cast significant doubt as to the Company's ability to continue as a going concern. Our opinion is not qualified regarding this matter.

Key audit matters

Key audit matters are those matters that, in our judgment, were of most significance in our audit of the financial statements for the current period. These matters were addressed in the context of our audit of the financial statements taken as a whole and, in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the "Significant uncertainty as to the ability to continue as a going concern" section, we determined that the matters below are the key audit matters that should be communicated in our report.

Disposal of tangible assets – Campo Tubarão Martelo

Why the matter was determined to be a key audit matter

As described in Note 1.2 and 11 to the individual and consolidated financial statements, on August 3, 2020, the Company concluded the process of disposing of an 80% interest in the Tubarão Martelo field. This transaction requires, among other procedures, that the Company determine the effective date on which the Company assigned and substantially transferred the risks and benefits associated with the disposed asset. This procedure involved a certain degree of judgment and the need to estimate the amounts on the date when the Company no longer has control over the asset. Due to the impact that any changes in the assumptions could have on the financial statements, we consider this to be a significant issue for our audit.

How the matter was addressed in our audit

As part of our auditing procedures, we read the documents that formalized the operation and obtained the evidence that justified the determination of the date of disposal of the fixed asset with the substantial transfer of the risks and benefits associated with the disposed asset, the determination of the amount fair value of the transferred consideration and the assessment of the adequacy of the disclosures made by the Company in relation to the matter.

Based on the approach, the auditing procedures performed and the audit evidence obtained, we considered as acceptable the disclosures and accounting records made by Management in the context of the individual and consolidated financial statements taken as a whole.

Property, plant and equipment – Impairment

Why the matter was determined to be a key audit matter

As described in note 11, the Company recognized Tubarão Martelo Field's exploration and production assets effective through April 19, 2039 in property, plant and equipment, whose balance on December 31, 2020 was R$ 33,432 thousand (R$ 176,368 thousand as of December 31, 2019), net of depreciation and impairment loss, corresponding to the remaining portion of 20% of the asset. The Company's management assessed the recoverability of this asset by preparing an economic and financial evaluation model that included: (a) the Company's business plan for subsequent years; (b) study of a specialized and independent company in the oil market with regard to the volume of reserves; (c) other factors that impact the Company's business model; and (d) elaboration of the projected cash flow brought to present value by the discount rate calculated based on usual market practices. Therefore, the economic and financial model is subject to a higher level of uncertainty, as the Company makes significant judgments to estimate these amounts. This matter was considered, again, as a significant area in view of the fact that it involves subjective judgments that may have an impact on the preparation of the individual and consolidated financial statements, since the determination of the assumptions used by the Company's Management includes certain cash flow projections that require a high degree of uncertainty, given they are affected by estimated future conditions for the economy and the market as a whole to grow.

How the matter was addressed in our audit

As part of our auditing procedures, we analyzed the accounting policy and, on a sampling basis, selected amounts that were allocated to property, plant and equipment to verify the respective supporting documentation for the additions made during 2020. With the help of our specialists, we reviewed the economic and financial model presented by the Company, and the following was performed: (a) the reasonableness of the assumptions and judgments made by the Company's Management; (b) the recalculation of mathematical models and whether they were prepared according to accepted market standards, (c) evaluate the recognition of the allowance for impairment losses on assets, and (d) conclude on the results obtained from the cash flow projections. Our procedures also included the assessment of the disclosures made by the Company in the individual and consolidated financial statements described in notes 3.g and 11.

Based on the approach, the auditing procedures performed and the audit evidence obtained, we considered as acceptable the methodology and assumptions used by Management to assess the recoverable value presented in property, plant and equipment and their respective accounting records in the context of the individual and consolidated financial statements taken as a whole.

Other matters

Statements of value added

The individual and consolidated statements of value added (DVA) for the year ended December 31, 2020, prepared under the responsibility of the Company's management and presented as supplemental information for IFRS purposes, have been subject to auditing procedures which were performed together with the audit of the Company's financial statements. In forming our opinion, we evaluated if these statements are reconciled to the financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in Technical Pronouncement NBC TG 09 – Statement of Value Added. In our opinion, these statements of value added were appropriately prepared, in all material respects, according to the criteria defined in said technical pronouncement and are consistent in relation to the individual and consolidated financial statements taken as a whole.

Information other than the financial statements and auditor's report thereon

The Company's Management is responsible for this other information that is included in the Management Report. Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement in Management Report, we are required to report this fact. We have nothing to report in this regard.

Responsibility of management and those charged with governance for the individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of these individual and consolidated financial statements in accordance with accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the individual and consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements, unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative to avoid doing so.

Those charged with the Company's and its subsidiaries' governance are those responsible for overseeing the financial reporting process.

Auditor's responsibility for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements, taken as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. In addition, we:

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve override of internal control, collusion, forgery, intentional omissions or misrepresentations;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management;

- conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit and, consequently, for the audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we may have identified during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements, including those regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements for the current year and are, therefore, the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Rio de Janeiro, March 25, 2021

Marcio Romulo Pereira
Partner

Grant Thornton Auditores Independentes

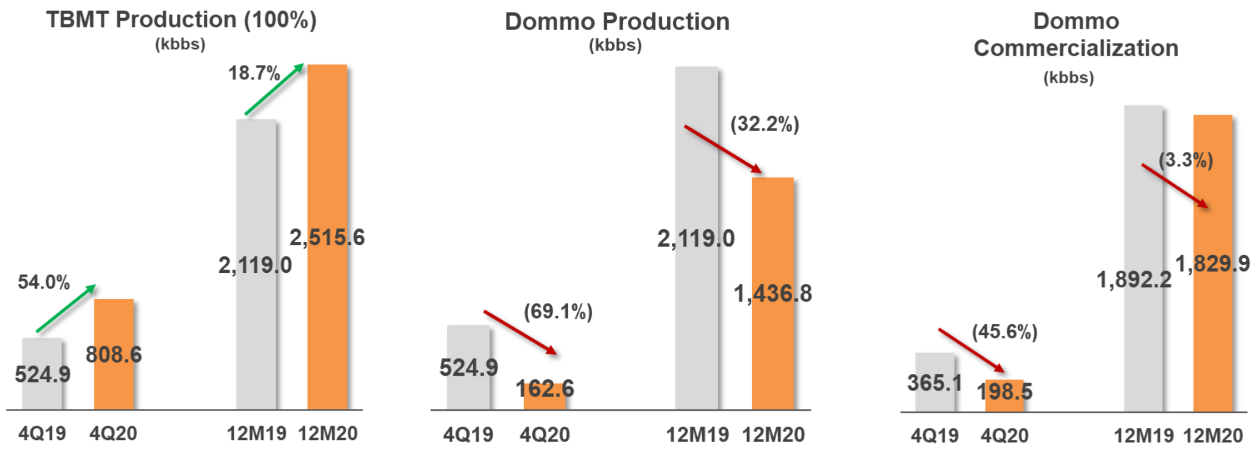
Management Report

Results for the Forth quarter of 2020

Dommo Energia S.A. ("Dommo Energia" or "Company") Management, in compliance with legal and statutory provisions, presents its results for the fourth quarter of 2020 ("4Q20"), as well as relevant subsequent events to the market. The data in this report refer to the 4Q20 period compared to 4Q19 and to 12M20 compared to 12M19 ("YoY"), except when otherwise specified.

Quarter Highlights

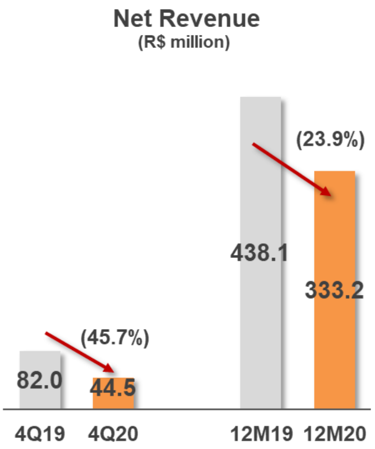
The fourth quarter and annual highlights are not fully comparable to previous periods, since as of August 3 2020, the Company's rights in Tubarão Martelo field ("TBMT") is 20%.

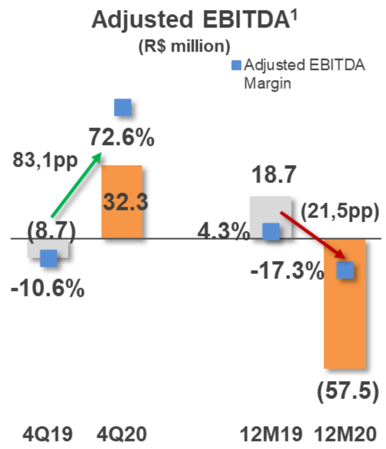


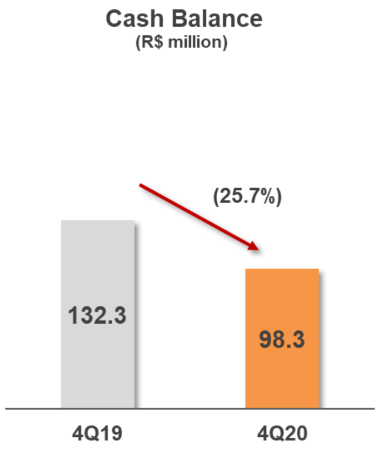
The volume produced in the 4Q20 by TBMT of 808.6 thousand barrels of oil represents a 54.0% increase in production in the field compared to the same period of the previous year and is the result of the operation of 5 producing wells in the 4Q20, compared to 3 producing wells during 4Q19. The annual production of 2,515,600 barrels of oil (+18.7% YoY) reflects the completion of the Revitalization and the start of operation of 2 additional producing wells during 2020, while in 2019 TBMT operated with only 3 wells.

The volume produced by the field referring to the Company's participation was 162.6 thousand barrels of oil in 4Q20. This figure is not comparable with the volume of 524.9 thousand barrels of oil in 4Q19, since in 4Q19 the Company held 100% of the production rights of TBMT.

For the same reason explained above, the volume commercialized by the Company in 4Q20 of 198.5 thousand barrels of oil is not comparable to the volume commercialized in 4Q19 of 365.1 thousand barrels of oil.







The decrease in revenue in 4Q20 is compatible with the decrease in the volume commercialized, which in turn is in line with the lower percentage of production rights in relation to previous periods. In the comparison between 12M20 and 12M19, the contraction in revenue is less pronounced. The lower percentage of production rights as of August 2020, the lower volume commercialized and the significant retraction of Brent, which registered an average price in 2020 of US$ 43.21 per barrel, compared to US$ 64.16 per barrel in 2019 (-32.7%), were partially offset by the 30.7% average devaluation of the Real in relation to 2019.

Adjusted EBITDA in 4Q20 of R$ 32.3 million (margin of 72.6%), captures the effects of the TBMT farm-out transaction, mainly represented by the operating cost ("OpEx") of US$ 840.0 thousand a month. The result for 4Q20 is not comparable with 4Q19, since the conditions of the periods are materially different, as well as the conditions of 12M20 and 12M19, making it difficult to compare periods directly.

MESSAGE FROM MANAGEMENT

The Company's result continues to reflect the effects of the COVID-19 pandemic, which has caused significant changes in fundamentals of energy supply and demand, with oil prices in particular experiencing significant volatility and decline since the beginning of 2020.

We also emphasize that the challenges faced since 2018 in the return to normality, as well as in the management of fiscal and regulatory liabilities from previous periods, have not dissipated and must be diligently considered by potential investors and current shareholders. Special attention is drawn to Financial Statement's Notes 1.3 (Continuity), 16 (Provisions) and 18 (Contingencies), where investors can find more details. It should also be noted that, since December 2018, the Company's balance sheet is characterized by negative shareholders' equity, and, therefore, the value of the Company's obligations is currently higher than the value of its assets. As always, Management will continue to strive to defend the interests of Dommo Energia and its shareholders.

On February 3, 2020, the Company informed its shareholders and the market in general, through a Material Fact [2], regarding the execution of a Farm-out Agreement ("Farm-out Agreement - FOA") and an Operation Agreement

[1] See Annex I for calculation of Adjusted EBITDA
[2] Material Fact February 3 2020

Joint Operating Agreement (JOA) regarding 80% of Tubarão Martelo Field ("TBMT") (FOA and JOA jointly "TBMT Transaction") with PetroRio Oleo e Gas Ltda ("PetroRio"). On August 3, 2020, the National Agency of Petroleum, Natural Gas and Biofuels - ANP approved [3] the TBMT Transaction, and the Company ceased to be an operator and started to hold a 20% share in the production rights of TBMT and OpEx limited to US$ 840.0 thousand per month. Accordingly, the effects of the TBMT Transaction were partially reflected in the 3Q20 result and are fully recorded as of 4Q20.

We point out that on August 18, 2020[4], the TBMT Revitalization, under the responsibility of the Company, with a total investment of US$ 58.3 million, was concluded, with the start of 7-TBMT-4HP well operation, increasing the field's production to approximately 10,000 barrels of oil per day, from 5 producing wells, compared to approximately 6,000 barrels of oil per day, from 3 producing wells prior to the Revitalization.

Finally, we highlight the recurring uncertainties and challenges arising from the fundamentals of the industry, which underwent significant changes in the patterns of energy supply and demand, as a result of the COVID-19 pandemic, which led to a material retraction in the demand for oil and oil products, and the uncertain scenario regarding the daily volume offered by OPEC and OPEC+, which has resulted in strong volatility in oil prices, and consequently in greater risk for the industry.

Shareholding Base

DMMO3 price (30/12/2020)	Outstanding shares	Market Cap
R$ 1.39 per share	**Ordinary: 307,948,654**	**R$ 428.0 million**

B3: DMMO3 (ON) | DMMO11 (Subscription bonus)

E&P ASSETS

The Company's E&P assets portfolio in the oil and gas sector is currently comprised of offshore blocks located in the Campos Basin and Santos Basin.

TUBARÃO AZUL FIELD

Oil production started in January 2012 at TBAZ, which remained in production until mid-2015, with approximately 6.5 million barrels of oil extracted. Considering that no economically feasible alternative was found to continue the activities in TBAZ, located at Campos Basin, it was requested the concession's return to ANP, as per the Material Fact disclosed on September 20, 2016. Dommo Energia, as operator, began in 2017 the processes of decommissioning of the field and abandonment of the wells, having completed this last activity in the 1Q18. TBAZ's decommissioning process is currently ongoing.

[3] Material Fact August 3 2020

[4] Material Fact August 18 2020

TUBARÃO MARTELO FIELD

TBMT encompasses the concession areas of BM-C-39 and BM-C-40 exploration blocks and is located in the Campos Basin, at a water depth of 110 meters, in the north coast of Rio de Janeiro State.

On August 3, 2020, the ANP granted the TBMT Transaction validity and effectiveness (“Approval”), with retroactive effect to February 3, 2020. With the Approval, the Company now has a 20% stake in the concession of the field and stopped being an operator. The TBMT Transaction also provides for the interconnection (“Tieback”) between the Polvo and TBMT fields, which will generate significant synergies.

In the table below, we highlight the phases of the TBMT Transaction and the main expected effects for the Company:

Changes for Dommo	BEFORE ANP approval	BEFORE Tieback	AFTER Tieback
TBMT life	Expected 2 to 3 years	Estimated:10 years	Estimated:10 years
Working interest - TBMT	100% Dommo	20% Dommo	20% Dommo
FPSO Charter	US$ 47.2 million / year	Zero	Zero
CapEx TBMT	100% Dommo	Zero	Zero
OpEx TBMT	100% Dommo	US$ 840 thousand per month	Zero
AbEx TBMT	100% Dommo R$ 408.1 million[1]	Zero	Zero
Rights	100% of TBMT oil	20% of TBMT oil	5% of TBMT + Polvo oil; 4% after 30 million barrels produced

[1] as of June 30, 2020

The TBMT Transaction is currently in the “BEFORE Tieback” phase. Until this phase is completed, the Company will be entitled to 20% of the oil produced and commercialized by TBMT, and the OpEx, corresponding to its participation in TBMT, equivalent to US$ 840.0 thousand per month. PetroRio will bear all costs related to the chartering (“Chartering”) of FPSO Bravo (new name of FPSO OSX-3) and future investments (“CapEx”) in the field, including the Tieback. Additionally, PetroRio assumed the 20% share of the Company related to the abandonment cost (“AbEx”) of TBMT.

PetroRio reported that it started the project to connect the Polvo and TBMT fields in August 2020 and also to connect the TBMT-10H-RJS well. According to the operator, the physical progress of the connection project is 42%, mainly comprising the design, ordering and start of manufacture of flexible pipes, risers, umbilicals and equipment that will connect Polvo’s WHP to the FPSO Bravo.

After the completion of the Tieback, estimated by PetroRio for mid-2021, the Company will be entitled to 5% of the total oil produced jointly by the Polvo and TBMT Fields up to the first 30 million barrels, and 4% of the oil after 30 million barrels produced. PetroRio, in turn, will assume 100% of the OpEx and will continue to be responsible for 100% of the Chartering, CapEx and AbEx of the TBMT.

ATLANTA AND OLIVA FIELD – BS-4 BLOCK

Block BS-4, comprised by Atlanta and Oliva Fields, is located in the post-salt region of the Santos Basin, located approximately 185 km from the coast, in water depth of approximately 1,550 meters. The Company originally acquired a 40% stake in the BS-4 consortium, which was originally comprised of Enauta with a 30% stake and Barra with the remaining 30%. The Atlanta Field started production on May 2, 2018.

As disclosed by Dommo Energia through the Material Fact on October 23, 2017[5], there is an arbitration procedure ("Arbitration") managed by London Court of International Arbitration – LCIA, concerning the Company and the other consortium partners ("Consortium"). On September 25, 2018, the Company received the arbitration judgment issued by the Arbitration Court ("Decision") in respect to the first phase of the Arbitration, which stated, among other things, that the notification issued by one of consortium partners on October 10, 2017 ("Notification"), was effective at the time it was issued. The Notification intended to exercise, without offer of payment, the option to demand the Company's exclusion from the Joint Operating Agreement – JOA, the Consortium agreement and the Concession agreement, all related to BS-4.

On January 28, 2019, the Company became aware of the sentence handed down by the arbitral tribunal regarding the second phase of the arbitral proceedings, in which the arbitral tribunal decided that the Company should pay the other consortium members the cash calls charged within the scope of the Consortium.

On April 8, 2019, the Company disclosed a Material Fact [6], announcing to its shareholders and the market in general that, on April 4, 2019, filed before the Cour d'appel (Court of Appeals), Paris, on the basis of Article 1520 of the French Civil Procedure Code, a lawsuit pleading for the arbitration award, rendered on September 24, 2018 in the arbitration procedure between the companies consorted for the operation of Block BS-4, to be considered null and void.

On June 24, 2019, the Company disclosed a Material Fact[7], about the notification of a decision by ANP's Board of Directors, made on June 19, 2019, authorizing the assignment of the Company's stake on Block BS-4 to the consortium partners, based on the use of the mandate clause included in the JOA. The Company understands that the decision is based on incorrect and misleading assumptions and information presented by the partners. In order to annul said ANP decision, Dommo Energia filed, on August 26, 2019, an arbitral proceeding ("Arbitral Procedure") against ANP and the other consortium partners, as disclosed in the Notice to the Market[8], on August 27, 2019.

On July 20, 2020, the Company was notified of the decision handed down in phase 3 of the Arbitration, which, among other issues, recognized the Notification as valid at the time it was made, having determined that Dommo Energia reimburse certain costs to the parties, allowing, also, the compensation of R$ 1.6 million of improper charges from the consortium operator. This decision is still pending the analysis of requests for clarification from the parties, as well as its approval by the STJ.

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[5] Material Fact October 23 2017
[6] Material Fact April 08 2019
[7] Material Fact June 24 2019
[8] Notice to the Market August 27 2019

The effects and the consequent enforceability of the arbitral awards handed down in the national territory are subject to the procedures for homologation of foreign judgments, in charge of the Superior Court of Justice - STJ, under the terms of the Federal Constitution and the current legislation.

The Operator Enauta disclosed material facts that brought to the Company's knowledge updates on production in the field, and Barra communicated its voluntary and unilateral withdrawal from the Consortium, which had its production suspended for a certain period, having been partially resumed. Considering such updates, Dommo Energia requested the extinction without resolution of the merit of the arbitration, without collection of relevant costs. The Defendants Enauta, Barra and ANP opposed the request, but must pay the costs to proceed with the arbitration. It is expected the payment of costs by defendants, or the closure the arbitration proceedings by the ICC.

We draw attention to the Subsequent Events, which contain information on the settlement agreement with Barra, concluded after December 31, 2020.

It should be clarified that the Company still has other arbitration proceedings in different jurisdictions related to Block BS-4 involving Enauta and ANP, which are set out in Note 1.2.

Operational Performance

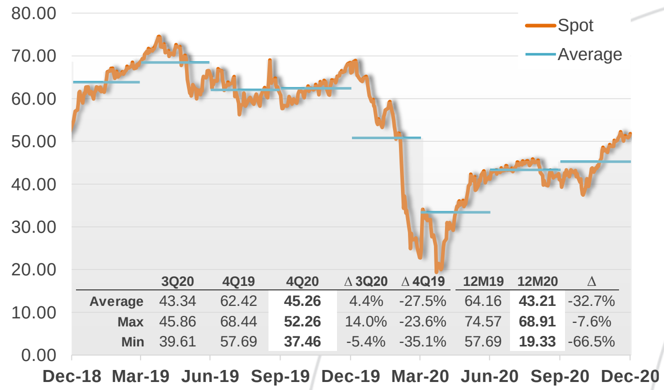
From the macroeconomic perspective, two factors that are relevant to the Company's performance: (i) oil price; and (ii) exchange rate.

Brent Prices

Oil prices continue to experience significant volatility as a result of the COVID-19 pandemic which caused significant changes in fundamentals of energy supply and demand. As of 3Q20, prices began to show a recovery compared to the first half of 2020, but remained at a level well below the prices of 2019, impacting the entire industry.

Brent Prices

US$ per barrel (Source: Bloomberg)



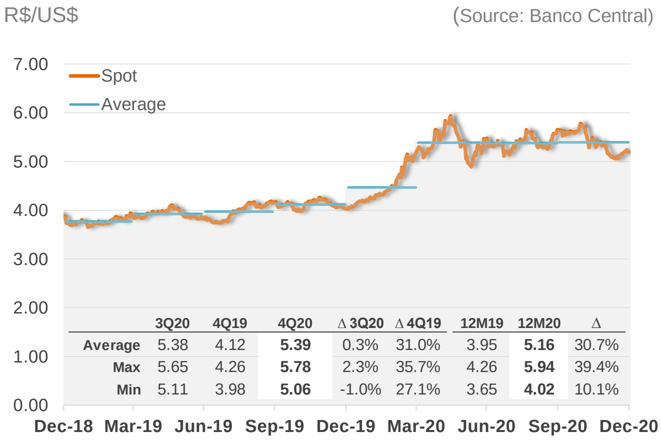
	3Q20	4Q19	4Q20	Δ 3Q20	Δ 4Q19	12M19	12M20	Δ
Average	43.34	62.42	**45.26**	4.4%	-27.5%	64.16	**43.21**	-32.7%
Max	45.86	68.44	**52.26**	14.0%	-23.6%	74.57	**68.91**	-7.6%
Min	39.61	57.69	**37.46**	-5.4%	-35.1%	57.69	**19.33**	-66.5%

Brent's average price in 4Q20 was US$ 45.26 per barrel, a recovery of 4.4% compared to the average price in 3Q20, but still representing a 27.5% retraction in relation to the average price of US$ 62.42 per barrel from the same period in 2019. The average price of 2020 was US$ 43.21 per barrel, a retraction of 32.7% in relation to the 2019 average price of US$ 64.16 per barrel.

Exchange Rate

Concerns about the economic effects of the COVID-19 pandemic continue to drive volatility and Real devaluation. Although governments have introduced fiscal and monetary responses globally, the prospects for a global economic downturn remain resilient. In the domestic environment, the uncertainties of the effects of COVID-19 on economic activity, doubts on the capacity of monetary stimulus that the government can maintain and the slowness of administrative and fiscal reforms, coupled with continuous political noise, are factors that give more strength to the volatility and devaluation of the exchange rate.

Exchange Rate



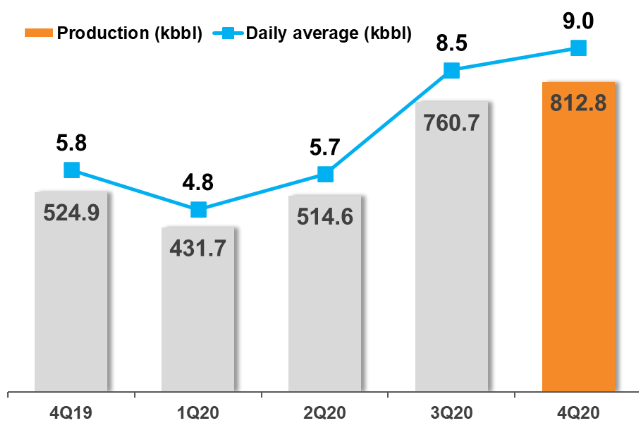
While in the comparison between 4Q20 and 3Q20, the exchange rate remained relatively stable, with an average rate of R$/US$ 5.39, the volatility and devaluation in the YoY comparison is more accentuated, with an average rate in 2020 of R$/US$ 5.16 against the average rate of R$/US$ 3.95 in 2019.

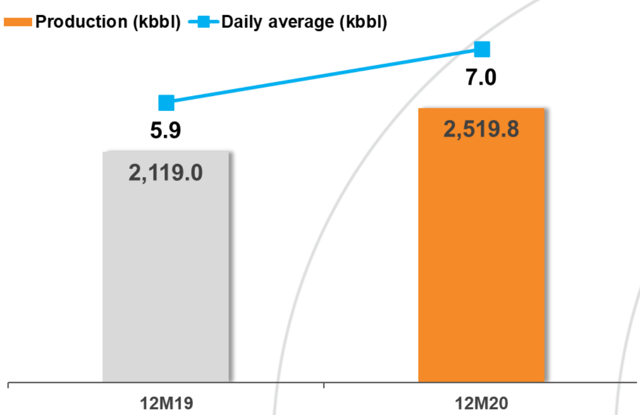
Operational Data

Due to the approval of the TBMT Transaction on August 3, 2020, we highlight below the operational data related to 100% of TBMT, as well as the share attributed to the Company.

TBMT Field

The Revitalization of the field was completed, with well 7-TBMT-2HP going into operation on June 25, 2020, and well 7-TBMT-4HP on August 18, 2020, making 5 wells in operation.



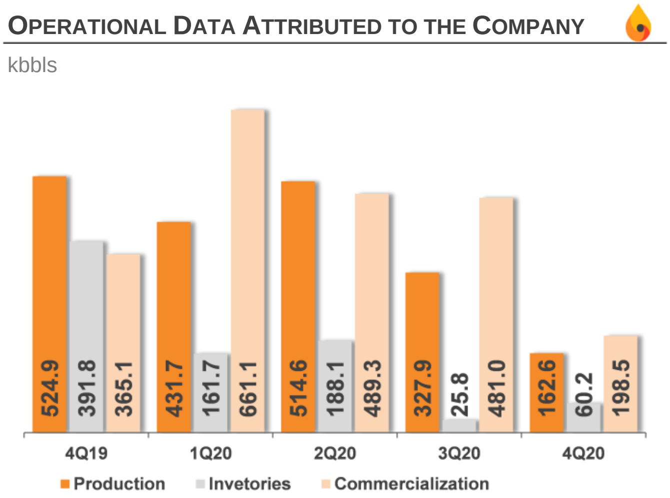


With five producing wells in operation, TBMT recorded production in 4Q20 of 812.8 thousand barrels, representing an increase of 54.8% compared to 4Q19, when 524.9 thousand barrels were produced from the operation of 3 producing wells. In 2020, production reached 2,519.8 thousand barrels compared to 2,119.0 thousand barrels in

2019, an increase of 18.9%. The increase in production, notably as of 3Q20, is due to the conclusion of the Revitalization and the start-up of two production wells, which contributed to the increase in the average daily production of 8,500 barrels in 3Q20 and 9,000 barrels in 4Q20.

Participation attributed to the Company

The volume of production attributed to the Company in 4Q20 was 162.6 thousand barrels, being the lower volume, when compared to 3Q20 and 4Q19, attributed to the 20% stake in effect as of August 3, 2020. The graph aside shows the history of the operational data, with the periods starting in 3Q20 not being comparable to the previous quarters due to the different participation of the Company in the TBMT.



In 2020, the volume of production attributed to the Company was 1,436.8 thousand barrels compared to 2,119.0 thousand barrels in 2019 (-32.2%), a decrease due to the lower participation in production rights as of August 2020.

Financial Highlights

The financial information is presented on a consolidated basis, in million reais, and were prepared in accordance with accounting principles adopted in Brazil including the pronouncements issued by the *Comitê de Pronunciamentos Contábeis* – CPC, Brazilian accounting committee, and by the International Financial Reporting Standards – IFRS, issued by the International Accounting Standards Board – IASB.

Since the beginning of 2019, the results disclosure adheres to the disclosure requirements on the new lease standard (CPC 06 (R2) | IFRS 16), with the main impacts in the Company related to:

- Balance sheet: book value of rights-of-use assets and the corresponding headings
- Income statement: amortization expenses of the right-of-use assets and financial expenses linked to the lease

The financial highlights reflect the terms of the TBMT Transaction in effect as of the Approval. The periods 4Q19, 4Q20, 12M19 and 12M20 are not directly comparable, as they reflect different economic and operational conditions and terms.

Key Indicators

R$ million	4Q19	4Q20	Δ	12M19	12M20	Δ
Average exchange rate (R$/US$)	4.12	5.39	31.0%	3.95	5.16	30.7%
Volume traded (kbbls)	365.1	198.5	-45.6%	1,892.2	1,829.9	-3.3%
Net revenue	82.0	44.5	-45.7%	438.1	333.2	-23.9%
Cost of goods sold (CGS)	(75.7)	(21.2)	71.9%	(383.5)	(368.0)	4.0%
Gross profit / (loss)	6.3	23.3	270.2%	54.6	(34.8)	-163.8%
Gross profit margin	7.7%	52.3%	45 p.p.	12.5%	-10.5%	-23 p.p.
Adjusted EBITDA	(8.7)	32.3		18.7	(57.5)	
Adjusted EBITDA margin	-10.6%	72.6%	83 p.p.	4.3%	-17.3%	-22 p.p.
Net profit (loss)	(6.4)	77.2		(126.5)	(328.6)	

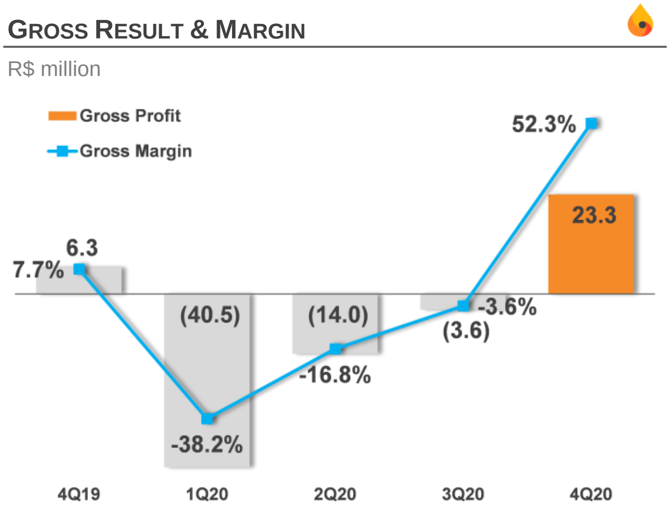
The sharp contraction and strong volatility in Brent's quotations were the major challenges for the Company and the industry in 2020.

Despite the retraction in volumes, the 4Q20 result is greater than the same period in 2019, as shown by the evolution of gross profit, gross margin, as well as Adjusted EBITDA. The monthly OpEx of US$ 840.0 thousand is the main driver in the evolution of metrics, having also contributed, to a lesser extent, the 4.4% average recovery of Brent in 4Q20 compared to 3Q20. In relation to 4Q19, the average devaluation of 31.0% in the Real offset the 27.5% decline in Brent in 4Q20 compared to 4Q19.

In the comparison between 12M20 and 12M19, the contraction in revenue is less pronounced. The lower percentage of production rights as of August 2020, the lower volume commercialized and the significant retraction of Brent, which registered an average price in 2020 of US$ 43.21 per barrel against US$ 64.16 per barrel in 2019, (-32.7%), were partially offset by the 30.7% average devaluation of the Real in relation to 2019.

GROSS RESULT

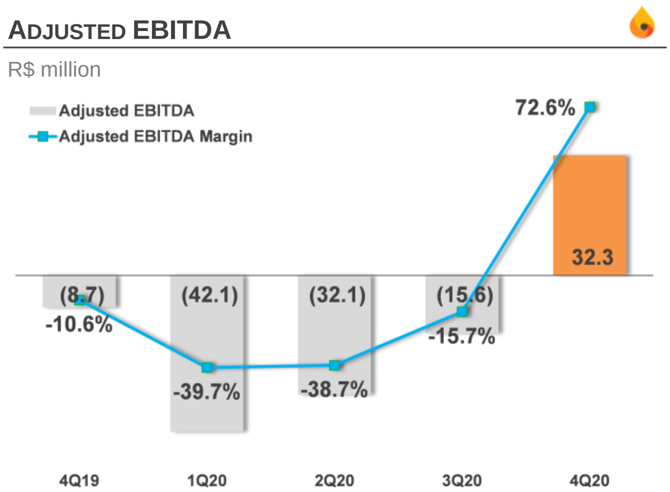
When analyzing the 4Q20 result, it is necessary to consider the following factors ("Factors"): (i) it is the first quarter to fully reflect the effects of the TBMT Transaction, that is, a monthly OpEx of US$ 840.0 thousand and 20% on production rights; (ii) despite the lower volume sold, during 4Q20 the average Brent appreciated 4.4% compared to 3Q20; (iii) in relation to 4Q19, the average Brent remained at a lower level (-27.5%), which was offset by the 31.0% devaluation of the Real. These factors contributed to the gross result of R$ 23.3 million in 4Q20 and a gross margin of 52.3%.



ADJUSTED EBITDA

The analysis of 4Q20 EBITDA and Adjusted EBITDA should also consider the Factors.

EBITDA in 4Q20, according to CVM Instruction 357, was R$ 87.7 million, compared to R$ 4.6 million in 4Q19. In 12M20, the result is a negative EBITDA of R$ 127.7 million, compared to a negative R$ 22.7 million in 12M19.



In terms of Adjusted EBITDA, in 4Q20 it was R$ 32.3 million, a margin of 72.6%, compared to the negative Adjusted EBITDA of R$ 8.7 million in 4Q19. In 12M20, the result was a negative R$ 57.5 million (negative margin of 17.3%), compared to a positive R$ 18.7 million in 12M19.

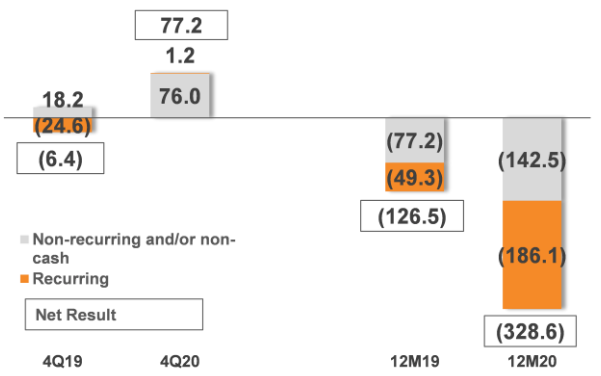
Adjusted EBITDA at 12M20 reconciles: (i) impairment without cash effect of R$ 1,786.5 million; (ii) non-cash and non-recurring effects arising from the TBMT Transaction of R$ 1,463.3 million; (iii) impacts, write-offs and effects of IFRS 16 of R$ 128.8 million; (iv) PIS and Cofins on financial result of R$ 144.5 million; and (v) workover of R$ 95.4 million. Reconciliation is demonstrated in Annex I of this report.

Net Result

For cash effect analysis, net income should be adjusted, as a relevant portion of the result is attributed to non-recurring income without cash effect ("Adjustment"). The graph aside illustrates the breakdown of net results.

Net Result Breakdown

R$ million



In 4Q20, the Company recorded a net profit of R$ 77.2 million. When considering the Adjustment of R$ 76.0 million, the Company shows net profit of R$ 1.2 million compared to net loss of R$ 24.6 million in 4Q19. The Adjustment in 4Q20 comprises the reconciliation of the following effects:

- Positive: (i) workover of R$ 6.1 million; and (ii) non-cash provisions of R$ 16.6 million;
- Negative: (iii) write-off of impairment of R$ 1.2 million; (iv) net exchange variation gain of R$ 20.7 million; and (v) PIS/Cofins on financial result of R$ 76.9 million.

In 12M20, the net loss of R$ 328.6 million, consists of a recurring negative result of R$ 142.6 million and a non-recurring negative result and / or without cash effect of R$ 186.1 million, composed of:

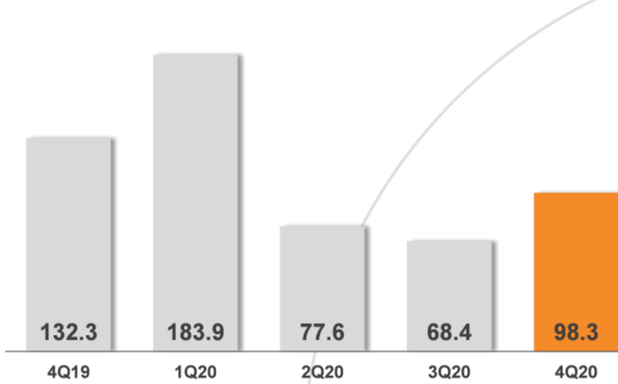
- Positive: (i) non-cash and non-recurring effects resulting from the TBMT Transaction of R$ 1,463.3 million; (ii) IFRS 16 effects on TBMT of R$ 90.2 million; (iii) PIS/Cofins on financial result of R$ 144.5 million; (iv) workover of R$ 95.4 million; (v) provisions with no cash effect of R$ 24.7 million; and (vi) loss of net exchange variation of R$ 110.8 million;
- Negative: (vii) write-off of impairment of R$ 1,786.5 million.

Assets

With the Approval, the Company's Total Assets, which in 4Q19 amounted to R$1,339.7 million, ended 4Q20 at R$ 289.8 million, mainly due to the write-off of Right of Use, which went from R$ 824.4 million in 4Q19 to R$ 4.8 million in 4Q20, and decrease in fixed assets, which went from R$ 178.8 million in 4Q19 to R$ 35.2 million in 4Q20.

Cash Balance

R$ million



Current Assets in 4Q20 of R$ 128.5 million correspond to 44.3% of Total Assets and are mainly composed of (i) cash, cash equivalents and restricted deposits of R$ 98.3 million; (ii) other credits in the amount of R$ 20.0 million, mainly composed of the judicial deposit in favor of ANP; (iii) oil stock of R$ 6.5 million and (iv) accounts receivable of R$ 3.6 million.

LIABILITIES

The balance sheet Liability accounts also reflect the effects of the Approval. The main adjustments to Liabilities are related to: (i) decrease in the value of Leases payable to R$ 4.8 million (R$ 785.7 million in 4Q19); (ii) full write-off of the TBMT abandonment provision, which was R$ 291.5 million in 4Q19.

The non-current liabilities of R$ 684.9 million, are now essentially composed of (i) provisions for contingencies and regulatory commitments in the amount of R$ 231.7 million; (ii) provisions for the obligation to abandon exploratory fields in the amount of R$ 71.6 million; and (iii) provisions for environmental compensation in the amount of R$ 74.0 million. The provision for deferred PIS/Cofins of R$ 307.5 million is due to unrealized monetary variation revenues.

In 4Q20, as disclosed, a capital increase in the amount of R$ 43.2 million was concluded and ratified, resulted from the capitalization of credits, through the private issue of 37,908,426 (thirty-seven million, nine hundred and eight thousand, four hundred and twenty-six) new common shares, registered, book-entry and without par value. We emphasize that the shareholders' equity remains negative at R$ 754.4 million, therefore, the value of the Company's obligations is higher than the value of its assets, reflecting so many challenges that are still faced for the return to normal activities, as well as the oil and gas industry.

CORONAVIRUS (COVID-19)

Since the beginning of the pandemic, the Company has followed all prevention guidelines from the Ministry of Health to protect its employees and its operations against the threats being presented by COVID-19. In addition, we adopted remote work and the HSE area implemented a Contingency Plan in accordance with the health and safety protocols established by the authorities and agencies.

The Company acknowledges the recommendation from the Brazilian Securities and Exchange Commission - CVM, through OFÍCIO CIRCULAR / CVM/SNC/SEP/nº 02/2020, in which it highlights the importance of the Companies to consider the impacts of the coronavirus ("COVID-19") in their business and disclose the potential risks and uncertainties, if any, arising from this analysis, taking into account the applicable accounting standards.

As of the date of this quarterly information, the Company continues to monitor and observe the evolution of COVID-19 and, to date, has not identified significant changes in the use of judgment or changes in the preparation of estimates practiced and disclosed in the notes 1.3, 10, 11, 11b, 12, 13, 16, 18 and 28. The Company cannot foresee the extent and duration of the measures adopted by the government and, therefore, cannot predict the direct and indirect impacts of COVID-19 on its business, operating results and financial condition.

Subsequent Events

Oil Hedge

In February 2021 the Company contracted protection against oil price fluctuations. Put options were bought, with a strike price of US$ 50.00 per barrel, for the volume of 624 thousand barrels of oil related to oil sales between the months of February 2021 until March 2022.

Settlement agreement in arbitral and judicial disputes with Grupo Barra

On March 17, 2021, the Company communicated to its shareholders and the market in general that, together with its subsidiaries Dommo Netherlands Holding B.V. and Dommo Netherlands B.V., it entered into a settlement agreement with Barra Energia do Brasil Petróleo e Gás Ltda. and FR Barra 1 S.À RL (jointly “Grupo Barra”), in which the parties mutually withdrew from proceeding with the arbitration and judicial disputes, related to the disputed share in Block BS-4 (“BS-4”) between the Company and Grupo Barra, and granted release.

The arbitration and judicial disputes related to the remaining share of the Company in BS-4 continue in relation to Queiroz Galvão Exploração e Produção S.A., currently denominated Enauta Energia S.A., and the National Agency of Petroleum, Natural Gas and Biofuels.

Capital increase through credit capitalization

On March 22, 2021, the Board of Directors approved the capital increase of the Company, through the capitalization of credits, held by the Pinheiro Guimarães Advogados Law Firm (“PGA”), within the authorized capital limit, in the amount of R$ 1,883,512.29, with the private issue of 2,134,695 (two million, one hundred and thirty-four thousand, six hundred and ninety-five) new common shares, registered, book-entry and without par value, under the terms of article 170 of the Brazilian Corporate Law. The details of the Capital Increase are contained in the Notice to Shareholders disclosed to the market and shareholders in general on March 22, 2021.

Disclaimer

ANNEX I – PROFIT & LOSS

R$ million

Income Statement	4Q19	4Q20	Δ	12M19	12M20	Δ
Net sales revenue	**82.0**	**44.5**	**-45.7%**	**438.1**	**333.2**	**-23.9%**
Cost of goods sold	(75.7)	(21.2)	-71.9%	(383.5)	(368.0)	-4.0%
Gross profit (loss)	**6.3**	**23.3**	**270.2%**	**54.6**	**(34.8)**	**-163.8%**
Operating expenses						
General and administrative expenses	(20.1)	(12.5)	-37.9%	(65.8)	(62.7)	-4.7%
Other operating income (expenses)	36.2	69.6	92.3%	8.5	(1,868.7)	-21973.8%
(Provision for)/realization/reversal of impairment	(32.4)	1.2	-103.7%	(88.1)	1,786.5	-2126.8%
Provision for loss of subsidiaries	-	-	n.a.	-	-	n.a.
Provision for realization of CTA	-	-	n.a.	-	-	n.a.
Equity in the earnings (losses) of subsidiaries	1.8	(0.2)	-111.8%	4.2	0.1	-98.8%
Results before financial result and taxes on income	**(8.2)**	**81.4**	**-1088.1%**	**(86.5)**	**(179.6)**	**107.5%**
Financial result						
Financial revenue	1.1	0.1	-86.5%	18.2	1.7	-90.9%
Financial expenses	(9.2)	(25.0)	172.0%	(50.9)	(39.8)	-21.9%
Net exchange variation	10.0	20.7	107.4%	(7.2)	(110.8)	1435.9%
Profit (loss) before taxes on income	**(6.4)**	**77.2**	**-1313.1%**	**(126.5)**	**(328.6)**	**159.7%**
Income tax and social contribution	-	-	n.a.	-	-	n.a.
Net profit (loss) for the period	**(6.4)**	**77.2**	**-1313.1%**	**(126.5)**	**(328.6)**	**159.7%**

Accounts reconciliation - Adjusted EBITDA Calculation	4Q19	4Q20	Δ	12M19	12M20	Δ
Net sales revenue	**82.0**	**44.5**	-45.7%	**438.1**	**333.2**	-23.9%
Net profit (loss) for the period	**(6.4)**	**77.2**	-1313.1%	**(126.5)**	**(328.6)**	159.7%
Adjustments						
Income tax and social contribution	-	-	n.a.	-	-	n.a.
Financial result	(1.9)	4.1	-321.6%	40.0	149.0	272.7%
Depreciation and amortization	12.8	6.3	-50.6%	63.8	51.9	-18.7%
EBITDA in compliance with CVM Rule nº 527, art. 3	**4.6**	**87.7**	1820.5%	**(22.7)**	**(127.7)**	462.2%
Other adjustments						
IFRS 16	(5.0)	(0.0)	-99.3%	(28.6)	38.6	-235.2%
Non-cash and non-operating provisions	(16.1)	16.6	-203.1%	(42.3)	24.7	-158.4%
Provision for inventory loss	-	-	n.a.	0.0	0.1	2400.0%
PIS and COFINS over financial result[a]	(24.5)	(76.9)	213.7%	24.1	144.5	499.0%
Impairment[b]	32.4	(1.2)	-103.7%	88.1	(1,786.5)	-2126.8%
Provision for loss of subsidiaries	-	-	n.a.	-	-	n.a.
Provision for realization of CTA	-	-	n.a.	-	-	n.a.
Deal TBMT - Non cash	-	-	n.a.	-	1,463.3	n.a.
Write off IFRS 16 - TBMT	-	-	n.a.	-	90.2	n.a.
Workover	-	6.1	n.a.	-	95.4	n.a.
Adjusted EBITDA	**(8.7)**	**32.3**	-473.0%	**18.7**	**(57.5)**	-407.6%
Adjusted EBITDA margin	-10.6%	72.6%	83 p.p.	4.3%	-17.3%	-22 p.p.

(a) Result derived from non-cash income from currency exchange rate variation. Accounted in the P&L under operational expenses. Reconciled to avoid misinterpretation in EBITDA's analysis.

(b) Similar impact to depreciation and doesn't represent cash impact. Reconciled to avoid misinterpretation in EBITDA's analysis.

ANNEX II – BALANCE SHEET

R$ million

Assets	4Q20	4Q19	Δ
Current assets			
Cash and cash equivalents	94.0	125.7	(31.7)
Restricted cash	-	-	-
Marketable securities	-	-	-
Escrow deposits	4.3	6.6	(2.2)
Accounts receivable	3.6	-	3.6
Oil inventory	6.5	81.2	(74.7)
Credits with related parties	-	-	-
Other credits and prepaid expenses	20.0	7.4	12.6
	128.5	**220.8**	**(92.3)**
Non current			
Long-term assets	**121.3**	**111.6**	**9.7**
Escrow deposits	-	-	-
Materials and supplies	13.9	13.9	-
Loans with related parties	-	-	-
Taxes and contributions recoverable	107.4	97.7	9.7
Deferred income taxes	-	-	-
Credits with related parties	-	-	-
Right-of-use assets	**4.8**	**824.4**	**(819.5)**
Investments	**0.1**	**4.2**	**(4.2)**
Fixed assets	**35.2**	**178.8**	**(143.6)**
Intangible	**0.0**	**0.0**	**-**
Total Asset	**289.8**	**1,339.7**	**(1,049.9)**

Liabilities	4Q20	4Q19	Δ
Current			
Trade payables	150.2	40.7	109.5
Taxes, contributions and government takes	45.4	41.7	3.7
Salaries and payroll taxes	12.4	24.8	(12.4)
Accounts payable to related parties	-	25.5	(25.5)
Sundry provisions	0.8	0.6	0.2
Borrowings and financing	-	-	-
Rentals payable	1.6	203.6	(202.0)
Other accounts payable	148.8	124.6	24.2
	359.3	**461.6**	**(102.3)**
Non current			
Sundry provisions	374.2	615.5	(241.3)
Rentals payable	3.2	582.1	(578.9)
Deferred PIS/COFINS	307.5	163.0	144.5
	684.9	**1,360.6**	**(675.8)**
	684.9	**1,360.6**	**(675.8)**
Shareholders' equity			
Paid-in capital	455.6	412.4	43.2
Shares held in treasury	-	-	-
Capital Reserve	(159.2)	(159.2)	-
Currency translation adjustments	75.3	61.8	13.5
Retained earnings (deficit)	(1,126.1)	(797.5)	(328.6)
	(754.4)	**(482.5)**	**(271.9)**
Total Liability + Shareholders' equity	**289.8**	**1,339.7**	**(1,049.9)**

ANNEX III – CASH FLOW

R$ million

Cash flow	4Q19	4Q20	Δ
Cash flows from operating activities			
Profit (loss) for the period	(126.5)	(328.6)	159.7%
Adjustments to reconcile results to cash flows from operating activities:			
Depreciation of fixed assets and amortization of intangible assets	63.8	52.1	-18.3%
Equity in the earnings (losses) of subsidiaries	(4.2)	(0.1)	-98.8%
Adjustment of the provision for stock option guarantees	(2.8)	0.2	-107.0%
Impairment	88.1	(1,786.5)	-2126.8%
Provision for loss of subsidiaries	-	-	n.a.
Reversal of provision for inventory losses	0.0	0.0	66.7%
Sundry provisions	(13.8)	31.8	-330.1%
Unrealized exchange variation on financing - assets and liabilities	-	-	n.a.
Interest/charges on financing - provisioned assets and liabilities	-	15.0	n.a.
Deferred income tax and social contribution	-	-	n.a.
Deferred PIS and COFINS	24.1	144.5	499.0%
Interest and exchange variation on provision for ARO	29.8	137.0	360.5%
Deal TBMT	-	1,572.1	n.a.
Fair value adjustment of financial assets	(12.7)	-	-100.0%
Interest arising from the adoption of IFRS 16	9.6	(9.5)	-199.7%
Cost adjustment of the product sold as a result of the adoption of IFRS 16	(38.1)	48.2	-226.3%
Others	(0.0)	17.2	-573466.7%
Cash provided by (used in) operations	**17.2**	**(106.6)**	-718.6%
Changes in assets and liabilities:			
Other credits and related parties	(38.8)	(38.2)	-1.6%
Income tax, social contribution and other recoverable taxes	1.6	(9.7)	-700.4%
Trade accounts receivable	-	(3.6)	n.a.
Inventories	(61.0)	65.4	-207.3%
Escrow deposits	(3.3)	2.2	-167.3%
Marketable securities	113.4	-	-100.0%
Restricted cash	-	-	n.a.
Trade accounts payable	4.8	116.0	2314.2%
Salaries and payroll charges	12.8	(12.4)	-196.6%
Income and social contribution taxes, government stakes and other taxes payable	6.3	3.7	-40.8%
Sundry provisions	(0.7)	(2.8)	287.1%
Other accounts payable	3.4	24.2	621.1%
	38.4	**144.9**	277.2%
Net cash operating activities	**55.7**	**38.3**	-31.1%
Cash flows from investing activities			
Acquisition of fixed assets	-	-	n.a.
Sale of fixed assets	0.0	-	-100.0%
Acquisition of intangible assets	(87.3)	(91.8)	5.1%
Net cash provided by (used in) investments activities	**(87.3)**	**(91.8)**	5.1%
Cash flows from financing activities			
Sale of shares of OGPar by Dommo	0.0	-	-100.0%
Loans	-	24.0	n.a.
Loan amortization	-	(2.3)	n.a.
OGpar consolidation cash	-	-	n.a.
Net cash provided by (used in) financing activities	**0.0**	**21.8**	
Variation in cash and cash equivalents	**(31.6)**	**(31.7)**	0.1%
Variation in cash and cash equivalents			
Opening balance of cash and cash equivalents	157.3	125.7	-20.1%
Closing balance of cash and cash equivalents	125.7	94.0	-25.2%
Variation in cash and cash equivalents	**(31.6)**	**(31.7)**	0.1%

Dommo Energia S.A.

Statements of financial position as at December 31, 2020 and 2019

(Amounts in thousands of Brazilian reais - R$)

	Note	Parent Company 12/31/2020	Parent Company 12/31/2019	Consolidated 12/31/2020	Consolidated 12/31/2019
Current					
Cash and cash equivalents	**5**	3,105	15,209	93,994	125,670
Oil inventories	**8**	6,572	85,389	6,520	81,173
Escrow deposits	**6**	4,336	3,368	4,336	6,583
Accounts receivable	**7**	-	-	3,594	-
Other credits and prepaid expenses	**9**	19,951	7,673	20,022	7,386
Total current assets		**33,964**	**111,639**	**128,466**	**220,812**
Non-current					
Long-term assets					
Inventories	**8**	-	-	13,923	13,923
Loans and financing with related parties	**14**	18,562,304	14,706,363	-	-
Taxes recoverable	**13**	88,088	86,605	107,369	97,654
Credits with related parties	**14**	554,769	431,545	-	-
		19,205,161	**15,224,513**	**121,292**	**111,577**
Right of use	**32**	4,828	824,370	4,828	824,370
Investments	**10**	91,458	47,768	51	4,216
Fixed assets	**11**	33,798	177,690	35,165	178,751
Intangible assets	**12**	10	10	10	10
Total non-current assets		**19,335,255**	**16,274,351**	**161,346**	**1,118,924**
Total assets		**19,369,219**	**16,385,990**	**289,812**	**1,339,736**

The Company's accompanying notes are an integral part of the financial statements.

Dommo Energia S.A.

Statements of financial position as at December 31, 2020 and 2019

(Amounts in thousands of Brazilian reais - R$)

		Parent Company		Consolidated	
	Note	**12/31/2020**	**12/31/2019**	**12/31/2020**	**12/31/2019**
Liabilities					
Current					
Trade accounts payable	**15**	143,337	40,237	150,185	40,697
Total taxes, contributions and government stakes payable	**13**	45,460	41,699	45,449	41,706
Salaries in payroll charges		12,384	24,752	12,384	24,752
Accounts payable to related parties	**14**	247,190	191,536	-	25,540
Sundry provisions	**16**	844	646	844	646
Leases payable	**32**	1,617	203,610	1,617	203,610
Other accounts payable	**17**	85,717	76,233	148,828	124,628
Total current liabilities		**536,549**	**578,713**	**359,307**	**461,579**
Non-current					
Loans and financing with related parties	**14**	18,279,612	14,446,241	-	-
Accounts payable to related parties	**14**	622,553	482,879	-	-
Sundry provisions	**16**	374,183	615,530	374,183	615,530
Leases payable	**32**	3,182	582,111	3,182	582,111
Deferred PIS and COFINS	**13**	307,502	162,994	307,502	162,994
Total non-current liabilities		**19,587,032**	**16,289,755**	**684,867**	**1,360,635**
Equity (unsecured liabilities)					
Capital stock	**19**	455,615	412,399	455,615	412,399
Capital reserves	**19**	(159,192)	(159,192)	(159,192)	(159,192)
Currency translation adjustments		75,280	61,808	75,280	61,808
Accumulated losses		(1,126,065)	(797,493)	(1,126,065)	(797,493)
Equity (unsecured liabilities)		**(754,362)**	**(482,478)**	**(754,362)**	**(482,478)**
Total liabilities and equity (unsecured liabilities)		**19,369,219**	**16,385,990**	**289,812**	**1,339,736**

The Company's accompanying notes are an integral part of the financial statements.

Dommo Energia S.A.

Statements of income (operations)

Years ended December 31, 2020 and 2019

(In thousands of Reais, except for basic and diluted earnings (loss) per share

		Parent Company		Consolidated	
	Note	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Net sales revenue	**20**	321,587	417,801	333,225	438,118
Cost of products sold	**21**	(388,659)	(402,902)	(368,049)	(383,500)
Gross profit		**(67,072)**	**14,899**	**(34,824)**	**54,618**
Operating expenses					
General and administrative expenses	**22**	(42,833)	(60,140)	(62,661)	(65,776)
Other operating (expenses) revenues	**24**	(1,868,005)	(16)	(1,868,677)	8,543
Impairment	**25**	1,763,970	(105,398)	1,786,518	(88,144)
Equity in the earnings (losses) of subsidiaries	**10**	(1,258,291)	(121,081)	51	4,216
		(1,405,159)	**(286,635)**	**(144,769)**	**(141,161)**
Results before financial result		**(1,472,231)**	**(271,736)**	**(179,593)**	**(86,543)**
Financial result					
Financial revenue	**23**	5,685	8,055	1,654	18,167
Financial expenses	**23**	(38,252)	(27,497)	(39,788)	(50,923)
Net exchange variation	**23**	1,176,226	164,662	(110,845)	(7,217)
		1,143,659	**145,220**	**(148,979)**	**(39,973)**
Loss before taxes on income		**(328,572)**	**(126,516)**	**(328,572)**	**(126,516)**
Income tax and social contribution	**13**	-	-	-	-
Loss for the year		**(328,572)**	**(126,516)**	**(328,572)**	**(126,516)**
Basic and diluted loss per share - (In R$)	**31**	**(1.20654)**	**(0.46851)**		

The Company's accompanying notes are an integral part of the financial statements.

Dommo Energia S.A.

Statements of comprehensive income

Years ended December 31, 2020 and 2019

(Amounts in thousands of Brazilian reais - R$)

	Parent Company and Consolidated	
	12/31/2020	**12/31/2019**
Loss for the period	(328,572)	(126,516)
Currency translation adjustments	13,472	993
Total comprehensive income	**(315,100)**	**(125,523)**

The Company's accompanying notes are an integral part of the financial statements.

Dommo Energia S.A.

Statements of changes in equity (unsecured liabilities)

Years ended December 31, 2020 and 2019

(Amounts in thousands of Brazilian reais - R$)

	Note	Capital stock	Treasury shares	Capital reserve	Currency translation adjustments	Accumulated losses	Total
Balances as of January 1, 2019		**10,250,677**	**(21,646)**	**1,727,383**	**60,815**	**(12,393,579)**	**(376,350)**
Capital increase	**19**	7	-	-	-	-	7
Capital reduction due to absorption of accumulated losses	**19**	(11,722,602)	-	-	-	11,722,602	-
Reflex effect from other comprehensive income in subsidiaries		-	-	(2,258)	-	-	(2,258)
OGPar shares Treasury		-	21,646	-	-	-	21,646
Currency translation adjustments	**10**	-	-	-	993	-	993
Loss for the year		-	-	-	-	(126,516)	(126,516)
Incorporation of reserve balances	**19**	1,884,317	-	(1,884,317)	-	-	-
Balance on December 31, 2019		**412,399**	**-**	**(159,192)**	**61,808**	**(797,493)**	**(482,478)**
Capital increase	**19.a**	43,216	-	-	-	-	43,216
Currency translation adjustments	**10**	-	-	-	13,472	-	13,472
Loss for the period		-	-	-	-	(328,572)	(328,572)
Balance on December 31, 2020		**455,615**	**-**	**(159,192)**	**75,280**	**(1,126,065)**	**(754,362)**

The Company's accompanying notes are an integral part of the financial statements.

Dommo Energia S.A.

Statement of cash flows

Years ended December 31, 2020 and 2019

(Amounts in thousands of Brazilian reais - R$)

		Parent Company		Consolidated	
	Note	**12/31/2020**	**12/31/2019**	**12/31/2020**	**12/31/2019**
Cash flow from operating activities		**(328,572)**	**(126,516)**	**(328,572)**	**(126,516)**
Loss for the period					
Adjustments to reconcile results to cash flows from operating activities:					
Depreciation of fixed assets and amortization of intangible assets	**11**	29,387	46,196	52,116	63,824
Equity in the earnings (losses) of subsidiaries	**10**	1,258,291	121,081	(51)	(4,216)
Stock options (pro rata, cancellation, forfeiture and guarantees)	**16**	198	(2,834)	198	(2,834)
Impairment	**11 and 25**	(1,763,970)	105,398	(1,786,518)	88,144
Sundry provisions		31,823	(13,832)	31,823	(13,832)
Unrealized exchange variation on financing - assets and liabilities		(1,359,762)	(262,732)	-	-
Interest/ charges on financing - provisioned assets and liabilities		9,646	(6,879)	15,000	-
Deferred PIS and COFINS	**13 and 24**	144,508	24,124	144,508	24,124
Interest and exchange variation on provision for ARO		137,000	29,752	137,000	29,752
TBMT Transaction		1,572,078	-	1,572,078	-
Fair value adjustment of financial assets	**23**	-	-	-	(12,654)
Interest arising from the adoption of IFRS 16	**23 and 32**	(9,547)	9,573	(9,547)	9,573
Cost adjustment of the product sold as a result of the adoption of IFRS 16	**32**	48,167	(38,133)	48,167	(38,133)
Provision for inventory losses		5	3	5	3
Others		-	-	17,201	(3)
Cash generated (used) in operations		**(230,748)**	**(114,799)**	**(106,592)**	**17,232**
Changes in assets and liabilities:					
Other credits and related parties		447,757	483,147	(38,176)	(38,815)
Income tax, social contribution and other taxes recoverable	**13**	(1,483)	3,015	(9,715)	1,618
Accounts receivable	**7**	-	-	(3,594)	-
Inventories	**8**	69,589	(60,140)	65,425	(60,991)
Escrow deposits	**6**	(968)	(123)	2,247	(3,338)
Marketable securities		-	-	-	113,378
Trade accounts payable	**15**	109,566	5,115	115,954	4,803
Salaries and payroll charges		(12,368)	12,897	(12,368)	12,809
Income and social contribution taxes, government stakes and other taxes payable	**13**	3,761	6,330	3,743	6,325
Realization of sundry provisions		(2,787)	(720)	(2,787)	(720)
Other accounts payable	**17**	9,484	1,513	24,200	3,356
		622,551	**451,034**	**144,929**	**38,425**
Net cash provided by operating activities		**391,803**	**336,235**	**38,337**	**55,657**
Cash flows from investing activities					
Capital increase in equity interest	**10**	(12,306)	(5,415)	-	-
Acquisition of fixed assets	**11**	(91,763)	(87,306)	(91,763)	(87,306)
Sale of fixed assets		-	1	-	1
Net cash used in investing activities		**(104,069)**	**(92,720)**	**(91,763)**	**(87,305)**
Cash flows from financing activities					
Capital increase	**19.a**	-	7	-	7
Fundraising of loans and financing with related parties		24,000	-	24,000	-
Amortization of principal in loans with related parties	**14**	(323,838)	(280,235)	(2,250)	-
Net cash used in financing activities		**(299,838)**	**(280,228)**	**21,750**	**7**
Cash and cash equivalents		**(12,104)**	**(36,713)**	**(31,676)**	**(31,641)**
Variation in cash and cash equivalents					
Opening balance of cash and cash equivalents		15,209	51,922	125,670	157,311
Closing balance of cash and cash equivalents		3,105	15,209	93,994	125,670
Cash and cash equivalents		**(12,104)**	**(36,713)**	**(31,676)**	**(31,641)**

The Company's accompanying notes are an integral part of the financial statements.

Dommo Energia S.A.

Statements of value added

Years ended December 31, 2020 and 2019

(Amounts in thousands of Brazilian reais - R$)

		Parent Company		Consolidated	
	Note	**12/31/2020**	**12/31/2019**	**12/31/2020**	**12/31/2019**
Net sales revenue	**20**	**321,587**	**417,801**	**333,225**	**438,118**
Inputs acquired from third parties					
Costs of products, merchandise and services, less royalties, depreciation and amortization	**21**	(330,145)	(316,672)	(309,535)	(297,270)
Materials, energy, outsourced services and others		(1,709,128)	33,540	(1,709,139)	52,262
Impairment	**25**	1,763,970	(105,398)	1,786,518	(88,144)
		(275,303)	**(388,530)**	**(232,156)**	**(333,152)**
Gross value added		**46,284**	**29,271**	**101,069**	**104,966**
Retentions					
Depreciation of fixed assets and amortization of intangible assets	**11**	(29,387)	(46,196)	(52,116)	(63,824)
		(29,387)	**(46,196)**	**(52,116)**	**(63,824)**
Net value added produced by the Company		**16,897**	**(16,925)**	**48,953**	**41,142**
Value added received in transfer					
Equity in the earnings (losses) of subsidiaries	**10.1**	(1,258,291)	(121,081)	51	4,216
Financial revenue	**23**	5,685	8,055	1,654	18,167
		(1,252,606)	**(113,026)**	**1,705**	**22,383**
Total value added tot distribute		**(1,235,709)**	**(129,951)**	**50,658**	**63,525**
Distribution of value added					
Employees (i)					
Direct compensation		32,265	43,456	32,265	43,497
Benefits		7,150	6,677	7,150	6,677
Accrued severance pay (FGTS)		4,831	2,818	4,831	2,818
		44,246	**52,951**	**44,246**	**52,992**
Taxes					
Taxes, fees and contributions		156,815	40,036	154,575	38,166
Royalties	**21**	29,776	40,743	29,776	40,743
Remuneration of third-party capital					
Financial expenses and net exchange variation	**23**	(1,137,974)	(137,165)	150,633	58,140
Value distributed to shareholders					
Loss for the year attributable to shareholders		(328,572)	(126,516)	(328,572)	(126,516)
Total value added distributed		**(1,235,709)**	**(129,951)**	**50,658**	**63,525**

(i) Composed of amounts allocated to projects as cost of products sold or fixed assets and amounts recorded as administrative and general expenses.

The Company's accompanying notes are an integral part of the financial statements.

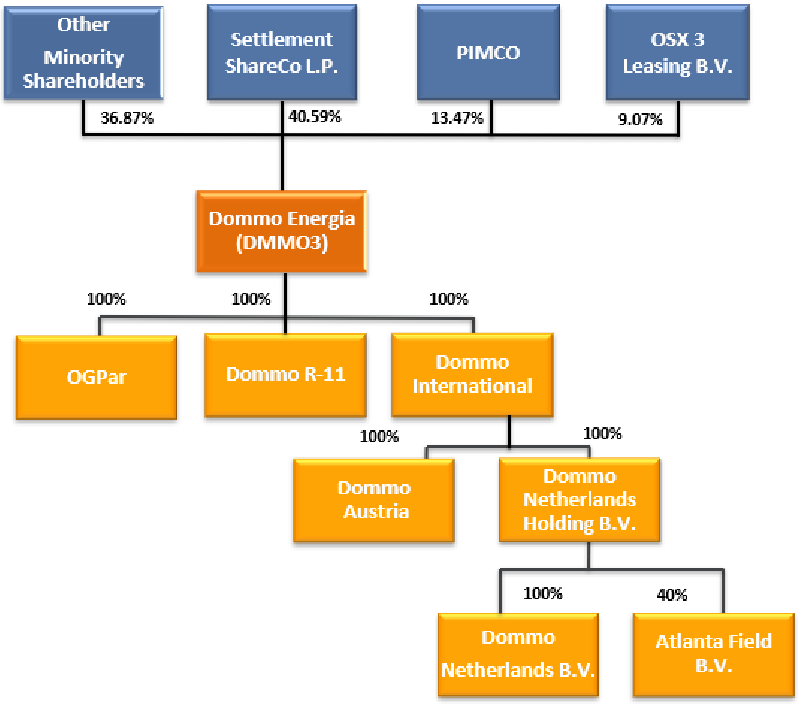
Notes to the financial statements

(Amounts expressed in thousands of Brazilian Reais - except when indicated otherwise)

1 General information

1.1 Corporate Structure

As of December 31, 2020, the corporate structure of Dommo Energia is as follows:



Dommo Energia S.A. ("Dommo Energia" or "Company") was founded as a limited liability company (Ltda.) on June 27, 2007 Headquartered in the city of Rio de Janeiro, the Company's purpose is to engage in activities authorized or granted by the Brazilian federal government involving research, extraction, refining, processing, sale and transportation of oil, natural gas and other hydrocarbons, as well as any other correlated activities. By acting either directly or through subsidiaries, Dommo Energia may further carry out the activities that make up its purpose in Brazil or outside of the nation's territory and hold interests in other companies.

Dommo R-11 Petróleo e Gás S.A. (**"Dommo R-11**"): This subsidiary was founded on October 4, 2013, is headquartered in the city of Rio de Janeiro and has the same corporate purpose of Dommo Energia.

Dommo International GmbH ("Dommo International"): Founded on November 11, 2009, headquartered in the city of Vienna, Austria, this subsidiary's purpose is to hold interests in other companies and engage in any type of business.

Dommo Austria GmbH ("Dommo Austria"): Founded on November 11, 2009 and headquartered in Vienna, Austria, this subsidiary's purpose is to engage in all activities related to the sale of oil, natural gas and all other hydrocarbons, including import, export, processing, transportation and storage. It may further acquire, maintain and dispose of interests in other companies and sign lease agreements.

Dommo Netherlands Holding Company B.V. ("Dommo Netherlands Holding company"): Founded on July 23, 2012, headquartered in Amstelveen, in the Netherlands, this subsidiary's purpose is to engage in the exploration, production and sale of oil and its by-products, natural gas and other hydrocarbons. It may also participate in the capital of other companies and perform technical services in the oil and gas industry, as well as engage in other activities associated with this industry. At present, its main operating activities consist of holding interests in other Dutch companies.

Dommo Netherlands B.V ("Dommo Netherlands"): Founded on March 19, 2010, headquartered in Amstelveen, in the Netherlands, this subsidiary's purpose is to engage in the exploration, production and sale of oil and its by-products, natural gas and other hydrocarbons. It may also perform technical services in the oil and gas industry, as well as engage in other activities associated with this industry. Currently, its main operating activities consist of acquiring and leasing equipment to Dommo Energia for use in the O&G industry.

Atlanta Field B.V. ("Atlanta Field"): Founded on November 2, 2012, and is headquartered in Rotterdam, in the Netherlands. At present, its main operations consist of acquiring and leasing equipment to be used in O&G exploration and production by the BS-4 Consortium, comprised of Dommo Energia, with an interest of 40%, Enauta Participações S.A., previously named Queiroz Galvão Exploração e Produção S.A. ("Operator", "Enauta" or "QGEP"), with an interest of 30%, and Barra Energia do Brasil Petróleo e Gás Ltda. ("Barra") with the remaining 30% interest (jointly as "Consortium" or "BS-4 Consortium").

Óleo e Gás Participações S.A. ("OGPar"): Incorporated on April 10, 2006 under the corporate named Centennial Asset Participação Corumbá S.A. after the spin-off of the net assets associated to businesses other than oil and gas, the corporate name was changed on September 3, 2007 to OGX Petróleo e Gás Participações S.A. and later, on December 6, 2013, changed to the current name. Headquartered in the city of Rio de Janeiro, its corporate purpose is to hold interest in other domestic or foreign companies operating in the oil and gas segment, incorporated under any corporate type.

(*) In December 2018, Dommo Energia absorbed incorporated ("merger by shares") OGPar and became the owner of all OGPar shares. OGPar had a 0.83% stake in Dommo Energia on the date of said financial statements. For further details on the merger by shares, see Note 10.

1.2 Portfolio

As of December 31, 2020, the Company holds interests in the following fields:

	Country	Basin	Blocks	Field	Operator	% Dommo Energia	Contractual Period
1	Brazil	Campos	BMC 41	Tubarão Azul	Dommo Energia	100%	05/09/2012 to 05/09/2039
2	Brazil	Campos	BMC 39 and 40	Tubarão Martelo (*)	Dommo Energia	20%	04/19/2012 to 04/19/2039
3	Brazil	Santos	BS-4	Atlanta	Enauta Participações	40%	12/27/2006 to 12/27/2033
4	Brazil	Santos	BS-4	Oliva	Enauta Participações	40%	12/27/2006 to 12/27/2033

* Petrorio O&G Exploração e Produção de Petróleo Ltda. holds an 80% interest in the field.

Fields being developed and producing

Atlanta e Oliva – under dispute

The Atlanta and Oliva fields are located in the BS-4 block in the Santos Basin (“BS-4” or “Atlanta and Oliva Fields” or “Atlanta Filed”) The Company originally acquired a 40% interest in the BS-4 consortium, which is also comprised by Enauta, with a 30% interest, and Barra with the remaining 30% interest. The Atlanta field began production on May 2, 2018.

In October 2017, Barra sent a notification to Dommo Energia informing the exercise of the option to demand that the Company withdraw from the Joint Operating Agreement ("JOA") referring to BS-4 Consortium and the concession agreement ("Notice"), without any offer to pay a price of indemnification. According to the Notice, the requirement was founded on Dommo Energia’s incapacity to remedy the alleged default until the sixtieth (60th) day after the date the notifications of default related to the cash calls to cover expenditures of the BS-4 Consortium were sent.

In this regard, on October 23, 2017, the Company informed the market that it began arbitration before the London Court of International Arbitration (LCIA), pursuant to the arbitration rules of UNCITRAL, against Barra and Enauta, to challenge (i) the exercise by Barra of the alleged option to demand that Dommo completely withdraw from the JOA referring to BS-4, from the BS-4 Consortium agreement and from the BS-4 Concession Agreement, without any offer to pay a price of indemnification; (ii) the state of default of Enauta, as the operator of the BS-4 Consortium; and (iii) the illegality of certain JOA clauses, which would supposedly authorize the initiatives attempted by Barra and Enauta. Dommo also filed an application requesting that Barra and Enauta pay for the damages caused by said conduct.

The Arbitration Court issued a preliminary decision, effective as of the second quarter of 2018 (“2Q18”), determining that the amount related to the 40% interest in revenue from the sale of oil be deposited in an escrow account in order to be used to pay cash calls issued after said preliminary decision and other costs, and that the remaining balance be raised by the winner of the dispute. Therefore, pursuant to CPC 25, Dommo Energia did not record billings statements, in the amount of R$136,458 and R$120,103, respectively, received as of 2Q18. Similarly, revenues from the sale of oil have also not been recorded. On July 18, 2018, the operator issued a notice to Dommo Energia informing about the opening of an escrow account in which the amounts from the sale of oil should be deposited and in which a total of R$42,045 referring to the 40% under dispute related to offloading was deposited. During this period, the Operator redeemed the full amount deposited in the escrow account to pay the cash calls received as of 2Q18.

On September 25, 2018, the Company became aware of the judgment rendered by the Arbitration Court regarding the first stage of the arbitration, as per Material Fact of October 23, 2017. Said decision stated, among other facts, that the notification issued by Barra on October 10, 2017, in order to exercise, without offering any payment, the option to demand the withdrawal of the Company from the JOA, the Consortium Agreement and the Concession Agreement, all of which related to Block BS-4, as per Material Fact released on October 20, 2017, valid at the time, and should produce effects from the date of receipt of the notice, i.e., October 11, 2017, without prejudice to having the annulment of said withdrawal certified at a later stage of the arbitration, with the production of new evidence that supports said annulment.

On January 28, 2019, the Company became aware of decision issued by the arbitral court about the second phase of the arbitration proceedings, in which the arbitral court decided that Dommo should pay to the other consortium members (Enauta and Barra) the cash calls collected under the Consortium.

On July 20, 2020, the Company was notified of the sentence handed down in phase 3 of the arbitration proceeding which, among other issues, even after due production of evidence, recognized the Notification sent by Barra to Dommo Energia as valid, having determined that Dommo Energia reimburse certain costs to the parties, also making it possible to offset R$1.6 million of undue charges from the Operator.

The effects and consequent enforceability of the arbitral decisions rendered in Brazil are subject to ratification by the Superior Court of Justice (STJ) of a judgment rendered abroad, in accordance with the Federal Constitution and effective law.

Within this context and pursuant to the accounting law represented by CPC 01 – Impairment of Assets, and CPC 25 – Provisions, Contingent Liabilities and Contingent Assets, Dommo Energia reclassified R$205,920, referring to its interest in BS-4, from held for sale to fixed assets and recorded it again as fixed assets, in the amount of R$101,602, and as intangible assets, in the amount of R$104,318, in 2018. Also in 2018, as established by the same accounting norm, the Company complemented the impairment amount, which totaled R$1,084,369 on December 31, 2018, which, as per Note 25, is net of provision for ARO, in the amount of R$264,020 on December 31, 2018 (Note 16b) and cash calls received after October 2017, whose balance on December 31, 2018 was R$47,648 (Note 17). Additionally, the Company reversed the amount related to deferred income and social contribution taxes for future taxable profit arising from Block BS-4, considering the aspects inherent to the sale of oil mentioned in the arbitration. It is worth noting that these reclassifications of the accounting records comply with CPC 01 and CPC 25 and do not represent the opinion of the Company's Management and its legal counsel regarding the Decision, nor do they jeopardize any legal strategy that may be implemented. During 2019, and until the present period ended on December 31, 2020, there were no changes in the above provisions and accounting records.

On June 24, 2019, the Company released a Material Fact regarding the decision of the National Petroleum Agency - ANP's Board of Directors, dated June 19, 2019, approving the assignment of the Company's interest in Block BS-4, based on the use of mandate clause in the JOA. According to the Company, the decision was based on assumptions and misleading information presented by the partners of the consortium.

With the purpose of canceling the referred decision of the ANP and to be reimbursed for the losses and damages incurred, on August 26, 2019, Dommo filed an application for arbitration proceedings ("CCI Arbitration Procedure") with the ANP and the other partners of the Consortium, according to Notice to the Market, released on August 27, 2019. The Arbitration Procedure, according to the provisions of ANP Concession Agreement, is managed according to the Conciliation and Arbitration Rules of the International Chamber of Commerce ("CCI Regulation"), pursuant to its regulations. Brazilian law is applicable to the Arbitration Procedure, which is headquartered in the city of Rio de Janeiro.

Operator Enauta released relevant facts that brought to the Company's attention updates on production at the Atlanta Field. Barra announced its voluntary and unilateral withdrawal from Consórcio BS-4, which had its production suspended for a certain period, having been partially resumed. Considering these updates, Dommo requested that the arbitration be extinguished without resolution of the merits, and ceased to pay the relevant costs. The Defendants Enauta, Barra and ANP have opposed the request, but must pay costs to proceed with the arbitration. The

Defendants' payment of costs, or the termination of the arbitral proceedings by the ICC, is pending.

We would like to highlight the Subsequent Events (note 33), in which there is information about a settlement agreement with Barra, entered into after December 31, 2020.

It should be clarified that the Company still has other arbitration proceedings in different jurisdictions related to block BS-4 involving Enauta and ANP, which are described in Note 1.2.

Tubarão Martelo

The Tubarão Martelo Field ("TBMT") extends over the concession contract areas of exploratory blocks BM-C-39 and BM-C-40 and is located in the Campos Basin, at a water depth of 110 meters, in the north coast of the State of Rio de Janeiro.

On August 3, 2020, the ANP granted the TBMT Transaction as effective ("Resolution"), with retroactive effect to February 3, 2020. With the Resolution, the Company now has a 20% stake in the field concession and is no longer an operator. The TBMT Transaction also provides for the interconnection ("Tieback") between the Polvo and TBMT fields, which will generate significant synergies.

Until the Tieback is completed, the Company will be entitled to 20% of the oil produced and sold by TBMT and the operating cost ("OpEx") corresponding to its participation limited to US$840 per month, including costs related to FPSO OSX3. The new operator will bear all future investments, including the Tieback ("CapEx"), and assumed the Company's 20% share of the abandonment cost ("AbEx") of TBMT (part the sale price for the 80% stake).

Once the Tieback is completed, estimated for 2H21 by the new operator, the Company will be entitled to 5% of the total oil produced jointly by the Polvo and TBMT Fields ("Polo") until it reaches the first 30 million barrels, and 4% of the Polo's oil after 30 million barrels have been produced. The new operator will continue to be responsible for 100% of CapEx and the 20% share of TBMT's AbEx Company.

Field in the process of decommissioning

Tubarão Azul
As per material fact of January 22, 2016, we concluded the decommissioning of production ship FPSO OSX-1, which operated in the field. The abandonment of the wells was completed in the first quarter of 2018 and the decommissioning of the field is underway.

1.3 Continuity of Operations

During 2020, actions were conducted in search of normality and equating the short and medium term liquidity position:

- On February 3, 2020, according to a Material Fact disclosed to shareholders and the market in general, the Company entered into a Farm-out Agreement ("FOA"), and a Joint Operating Agreement ("JOA") regarding the 80% of the Tubarão Martelo Field ("TBMT") (FOA and JOA jointly referred to as "TBMT Transaction").

- On June 26, 2020, according to a Material Fact disclosed to shareholders and the market in general, as part of the TBMT Revitalization, the TBMT-2HP well restarted operations, with a volume of approximately 1.8 thousand barrels of oil per day;

- On August 3, 2020, according to a Material Fact disclosed to shareholders and the market in general, the ANP approved the TBMT Transaction, retroactive to February 3, 2020, with the Company: (i) ceased to be the operator and became a 20% interest in the TBMT concession which had its useful life extended to 10 years, with an operating cost of US$840,000.00; (ii) transferred 100% of the withdrawal obligation of the Tubarão Martelo Field to PetroRio whose amount was R$291,539 at December 31, 2019 (see note 16) and R$408,077 at June 30, 2020; and (iii) exempted itself from cash disbursements related to future investments in the TBMT. With the approval of the TBMT Transaction the headcount, which was 172 employees as of December 31, 2019, has decreased to 24 employees as of the date of release of these Financial Statements, as the Company, without the operator status, no longer has offshore employees, which in turn will allow the Company to also reduce general and administrative expenses, such as lower office expenses;

- On August 18, 2020, according to a Material Fact disclosed to shareholders and the market in general, the TBMT Revitalization was completed with the start-up of well 7-TBMT-4HP, increasing the field's production to about 10,000 barrels of oil per day.

Notwithstanding the TBMT Transaction and the TBMT Revitalization mentioned above that mitigates cash generation in the medium term, the Company's Management draws attention to aspects that indicate the existence of relevant uncertainties regarding the ability to continue operating in the long term. Dommo Energia reports negative net working capital in the amounts of R$502,585 thousand and R$230,841 thousand, individual and consolidated, respectively, resulting basically from short-term debt with related parties, suppliers and other accounts payable, as well as has recorded recurring losses in its operations and presented an unsecured liability on December 31, 2020, in the amount of R$754,362 (R$482,478 on December 31, 2019). Additionally, it has significant long-term liabilities, in the amount of R$374,183 on December 31, 2020 (R$615,530 on December 31, 2019). It is important to note that the timing for these liabilities to be paid is still uncertain.

Another significant aspect is the tax contingencies classified as possible and disclosed in Note 18, totaling R$2,189,693 on December 31, 2020 (R$1,984,103 on December 31, 2019). The Company and its legal counsel understand that we have arguments and grounds supporting our defense regarding the inquiries from tax authorities. In addition, it should be considered that there is significant uncertainty on the term for the conclusion of these matters. It is important to mention that the relevant reduction in the amount disclosed is due to the change in the prognosis from possible to remote in the process whose object is the acceptance of a guarantor for the suspension of federal taxes due to the temporary admission in the Repetro regime and, during the 4Q19, the Company obtained a favorable decision in the TRF and the change in the amount at risk of processes related to the collection of IRRF on remittances abroad for the payment of interest arising and the non-recognition of the deductibility, in determining the IRPJ and CSSL of this interest expense arising from the Contract Export Prepayment (“PPE”).
We highlight that the proceedings related to TBMT sought to address issues regarding short and medium-term liquidity. And, as said above, the Company continues striving for a long-term financial balance.

Regarding the BS-4 asset, the Company recorded impairment in the total amount invested to comply with the accounting law (see Note 11). This asset remains under arbitration dispute. For further information and to update the arbitration process for BS-4, see Note 1.2.

Based on the plans described above, the Company has the ability to maintain its operating activities and the individual and consolidated financial statements have been prepared under the business continuity accounting basis.

1.4 Coronavirus (COVID-19)

Since the beginning of the pandemic, the Company has followed all the prevention guidelines of the Ministry of Health in order to protect its employees, suppliers and its operations against the risks that are being presented by COVID-19.

From the initial recommendations and restrictive measures imposed by governments, such as closing non-essential business, the Company has implemented the following main measures in its operations, aligned with government measures:

Contingency, hygiene and cleaning measures at the FPSO/Administrative office:
- Contingency Plan in accordance with health and safety protocols established by authorities and agencies
- Implementing new safety measures for operational workers, such as masks, temperature monitoring and procedures to ensure people are at a safe distance from each other; and
- Supervision of suppliers to ensure supply of inputs and materials for the maintenance of FPSO activities.

Labor measures/Internal information:
- Home-office and adoption of essential criteria to limit industrial and logistical operations;

In addition to these measures, a crisis committee was created focused on financial impacts, which monitors the Company's financial health, focusing on cash and results, proposing actions to minimize possible reduction in revenues and liquidity. These actions include:

- Negotiation with suppliers to extend payment terms;
- Adoption of the tax legislations related to social security contributions, whose amounts have already been settled in installments;
- Review of discretionary expenditure contracts, such as advisories;
- Stoppage of hiring of persons during the period of social distancing and salary increases, if applicable.

Use of estimates and judgments:
The Company continues to monitor and observe the evolution of COVID-19 and, to date, has not identified significant changes in the use of judgment or changes in the preparation of estimates practiced and disclosed in Notes 1.3, 10, 11, 11b, 12, 13, 16, 18 and 28. The Company cannot foresee the extent and duration of the measures adopted by the government and, therefore, cannot predict the direct and indirect impacts of COVID-19 on its business, operating results and financial condition, including:

Other impacts arising from COVID-19:
- The impact of COVID-19 on financial conditions and operating results, including general economic trends and prospects, financial and capital resources or liquidity position;
- The way future operations may be impacted, considering possible impacts on costs and revenues, such as demand and pricing of raw oil or the supply chain the Company has been constantly monitoring the variation of oil prices and continues to monitor the evolution of its revenues and costs, whose effects in the twelve-month period ended December 31, 2020

resulted in the reduction of consolidated net revenue, from R$438,118 to R$333,225, even with higher sales volume in the current period. The joint variation of the dollar and Brent resulted in the reduction of 23.94% in revenue, as shown in note 20.

2 Presentation of the financial statements

Basis of preparation

a. Statement of compliance with IFRS, CPC and the CVM standards.

The financial statements have been prepared in accordance with the accounting practices adopted in Brazil, which comprise the rules of the Securities and Exchange Commission (“CVM”), including the pronouncements issued by the Brazilian Accounting Pronouncements Committee (“CPC”) and the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”).

All significant information pertaining to financial statements, and this information alone, is being evidenced and corresponds to the one used by Management in its activities.

b. Basis of preparation

The individual and consolidated financial statements have been prepared based on historic cost, except for derivative financial instruments, when applicable, and other financial instruments, which have been measured at fair value.

c. Functional and reporting currencies

These individual and consolidated financial statements are being presented in Brazilian Reais, which is the Company’s functional currency. All balances have been rounded to the nearest thousands, except as indicated otherwise.

d. Use of estimates and judgments

When preparing this individual and consolidated financial statements, Management made use of judgments, estimates and assumptions that affect the application of the Company’s accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from such estimates. Estimates and assumptions are reviewed on an ongoing basis. Revisions of estimates are recognized prospectively.
Information on estimates and assumptions that may result in adjustment in the next financial reporting year is included in the following explanatory notes:

- **Note 1.3** - The financial information was prepared considering the Company's going concern assumption.
- **Note 11b -** estimated recovery of the reserves for impairment testing purposes, depreciation based on the units of production method, provision for abandonment, deferred taxes, as well as significant impacts on the evaluation of the ability to continue as a going concern.
- **Note 10 -** Investment in Atlanta Field BV (“AFBV”).
- **Notes 11 and 12** - Depreciation and Amortization - lifespan, rates and impairment testing.
- **Note 13 -** Deferred income tax and social contribution - period for realization.
- **Note 16** - Provisions for Asset Retirement Obligation (ARO) - discount rate assumptions.
- **Note 18 -** Contingencies - expectation of success or loss.

- **Note 28** - Financial instruments **-** fair value calculation assumptions.

Basis of consolidation
The financial statements of subsidiaries are included in the consolidated financial statements as of the date that control commences until the date that control ceases to exist. The accounting policies of subsidiaries are aligned with the policies adopted by the Company.

The subsidiaries' financial statements are recognized in the Company's individual financial statements using the equity method.

Intergroup balances and transactions and any revenues and expenses arising from intergroup transactions have been eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with subsidiaries and recognized by the equity method have been eliminated against investments in proportion to the Company's interest in these subsidiaries. Unrealized results have been eliminated on the same basis of unrealized gains, but only to the extent that there is no evidence of impairment.

e. **Disclosure of the financial statements**
The individual and consolidated financial statements of December 31, 2020 was appraised by Management on March 23, 2021.

3 Summary of Significant Accounting Practices

The Company and its subsidiaries have been applied the accounting policies described below in a consistent manner to all years presented in these financial statements.

a. Accrual of results
The results of operations are recorded in compliance with the accrual basis of accounting.

b. Financial instruments
CPC 48 (IFRS 9) determines requirements to recognize and measure financial assets, financial liabilities and some contracts for the purchase or sale of non-financial items. This standard replace CPC 38 (IAS 39) Financial Instruments.

(i) Classification and measurement of financial assets and liabilities
CPC 48 (IFRS 9) retained most of the requirements provided for in CPC 38 (IAS 39) for the classification and measurement of financial liabilities. However, it excluded the former categories of CPC 38 (IAS 39) for financial assets: held to maturity, loans and receivables and available for sale.

The adoption of CPC 48 (IFRS 9) did not have a significant impact on the Company's accounting policies related to financial liabilities. The impact of CPC 48 (IFRS 9) on the classification and measurement of financial assets is described below.

In accordance with CPC 48 (IFRS 9), during initial recognition, a financial asset is classified as measured at "amortized cost"; "fair value through other comprehensive income ("FVTOCI") – debt instrument / FVTOCI – equity instrument; or "fair value through profit or loss" ("FVTPL"). Pursuant to CPC 48 / IFRS 9, the classification of financial assets is usually based on the business model in which a financial asset is managed and on its contractual cash flow characteristics.

A financial asset is measured at amortized cost if it complies with both conditions below and it is not designated as measured at FVTPL:

- it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- its contractual terms give rise, on specified dates, to cash flows that are related to the payment of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVTOCI if both conditions below are complied with and it is not designated as measured at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At the initial recognition of an investment in an equity instrument not held for trading, the Company can make an irrevocable election to present subsequent changes to the fair value of the investment under "other comprehensive income" ("OCI"). This choice is made on a case-by-case basis.

All financial assets not classified as measured at amortized cost or FVTOCI, as described above, are classified as FVTPL. That includes all derivative financial assets. At initial recognition, the Company can irrevocably designate a financial asset that would otherwise comply with the requirements to be measured at amortized cost or FVTOCI as FVTPL if that eliminates or significantly reduces an accounting mismatch that would otherwise arise, in accordance with the fair value option available on CPC 48 (IFRS 9). A financial asset (unless it is a trade accounts receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not measured at FVTPL, the transaction costs directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets:

- **Financial assets measured at FVTPL:** These assets are subsequently measured at fair value. The net result, including interest or dividend income, is recognized in profit or loss.
- **Financial assets at amortized cost:** These assets are subsequently measured at amortized cost using the effective interest rate method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange rate gains or losses and impairment are recognized in profit or loss. Any gain or loss from derecognition is recognized in profit or loss.
- **Debt instruments designated at FVTOCI:** These assets are subsequently measured at fair value. Interest income calculated using the effective interest rate method, foreign exchange rate gains or losses and impairment are recognized in profit or loss. Other net results are recognized in OCI. During derecognition, the accumulated result in OCI is reclassified to profit or loss.
- **Equity instruments designated at FVTOCI:** These assets are subsequently measured at fair value. Dividends are recognized as gain in profit or loss, unless it clearly represents a recovery of a portion of the investment cost. Other net profit or loss are recognized in OCI and are never reclassified to profit or loss.

The table below explains the original measurement categories of CPC 38/IAS 39 and the new measurement categories of CPC 48/IFRS 9 for each class of the Company's financial assets as of January 1, 2018.

Financial Asset		Original classification in accordance with CPC 38 / IAS 39	New classification in accordance with CPC 48 / IFRS 9
Marketable securities – Shares (Eneva S.A.)	(i)	Designated at FVTPL	Mandatorily at FVTPL
Trade accounts receivable and other receivables	(ii)	Loans and receivables	Amortized cost
Escrow deposits		Loans and receivables	Amortized cost
Cash and cash equivalents		Loans and receivables	Amortized cost

(i) In accordance with CPC 38 / IAS 39, these equity instruments were measured at FVTPF for being managed based on their fair value and their performance was monitored on that base. These assets were mandatorily classified as measured at FVTPL pursuant to CPC 48 / IFRS 9.

(ii) Trade accounts receivable and other receivables previously classified as loans and receivables pursuant to CPC 38 / IAS 39 are now classified at amortized cost.

(ii) Impairment of financial assets

CPC 48 (IFRS 9) replaces the CPC 38 (IAS 39) model of "incurred losses' by an expected credit loss model. The new impairment model applies to financial assets measured at amortized cost, contractual assets and debt instruments measured at FVTOCI, but is not applied to investments in equity instruments (shares). In accordance with CPC 48 (IFRS 9), credit losses are recognized sooner than under CPC 38 (IAS 39).

Financial assets at amortized cost consist of accounts receivable and cash and cash equivalents.

In accordance with CPC 48 (IFRS 9), provisions for losses are measured as follows:

- 12-month expected credit losses: credit losses that result from possible events of default within 12 months after the reporting date; and
- Full time expected credit losses: credit losses that result from all possible events of default over the expected life of a financial instrument.

The Company measures the provision for loss in an amount equal to the lifetime expected credit loss, except for those described below, which are measured as 12-month expected credit loss:

- debt instruments with low credit risk on the reporting date; and
- other debt instruments and bank balances for which the credit risk (i.e. the risk of default occurring on the financial instrument during its expected life) has not significantly increased since initial recognition.

The Company elected to measure provisions for losses with accounts receivables and other receivables and contractual assets at an amount equal to the lifetime expected credit loss.

By determining if the credit risk of a financial instrument has increased significantly since initial recognition and estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available at no excessive effort or cost. This includes quantitative and qualitative analysis and information, based on the Company's credit assessment experience.
The Company assumes that the credit risk of a financial asset has increased significantly when payments are more than 30 days past due.

The Company considers a financial asset to be in default when:

- it is unlikely that the borrower will fully pay its credit obligations to the Group without resorting to measures, such as cashing a guarantee (if any); or
- the financial asset is more than 90 days overdue.

The maximum period considered in the estimate of expected credit loss is the maximum contractual period during which the Company is exposed to the credit risk.

Measurement of expected credit losses
Expected credit losses are estimates weighted by the probability of credit losses. Credit losses are measured at present value based on all cash shortfalls (i.e. the difference between contractual cash flows owed to the Company and cash flows that the Company expects to receive). Expected credit losses are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets
At each reporting period, the Company assesses if financial assets accounted for at amortized cost and debt instruments measured at FVTOCI are credit-impaired. A financial asset is “credit-impaired” when one or more events that have occurred have a significant impact on the expected future cash flows of the financial asset.

c. Foreign currency
The Company’s Management has defined that its functional currency is the Brazilian real (R$). Transactions in foreign currency are translated to the functional currency at the exchange rate in effect on the date of each transaction. On the reporting dates, monetary assets and liabilities in foreign currency are translated to the functional currency at the closing exchange rate and the exchange variation gains and losses are recognized in the Statement of Income. Non-monetary assets and liabilities acquired or contracted in foreign currency are translated on the reporting dates based on the exchange rates in effect on the transaction dates and thus do not generate exchange variations.

The assets and liabilities of foreign subsidiaries and associates operating in stable economic environments with functional currencies other than that of the Company are translated into Reais for consolidation purposes at the exchange rate in effect on the reporting dates, while their equity is translated at the historical rate and results at the average monthly exchange rate. The difference generated by translating currencies at such distinct rates is recognized in Equity under Other comprehensive income, as Currency translation adjustments and recognized in the Statements of Income when such investments are disposed of either in whole or in part. The foreign subsidiaries have defined the US dollar as their functional currency. Brazilian subsidiaries use the real as their functional currency.

d. Inventories
The inventories are represented by assets acquired from third parties in the form of materials and supplies to be consumed or used in the exploratory drilling campaign and in the production of oil. Once used, such materials and supplies are reclassified from inventories to fixed assets. Inventories are recorded at the cost of acquisition or production and adjusted to their realizable amounts when applicable. Oil inventories are represented by crude oil produced or acquired by the Company and its subsidiaries. These inventories are recorded at the cost of production and adjusted to their realizable amounts when applicable. The Company uses the average cost method to calculate the cost of products sold. If there is a halt in production for a period exceeding that required for routine maintenance work, expenditures on production operations (such as costs of leasing, O&M, fuel, logistic expenditures, etc.) are recognized directly in results, without transiting through Inventories.

e. Investments
These are recognized under the equity method in the company financial statements. In the consolidated statements, they are also recognized under the equity method if the Company does not retain control, except when they are classified as non-current assets available for sale. The data on jointly-held subsidiaries (“joint arrangements”) is also recorded under the equity method,

both in the company and consolidated financial statements. The data on subsidiaries are included in the consolidated financial statements from the date on which control begins through the date on which control ceases to exist. The financial information on the associates is recorded in the Company's financial statements and consolidated financial statements under the equity method.

In the case of investments in subsidiaries, associates or jointly-owned subsidiaries with negative equity (unsecured liabilities), these are presented as non-current liabilities. The Company's Management believes there is no difference between the accounting practices adopted in Brazil and IFRS, given that the Company has joint and several liabilities on the debt of its subsidiaries with unsecured liabilities.

Loss of control
When the entity loses control over a subsidiary, it no longer recognizes the assets, liabilities, any interest of non-controlling companies and other components recorded under equity that refer to said subsidiary. Any gain or loss arising from the loss of control is recorded in profit or loss. If any interest held in the former subsidiary is retained, said interest is measured at fair value on the date the control is lost.

f. Fixed assets
The Company's fixed assets are recorded at cost of acquisition or construction, adjusted when applicable to their recoverable value. Fixed assets are chiefly represented by assets associated with the phases for exploration and development of oil and natural gas production, such as, for example, expenditures on well drilling and completion, support vessels and exploration and production (E&P) equipment. It also includes machinery and equipment and other tangible assets used for administrative purposes, such as furniture, telephone equipment, computer equipment, and vehicles.

Successful efforts
Expenditures on exploration and development of oil production are recorded under the successful efforts method. This method determines that the costs for development of all production wells and successful exploration wells linked to economically viable reserves are to be capitalized, while the costs of geological, geophysical and seismic surveys should be considered as expenses for the period when incurred. Additionally, dry exploratory wells and expenses related to non-commercial areas should be recorded in the result when they are identified as such.

Asset retirement obligation (ARO) expenditures
The Company's expenditures with abandoning the areas for development and production of oil are recorded under fixed assets with a corresponding credit in the provision for asset retirement obligation (ARO) under liabilities. See Notes 3h and 16.

Depreciation
Expenditures on exploration and development of production are depreciated as from the declaration of commerciality and commencement of production under the units of production method (DUP). According to this method, the monthly depreciation rate is obtained by dividing the monthly production by the total estimated balance of the reserves (proved plus probable) at the beginning of the month. The Company's Management reviews the total balance of its reserves on an annual basis. Machinery and equipment is depreciated under the straight-line method at the rates mentioned in note 11, which take into consideration the estimated useful life of the assets with their respective residual values. When a provision is set up for complete loss of the fixed assets of a project, depreciation thereof is halted.

Intangible assets
It is recorded at acquisition cost and adjusted, when applicable, to its recoverable value and is mainly represented by subscription bonuses paid to obtain the concession for oil and natural gas exploration and production activities in certain blocks and other expenses of a similar nature. They further include the expenditures associated with the acquisition of information processing systems and programs.

Amortization
The subscription bonuses are amortized as from the declaration of commerciality and commencement of production under the units of production method (DUP). Other intangible assets are amortized on a straight-line basis at the rates mentioned in note 12, which take into consideration the estimated utilization period. When a provision is set up for complete loss of the intangible assets of a project, depreciation thereof is halted.

g. Impairment

Analysis of indications of impairment
The carrying amounts of the Company's non-financial assets are reviewed as of each reporting date to check whether there are any indications of impairment. In case such indications are found, then the recoverable value of the asset is determined. Specifically regarding assets related to oil exploration activities, the Company considers certain factors as indications that an asset will not be recoverable, such as the following, for example: (i) there is no approved budget for the viability studies of the wells drilled; (ii) the concession period is nearing the end, the exploration activities are still in the initial phase and concession renewal is not likely; (iii) the wells drilled are considered dry wells; (iv) the hydrocarbons found are not sufficient to constitute a reserve, that is, they are not recoverable given present economic and technological conditions. If the appraisal indicates potential impairment and the Company's Management believes that in fact there is a case of an unrecoverable loss, then such impairment loss is recognized in results for the year. Highlights of the premises of such cash flows include the following aspects:

- Volumes of reserves and production estimated by our internal specialists or by third parties;
- Barrel price estimated based on projections made by banks and specialized agencies; and
- Average discount rate of 5.06%, taking the oil industry benchmark into consideration.

h. Provisions

A provision is recognized in the statement of financial position when the Company and its associates have a legal or constituted obligation as a result of a past event and it is probable that economic resources will be required to settle the obligation. Provisions are recorded based on the best estimates Management can make of the risks involved.

Provision for Asset Retirement Obligation (ARO) for E&P fields
Prior to the declaration of commerciality of a determined area, the Company does not provide for the expenditures forecast for abandonment at the end of the concession or production period. No provision is set up since, given the stage of the operation, it is not yet possible to reliably measure the expenditures to be incurred or to predict the date for abandonment of the area. When the asset enters into the development phase and there are more inputs for making a reasonable estimate of such expenditures, an ARO provision is set up with a contra entry under fixed assets. The methodology for calculating the ARO provision consists of estimating as of the reporting date how much the Company would have to disburse if it abandoned the area at that moment. The estimated amount is corrected by the inflation rate through to the date scheduled for abandonment and subsequently discounted to present value at a risk-free rate. The risk associated with the

ARO provision is considered in the estimated flow of payments. The risk-free rate used is the rate for a government bond with currency and term similar to that of the provision. The inflation and discount rates are periodically reviewed and any increases or decreases in the ARO provision are recorded as a contra entry under fixed assets. In addition, each month the provision is increased by the effect of the discount rate (accretion of interest), with a contra entry under Financial Results. The provision is also periodically increased as activities are carried out that give rise to the obligation to abandon a field, such as for example the drilling of wells, installation of lines and FPSO vessels, etc. Changes in the estimated provisions involving new activities or changes in the estimated cost of the services are also shown against fixed assets.

Provision for contingencies

Each month the Company's Management appraises the forecasts for success or loss in cases in which the Company is a defendant. If the chance of success is classified as remote (probable loss), a provision for contingencies is recognized.

i. Income tax and social contribution

The corporate income tax (IRPJ) and social contribution on net income (CSLL) of the Company and its subsidiaries are calculated based on the IRPJ rate of 15% plus a 10% surtax on taxable income that exceeds R$240 per year, and 9% for CSLL. The amounts calculated consider the settlement of tax losses and negative basis of social contribution, limited to 30% of the actual profit.

j. Leases ("IFRS 16")

The Technical Pronouncement CPC 06 (R2) / IFRS 16 changes the presentation of operating leases in the balance sheet of the leasing companies, as well as replaces the linear cost of operating leases by the amortization cost of assets subject to the right of use and by the interest expense on lease obligations at the effective funding rates in force at the contracting period of these transactions, this being recorded in financial expenses. After assessing the contracts that could qualify under the Pronouncement's identification principles, short-term leases with a term of 12 months or less were eliminated, as were leases with immaterial amounts, and the lease payments associated with those contracts were recognized as an expense over the lease term. The lease liability was measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate at the date of initial adoption. The right-of-use asset was recognized based on the amount of the lease liability, adjusted for any anticipated or accrued lease payments related to that lease, recognized in the balance sheet immediately prior to the date of initial adoption.

k. Expenditures associated with joint E&P operations

In their capacity as operators of concessions for oil and gas E&P, one of the obligations of companies is to represent a joint venture before third parties. In this sense, operators are responsible for contracting and paying the suppliers of such joint ventures and, for this reason, the invoices received by the operators include the total amount of the materials and services acquired for by the operation. Even so, the impacts on the individual results of companies merely reflect their stakes in the concessions, since the portions associated with the other joint venture partners are recharged to them. Such recharging takes place each month. The operators estimate the disbursements estimated for the subsequent month, based on the total expenditures already incurred by the joint ventures, regardless of whether or not they are billed by the suppliers, and report to the partners through a billing statement. Such estimates of disbursements are compared with the balance of the current accounts retained for the joint ventures' expenditures and the differences are recharged to the partners through cash calls.

l. Earnings (loss) per share

The basic earnings per share are calculated by dividing the results for the year attributable to the controlling shareholders by the weighted average number of common shares outstanding during the period, since the Company does not have preferred shares. Diluted earnings (loss) per share are calculated using the above-mentioned average number of shares outstanding adjusted by the instruments potentially convertible into shares as a diluting effect in the periods reported.

m. Segment reporting

An operating segment is a Company component that engages in business activities from which revenues can be obtained and in which expenses are incurred, including revenues and expenses related to transactions with other components of the Company. Management believes that the Company engages in a single operating segment, namely oil and gas exploration and production in Brazil.

n. Financial revenues and expenses

These basically encompass interest on loans, financing, financial investments, changes in the fair value of financial assets measured at FVTPL, gains and losses on derivative financial instruments, gains and losses on debt converted into equity instruments and amortization of funding costs. Exchange rate gains and losses are also presented as financial income or expenses. Interest on loans and financing paid is fully recorded under financing activity in the statement of cash flow.

o. Settlement of financial liabilities with equity instruments

When the Company issues its own securities and turns them over to its creditors in order to extinguish all or part of a financial liability, such equity instruments are initially recognized under Equity and measured at fair value. If the fair value of such instruments cannot be measured, the Company's own equity instruments are to be measured at the fair value of the extinguished financial liability. The difference between the fair value recognized directly in equity and the carrying amount of the financial liability is recorded in profit or loss for the year as gain or loss.

p. Oil and gas reserves

The estimated recovery of oil and gas reserves is the basis for evaluation of some financial statement items, including the provision for impairment, depreciation based on the units of production method, provision for abandonment, deferred taxes, as well as significant impact on the evaluation of the ability to continue as a going concern.

q. Revenue from Contracts with Customers

CPC 47 (IFRS 15) establishes a comprehensive structure to determine if and when revenue is recognized, as well as the recognition amount. CPC 47 replaces CPC 30 (IAS 18) Revenue, CPC 17 (IAS 11) Construction Contracts and related interpretations.

The Company adopted CPC 47 (IFRS 15) using the cumulative effect method (with no practical expedients), reflecting the effect of first-time adoption of the standard recognized on first-time adoption date (i.e. January 1, 2018). Consequently, the information presented for 2017 has not been restated and, accordingly, it was presented as previously reported pursuant to CPC 30 (IAS 18), CPC 17 (IAS 11) and related interpretations.

In accordance with CPC 47 (IFRS 15), revenue is recognized when a customer obtains the control of goods or services. Determining the time of transfer of control – whether at a specific point in time or over time – requires judgement. Revenue from an oil sale contract whose purpose is the sale of oil from the Tubarão Martelo field is governed by FOB (Free on Board) agreements. Therefore, this type of agreement does not require separate performance obligation given that, as the offloading is concluded, the control, risks and benefits of the oil sold are transferred exclusively to the customer. The 5th step of the standard determines that revenue from sales should be recognized when the selling entity satisfies its performance obligation through the transfer of the assets or services promised to the customer. The standard clarifies that assets are transferred to the customer when (or as) the customer obtains the control over the asset. It should be noted that the Company has only one contract and the revenue is recognized considering prices and discounts arising from this contract.

Based on the above, the Company fully recognizes revenue from the sale of oil from the Tubarão Martelo field when the offloading is concluded.

r. New or revised pronouncements applied in 2020 for the first time

The following amended standards and interpretations had no significant impact on the Company's individual and consolidated financial statements.

- Amendments to CPC 15 (R1): Business combination/definition
- Amendments to CPC 38, CPC 40 (R1) and CPC 48: Reference Interest Rate Revision
- Amendments to CPC 26 (R1) and CPC 23: Material Definition
- Revision of CPC 00 (R2): Conceptual Framework for Financial Reporting
- Amendments to CPC 06 (R2): Covid-19 Related Benefits Granted to Tenants on Lease Contracts.

s. Standards issued but not effective

The new and amended standards and interpretations issued by the IASB and CPC, described below, are not yet effective. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective on January 1, 2023:

- CPC 50 / IFRS 17 Insurance Agreements
- CPC 26 / IAS 1 Presentation of the Financial Statements

4 Preparation of the financial statements

The consolidated financial statements include data on all the companies listed below:

	% Interest	
	12/31/2020	**12/31/2019**
Direct subsidiaries:		
Dommo International	100.00	100.00
Dommo R-11	100.00	100.00
OGPar (i)	100.00	100.00
Indirect subsidiaries:		
Dommo Austria	100.00	100.00
OGX Netherlands Holding	100.00	100.00
OGX Netherlands	100.00	100.00
Joint ventures:		
Atlanta Field (ii)	40.00	40.00

(i) Incorporated by shares on November 26, 2018 (Note 10).
(ii) Jointly controlled ("joint venture") with Enauta and Barra (Note 10).

Provision for losses on investments (Atlanta Field B.V. or AFBV)
On January 9, 2019, QGEP Netherlands Holding B.V. and Barra 1 S.à.r.1 issued a joint notice requesting the transfer of 100% of the interest of Dommo Netherlands Holding B.V. in AFBV in proportion to its interest.
On January 10, 2019, Barra 1 S.à.r.1 started an arbitration against Dommo Netherlands Holding BV charging US$6,219, referring to outstanding cash calls. On December 16, 2020, an arbitration decision was issued determining that Dommo Netherlands Holding B.V. pay Barra 1 S.à.r.1 the outstanding cash calls and rejecting the opposite claims filed by Dommo to be compensated for the loss of its equity interest in AFBV.

On January 16, 2019, QGEP Netherlands Holding B.V. issued a notice stating that Dommo Energia has outstanding cash calls of US$5,375. On September 29, 2019 Dommo Netherlands Holding B.V. initiated arbitration proceedings to collect compensation from QGEP Netherlands Holding B.V. due to the transfer of its equity interest in AFBV. QGEP Netherlands Holding B.V. filed a counterclaim for Dommo to be ordered to pay the outstanding cash calls. This arbitration proceeding is pending.

On December 31, 2019, the amount provisioned plus the interests of Barra 1 S.à.r.1 and QGEP Netherlands Holding B.V. totaled R$48,271 (R$46,404 on December 31, 2018), as disclosed in Note 17.

On December 31, 2018, the Company recorded a provision for impairment losses related to its interest in AFBV, in the amount of R$223,273.

We emphasize that this change in the accounting record is essentially based on determinations of CPC 01 and CPC 25, and does not represent the Company's and its legal counsel's opinion about the notifications and arbitration initiated, nor do they jeopardize any legal strategy that may be implemented

5 Cash and cash equivalents

The Company's Management defines as "cash and cash equivalents" the amounts held for the purpose of meeting short-term commitments rather than for investment or other purposes.

	Parent Company		**Consolidated**	
	12/31/2020	**12/31/2019**	**12/31/2020**	**12/31/2019**
Cash and bank account	3,105	15,209	86,646	118,995
Investment fund	-	-	7,348	6,675
	3,105	**15,209**	**93,994**	**125,670**

The fair values of the balances maintained in current bank accounts are equivalent to the carrying amounts and are classified as financial assets at amortized cost. Itaú TOP RF Referenced DI Investment Fund is managed by Banco Itaú, and basically backed by private securities issued by first-tier financial institutions, all linked to fixed rates. The weighted average yield for the period ending December 31, 2020 is equivalent to 84.77% of the CDI (95.5% of the CDI as of December 31, 2019). These assets are classified as cash equivalents because they have immediate convertibility characteristics.

6 Escrow deposits

The Company's escrow deposits are classified as financial assets measured at FVTPL.

	Parent Company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
DVB Bank (i)	4,336	3,368	4,336	3,368
CDB Itaú (ii)	-	-	-	3,215
	4,336	**3,368**	**4,336**	**6,583**

(i) Escrow deposit related to the deactivation guarantee and/or abandonment fund for the Tubarão Azul field.

(ii) CDB linked to the guarantee of contracts with suppliers associated with the Refurbishment of the Tubarão Martelo Field. The Company redeemed the full amount of this CDB in the second quarter of 2020.

7 Accounts receivable

The balance of R$3,594 on December 31, 2020 is associated with the sale of oil from the Tubarão Martelo Field. On December 31, 2019, there were no outstanding receivables. The average receivable term of trade accounts receivable is lower than 30 days.

8 Inventories

	Parent Company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Current assets				
Oil inventories	6,572	85,389	6,520	81,173
Non-Current Assets				
Exploration and Production Supplies (E&P) (i)	68,530	68,525	82,453	82,448
(-) Provision for loss (ii)	(68,530)	(68,525)	(68,530)	(68,525)
		-	**13,923**	**13,923**
Total current and non-current	**6,572**	**85,389**	**20,443**	**95,096**

(i) Comprised basically of materials required for the Company's exploratory drilling campaigns, such as pipelines and drill bits, for example. The Company is not currently undergoing any drilling campaign, nor does it expect to carry out any other one. As a result, Dommo recorded a provision for loss of these materials.

(ii) The Company periodically evaluates the opportunities to sell such supplies and recorded a provision for loss so as to recognize the asset at its expected realizable value.

Inventory reconciliation (oil and E&P supplies) and statements of cash flows	Parent Company	Consolidated
Balances as of December 31, 2019	85,389	95,096
Balances as of December 31, 2020	6,572	20,443
Change	**78,817**	**74,653**
Portion of depreciation/amortization comprising balance of inventories at December 31, 2019	(9,291)	(9,291)
Portion of depreciation/amortization comprising balance of inventories at December 31, 2020	68	68
Provision for inventory losses at December 31, 2019	68,525	68,525
Provision for inventory losses at December 31, 2020	(68,530)	(68,530)
Changes in inventories in the cash flow statements	**69,589**	**65,425**

9 Other credits and prepaid expenses

	Parent Company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Insurance premiums	848	2,109	848	2,109
Advances to suppliers	635	4,838	655	4,858
Advances to employees	82	286	100	300
Judicial deposits	17,706	-	17,706	-
Others	680	440	713	119
	19,951	**7,673**	**20,022**	**7,386**

10 Investments

	Parent Company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Dommo International	89,099	44,005	-	-
Dommo R-11	2,359	3,763	-	-
Equity adjustment - Dommo Netherlands (i)	-	-	51	4,216
	91,458	**47,768**	**51**	**4,216**

(i) (i) Refers to revenues from the lease of Dommo Netherlands eliminated upon consolidation against the production cost (inventories) at Dommo Energia.

10.1 Changes in Investments

	Parent Company	Consolidated
Balance as of January 01, 2019	**17,045**	**1,677**
Capital contribution in shareholding interests	5,415	-
Currency translation adjustments	993	-
Equity in the earnings (losses) of subsidiaries	(121,081)	4,216
Reclassification of equity in the earnings - OGPar (ii)	6,509	-
Reversal of the equity adjustment OGX Netherlands - previous period	-	(1,677)
Investment reclassification Dommo Austria (i)	138,887	-
Balance on December 31, 2019	**47,768**	**4,216**
Capital contribution in shareholding interests	12,306	-
Currency translation adjustments	13,472	-
Equity in the earnings (losses) of subsidiaries	(1,258,291)	51
Reclassification of equity in the earnings - OGPar (ii)	21,173	-
Reversal of the equity adjustment Dommo Netherlands - previous period	-	(4,216)
Investment reclassification Dommo Austria (i)	1,255,030	-
Balances as of December 31, 2020	**91,458**	**51**

(i) The balance of R$1,255,030 refers to changes of Dommo Austria's shareholders' equity, detailed in item (b) of this Note and in Note 14.
(ii) The balance of R$21,173 refers to the equity method of OGPar, which was reclassified to "loans and financing" (assets). See details in item (b) below.

10.2 Data on shareholding interests

	12/31/2020					
	In Brazil		Offshore			
	Dommo R-11	**OGPAR**	**Dommo International**	**Dommo Austria**	**Dommo Netherlands Holding Company**	**Dommo Netherlands**
Current assets	7,636	51	19	83,464	46	24
Long-term assets	14,390	8,845	20	15,420,793	6,558	268,413
Investments	-	-	-	-	257,571	-
Fixed assets	-	-	-	-	-	1,367
Total assets	**22,026**	**8,896**	**39**	**15,504,257**	**264,175**	**269,804**
Current liabilities	18	319	17	602	68,248	-
Non-current liabilities	19,649	103,571	3,401,779	18,994,511	15,331	12,233
Equity	2,359	(94,994)	(3,401,757)	(3,490,856)	180,596	257,571
Total LIABILITIES + equity	**22,026**	**8,896**	**39**	**15,504,257**	**264,175**	**269,804**
% Interest	100%	100%	100%	100%	100%	100%
Profit (loss) for the period	**(1,404)**	**21,173**	**(1,235,715)**	**(1,255,030)**	**21,839**	**37,765**

	12/31/2019					
	In Brazil		Offshore			
	Dommo R-11	**OGPAR**	**Dommo International**	**Dommo Austria**	**Dommo Netherlands Holding Company**	**Dommo Netherlands**
Current assets	11,828	47	14	101,774	45	9
Long-term assets	14,609	8,764	16	12,698,132	3,348	178,076
Investments	-	-	-	-	169,860	-
Fixed assets	-	-	-	-	-	1,060
Total assets	**26,437**	**8,811**	**30**	**12,799,906**	**173,253**	**179,145**
Current liabilities	2	308	4	261	48,286	-
Non-current liabilities	22,672	82,324	2,191,847	15,035,471	11,891	9,286
Equity (i)	3,763	(73,821)	(2,191,821)	(2,235,826)	113,076	169,859
Total liabilities + equity	**26,437**	**8,811**	**30**	**12,799,906**	**173,253**	**179,145**
% Interest	100%	100%	100%	100%	100%	100%
Profit (loss) for the year	**(1,437)**	**(6,509)**	**(113,135)**	**(138,887)**	**28,418**	**32,473**

Changes in the equity of Dommo Austria:

Balances as of December 31, 2020	(3,490,856)
Balances as of December 31, 2019	(2,235,826)
Changes in item (a) of this Note	**(1,255,030)**

(i) These figures refer to total equity and profit/(loss) net for the period.

11 Consolidated fixed assets

	Furniture and fixtures	Machinery and equipment	IT equipment	Leasehold improvements	Vehicles	E&P fixed assets	Total
Cost							
On January 01, 2019	**4,872**	**889**	**10,965**	**1,826**	**404**	**254,059**	**273,015**
Additions	-	-	552	-	-	86,754	**87,306**
Additions - provision for environmental compensation	-	-	-	-	-	3,740	**3,740**
Impairment	-	-	-	-	-	(105,398)	**(105,398)**
Disposals	(1)	-	-	-	-	-	**(1)**
Accumulated currency translation adjustments of offshore companies (b)	-	-	-	-	-	41	**41**
On December 31 2019	**4,871**	**889**	**11,517**	**1,826**	**404**	**239,196**	**258,703**
Additions	-	-	-	-	-	91,763	**91,763**
Additions - provision for environmental compensation	-	-	-	-	-	4,422	**4,422**
Disposals (c)	-	-	-	-	-	(1,732,596)	**(1,732,596)**
Impairment	-	-	-	-	-	1,512,683	**1,512,683**
Accumulated currency translation adjustments of offshore companies (b)	-	-	-	-	-	306	**306**
On December 31, 2020	**4,871**	**889**	**11,517**	**1,826**	**404**	**115,774**	**135,281**
Accumulated depreciation							
Balances as of January 1, 2019	**(4,243)**	**(712)**	**(10,782)**	**(293)**	**(387)**	**(12,575)**	**(28,992)**
Depreciation and depletion in the year	(409)	(72)	(18)	(208)	-	(67,881)	**(68,588)**
Write-off of depreciation/impairment	-	-	-	-	-	17,628	**17,628**
On December 31 2019	**(4,652)**	**(784)**	**(10,800)**	**(501)**	**(387)**	**(62,828)**	**(79,952)**
Depreciation and depletion in the year	(360)	(64)	(18)	(208)	-	(42,243)	**(42,893)**
Write-off of depreciation/impairment	-	-	-	-	-	22,729	**22,729**
On December 31, 2020	**(5,012)**	**(848)**	**(10,818)**	**(709)**	**(387)**	**(82,342)**	**(100,116)**
Annual percentage of depreciation and depletion rates	10	10	20	10	20	(a)	
Amount residual income							
On December 31, 2020	**(141)**	**41**	**699**	**1,117**	**17**	**33,432**	**35,165**
On December 31 2019	**219**	**105**	**717**	**1,325**	**17**	**176,368**	**178,751**

(a) Depreciation and depletion of E&P fixed assets occur as from the declaration of commerciality and commencement of production, based on the units of production (DUP) method.
(b) Refers to the currency translation adjustments of the asset balances of the Company's international subsidiary Dommo Netherlands.
(c) Write-off of 80% of the assets for the TBMT transaction.

Appraisal of indications of impairment
The Company conducts quarterly analyses of the status of its exploratory wells. If they are classified as dry or sub-commercial, the Company writes them off and charges them to results. According to technical pronouncement CPC-01, the entity must assess at least annually whether there are indications of possible devaluation in the value of an asset (fixed and intangible assets). If there is any evidence, the entity must calculate the asset's recoverable value, measured by the highest value between its net sale value and the value in use.

a. **Tubarão Martelo Field**

On June 26, 2020, according to a Material Fact disclosed to shareholders and the market in general, as part of the TBMT Revitalization, the TBMT-2HP well restarted operations, with a volume of approximately 1.8 thousand barrels of oil per day.

On August 3, 2020, according to a Material Fact disclosed to shareholders and the market in general, the ANP approved the TBMT Transaction, with retroactive effect to February 3, 2020, with the Company:

(i) the TBMT is no longer the operator, and now has a 20% interest in the TBMT concession, which had its useful life extended to 10 years, at an operating cost of US$840,000.00;
(ii) transferred 100% of the obligation to abandon the Tubarão Martelo Field to PetroRio whose amount was R$291,539 at December 31, 2019 (see note 16) and
(iii) is exempted from cash disbursements related to future investments in the TBMT.

On August 18, 2020, according to a Material Fact disclosed to shareholders and the market in general, the TBMT Revitalization was completed with the start-up of well 7-TBMT-4HP, increasing the field's production to about 10,000 barrels of oil per day.

This new scenario was the determining factor for the revision of impairment in 2020, whose cash flow projection considers the following key assumptions:

- Approach: Projection of unlevered cash flows, expressed in actual terms and presented in U.S. dollars translated at the closing rate of the fourth quarter of 2020 ("4Q20").
- Term: The projection begins in January 2021 and extends until 2030 considering proven (1P) and probable (2P) reserves.
- Selling price: The reference used is the average price of Brent obtained in the publications of the U.S. Energy Information Administration.
- Intervention in wells: The conclusion of the Refurbishment consists of the fifth well (4HP), as well as the workover activities in the four producing wells known as 2HP, 6HP, 8H and 44HP
- Discount rate: The Company uses the Weighted Average Capital Cost (WACC) in actual terms at an after-tax discount rate of 5.06% (7.83% pretax).
- Residual: A residual value was not calculated in the latest period, since the projection was based on the economic useful life of the assets.

It is worth noting that, although Management uses the best expectations, said projections are subject to several uncertainties, such as estimated costs and expenses, expected oil price, exchange rate, efficiency of equipment and production teams, regulations issued by authorities such as ANP and IBAMA, tax law, and geological aspects, such as the volume and behavior of reservoirs.

b. Atlanta and Oliva fields

This asset remains under arbitration, as described in Note 1.2, and pursuant to the accounting law represented by CPC 01 – Impairment of Assets, and CPC 25 – Provisions, Contingent Liabilities and Contingent Assets, the Company revised the impairment calculated and recorded on December 31, 2018, further complementing the amount. As of December 31, 2018, the new balance totals R$1,084,369 (R$651,119 as of December 31, 2017).

On July 20, 2020, the Company was notified of the sentence handed down in phase 3 of the arbitration proceeding, which, among other issues, recognized the Notification sent by Barra to Dommo Energia as valid at the time it was made, having determined that Dommo Energia reimburse certain costs to the parties, also making it possible to offset R$1.6 million of undue charges from the Operator. This decision is still pending the analysis of requests for clarification from the parties, as well as its approval by the STJ.

It should be clarified that the Company still has other arbitration proceedings in different jurisdictions related to Block BS-4 involving the consortium partners Barra, Enauta and ANP.

Refers substantially to BS-4 impairment

Impairment balance on December 31, 2017	**651,119**
Addition to intangible assets' impairment in 2020	239,422
Addition to intangible assets' impairment in 2020	193,828
Impairment balance on December 31, 2020	**1,084,369**

Depreciation
Fixed assets are depreciated as from declaration of commerciality and commencement of production, under the units of production (DUP) method.

	Conciliation for depreciation and amortization - Cash Flow Statement	
	Parent Company	**Consolidated**
Depreciation	20,164	42,893
Depreciation in inventory on 12/31/2019, as described in Note 8	9,291	9,291
Depreciation in inventory on 12/31/2020, as described in Note 8	(68)	(68)
Depreciation and amortization in the Cash Flow Statement	**29,387**	**52,116**

12 Intangible assets (Parent Company and Consolidated)

The Company's intangible assets correspond to: (a) E&P intangible assets, represented by the subscription bonuses paid in order to obtain concessions for exploration, development and production of the blocks, as well as amounts paid for farm-ins; and (b) other intangible items, chiefly represented by computer software programs.

	IT systems and programs	Intangible assets E&P	Total
Cost			
On January 01, 2019	**40,568**	**7,023**	**47,591**
On December 31, 2019	**40,568**	**7,023**	**47,591**
Divestments	-	(251,287)	(251,287)
Provision for/realization of impairment	-	251,287	251,287
On December 31, 2020	**40,568**	**7,023**	**47,591**
Accumulated amortization			
On January 01, 2019	**(40,558)**	**(7,023)**	**(47,581)**
On December 31, 2019	**(40,558)**	**(7,023)**	**(47,581)**
On December 31, 2020	**(40,558)**	**(7,023)**	**(47,581)**
Amortization rates (% p.a.)	20		
Net residual value			
On December 31, 2020	10	-	10
On December 31, 2019	10	-	10

Amortization

Amortization of E&P intangible assets occurs as from the declaration of commerciality and commencement of production, based on the units of production ("DUP") method. As of December 31, 2020 and December 31, 2019, the only field with declared commerciality and already producing was the Tubarão Martelo field.

13 Income tax, social contribution, government stakes and other taxes and contributions

	Parent Company		Consolidated	
	12/31/2020	**12/31/2019**	**12/31/2020**	**12/31/2019**
Non-Current Assets				
Withheld income tax, social contribution and other recoverable taxes				
Withholding tax (IRRF) on financial investments	82	82	184	169
IRPJ tax losses	4,825	4,742	13,101	13,203
Social contribution tax (CSLL) losses	1,718	1,623	1,718	1,623
PIS offsettable	15,249	13,476	15,249	13,476
COFINS offsettable	64,791	65,260	64,791	65,260
State VAT (ICMS) recoverable	390	390	390	390
Other recoverable taxes	1,033	1,032	11,936	3,533
	88,088	**86,605**	**107,369**	**97,654**
Current liabilities				
Taxes, contributions and government stakes payable				
IRRF	37,835	30,849	37,809	30,849
Social contributions withheld	-	196	2	197
COFINS payable	-	-	9	5
PIS payable	-	-	1	-
Royalties payable	1,171	4,264	1,171	4,264
Others	6,454	6,390	6,457	6,391
	45,460	**41,699**	**45,449**	**41,706**
Non-current liabilities				
Deferred PIS and COFINS				
Deferred PIS (i)	42,984	22,784	42,984	22,784
Deferred COFINS (i)	264,518	140,210	264,518	140,210
	307,502	**162,994**	**307,502**	**162,994**

(i) On April 1, 2015, Decree 8426 was published, establishing the return of PIS and COFINS rate on financial income calculated by legal entities subject to the non-cumulative calculation system as of July 1, 2015. The rates are 0.65% for PIS and 4% for COFINS, except for certain cases provided for by the Decree, on which the rate is 0%. Considering that the Company taxes gains or losses on inflation adjustments based on exchange rate on a cash basis, it recorded a provision for deferred PIS and COFINS on these unrealized gains on inflation adjustments.

Reconciliation of the IRPJ and CSLL expenses is as follows:

	Consolidated 12/31/2020		Consolidated 12/31/2019	
	IRPJ	**CSLL**	**IRPJ**	**CSLL**
Profit (loss) for the period prior to IRPJ and CSLL	**(328,572)**	**(328,572)**	**(126,516)**	**(126,516)**
Permanent additions/exclusions:				
Other non-deductible additions	162,929	162,929	63,921	62,480
IRFS 16 adjustments (Note 32)	38,620	38,620	(28,560)	(28,560)
Exclusion of the reversal of the impairment of Tubarão Martelo resulting from the sale of 80% of the concession	(1,767,145)	(1,767,145)	-	-
Results of offshore companies	82,065	82,065	113,135	113,135
Taxable income for IRPJ and CSLL purposes	**(1,812,103)**	**(1,812,103)**	**21,980**	**20,539**
Tax rates (%)	**15% + Additional 10%**	**9%**	**15% + Additional 10%**	**9%**
Current and deferred IRPJ and CSLL	**-**	**-**	**(5,495)**	**(1,849)**
Current and deferred IRPJ and CSLL	-	-	(5,495)	(1,849)
(+) Provision for non-realization of deferred IRPJ and CSLL	-	-	5,495	1,849
Breakdown of IRPJ and CSLL				
IRPJ and CSLL – current	-	-	-	-
IRPJ and CSLL - deferred	-	-	-	-
Total IRPJ and CSLL	**-**	**-**	**-**	**-**
Effective tax rate	**-**	**-**	**-**	**-**

Deferred taxes and Business Plan

Additionally, the Company and its subsidiaries have unrecorded tax loss carryforwards in the amount of R$7.9 billion.

14 Related parties

	Parent Company									
	Credits with related parties		**Loans with related parties - Ativo**		**Accounts payable to related parties**				**Loans with related parties - Liabilities**	
	(non-current)		**(non-current)**		**(current)**		**(non-current)**		**(non-current)**	
	12/31/2020	**12/31/2019**	**12/31/2020**	**12/31/2019**	**12/31/2020**	**12/31/2019**	**12/31/2020**	**12/31/2019**	**12/31/2020**	**12/31/2019**
OGPar (i)	5,237	5,237	3,340	3,266	-	-	-	-	-	-
Dommo Austria (ii)	549,190	425,966	18,445,321	14,609,504	-	-	(622,440)	(482,781)	(18,279,612)	(14,446,241)
Dommo Netherlands (iii)	-	-	6,642	5,000	(247,190)	(165,996)	-	-	-	-
Dommo Netherlands Holding Company	-	-	-	-	-	-	(67)	(52)	-	-
Dommo International	-	-	87,695	66,265	-	-	-	-	-	-
OSX 3 Leasing B.V. (iv)	-	-	-	-	-	(25,540)	-	-	-	-
Dommo R-11	342	342	19,306	22,328	-	-	(46)	(46)	-	-
	554,769	**431,545**	**18,562,304**	**14,706,363**	**(247,190)**	**(191,536)**	**(622,553)**	**(482,879)**	**(18,279,612)**	**(14,446,241)**

	Consolidated									
	Credits with related parties		**Loans with related parties - Ativo**		**Accounts payable to related parties**				**Loans with related parties - Passivo**	
	(non-current)		**(non-current)**		**(current)**		**(non-current)**		**(non-current)**	
	12/31/2020	**12/31/2019**	**12/31/2020**	**12/31/2019**	**12/31/2020**	**12/31/2019**	**12/31/2020**	**12/31/2019**	**12/31/2020**	**12/31/2019**
OSX 3 Leasing B.V. (iv)	-	-	-	-	-	(25,540)	-	-	-	-
	-	**-**	-	-	**-**	**(25,540)**	**-**	**-**	**-**	**-**

Further information on "Loans and Financing - liabilities with related parties is as follows":

						Parent Company			
						12/31/2020			12/31/2019
Loans and financing	**Currency**	**Payment of interest**	**Amortization of principal**	**Interest**	**Counterparty**	**Principal**	**Interest**	**Total**	**Total**
Export pre-payment (PPE)	US$	Semi-annual	7/30/2034	9% p.a.	Dommo Austria	11,877,037	522,206	12,399,243	9,874,484
Law 12,431 infrastructure debentures	R$	Semi-annual	7/30/2034	10.5% p.a.	Dommo Austria	2,025,000	125,701	2,150,701	2,150,701
Loan	US$	at the end of agreement	7/30/2034	Libor 6M + 2.5%	Dommo Austria	237,920	892	238,812	185,229
Investment in Dommo Austria (*)	n/a	n/a	n/a	n/a	Dommo Austria	3,490,856	-	3,490,856	2,235,827
						17,630,813	**648,799**	**18,279,612**	**14,446,241**
					Current	-	-	-	-
					Non-current	**17,630,813**	**648,799**	**18,279,612**	**14,446,241**

(*) Investments in Dommo Austria with negative equity classified as loans and financing with related parties pursuant to CPC 39 – Financial Instruments: Presentation, regarding the equalization of amounts receivable and payable.

Changes in liabilities "Loans and Financing - liabilities with related parties":

	Parent Company
Balance on December 31, 2019	**14,446,241**
(+) New fundraising	24,000
(+) Interest incurred	15,000
(-) Amortization of principal	(345,588)
(-) Payment of interest	(15,000)
(+) Exchange variation	2,899,929
(+) Adjustment in Dommo Austria	1,255,030
Balances as of December 31, 2020	**18,279,612**

(i) Refers basically to intercompany loans.

(ii) Loans with related parties: Under Assets, referring to the credits held against Dommo Austria, in consideration for the assumption of the debt relating to the senior unsecured notes that was guaranteed by Dommo Energia, as provided for in the Court-supervised reorganization Plan. Under liabilities, referring to the export pre-payments, non-convertible debentures and the intercompany loan payable to Dommo Austria.

(iii) Refers substantially to the amount payable relating to the agreement for lease of subsea equipment entered into between the Company and investee Dommo Netherlands and advances for purchase of equipment made by the Company to Dommo Netherlands.

(iv) Amounts related to the leasing of FPSO OSX 3.

Other information on loans and financing with related parties (liabilities)

US$2.6 billion in Senior Unsecured Notes and US$2.6 billion PPE
On June 3, 2011, OGPar issued Senior Unsecured Notes (“2018 Bonds”) on the international market in the amount of US$2.6 billion (equivalent to R$4.0 billion). The principal matured in 2018, while interest is due semi-annually at the rate of 8.5% p.a. in the months of June and December. The funds were mainly intended for financing the development of production in the Campos and Parnaíba basins. The funding costs of US$46,072 million (equivalent to R$74,310) have been recognized under liabilities, thus reducing the amount funded. This amount was accrued to profit or loss over the loan term by employing the effective interest rate method. In October 2011, an amendment to the instrument for issue of the 2018 Bonds was signed in the amount of US$2.6 billion, whereby OGPar was substituted by its subsidiary Dommo Austria as issuer and principal debtor of such bonds. In consideration for such operation, OGpar and its subsidiary at the time Dommo Austria signed an agreement whereby the former granted to the latter the funds obtained from issue of the above-mentioned notes (plus the interest revenue generated through investment of the funds obtained through the grant date, as well as issuing cost discounts). Further in October 2011, an export pre-payment (PPE) agreement was signed whereby Dommo Austria granted to Dommo Energia early payment of the amount of US$2.6 billion in order to finance development and production of oil to be exported by Dommo Energia to Dommo Austria. In consideration for the early payment, Dommo Energia undertook to export the number of barrels of oil required to settle the early payment through one or more shipments to Dommo Austria by May 27, 2018. The amount paid in advance and not yet settled through oil exports is subject to semi-annual interest payments at the rate of 9.0% p.a.

With the approval of the court-supervised reorganization plan on June 3, 2014, Dommo Energia, as guarantor for the debts, recognized the 2018 Bonds as liabilities by debiting an asset held against Dommo Austria. In turn, Dommo Austria no longer recognizes the debt to the bondholders and recorded another debt in the same amount to the guarantor, Dommo Energia. On December 31, 2014, after compliance with all conditions precedent provided for in the court-supervised reorganization plan for conversion of the debt into equity instruments, Dommo Energia recorded the extinction of said Notes. The court-supervised reorganization plan postponed the maturity of the PPE and Dommo Energia’s credit with Dommo Austria through subrogation of the bonds to July 30, 2034. The court-supervised reorganization plan further calls for the PPE interest between Dommo Energia and Dommo Austria to be frozen as of the date the court-supervised reorganization petition was filed. Exchange variation continues to occur.

US$1.1 billion in Senior Unsecured Notes and R$2.0 billion in Debentures under Law 12.431/11 for infrastructure projects:
On March 30, 2012, Dommo Austria issued Senior Unsecured Notes (“2022 Bonds”) on the international market in the amount of US$1,100,000 (equivalent to R$1,900,000). The principal matures in April 2022, while interest is due semi-annually at the rate of 8.375% p.a. in the months

of April and October. The funding costs of US$17,800 (equivalent to R$39,000) have been recognized under liabilities, thus reducing the amount funded. This amount was accrued to profit or loss over the loan term by employing the effective interest rate method. On September 28, 2012, Dommo Energia issued simple, unsecured debentures not convertible into shares on the Brazilian securities market in the amount of R$2,000,000, under CVM Instruction 476. The operation was offset in October 2012. Said debentures are securities under Law 12,431/11 and the proceeds from the issue have been fully used to reimburse capital expenditures incurred on the issue during the exploratory campaign in the Campos Basin, as expressly provided in article 1, paragraph 1, item VI of the aforementioned law. The debentures have semi-annual remuneration at a rate of 10.5% p.a. The principal matures in March of 2022. On the debenture issue date, the aforementioned securities were fully subscribed by Dommo Austria GmbH.

With the Plans' approval on June 3, 2014, Dommo Energia, as guarantor for the debts, recognized the 2022 Bonds as liabilities by debiting an asset held against Dommo Austria. In turn, Dommo Austria no longer recognizes the debt to the bondholders and recorded another debt in the same amount to the guarantor, Dommo Energia. On December 31, 2014, after compliance with all conditions precedent provided for in the court-supervised reorganization plan for conversion of the debt into equity instruments, Dommo Energia recorded the extinction of said Notes. The Plan postponed the maturity of the Debentures and Dommo Energia's credit with Dommo Austria through subrogation of the 2022 Bonds to July 30, 2034.

Pursuant to Law 12,431/11, the Plan further calls for the interest of debentures between Dommo Energia and Dommo Austria to be frozen as of the date the court-supervised reorganization petition was filed. Exchange variation continues to occur.

Intercompany loans

The cash of the companies controlled by Dommo Energia is managed in an integrated fashion, so that cash surplus at one company may be transferred to the others through loan agreements between the parties.

On December 31, 2020, Dommo Energia had receivables from OGPar arising from short and long-term loans totaling R$5,237 and R$98,334, respectively (R$5,237 and R$77,087 on December 31, 2019). The long-term loan totaling R$3,340 (R$3,266 on December 31, 2019) is net of OGPar's unsecured liability in the amount of R$94,994 on December 31, 2020 (R$73,821 on December 31, 2019).

On February 27, 2019, the Board of Directors authorized Dommo Energia to capitalize the remaining balance of intercompany loans ("Final Balance"), considering the end of the process to sell DMMO3 shares held by OGPar.

15 Suppliers

	Parent Company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Domestic suppliers	55,305	25,460	55,468	25,612
Foreign suppliers	87,844	8,842	94,529	9,150
E&P provisions (i)	188	5,935	188	5,935
	143,337	**40,237**	**150,185**	**40,697**

(i) The E&P provisions basically consider the costs incurred on subsea installation services and production of O&G that have not yet been billed. The provisions for production are based on the contractual daily rates.

16 Sundry provisions

	Parent Company and Consolidated			
	Current		Non-current	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Provision guaranteed minimum payment (a)	844	646	-	-
Provision for ARO (b)				
Tubarão Azul	-	-	71,581	57,634
Tubarão Martelo	-	-	-	291,539
Provisions for regulatory contingencies (c)	-	-	167,996	137,279
Provision for environmental compensation (d)				
Tubarão Azul Field	-	-	12,849	12,505
Tubarão Martelo Field	-	-	46,550	45,303
Bacia de Campos	-	-	2,307	2,245
Santos Basin	-	-	12,340	9,571
Provision for regulatory contingencies assumed (Note 27)	-	-	53,743	53,743
Provisions for labor proceedings	-	-	6,817	5,711
	844	**646**	**374,183**	**615,530**

a) Provision for guaranteed minimum payment - stock options: This provision refers to the guaranteed minimum payment associated with former stock option contracts, already ended. Over the course of the third quarter of 2014, the Company renegotiated the terms of the agreement with the beneficiaries of the guaranteed minimum payment. For those beneficiaries accepting the proposal, the Company undertook to pay in the month of the agreement 10% of the amount provided for plus a further 40% in 8 equal and consecutive monthly installments in the immediately subsequent months. The beneficiaries accepting the agreement accepted the fact that the remaining 50% would no longer be due by the Company.

b) Provision for Asset Retirement Obligation (ARO) for E&P fields: As from the declaration of commerciality of its fields and beginning of development activities, the Company begins to set up a provision for abandonment or asset retirement obligation (ARO) at the end of the concession period. Such provision reflects the estimated expenditures to be incurred in the future, mainly related to: (i) plugging of the wells; and (ii) removal of the lines and production equipment. The Company concluded Tubarão Azul's abandonment phase related to the plugging of the wells and the remaining provision refers to the removal of subsea equipment, which is under discussion with ANP. As provided for in the TBMT transaction with Petro Rio, the Company fully reversed the provision for the cancellation of the Tubarão Martelo field.

c) Refer to provisions for fines applied by the ANP or whose taxable event is already known. The Company has no expectation of any relevant financial disbursement for the next 12 months referring to these contingencies.

d) Provisions for environmental compensation related to environmental licenses. The Company has undertaken with the Brazilian Environmental Protection Agency (IBAMA) to make certain environmental compensations, with transfer of resources to conservation units.

17 Other payables

	Note	Parent Company		Consolidated	
		12/31/2020	12/31/2019	12/31/2020	12/31/2019
BS-4 Consortium (i)	1.2	47,648	47,648	47,648	47,648
Atlanta Field B.V.	11	-	-	62,235	48,271
Cash calls to be paid - PRio		13,997	-	13,997	-
Success fees and other provisions		24,072	28,585	24,948	28,709
		85,717	**76,233**	**148,828**	**124,628**

(i) In accordance with the decision of the first stage of Block BS-4 arbitration, in 3Q18 the Company reversed cash calls and billings received and recorded as of October 2017. For more details, see Note 1.2.

18 Contingencies

Dommo Energia complies with CPC 25 - Provisions, Contingent Liabilities and Contingent Assets both on the recording of provisions in amount sufficient to cover probable losses and for which a reliable estimate can be made, and on the disclosure of contingent liabilities.

When preparing the financial statements for the three and nine-month period ended December 31, 2020 and for the financial statements for the fiscal year ended December 31, 2019, the Company and its subsidiaries considered all available information relating to lawsuits in which they are a party in order to estimate the amounts of the obligations and the probability of disbursing funds. The amounts whose losses are deemed probable are accrued and disclosed as “Provisions for regulatory contingencies” and “Labor provisions” in Note 16.

Lawsuits, whose likelihood of loss is possible, based on the judgment of the Company’s Management and its subsidiaries on the external counsel’s opinions, have not been accrued and are disclosed in this Note in accordance with the accounting practices adopted in Brazil. Accrued contingent liabilities, plus interest and monetary restatement, estimated for such disputes on December 31, 2020 and December 31, 2019, are as follows:

	Parent Company and Consolidated	
Nature	**12/31/2020**	**12/31/2019**
Tax	2,189,693	1,984,103
Labor	4,767	3,506
Civil	18,362	9,913
	2,212,822	**1,997,522**

The table below details the main tax, civil, environmental and labor, whose likelihood of loss is possible.

Description of tax/fiscal lawsuits	Parent Company and Consolidated 12/31/2020	12/31/2019
Plaintiff: Receita Federal do Brazil ("RFB") **Nature:** Levy of Withholding Income Tax ("IRRF") and Contribution of Intervention in the Economic Domain ("CIDE") over remittance of funds abroad in 2009 to pay foreign companies under vessel charter party agreements. **Current situation:** The legal discussion related to the levy of IRRF addresses the legality of RFB regulations that guarantee a zero rate for said remittances. The Company ratifies the classification of loss as possible, as it understands that there are favorable statements in the Superior Courts, and will seek to secure its rights. Lawsuits involving CIDE are under administrative phase and, on November 28, 2018, Dommo Energia was granted a favorable decision by the Administrative Council of Tax Appeals (CARF). These disputes are deemed possible as the legal provision is in line with the Company's understanding.	114,817	113,689
Plaintiff: RFB **Nature:** Payment of IRRF on offshore remittances as interest arising from an Export Prepayment Agreement ("PPE") – see the details of this transaction in Note 14 – as the transaction allegedly lost its characteristics as a PPE transaction, as well as the non-eligibility of the transaction to RFB's regulation that governs IRRF zero tax on offshore remittance as interest. **Current situation:** The Company received the tax deficiency notice on December 13, 2017, challenged the decision on January 18, 2018 and is awaiting judgment.	697,104	689,296
Plaintiff: RFB **Nature:** Non-recognition of deductibility, in the calculation of IRPJ and CSSL, of interest expenses arising from a PPE Agreement – see the details of this transaction in Note 14 – as the transaction allegedly lost its characteristics as PPE Transaction. In case of loss the effect would be only a reduction of the tax loss base. **Current situation:** The Company received the tax deficiency notice on December 13, 2017, challenged the decision on January 18, 2018 and is awaiting judgment.	694,008	593,677
Plaintiff: RFB **Nature:** Dispute referring to non-recognition, by RFB, of PIS and COFINS credits calculated by the Company on exploration and production expenses. **Current situation:** The issue involves lawsuits under different administrative and judicial phases, and remains as possible loss, as the Company understands that there are favorable statements.	588,911	519,841
Plaintiff: RFB **Nature:** Tax deficiency notice requiring payment of IRRF supposedly due on payments to foreign suppliers. **Current situation:** The issue involves lawsuits under different administrative and judicial phases, and remains as possible loss, as the Company understands that there are favorable statements.	65,201	64,463
Plaintiff: RFB **Nature:** Sundry **Current situation:** Sundry	29,652	3,137
	2,189,693	**1,984,103**

Description of labor lawsuits	**Parent Company and Consolidated**	
	12/31/2020	**12/31/2019**
Plaintiff: Sundry **Nature:** Overtime, night-shift premium, emotional distress and others **Current situation:** The issue involves lawsuits under different administrative and judicial phases, and remains as possible loss, as the Company understands that there are favorable statements.	**4,767**	**3,506**

Description of civil lawsuits	**Parent Company and Consolidated**	
	12/31/2020	**12/31/2019**
Plaintiff: IBM Brasil - Indústria Máquinas e Serviços Limitada ("IBM") **Nature:** Payment **Current situation:** On October 29, 2013, the Company terminated the service agreement entered into with IBM. The provider claimed that the termination was not valid and continued to render services without receiving payment, even after the court-supervised reorganization petition was filed on October 30, 2013. Also according to IBM, the amount was not subject to the court-supervised reorganization Among other arguments, the Company claims that any service rendered was residual and related to the demobilization of the agreement, reason why any amount due would be included in the court-supervised reorganization.	7,220	7,220
Plaintiff: Vociem Consultoria Empresarial E Contábil LTDA **Nature:** Payment **Current situation:** The purpose of the claim is to collect the amount to which the plaintiff claims to be entitled, as a success fee, under the terms of the Service Agreement signed on January 26, 2017, between the parties, for services that would have been provided in favor of the second defendant, OSX Brasil SA, currently under judicial reorganization. The author's claim is that he would be entitled to 25% (twenty-five percent) of the tax credits calculated in favor of the second defendant, which would total the updated amount of nine million, four hundred and twenty-four thousand, five hundred and seventeen reais and seventy-three cents (R$9,424,517.73), that is, the plaintiff intends to collect from the defendants, together, the amount of two million, three hundred and fifty-six thousand, one hundred and twenty-nine reais and forty-three cents (R$2,356,129.43).	-	2,693
Plaintiff: Paulo Cezar Pinheiro Carneiro Advogados Associados **Nature:** Payment **Current situation:** (a) Lawsuit to execute an out-of-court instrument aiming at the collection of attorney's fees ad exitum, in the amount of R$2,819,554.33. Also, in the preliminary petition there is a request for urgent injunction, aiming at (i) the attachment of assets of the Executed Party; and (ii) the dispatch of a letter to the ANP, to abstain from authorizing or ratifying the assignment or transfer of the rights of the Executed Party over the Tubarão Martelo Field to PetroRio, without prior authorization from the executive court; (b) Execution action for an out-of-court enforcement instrument aiming at the collection of ad exitum legal fees, in the amount of R$6,648,852.91.	11,142	-
	18,362	**9,913**

19 Equity (unsecured liabilities)

a. Share capital

The following table shows the changes in the Company's capital stock between December 31, 2018 and December 31, 2020.

Share capital on December 31, 2018	**10,250,677**
(+) Capital increase	7
(+) Capital increase (i)	1,884,317
(-) Capital decrease (ii)	(11,722,602)
Share capital on December 31, 2019	**412,399**
(+) Capital increase (iii)	43,216
Share capital on December 31, 2020	**455,615**

(i) Capital increase with absorption of capital reserve balances.

(ii) Capital decrease - On January 14, 2019, the Extraordinary Shareholders' Meeting approved the decrease of the Company's share capital by absorbing its accumulated losses, pursuant to article 173 of Law 6,404/76.

(iii) Capital Increase with extinction of financial liabilities no impact on the Company's cash. For further information, see Notice to Shareholders of December 9, 2020.

Capital stock on December 31, 2020 is represented by 307,948,654 registered, book-entry common shares with no par value.

b. Dividends:

The Company's Bylaws determines distribution of minimum mandatory dividends of 0.001% of the profit for the year, adjusted pursuant to article 202 of Law 6,404/1976 (as amended by Law 10,303/2001). At Management's discretion, the Company may pay interest on equity, the net amount of which should be imputed to minimum mandatory dividends, pursuant to article 9 of Law 9,249/1995.

c. Accumulated translation adjustment

Due to currency conversion relating to investments in foreign subsidiaries, accumulated translation adjustments were recognized under comprehensive income.

d. Capital reserves

The negative balance of the capital reserve, in the amount of R$159,192, is due to negative goodwill from the absorption of OGPar shares.

20 Net sales revenue

	Parent Company		Consolidated	
	12/31/2020	**12/31/2019**	**12/31/2020**	**12/31/2019**
Oil				
Gross selling revenue	321,587	417,801	333,225	438,118
(-) Taxes on sales	-	-	-	-
Net sales revenue	**321,587**	**417,801**	**333,225**	**438,118**
Volume sold in thousands of barrels (i)			*1,829.9*	*1,892.2*

As a result of the depreciation of the Brent type oil barrel caused mainly by the decrease in demand due to the global advance of Covid-19, there was a reduction in the average price of the barrel traded during 2020.

(i) Information not reviewed by the independent auditors.

21 Cost of goods sold

	Parent Company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Extraction costs (*)	330,145	316,672	309,535	297,270
Royalties	29,776	40,743	29,776	40,743
Amortization and depreciation	28,738	45,487	28,738	45,487
	388,659	**402,902**	**368,049**	**383,500**

(*) Services and inputs required to extract oil from the TBMT field.

22 General and administrative expenses

	Parent Company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Personnel expenses	15,626	18,820	15,626	18,820
Depreciation and amortization	573	610	573	610
Office expenses	1,863	4,004	1,935	4,041
Outsourced services	16,684	16,774	36,432	22,145
Insurance	1,479	1,241	1,479	1,241
Social Integration Program Tax on Revenue (PIS) and Social Security Financing Tax on Revenue (COFINS)	4,746	5,333	4,754	5,359
Others	1,862	1,070	1,862	1,223
	42,833	**47,852**	**62,661**	**53,439**

23 Financial result

		Parent Company		Consolidated	
		12/31/2020	12/31/2019	12/31/2020	12/31/2019
Financial expenses					
Interest on provision for ARO		(15,052)	(16,543)	(15,052)	(16,543)
Sundry interest		(14,695)	(207)	(14,692)	(208)
Interest on loans and financing		(15,000)	-	(15,000)	-
Fair value of financial instruments	(i)	-	-	-	(18,372)
Interest expenses IFRS 16 (Note 32)		9,547	(9,573)	9,547	(9,573)
Other financial expenses		(3,052)	(1,174)	(4,591)	(6,227)
		(38,252)	**(27,497)**	**(39,788)**	**(50,923)**
Financial income					
Interest		5,354	6,878	-	-
Fair value of financial instruments	(i)	-	-	-	13,096
Yields from financial investments		152	675	1,323	4,112
Other financial income		179	502	331	959
		5,685	**8,055**	**1,654**	**18,167**
Exchange variation, net		**1,176,226**	**164,662**	**(110,845)**	**(7,217)**
Net financial result		**1,143,659**	**145,220**	**(148,979)**	**(39,973)**

(i) Effect of the adjustment to present value of the shares the Company held in the subsidiary Eneva S.A.

24 Other operating revenues (expenses)

		Parent Company		Consolidated	
		12/31/2020	12/31/2019	12/31/2020	12/31/2019
Provision for inventory losses		(5)	(3)	(5)	(3)
PIS/COFINS offsetable	(a)	32,020	18,404	32,020	18,404
Deferred PIS/COFINS	(b)	(144,508)	(24,124)	(144,508)	(24,124)
Provision for losses on taxes recoverable		(1,298)	(1,383)	(3,488)	(9,136)
Provision for loss of reimbursable asset retirement costs in the Tubarão Azul field		(18,421)	(18,618)	3,952	(1,785)
Provisions for labor proceedings		(1,006)	(2,990)	(1,006)	(2,990)
Costs of Dommo Netherlands		-	-	(22,549)	(17,253)
Reversal of sundry provisions		(198)	8,636	(198)	8,636
Reimbursement of legal advisory costs		-	1,708	-	1,708
Indemnities received		684	4,132	684	4,132
Provision for ANP fines		5,970	-	5,970	-
Workover – Intervention on well 7-TBMT-2HP		(95,375)	-	(95,375)	-
Loss on sale of fixed assets - TBMT Transaction	(d)	(1,527,636)	-	(1,527,636)	-
Reversals for IFRS 16		(90,173)	-	(90,173)	-
Losses and gains on the sale of investments	(c)	-	-	-	14,796
Allowance for credit losses		-	1,828	-	1,828
Others		(28,059)	12,394	(26,365)	14,330
		(1,868,005)	**(16)**	**(1,868,677)**	**8,543**

a) PIS/COFINS credits recorded in the period.
b) Deferred PIS/COFINS expense on active exchange rate changes. See Note 13.
c) Profit of Eneva S.A. shares sale. For further information, see Note 6.
d) Result of the TBMT transaction with Petro Rio.

25 Impairment

	Parent Company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Fixed Assets (Note 11)				
Impairment for TBMT	1,515,858	(104,200)	1,515,858	(104,200)
Adjustment for impairment related to ARO and other assets	(3,175)	(1,198)	(3,175)	(1,198)
Equipments depreciation- Dommo Netherlands	-	-	22,729	17,628
	1,512,683	**(105,398)**	**1,535,412**	**(87,770)**
Fixed Assets (Note 11)				
Impairment for TBMT	251,287	-	251,287	-
	251,287	**-**	**251,287**	**-**
Translation adjustments (i)	-	-	(181)	(374)
Effect on profit or loss	**1,763,970**	**(105,398)**	**1,786,518**	**(88,144)**

(i) Currency Translation Adjustment affecting impairment of offshore companies.

26 Management compensation

The compensation paid to the Company's Management is as follows:

	Parent Company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Board of Directors (charges and fees)	1,498	2,160	1,498	2,184
Management (compensation. Salaries, benefits and charges)	3,310	3,587	3,310	3,612
Provision of the balance of the overall compensation of directors approved for the year 2020 and 2019	4,560	4,627	4,560	4,627
Total management compensation	**9,368**	**10,374**	**9,368**	**10,423**
Fiscal Council (charges and fees)	475	475	475	475
Audit Committee (charges and fees)	-	39	-	39
	475	**514**	**475**	**514**
2018 Bonus	-	1,400	-	1,400
Difference between provision and 2019 bonus actually paid	(691)	-	-	-
Total Management Compensation, Fiscal Council and Audit Committee	**9,843**	**12,288**	**9,843**	**12,337**

27 Commitments Assumed

Minimum Exploratory Program ("PEM")

In the third quarter of 2016, the Company received a correspondence from ExxonMobil, partner and operator of Block POT-M-762, informing that it had received an Official Letter from the ANP on July 4, 2016, requesting that both parties, Dommo Energia and ExxonMobil, paid R$107,487 thousand, corresponding to the 1,004.55 Work Units not complied with in the aforementioned Concession Agreement. In the correspondence, ExxonMobil advised Dommo Energia to settle 50% of the amount (R$53,743), due to the obligations assumed in the Joint Operation Agreement. In this regard, Dommo Energia's legal counsels understand that the credit related to the PEM that has not been complied with should not receive special treatment, given that said credit was recorded before Dommo Energia's court-supervised reorganization, which could only be required after the implementation of specific conditions. As a result, Dommo Energia presented a delayed proof of claim before the Court judging its court-supervised reorganization case, requesting the inclusion of said credit in the list of creditors, given that the PEM commitment stems from an event occurred in the first half of 2013, i.e. before the filing for court-supervised reorganization. On March 2, 2018, the ruling by the court that presided over the reorganization understood that the case should be dismissed without resolving the matter. Given this decision, the Company filed the applicable appeal, which was granted on July 12, 2018, by the 14th Civil Court of the Rio de Janeiro Court of Appeals (TJRJ), which determined the late filing of the claim, totaling R$53,743, in the general list of creditors. A Special Appeal was filed by ExxonMobil with the Superior Court of Justice, which was not known to be untimely. ExxonMobil filed an appeal against the decision. The appeal was accepted with the admission of the Special Appeal and is still pending decision. Considering that the favorable decision to the Company has not yet been passed by the Rio de Janeiro Court of Appeals, the Company maintained the provision recorded for this liability (see Note 16).

28 Financial instruments and risk management

The Company engages in operations involving financial instruments. These instruments are managed by means of operating strategies and internal controls aimed at ensuring liquidity, security and profitability.

The control policy consists of permanently monitoring the contractual terms versus those prevailing in the market and future expectations. The Company does not make any investments of a speculative nature in derivatives. The results obtained from operations are in compliance with the policies and strategies defined by the Company's Management and its subsidiaries.

The estimated realizable amounts of the Company's and its subsidiaries financial assets and liabilities have been determined by means of information available on the market and appropriate appraisal methodologies. However, considerable judgment has been required in interpreting market data in order to produce the most appropriate estimate of realizable amounts. As a result, the following estimates do not necessarily indicate the amounts that could be realized on the current market. The use of different market methodologies can have a material effect on the estimated realizable amounts.

Derivatives and risk management

a. **Risk management objectives and strategies**

The Company and its subsidiaries have a formal risk management policy. Financial instruments for hedge purposes are contracted by conducting a periodic analysis of the exposure to the risk that Management wishes to hedge against, as approved by the Board of Directors. The hedge guidelines are applied according to the type of exposure. Whenever risk factors related to foreign currencies, interest rates and inflation arising from assets and liabilities acquired are deemed to be material, they may be neutralized in accordance with Management's appraisal of the economic and operational context. The contracting of instruments to hedge against oil price changes is subject to the limits of physical exposure and volatility set forth in the Risk Management Policy and in the Investments and Hedge Standard.

b. **Market risk**

Risk of swings in the commodity prices, exchange rates and interest rates.

b.1 Risk of change in oil prices

Risk management

The Company and its subsidiaries has a formal policy for sales and inventory management that defines the levels of decision-making for oil sales and the criteria for management of oil sale prices. The guidelines for hedging the price of this commodity provide for the possibility to use derivative instruments to set the sale price in order to assure enhanced stability and predictability for the Company's flow of revenues. The volatility of brent prices is one of the Company's assumptions to carry out an impairment test. See Notes 11 and 25.

Operations hedged by derivative instruments against changes in prices

Pursuant to its Sales Policy, the Company can use derivative instruments to establish the sale price of the oil produced, and may also set the price for up to three months of production or occasionally any other horizon that is approved by the Board of Directors. The derivative instruments used in such hedge operations could involve oil futures, swaps, collars and options. The operations may be carried out on the following exchanges: The New York Mercantile Exchange (NYMEX) and the Intercontinental Exchange (ICE), as well as on the over-the-counter

(OTC) market. In the period ended December 31, 2020, the Company and its subsidiaries did not carry transactions with derivative financial instruments.

Sensitivity analysis - stress testing
As of December 31, 2020, the Company is not presenting any sensitivity analysis for petroleum derivatives, since on the base date in question there were no outstanding positions.

b.2 **Exchange risk**
Risk of fluctuations in exchange rates associated with the Company's and its subsidiaries assets and liabilities.

Risk management
The Company and its subsidiaries manage exchange risk at the consolidated level in order to identify and mitigate the risks associated with fluctuations in the value of currencies to which assets and liabilities are pegged. The objective is to identify or create natural hedges, taking advantage of the synergy between the operations of the Company's subsidiaries. The idea is to minimize the use of hedge derivatives by managing exchange risk over net exposure. Derivative instruments may be used in cases in which it is not possible to use the natural hedge strategy. The Company may contract derivative operations within the following limits:

- For amounts effectively committed or contracted, in which there are agreements signed with suppliers, a coverage position of up to 100% may be adopted, irrespective of the period of exposure.
- For estimated amounts, a position with coverage period limited to 12 months may be adopted and the coverage position may be under 100%, weighted based on conservative prospects for realization.

Net exchange exposure

	Consolidated	
	12/31/2020	**12/31/2019**
Assets (i)	13,572,213	10,838,049
Liabilities (ii)	(13,682,668)	(11,085,902)
Net foreign currency liabilities	**(110,455)**	**(247,853)**

(i) Refers mainly to the balance of cash and cash equivalents, escrow deposits in US dollars, accounts receivable in foreign currency, loans and financing in US dollars and the subrogated credit of the Bonds.

(ii) Refers to the PPE liability in US$ between Dommo Energia and Dommo Austria, see Note 14 item (i), the investment in the subsidiary Dommo Austria (see Note 14), and the provision for ARO for the Tubarão Azul field. See Note 16.

Sensitivity analysis for exchange risk
The scenarios defined in this analysis are based on the exchange rate in effect on December 31, 2020:

- Scenario I: Appreciation of the US$ against the R$ - by 25%.
- Scenario II: Depreciation of the US$ against the R$ - by 25%.

The following table details the sensitivity analysis of the net balance of outstanding foreign currency assets and liabilities as of December 31, 2020. Positive amounts represent revenues and negative amounts, expenses.

	Notional amount (US$)	Scenario I (R$)	Scenario II (R$)
Net foreign currency liabilities	(21,255) (*)	(27,615)	27,613

(*) Corresponding to the amount of R$(110,455) presented in the section entitled "Net exchange exposure" in Note 28b.2, translated into US$ at the closing rate for December 31, 2020 of R$5,1967.

c. Credit risk

The credit risk derives from the possibility that the Company and its subsidiaries may incur losses due to the default of its counterparts or the financial institutions with which its funds are deposited or where it has financial investments. This risk factor may arise from commercial and cash management operations. To mitigate such risks, the Company has adopted a practice of analyzing the financial and equity situation of their counterparts, and also conducting ongoing tracking of outstanding positions. To appraise the financial institutions through which they conduct operations, the Company employs the RiskBank Index put out by the consulting firm Lopes Filho e Associados and the rating of the risk rating agency Standard & Poor's. In order to appraise its commercial counterparts, the Company has a norm whereby a set of criteria and guidelines are established that represent the basis for granting credit to its domestic and foreign customers. The basic fundamentals that guide this instrument are providing enhanced security for realization of the credits granted and minimizing any risks in commercial relations.

Maximum exposure to credit risk

The Company's maximum exposure to credit risk corresponds to the total set out below:

	Parent Company		Consolidated	
Credit risk table	**12/31/2020**	**12/31/2019**	**12/31/2020**	**12/31/2019**
Cash and cash equivalents	3,105	15,209	93,994	125,670
Escrow deposits	4,336	3,368	4,336	6,583
Accounts receivable	-	-	3,594	-
Other credits (except prepaid expenses)	19,951	5,564	20,021	5,277
	27,392	**24,141**	**121,945**	**137,530**

d. Liquidity risk

The Company and its subsidiaries monitors its level of liquidity considering the expected cash flows, in comparison with the amount of cash and cash equivalents available. Management of liquidity risk entails keeping on hand sufficient cash and marketable securities and having capacity to settle short-term market positions. The following chart sets out the Company's and its subsidiaries financial liabilities per due date (aging list).

	12/31/2020 - Consolidated					
	Overdue	**Overdue up to 6 months**	**Overdue from 6 months to 1 year**	**Between 1 and 2 years**	**For more than 2 years**	**Total**
Trade accounts payable	15,860	134,325	-	-	-	150,185
Other accounts payable – BS-4 Consortium (i)	109,883	-	-	-	-	109,883
Other accounts payable	-	38,945	-	-	-	38,945
Total	**125,743**	**173,270**	**-**	**-**	**-**	**299,013**

(i) Refers to cash calls due by the Company to the BS-4 Consortium.

e. **Share price volatility risk**

The Company and its subsidiaries are exposed to the risk of changes in share price due to investments maintained by the Company and classified in the consolidated statement of financial position as measured at fair value through profit or loss. The profit for the year would fluctuate depending on the gains or losses over the price of the shares measured at fair value through profit or loss.

Fair value of financial assets and liabilities

The Company and its subsidiaries measures financial instruments and non-financial assets at fair value on each closing date.

Fair value is the price that would be received for the sale of an asset or paid for the transfer of a liability in an unforced transaction between market participants on the measurement date. The measurement of fair value is based on the assumption that the transaction to sell the asset or transfer the liability will occur:

- In the main market for the asset or liability; and
- In the absence of a main market, in the most advantageous market for the asset or liability. The main or most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured based on the assumptions that market participants would use when setting the price for an asset or liability, assuming that market participants act in their best economic interest.

The measurement of the fair value of a non-financial asset takes into account the market participant's ability to generate economic benefits by using the asset to its best possible use or by selling it to another market participant who would use the asset to its best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy described below, based on the lowest level information that is significant to the measurement of fair value as a whole:

- Level 1 - prices quoted (not adjusted) in active markets for identical assets or liabilities that the entity may have access to on the measurement date;
- Level 2 - valuation techniques for which the lowest and most significant information for measuring fair value is directly or indirectly observable; and
- Level 3 - valuation techniques for which the lowest and most significant information for measuring fair value is not available

For assets and liabilities recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels of the hierarchy, reassessing the categorization (based on the lowest and most significant information for measuring the fair value as a whole) in the end of each disclosure period The hierarchy of fair value for financial instruments is structured as follows:

	Prices observable on active market (Level I)	Pricing model based on prices observable on active market (Level II)	Pricing model without use of observable prices (Level III)
Financial investments	-	7,348	-
Balances as of December 31, 2020	**-**	**7,348**	**-**

	Prices observable on active market (Level I)	Pricing model based on prices observable on active market (Level II)	Pricing model without use of observable prices (Level III)
Financial investments	-	6,675	-
Balance on December 31, 2019	**-**	**6,675**	**-**

There was no reclassification between the fair value hierarchy categories of the securities and financial investments as of December 31, 2020 and December 31, 2019.

29 Insurance

The Company and its subsidiaries adopts the policy of contracting insurance for assets subject to risks and also contracts liability insurance for Directors - D&O. As of December 31, 2020, the main assets or interests covered by insurance and the respective amounts are shown below:

Type of insurance	**Insured amounts**
Exploratory campaign	**US$ thousands**
Offshore blow-out risks in the Campos basin	(*) 615,000
Protection and Indemnity OSX 3 (P&I)	(*) 500,000
Other insurance	**R$ thousands**
Operating risks to property	9,012
General civil liability	20,000
Civil liability of administrators - *D&O*	60,000

(*) Refers to 100% of the insured amount. According to the Company's current interest in the TBMT Field, the Company's percentage interest is 20% of the reported value.

The scope of our independent auditors' work does not include the review of insurance adequacy, which was determined by the Company's and its subsidiaries' Management, which considers it sufficient to cover any claims.

30 Segment reporting

Oil and gas exploration and production is the only segment where the Company operates.

31 Earnings (loss) per share

Basic and diluted earnings (loss) per share	Consolidated 12/31/2020	Consolidated 12/31/2019
Basic and diluted numerator:		
Profit (loss) attributable to shareholders	(328,572)	(126,516)
Basic and diluted denominator:		
Weighted average number of shares	272,325,119	270,040,129
Earnings (loss) per share - in R$	**(1.20654)**	**(0.46851)**

32 Leases - IFRS 16 (Parent Company and Consolidated)

Leases include mainly the FPSO OSX-3 allocated to the production of the Tubarão Martelo Field, supporting vessels and other equipment related to production. The balances and effects of the right of use and financing in the half-yearly result are as follows:

	Right of use		Leases payable	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
	Cost		Principal and Interest	
E&P fixed assets	-	1,008,927	-	1,008,927
Buildings and leasehold improvements	8,047	21,535	8,047	21,535
	8,047	**1,030,462**	**8,047**	**1,030,462**
	Accumulated amortization		Amortization	
E&P assets	-	(204,483)	-	(252,475)
Buildings and leasehold improvements	(3,219)	(1,609)	(3,273)	(1,839)
	(3,219)	**(206,092)**	**(3,273)**	**(254,314)**
			Interest incurred	
E&P assets			-	9,559
Buildings and leasehold improvements			25	14
			25	**9,573**
Net balances	**4,828**	**824,370**	**4,799**	**785,721**
Current liabilities			**1,617**	**203,610**
Non-current liabilities			**3,182**	**582,111**

Increase of the financial expense with interest (Note 23)	9,547
Decrease of production costs and other operating expenses	(48,167)
Decrease of inventory	-
Increase of the annual result due to the adoption of IFRS 16 compared to previous standards	**(38,620)**

In August 2020, due to the FOA of the TBMT Field, the Company reversed from its balance sheet all the effects of IFRS 16 associated with the operation of that field.

33 Subsequent Events

Settlement Agreement in Arbitral and Judicial Disputes with the Barra Group
On March 17, 2021, the Company announced to its shareholders and the market in general that, jointly with its subsidiaries Dommo Netherlands Holding B.V. and Dommo Netherlands B.V., it has entered into a settlement agreement with Barra Energia do Brasil Petróleo e Gás Ltda. and FR Barra 1 S.À R.L. (jointly “Grupo Barra”), in which the parties mutually waived the right to proceed with the arbitral and judicial litigation, related to the participation in dispute in Block BS-4 (“BS-4”) between the Company and Grupo Barra, and granted a settlement.

The arbitration and legal disputes regarding the Company's remaining interest in BS-4 continue regarding Queiroz Galvão Exploração e Produção S.A., currently named Enauta Energia S.A., and the National Agency of Petroleum, Natural Gas and Biofuels.

Oil Price Hedge
In February 2021, the Company contracted a hedge against oil price fluctuations. Sales options were contracted, with an exercise price (strike) of US$50.00 per barrel for the volume of 624,000 barrels of oil related to the commercialization of oil between February 2021 and March 2022.

Capital Increase through Credits Capitalization
On March 22, 2021, the Board of Directors approved the capital increase of the Company, through the capitalization of credits, held by the Pinheiro Guimarães Advogados Law Firm (“PGA”), within the limit of authorized capital, in the amount of R$1,883,512.29, with the private issue of 2,134,695 (two million, one hundred and thirty-four thousand, six hundred and ninety-five) new common shares, all registered, book-entry and with no par value, under the terms of article 170 of the Corporation Law. The details of the Capital Increase are contained in the Notice to Shareholders disclosed to the market and shareholders in general on March 22, 2021.

Fiscal Council’s Opinion
Dommo Energia S.A.'s Fiscal Council, in compliance with the legal and statutory provisions, has examined the Management Report, the Company's financial statements and the proposal for allocation of results for the year, for the fiscal year ended December 31, 2020. Based on the examinations conducted and considering the Independent Auditors' Report on the financial statements, presented without reservations by Grant Thornton Auditores Independentes, it is of the opinion that the referred documents are in conditions to be appreciated and voted at the Shareholders' Meeting.

Rio de Janeiro, March 23, 2021

Bruno Vasques
Daniel Arippol,
Timothy Chamberlein

Board of Directors’ Statement on the Financial Statements and on the Independent Auditors' Report
In compliance with the provisions contained in article 25 of CVM Instruction 480/2009, the Executive Board declares that it has discussed, reviewed and agreed with the independent auditors' report (Grant Thornton Auditores Independentes), issued on March 25, 2021, and with the financial statements for the year ended December 31, 2020.

Board of Directors

Marko Jovovic
Chairman of the Board of Directors

Conrado Lamastra Pacheco

João de Saint Brisson Paes de Carvalho

Board of Executive Officers

Paulo Souza Queiroz Figueiredo
CEO

Eduardo Yuji Tsuji
CFO and Investor Relations Officer

Fiscal Council

Bruno Vasques

Daniel Arippol

Timothy Chamberlein

Controller and Accountant in charge

Luciano Magalhães Janoni
CRC-RJ 115869/O-9