

# PRIO

## EARNINGS RELEASE

# 1Q22



### **1Q22 Conference Call**

**May 5, 2022**

#### **Portuguese**

3 pm (BRA)

#### **English**

2 pm (NYC)

Webinar: [\*\*click here\*\*](#)

The link for the Webinar is also available on the Investor Relations website:  
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The conference call will be held in Portuguese with simultaneous translation to English.



#### **Investor Relations**

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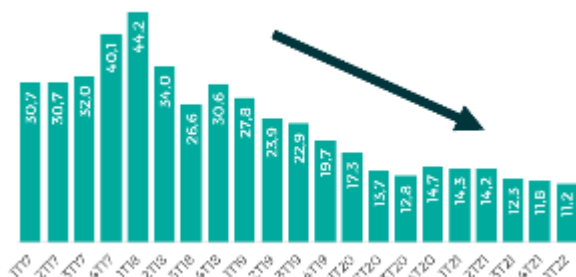
Rio de Janeiro, May 4, 2022 – Petro Rio S.A. ("PRIO" or "Company") (B3: PRIO3) presents its results for the first quarter of 2022 ("1Q22"). The financial and operating information described below, unless otherwise stated, is presented on a consolidated basis and in US dollars (US\$), in accordance with International Financial Reporting Standards (IFRS), and includes the Company's direct subsidiaries: Petro Rio O&G Exploração e Produção de Petróleo Ltda., Petro Rio Internacional S.A., PetroRioUSA Inc., and their respective subsidiaries and branches.

Stock Information		12M Stock Price: PRIO3 x Ibovespa	
Ticker (B3)	PRIO3		
# Shares issued ex-Treasury	843,473,615		
Market Cap (03/31/2022) ex-Treasury stocks	R\$ 20.083.106.773		
Last Price (03/31/2022)	R\$ 23,81		
12-month Low - High	29%		
90-day average trading volume	R\$ 586.675.723		

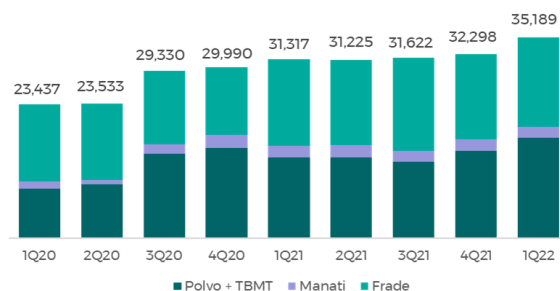
## HIGHLIGHTS FOR THE PERIOD

- Net revenue of US\$ 310 million (158% increase over 1Q21)
- Net income (ex-IFRS 16) of US\$ 228 million
- Adjusted EBITDA (ex-IFRS 16) of US\$ 229 million (vs. US\$ 78 million in 1Q21)
- Approximately 2.8 million barrels sold and production record of 35.1 Mboepd
- Lifting cost of \$11.2, the lowest ever recorded
- Highest operational efficiency ever recorded and celebration of 10 years without accidents in Frade
- Signing of the Albacora Leste acquisition, in April
- Start of drilling in Frade, in April

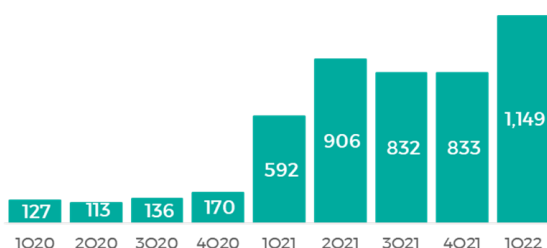
Lifting Cost (US\$/bbl)



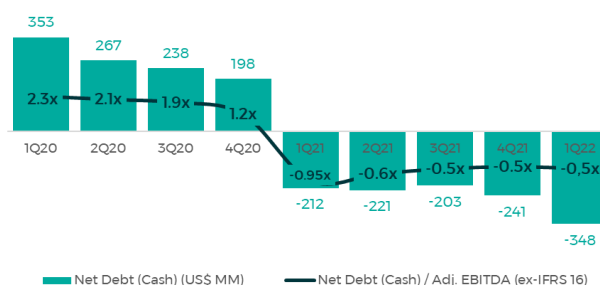
Production (bbl/d)



Cash Position (US\$ million)



Net Debt (Cash) / Adjusted EBITDA





## MESSAGE FROM MANAGEMENT

*"2022 started with several developments that affected Brent prices, including the decrease in severity of COVID-19, an excellent reason to celebrate; and the regrettable war in Ukraine. We have seen oil prices rise sharply, with Brent approaching its 10-year peak. Therefore, along with the strategy of continuously controlling costs, and the maintenance of high operational efficiency, we managed to reach several records, among them per barrel revenue, contribution margin and EBITDA.*

*On the operational front, the first quarter was marked by operational stability both in the Frade / Wahoo cluster and in the Polvo / Tubarão Martelo cluster. Furthermore, we completed the FPSO Bravo gas compressor project, allowing full use of the gas produced in the Polvo / Tubarão Martelo cluster for power generation, substantially reducing the platform's diesel consumption. Thus, we took another step in reducing the Company's emissions, along with reducing costs, which allowed us to achieve the lowest lifting cost ever recorded.*

*In April, we started the Frade Revitalization Campaign, after several iterations with IBAMA to obtain the Operating License, in addition to the work to prepare the NORBE VI drilling rig. This project, which is extremely important for PRIO, has been carried out with the highest standards of efficiency, safety and respect for the environment, and should begin to yield very positive results within a few months.*

*The quarter also included a large part of negotiations related to the acquisition of the Albacora Leste Field, whose contract was signed on April 28. We are very excited about the possibilities that the Field brings to PRIO, almost doubling the Company's production upon closing of the operation, more than doubling 1P reserves, and further consolidating a path of strong organic growth for the coming years. Regarding funding for the acquisition, the company is fully prepared, with the funds in its account added to its cash generation.*

*We are proud of the social and environmental initiatives that took place in the quarter, such as: (i) the conclusion of the Bravo FPSO gas compressor adequations, converting the produced gas of the cluster in energy for operation, thus significantly reducing the cluster's carbon emissions and (ii) the sponsorship of the Reação Offshore project, which consists of technical and non-technical courses by the Reação and Todos na Luta Institutes, in order to empower people interested in working in the offshore field.*

*Finally, we would like to highlight that we have successfully migrated our ERP system to SAP and from now on we will have both our accounting and financial statements using the US Dollar as our functional currency, which is more consistent with the nature of our business.*

*We would like to thank our employees for their efforts to enable such results, delivered in a safe and efficient manner. We also express our gratitude to our shareholders and other stakeholders for the trust placed in us so that we can move forward.*

## OPERATING PERFORMANCE

	1Q21	2Q21	3Q21	4Q21	1Q22	1Q22 X 1Q21	1Q22 X 4Q21
Avg. Brent	\$ 61.32	\$ 69.08	\$ 73.23	\$ 79.66	\$ 97.90	59.7%	22.9%
Avg. Sales Price	\$ 62.19	\$ 66.85	\$ 74.41	\$ 83.19	\$ 110.28	77.3%	32.6%
Avg. Exchange Rate	5.48	5.29	5.23	5.59	5.22	-4.7%	-6.5%
Final Exchange Rate	5.70	5.00	5.44	5.58	4.74	-16.8%	-15.0%
<b>Offtakes (kbbl)</b>							
Frade Field (70%) <sup>1</sup>	1,021	1,530	986	2,000	1,614	58.1%	-19.3%
Polvo + TBMT Cluster (95%) <sup>2</sup>	907	1,307	1,498	1,827	1,181	30.2%	-35.4%
Total PRIO	1,928	2,837	2,485	3,827	2,795	45.0%	-27.0%
<b>Production (boepd)</b>							
Frade Field (100%) <sup>1</sup>	15,086	14,941	16,398	15,028	15,739	4.3%	4.7%
Polvo + TBMT Cluster (95%) <sup>2</sup>	14,147	14,093	13,356	15,347	17,537	24.0%	14.3%
Manati Field (10%)	2,084	2,191	1,868	1,924	1,913	-8.2%	-0.6%
Total PRIO	31,317	31,225	31,622	32,299	35,189	12.4%	8.9%
<b>Lifting Cost (US\$/bbl)</b>							
PRIO	14.3	14.2	12.3	11.8	11.2	-21.3%	-5.1%

<sup>1</sup> Up to February 5, 2021, PRIO held 70% of the Field Operation. After the completion of the acquisition of Petrobras' 30% interest in 1Q21, such percentage increased to 100%.

<sup>2</sup> With the completion of the tieback on July 14, 2021, PRIO's interest in the Polvo and Tubarão Martelo fields increased from 100% and 80%, respectively, to 95% of the two fields.

The main operating highlights for the quarter include: (i) lifting cost, which once again reached the lowest level ever recorded, with a decrease of 21% compared to 1Q21 and of 5% compared to the previous quarter; (ii) high operational efficiency in the quarter; and (iii) the amount of offtakes for the period, 45% higher than those recorded in 1Q21, which, coupled with the increase in Brent prices, significantly contributed to the increase in the Company's revenue in the quarter.

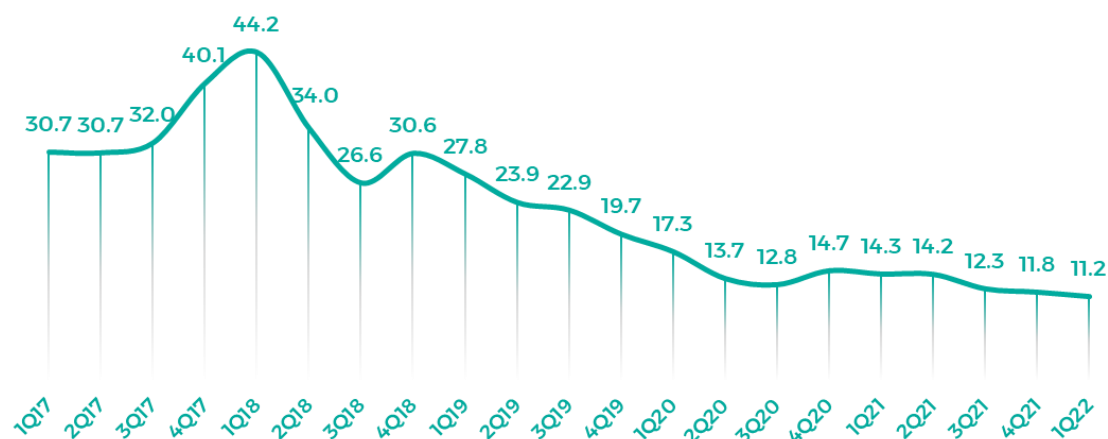
In the quarter, PRIO sold 2.8 million barrels in three offtakes, two in February and one in March (the latter in the co-load regime, a blend of **Frade** and **Polvo + TBMT** oils), totaling 1.6 million barrels sold in **Frade** and 1.2 million barrels sold in the **Polvo** and **TBMT** cluster, with an average gross sales price of US\$ 110,28, accounting for a 45% increase in volume sold when compared to 1Q21.

In the **Polvo** and **TBMT** cluster, the volume produced in the quarter was 24% higher than that recorded in the same period of the previous year, due to the start of production of the TBMT-10H well at the end of last year, as well as the operational stability achieved by the cluster in the quarter, which also explains the 14% increase in production compared to 4Q21.

The volume produced in **Frade** remained in line with that produced in 1Q21 and 4Q21. However, it is worth highlighting that the interest in the field increased from 70% to 100% in February 2021. The proportional reduction in production in the annual comparison is the result of the natural decline of the field.

Since the beginning of the Company's turnaround, which consolidated its growth strategy through the acquisition and development of production assets, PRIO has been working to increase its production levels and rationalize its costs, always maintaining excellence levels in environmental responsibility, safety and operational efficiency. PRIO truly believes that the best protection against Brent volatility is the reduction of its lifting cost, and this will continue to be a pillar for current and future projects. The Company presents the evolution of its lifting cost since the beginning of 2017 below.

## PRIIO Lifting Cost (US\$/bbl)

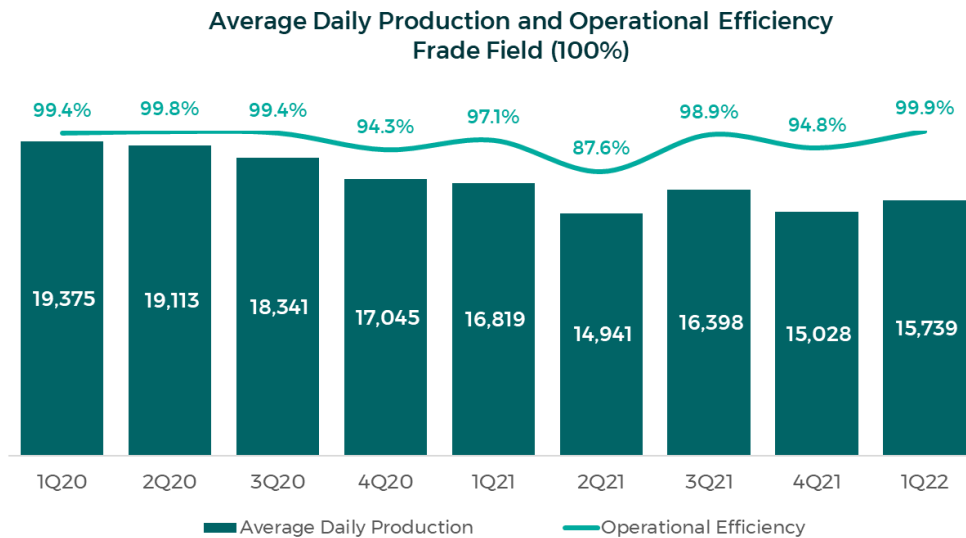


The lifting cost in 1Q22, the lowest ever recorded by the Company, presented a decrease of approximately 21% when compared to the same quarter of the previous year and is 5% lower than in 4Q21. The main highlights for this important operational initiative were (i) the conclusion of the gas power generation project at FPSO Bravo in February 2022; (ii) the tieback between the **Polvo** and **Tubarão Martelo** fields, carried out in July 2021; and (iii) the start of production of the TBMT-10H well in November 2021, which added a daily production of approximately 3 kbbbl/d.





The operational efficiency of the field in the quarter reached 99.9%, recovering the field's operational excellence level. Field production, after more than 2 years of PRIO's management, has shown the effects of the natural decline of mature fields, closing the quarter at an average of 15.7 kbbbl/d, slightly higher than in 4Q21, as a result of the high operational efficiency, the highest ever recorded in the last two years. The chart below illustrates the history of average daily production and operational efficiency in recent quarters:



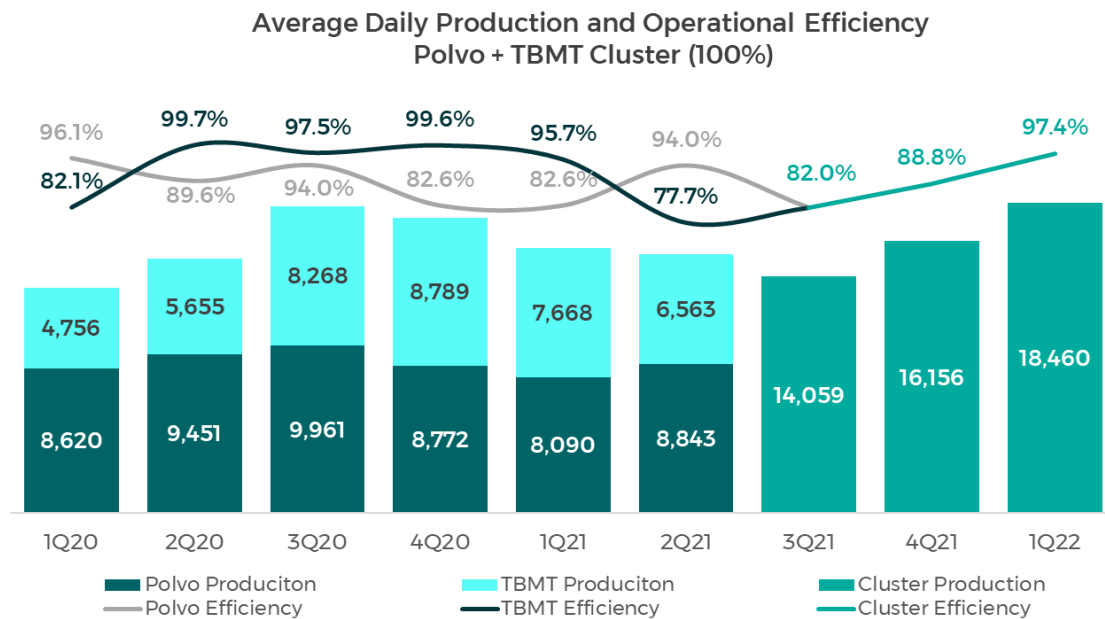
On April 27, PRIO started the first phase of the **Fraze** Field Revitalization Plan, using the NORBE VI rig, with the start of drilling of the ODP-4 producing well. The first phase covers the drilling of a producing well and two horizontal injection wells, with completion expected in 2022.

The **Fraze** Field Revitalization Plan seeks to increase the asset's recovery factor and meets the ANP's conditions for the extension of the concession until 2041, as disclosed in the ANP's approval of the Field Development Plan. The overall project considers the drilling of four production wells and three injectors, selected based on maximizing the field's recovery factor.



In 1Q22, the **Polvo + TBMT** cluster recorded an average daily production 24% higher than that recorded in 1Q21, and 14% higher than that recorded in 4Q21, positively impacted by the start of production of the TBMT-10H well at the end of October and by the cluster operational stability.

The cluster operational efficiency for the quarter was approximately 97%, representing a record efficiency in the cluster since the tieback, which illustrates the PRIO team's learning curve with the project and the cluster that was formed from it. The chart below illustrates field production and efficiency as of 2020:



On June 17 and July 8, 2021, PRIO announced the completion of acquisitions of 35.7% and 28.6% interests in the **Wahoo** Field, respectively.

With the transaction, PRIO currently holds 64.3% of the Field, and aims to create a second production cluster through the tieback from **Wahoo** to **Frade**, thus continuing the strategy of operational optimization of its assets. The first **Wahoo** oil is planned for early 2024.

**Wahoo**, with oil discovery in 2008 and formation testing performed in 2010, has the potential to produce approximately 126 million 1P barrels (100% of the field), according to the DeGolyer & MacNaughton ("D&M") Reserve Certification Report. The Company estimated an initial average productivity of approximately 10,000 barrels per day per well, and a total production that will reach 40,000 barrels per day, according to the results of the formation test performed in an exploratory well.

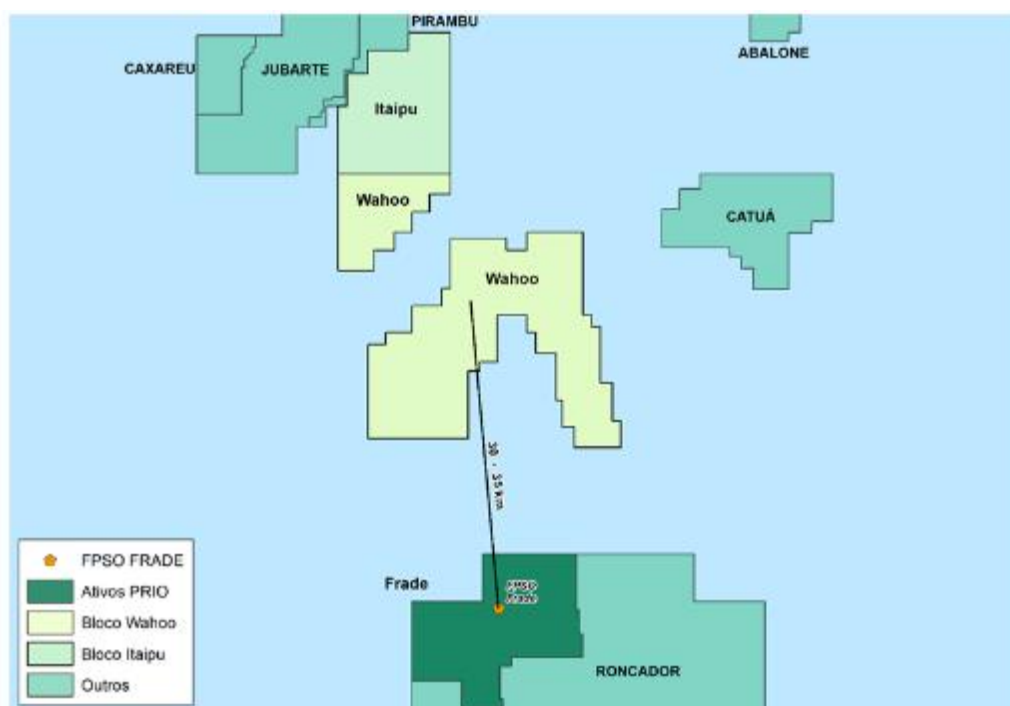
The **Wahoo** base project covers the drilling of four production wells and two injection wells, as well as the tieback between the wells and the **Frade** FPSO. The initially estimated CAPEX for the whole project is broken down into US\$ 300 million for the tieback, US\$ 360 million for well drilling, US\$ 100 million for subsea equipment and US\$ 40 million for adjustments to the **Frade** FPSO and other items.

On December 22, 2021, PRIO filed the Declaration of Commerciality of the **Wahoo** discovery (located in Block CM-101) and the Development Plan under an exclusive operation regime with the ANP, which are currently under analysis.

In March 2022, PRIO completed the front-end engineering design (FEED), together with Wood Plc and will be able to start the long delivery period equipment contracting phase as of June.

Finally, the next steps in **Wahoo's** development are as follows:

- 1) Approval of the Development Plan;
- 2) Start of the drilling and tieback project;
- 3) **Wahoo** first oil.







On April 28, PRIO signed a Sale and Purchase Agreement with Petróleo Brasileiro S.A. (“Petrobras”) for the acquisition of a 90% interest and operation of **Albacora Leste** Field.

Thus, the new consortium will be formed by PRIO, operator of the Field with a 90% interest, and Repsol Sinopec Brasil (“RSB”), with a 10% interest. The deal is subject to the usual precedent conditions for this type of operation, such as approval by the National Agency of Petroleum, Natural Gas and Biofuels (“ANP”), approval by the Brazilian antitrust entity (CADE), and a waiver of the preemptive rights by RSB within 30 days.

The payment will have a fixed price totaling US\$ 1,951 million, of which US\$ 293 million was paid upon execution of the agreement, and a further US\$ 1,658 million will be paid upon completion of the acquisition and transfer of the operation to the Company, subject to adjustments until the closing of the transaction (counted from October 1, 2022) and to the fulfillment of precedent conditions.

The deal also includes the possibility of (cumulative) additional payments of up to US\$ 250 million, depending on annual average Brent prices for the years 2023 and 2024, as presented in the table below:

	2023			Total	2024		Total
Brent (US\$/bbl)	70	80	90	-	65	70	-
Payment (US\$ MM)	10	45	45	100	75	75	150

Albacora Leste has water depth of 1,200 meters and is located in the north of the Campos Basin, 23 km from the Frade Field.

The Company estimates an economically recoverable 1P reserves of approximately 280 million barrels for the **Albacora Leste** Field, with a net reserve of over 240 million barrels for PRIO, expected to be abandoned after 2050. These estimates consider a long-term price of US\$ 62 per barrel of oil.

All amounts will be paid using the funds already available in PRIO’s accounts, along with the Company’s cash generation up to the closing of the transaction. Leverage levels will remain within the healthy and conservative ranges, lower than 1.0x Net debt / EBITDA, as already widely disclosed.

The reserve report for the **Albacora Leste** field will be published in due course.





## MANATI NATURAL GAS FIELD

The volume of gas sold in 1Q22 was 1,913 boepd, and 8% lower than in the same quarter of 2021 and in line with the previous quarter.

The operating cost, comprising direct costs, net of depreciation, was US\$ 2,1 million in 1Q21, accounting for an increase of 190% in costs (from US\$ 0.7 million in 1Q21 to US\$ 2.1 million in 1Q22). Another US\$ 0.4 million were paid as royalties and special participation in the first quarter of 2022.

The investment in the acquisition of **Manati**, carried out in 2017 for approximately R\$ 116 million (US\$ 37 million at the time), had a payback of 2 years. On November 5, 2020, the sale of the 10% interest held by the Company in the **Manati** Field for R\$ 144.4 million was announced. However, in a Material Fact published on April 19, 2022, The Company announced the termination of the SPA, once the long stop date had been reached with no satisfaction of the conditions precedent.

PRIO remains confident on the Field's future, especially given the recent gas market outlook. Nevertheless, it does not preclude possible further transactions involving Manati.

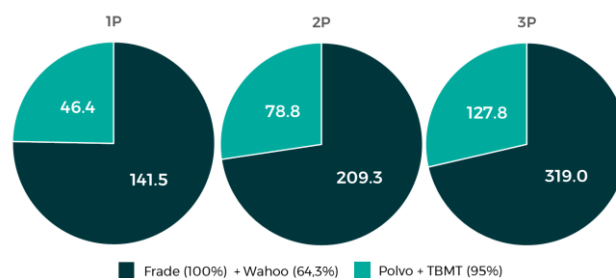


## RESERVES CERTIFICATION REPORT

PRIO published a new certification of reserves and resources, prepared by DeGolyer & MacNaughton (D&M), dated January 1, 2022, including the **Polvo + TBMT**, **Frade + Wahoo** clusters and **Manati** field.

The main development occurred in **Wahoo**, which had all contingent resources (1C) reclassified to reserves (1P), after the Declaration of Commerciality, in December 2021. As a result, **Wahoo** currently has 1P reserves of 126.0 MMbbl (81.0 MMbbl for the 64.3% interest held by the Company). The charts below present the reserves according to the new report.

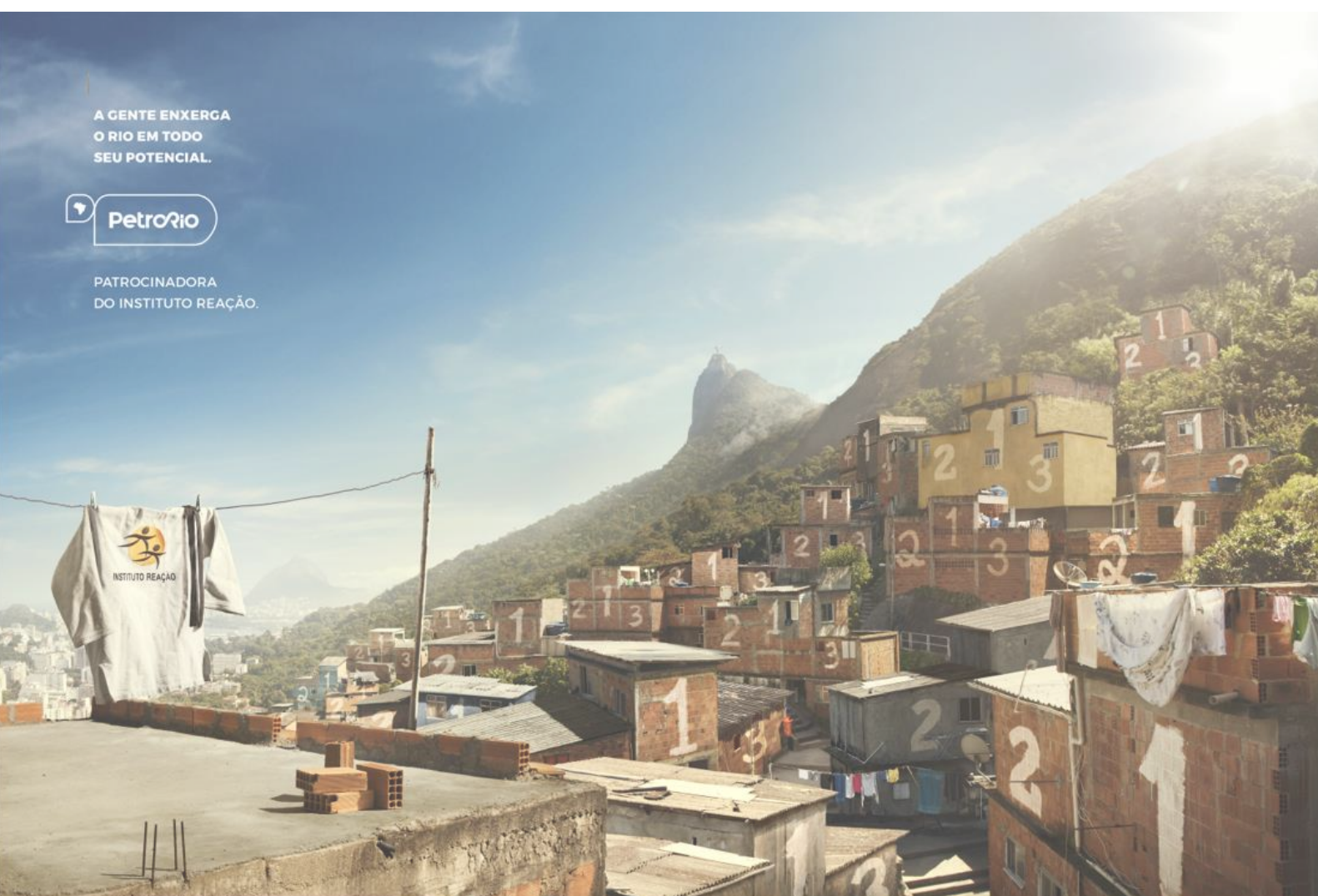
Field	Oil (MMbbl)			
	Jan/21 1P + 1C	Production 2021	Jan/21 With Prod	Jan/22 D&M 1P
Frade (100%) + Wahoo (64,3%)	143.1	5.8	137.3	141.5
Polvo + TBMT (95%)	62.9	5.3	57.6	46.4
Manati (10%)	0.0	0.0	0.0	0.0
<b>Total 1P + 1C Reserves</b>	<b>206.0</b>	<b>11.1</b>	<b>194.9</b>	<b>187.9</b>



In March, PRIO concluded the **Bravo** FPSO energy generation system upgrade, converting the produced gas of the **Polvo + TBMT** cluster in energy for operation. Prior to this project, the FPSO was operated with diesel fuel and, from now on, natural gas will be used to supply 80% of the **Bravo** FPSO's energy demand. The gas compressor modification was concluded without any production shutdown and will generate a significant environmental impact, with the reduction of the flared gas at the FPSO, the diesel used in the asset, the cluster's CO2 emissions and the logistics responsible for fuel delivery.

The Company also began to sponsor the Reação Offshore project, considering that the demand for new professionals will be one of the offshore sector's greatest challenges. This project is a partnership between the Reação and Todos na Luta Institutes with SENAI, which will empower technicians and non-technicians, in addition to providing emotional support. It aims to qualify juveniles to work in the oil and gas industry. PRIO believes in the transformational power of education and sports in the development of future professionals.

Beyond fostering the local culture scene with the Teatro Casa Grande sponsorship program, PRIO is also supporting Casa de Cultura Laura Alvim, specifically through the project "35 anos de Laura", which embraces expositions, workshops, theatrical performances and digital radio. The Casa de Cultura Laura Alvim is a cultural complex in Rio de Janeiro, founded in 1986, and is also a center for cultural activities and events.





## FINANCIAL PERFORMANCE

PRIO presents below the financial performance with and without the impact of changes in IFRS 16, as well as statements of non-cash and non-recurring accounting entries and their impacts on the financial statements when presented in US Dollars.

In the quarter, important factors that affected PRIO's financial performance were: (i) the increase in revenue, as a result of higher sales and rise in the Brent price, which reached US\$ 127.28 per barrel in March, the highest level in the last seven years, (ii) the reduction of operating costs, due to the tieback of **Polvo** and **TBMT**, and (iii) the operational stability of the **Polvo** and **TBMT** cluster, which faced operational challenges in 2021 and its normalization contributed to an increase in production and, consequently, in sales for 1Q22.

Therefore, PRIO registered a net revenue of US\$ 310 million for the quarter, accounting for an annual increase of 159% and an Adjusted EBITDA (ex-IFRS-16) of US\$ 229 million, an increase of 193%, both reflecting the growth in sales and offtakes, a result of the ongoing search for operational excellence.

### Income statement

(US\$ thousands)

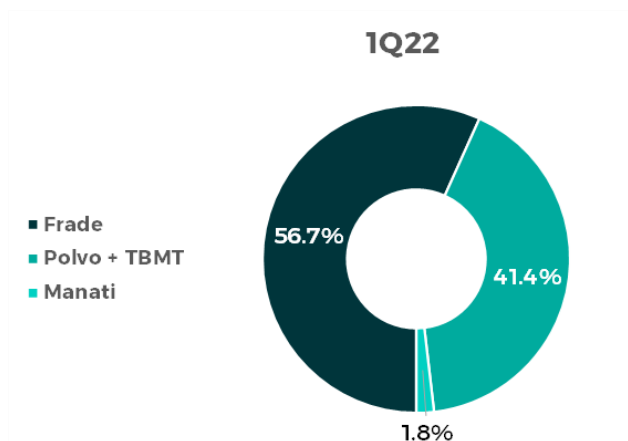
	Ex IFRS-16			Includes IFRS-16		
	1Q21	1Q22	Δ	1Q21	1Q22	Δ
<b>Net Revenue</b>	<b>119,615</b>	<b>309,676</b>	<b>159%</b>	<b>119,615</b>	<b>309,676</b>	<b>159%</b>
Cost of goods sold	(25,720)	(45,106)	75%	(18,497)	(42,155)	128%
Royalties	(6,068)	(22,331)	268%	(6,068)	(22,331)	268%
<b>Operating Income</b>	<b>87,827</b>	<b>242,239</b>	<b>176%</b>	<b>95,050</b>	<b>245,189</b>	<b>158%</b>
General and administrative expenses	(9,712)	(13,449)	38%	(9,452)	(13,143)	39%
Other operating income (expenses)	(3,696)	(3,406)	-8%	(3,696)	(3,406)	-8%
<b>EBITDA</b>	<b>74,418</b>	<b>225,384</b>	<b>203%</b>	<b>81,902</b>	<b>228,641</b>	<b>179%</b>
<b>EBITDA margin</b>	<b>62%</b>	<b>73%</b>	<b>+11 p.p.</b>	<b>68%</b>	<b>74%</b>	<b>+5 p.p.</b>
Depreciation and amortization	(19,363)	(30,209)	56%	(24,083)	(33,086)	37%
Financial Results	(58,568)	(14,48)	-98%	(66,083)	(6,722)	-90%
Financial Income	9,884	65,627	564%	9,884	65,627	564%
Financial Expenses	(68,453)	(67,075)	-2%	(75,967)	(72,350)	-5%
Income and social contribution taxes	(3,745)	34,569	n/a	(3,745)	34,569	n/a
Current	(14,524)	(24,326)	110%	(14,524)	(24,326)	67%
Deferred	10,779	58,894	303%	10,779	58,894	446%
<b>Income (loss) for the period</b>	<b>(7,258)</b>	<b>228,296</b>	<b>n/a</b>	<b>(12,009)</b>	<b>223,402</b>	<b>n/a</b>
<b>Adjusted* EBITDA</b>	<b>78,114</b>	<b>228,790</b>	<b>193%</b>	<b>85,598</b>	<b>232,047</b>	<b>171%</b>
<b>Adjusted EBITDA margin</b>	<b>65%</b>	<b>74%</b>	<b>+9 p.p.</b>	<b>72%</b>	<b>75%</b>	<b>+3 p.p.</b>

\*Adjusted EBITDA is calculated similarly to EBITDA, excluding the line with non-recurring effects "Other Revenues and Expenses".

PRIO's Revenue	1Q21	4Q21	1Q22	1Q22 x 4Q21	1Q22 x 1Q21
Avg. Sales Price	\$ 62,19	\$ 83,19	\$ 110,28	32,6%	77,3%
Production (boepd)	31.317	32.299	35.189	8,9%	12,4%
Offtakes (Mbbl)	1.928	3.827	2.795	-27,0%	45,0%

Analyzing annual revenues, the **Frade** field and the **Polvo + TBMT** cluster accounted for 56.7% and 41.4% of the Company's total revenue, respectively, and **Manati** natural gas field accounted for 1.8% of total revenues. The graph below shows the share of each asset in the Company's total net revenues:

## Revenue per asset



Cost of Goods Sold ("COGS") increased by 75% in 1Q22 compared to 1Q21 (ex-IFRS 16), mainly influenced by two factors: (i) the increase in production and sales, which, compared to the same period of the previous year, represented a 12% and 45% growth, respectively, and (ii) new and better support vessels hired for the **Frade** Revitalization Campaign.

The Company recorded an Operating Result (ex-IFRS 16) in 1Q22 of US\$ 242 million, an increase of 176% when compared to the previous year, as a result of an increase in the revenues recognized by **Frade** and **Polvo + TBMT**, due to higher Brent prices, production and sales, in addition to the merger of the 30% interest in **Frade** in February 2021.

General and administrative expenses include expenses with M&A, personnel, projects, geology and geophysics, and totaled US\$ 13 million in the year, an increase of 38% when compared to 1Q21.

Adjusted EBITDA (ex-IFRS 16) of US\$ 229 million, 193% higher compared to the last year, driven by the increase in Operating Result.

The Company's financial result (ex-IFRS 16) was negative by US\$ 1 million against a negative by US\$ 58 million in 1Q21, negatively impacted by hedge expenses and interest on loans and financing, partially offset by the positive impact of the exchange rate fluctuation on cash and financial investments and taxes.

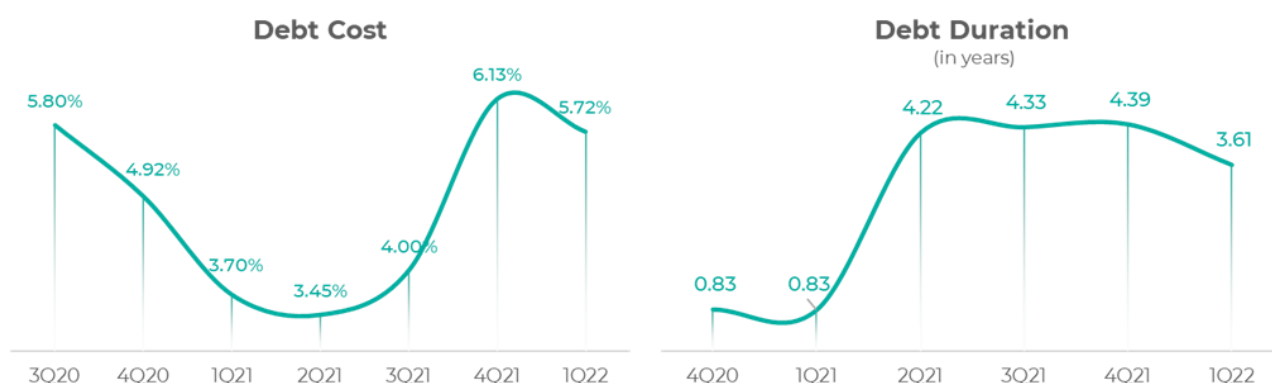
Net income (ex-IFRS 16) for the period was US\$ 228 million, compared to a US\$ 7 million loss in 1Q21. The result was driven by the significant increase in operating figures.



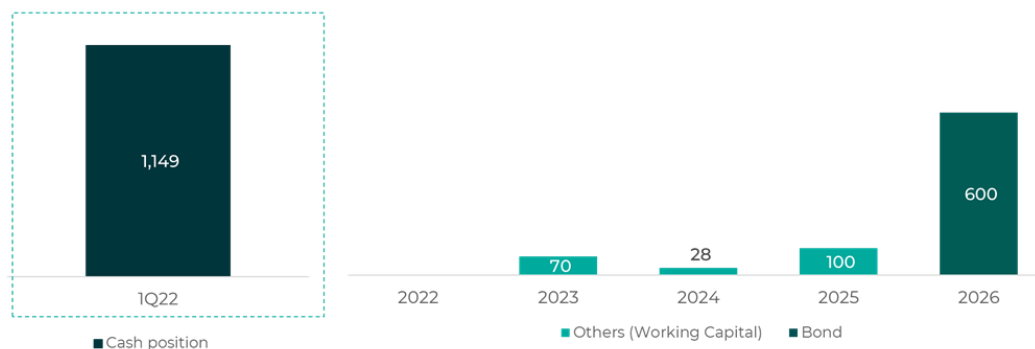
## CASH, DEBT AND FINANCING

PRIO has been consistently monitoring its liquidity and leverage level. In June 2021, the Company issued a US\$ 600 million bond and, in the first quarter of 2022, three new working capital debts. The goal of raising new debt is to increase PRIO's liquidity, considering the acquisition of Albacora Leste and new potential assets.

PRIO continues to reinforce its cash position and the capital structure. The debts issued in 1Q22, with an average maturity of more than two years, helped to reduce the cost of debt, keeping duration adequate for PRIO's future projects. This financial planning strategy makes the Company more prepared for inorganic growth.



## Amortization schedule (US\$ million)



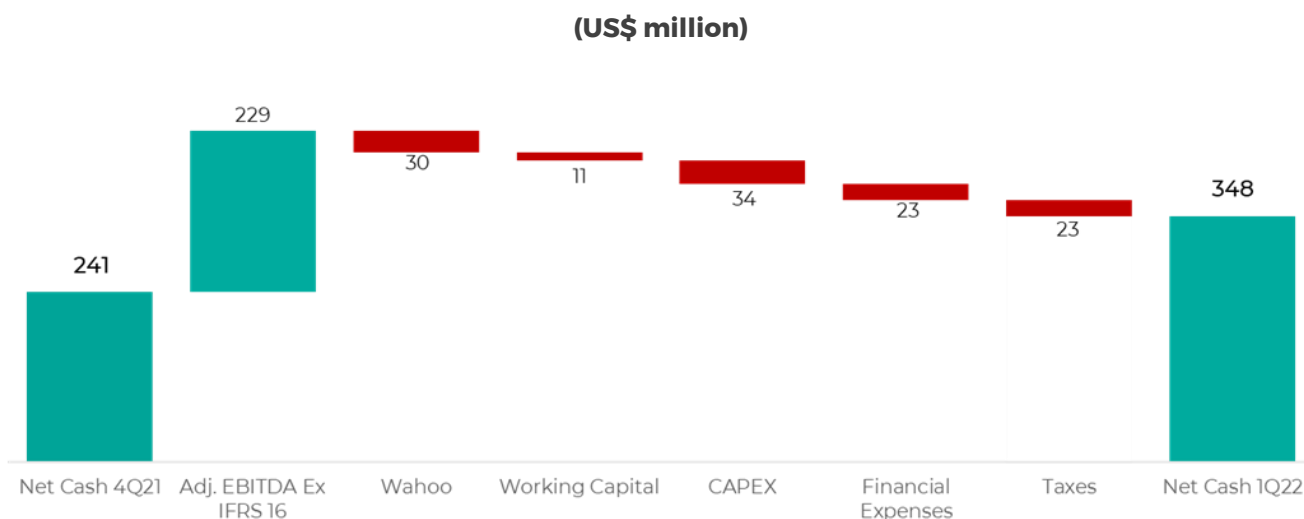
## NET CASH AND LEVERAGE

In the first quarter of 2022, net cash position increased by US\$ 107 million, as a result of:

- **Wahoo:** payments to BP relating to the acquisition of **Wahoo**;
- Working Capital: increase of accounts receivable due to the concentration of sales at the end of the quarter;
- CAPEX: expenses related to the workover of the **Polvo + TBMT** wells, the end of the of the Polvo FPSO decommissioning and the beginning of the disbursement for the **Frade** Revitalization Campaign;
- Financial expenses: expenses related to interest and hedge premium, contracted in January.

## Changes in net cash

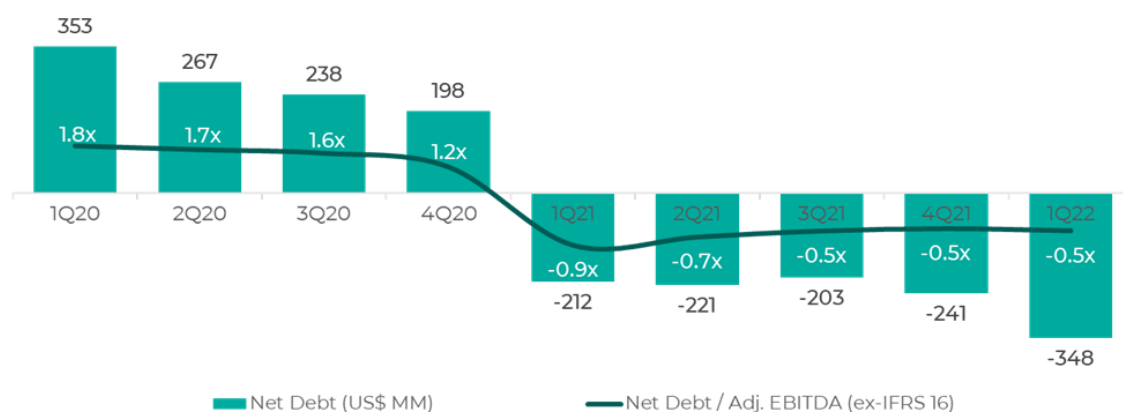




PRIO continues with its work to control leverage, continuing its net cash position. With the growth in net cash detailed above and the consistent growth in Adjusted EBITDA over the last 12 months, Net Debt (Cash) /Adjusted EBITDA remained stable at -0.5x.

## Net Debt (Cash) / Adjusted EBITDA (ex-IFRS 16)

(US\$ million)



## **ATTACHMENT 1**

### **IFRS 16**

The Company incorporated the rule change provided for in IFRS 16 on January 1, 2019. The change unifies the treatment of operating and finance leases, significantly impacting the Company's balance sheet, mainly through the chartering of support vessels used in operations, which represents the largest lease agreement:

<b>Right-of-use assets</b>	<b>Balance</b>
Support Vessels	673,707
Helicopters	40,991
Buildings/Support Bases	77,964
Equipment	69,762
<b>Total</b>	<b>862,424</b>

As announced on February 2, 2020, the Company acquired the FPSO **Bravo**, which is used in the production system of the **Polvo** and **Tubarão Martelo** Fields, in place of the FPSO that was chartered and used before the tieback project between the two fields was completed. This project also represented an extension of the useful life of the two fields to 2033. Thus, rates were recalculated and fixed at 5.903% p.a. for dollar-denominated contracts and remained at 10% p.a. for contracts in reais.

	<b>Asset</b>	<b>Liability</b>
<b>Balance at December 31, 2020</b>	<b>369,836</b>	<b>(626,100)</b>
Additions/Reversals	181,835	(81,543)
Currency adjustment	-	(35,464)
Price-level restatement	-	(45,000)
Payments made	-	194,735
Amortization	(125,804)	-
<b>Balance at December 31, 2021</b>	<b>425,867</b>	<b>(593,372)</b>
Additions/Reversals	582,098	(562,830)
Currency adjustment	-	(17,026)
Price-level restatement	-	(9,477)
Payments made	-	25,609
Amortization	(18,477)	-
Translation Adjustment	(127,064)	141,943
<b>Balance at March 31, 2022</b>	<b>862,424</b>	<b>(1,015,153)</b>
Current	582,098	(562,830)
Non-current	-	(17,026)

Further details can be found in Note 17 of the Financial Statements for the 1Q22.

## BALANCE SHEET

(US\$ thousands)

ASSETS	2021	1Q22	LIABILITIES	2021	1Q22
Cash and cash equivalents	173,942	652,542	Suppliers	52,362	55,466
Securities	659,472	496,433	Labor obligations	23,560	23,593
Accounts receivable	163,970	178,392	Taxes and Social Contribution	32,914	38,497
Oil inventories	33,953	38,753	Financial Instruments	-	128
Consumable inventories	5,028	20,594	Loans and financing	99	9,905
Financial Instruments	6,274	-	Contractual Charges (Lease IFRS 16)	18,978	25,917
Recoverable taxes	15,382	11,836	Accounts Payable - Wahoo Acquisition	67,500	37,500
Advances to suppliers	15,055	19,299	<b>Total current liabilities</b>	<b>195,412</b>	<b>191,006</b>
Advances to partners	5,952	11,595			
Prepaid expenses	1,749	6,753	<b>Liabilities kept for sale</b>	<b>(807)</b>	<b>-</b>
Other receivables	92	209		<b>194,606</b>	<b>191,006</b>
<b>Total Current assets</b>	<b>1,080,869</b>	<b>1,436,406</b>			
			Suppliers	72	80
<b>Non-current assets available for sale</b>	<b>13,351</b>	<b>-</b>	Loans and financing	592,665	791,135
	<b>1,094,220</b>	<b>1,436,406</b>	Provision for abandonment (ARO)	124,055	119,154
			Provision for contingencies	4,889	5,896
Deposits and pledges	1,908	2,270	Contractual Charges (Lease IFRS 16)	87,352	188,350
Recoverable taxes	1,534	6,824	Other liabilities	65	333
Deferred taxes	67,858	138,821	<b>Total non-current liabilities</b>	<b>809,098</b>	<b>1,104,948</b>
Right-of-use (Lease CPC 06.R2 IFRS)	76,313	182,030			
Property, plant and equipment	635,973	637,971	<b>Minority Interest</b>	<b>-</b>	<b>-</b>
Intangible assets	312,217	310,634			
<b>Total non-current assets</b>	<b>1,095,802</b>	<b>1,278,550</b>	Realized capital	950,389	953,485
			Capital reserves	62,519	63,536
<b>Total Assets</b>	<b>2,190,022</b>	<b>2,714,956</b>	Profit Reserves	45,763	45,763
			Other comprehensive income	127,648	-
			Conversion Adjustment		132,816
			Income (loss) for the period	-	223,402
			<b>Total shareholders' equity</b>	<b>1,186,318</b>	<b>1,419,002</b>
			<b>Total liabilities and shareholders' equity</b>	<b>2,190,022</b>	<b>2,714,956</b>



## INCOME STATEMENT (US\$ thousands)

	1Q21	1Q22
<b>Net Revenue</b>	<b>119,615</b>	<b>309,676</b>
Cost of goods sold	(18,497)	(42,155)
Depreciation and amortization	(24,083)	(33,086)
Royalties	(6,068)	(22,331)
<b>Gross Profit</b>	<b>70,968</b>	<b>212,104</b>
<b>Operating income (expenses)</b>	<b>(13,149)</b>	<b>(16,548)</b>
Geology and geophysics expenses	(1,259)	(1,357)
Personnel expenses	(4,314)	(3,676)
General and administrative expenses	(614)	(4,454)
Expenses with third party services	(2,214)	(2,971)
Taxes and fees	(1,051)	(685)
Other operating income (expenses)	(3,696)	(3,406)
Financial Results	(66,083)	(6,722)
<i>Financial income</i>	9,884	65,627
<i>Financial expenses</i>	(75,967)	(72,350)
<b>Income before income and social contribution taxes</b>	<b>(8,264)</b>	<b>188,833</b>
<i>Income and social contribution taxes - Current</i>	(14,524)	(24,326)
<i>Income and social contribution taxes - Deferred</i>	10,779	58,894
<b>Income (loss) for the period</b>	<b>(12,009)</b>	<b>223,402</b>

## CASH FLOW STATEMENT

(US\$ thousands)

	1Q21	1Q22
<b>Cash flows from operating activities</b>		
<b>Income (loss) for the period (before taxes)</b>	<b>(8,257)</b>	<b>188,833</b>
Depreciation and amortization	24,064	31,733
Financial income	2,956	(12,446)
Financial expenses	71,244	24,742
Share-based compensation	23	1,017
Equity equivalence result	-	-
Provision for contingencies/losses/P&D	1,106	124
Reduction of provision for abandonment	173	(3,452)
Provision for impairment	-	-
	<b>91,308</b>	<b>230,551</b>
<b>(Increase) decrease in assets</b>		
Accounts receivable	68,863	(14,254)
Recoverable taxes	3,646	771
Prepaid expenses	568	(3,937)
Advances to suppliers	77	(2,986)
Oil inventories	(13,751)	1,055
Consumables inventory	(2,076)	(15,565)
Related parties	-	-
Advance to partners in oil and gas operations	13,651	(2,692)
Deposits and pledges	927	(23)
Other receivables	(112)	(76)
<b>Increase (decrease) in liabilities</b>		
Suppliers	(18,957)	1,526
Labor obligations	(2,510)	(3,638)
Taxes and social contributions	(9,756)	(20,858)
Related parties	-	-
Contingencies	-	-
Advance to partners in oil and gas operations	-	-
Other obligations	-	265
<b>Net cash from operating activities</b>	<b>131,878</b>	<b>170,139</b>
<b>Cash flow from investing activities</b>		
(Investment) Redemption of securities	(9,230)	168,370
(Investment) Restricted cash redemption	(10,210)	-
(Investment) Redemption in abandonment fund	-	(55)
Non-current assets available for sale	(612)	-
(Aquisition) of Property, plant and equipment	(7,896)	(26,792)
(Acquisition) of intangible assets	(191)	-
(Increase) decrease in investments	-	-
(Acquisition) of oil and gas asset	(40,450)	(30,000)
<b>Net cash from investing activities</b>	<b>(68,589)</b>	<b>111,523</b>
<b>Cash flows from financing activities</b>		
Loans and financing	5,525	198,000
Payment of principal on loans	-	-
Interest paid on loans	-	-
Contractual charges (Lease IFRS 16 - Principal)	(10,616)	(1,010)
Contractual charges (Lease IFRS 16 - Interest)	(1,757)	(1,999)
Derivative transactions	-	(1,850)
(Purchase) Sale of shares of the Company (held in treasury)	-	-
(Decrease) Paid-up capital	360,889	3,096
Minority interest	(121)	-
<b>Net cash (invested in) from financing activities</b>	<b>353,920</b>	<b>196,237</b>
Translation adjustment	49,298	701
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>403,218</b>	<b>478,600</b>
Cash and cash equivalents at the beginning of the period	155,824	173,942
Cash and cash equivalents at the end of the period	559,042	652,542
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>403,218</b>	<b>478,600</b>

A GENTE ENXERGA  
O RIO EM TODO  
SEU POTENCIAL.



PATROCINADORA  
DO INSTITUTO REAÇÃO.



## About PRIO

PRIO is the largest independent oil and natural gas production company in Brazil. The Company's corporate culture seeks to increase production through the acquisition of new production assets, redevelopment, greater operational efficiency and reduction of production costs and corporate expenses. Its main objective is to create value for its shareholders by means of high financial discipline and preserving its liquidity, with full respect for safety and the environment. For more information, access the website: [www.petroriososa.com.br](http://www.petroriososa.com.br).

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All statements, except those relating to historical facts contained herein, are forward-looking statements, including, but not limited to, statements about drilling plans and seismic acquisitions, operating costs, equipment acquisition, expected oil discoveries, the quality of the oil we hope to produce and our other plans and objectives. Readers can identify many of said statements by reading words such as "estimates", "believes", "expects" and "will" and similar words or denials thereof. Although management believes that the expectations represented in such statements are reasonable, it cannot assure that such expectations will happen. By their nature, forward-looking statements require us to make assumptions and, as such, such statements are subject to inherent risks and uncertainties. Readers of this document are cautioned not to place undue reliance on our forward-looking statements considering that certain factors could cause results, conditions, actions or events that could materially differ from the plans, expectations, estimates or intentions expressed in the forward-looking statements and the assumptions that support them. The forward-looking statements herein are based on the assumption that our plans and operations will not be affected by such risks, but that if our plans and operations are affected by said risks, the forward-looking statements may become inaccurate. The forward-looking statements included herein are expressly fully qualified by this legal notice. Such statements were made as of the date of this document. We do not undertake to update such forward-looking statements, except as required by applicable securities laws.