

PRIO

EARNINGS RELEASE

2Q23

Conference Call 2T23 August 3, 2023

Portuguese 3 pm (BRA)
English 2 pm (NYC)

Webinar: [Click here](#)

The link for the Webinar
is also available on the Investor
Relations website:
ri.prio3.com.br/en/

The conference call will be held
in Portuguese with simultaneous
translation to English.



FRADE



ALBACORA
LESTE



TBMT



WAHOO




POLVO



Investor Relations

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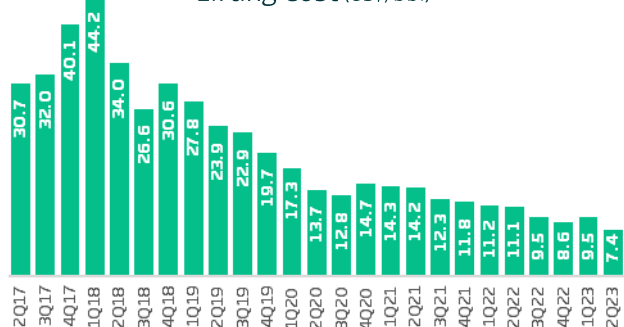
Rio de Janeiro, August 2, 2023 – PRIO S.A. (“PRIO” or “Company”) (B3: PRIO3) presents its results for the second quarter of 2023 (“2Q23”). The financial and operating information described below, unless otherwise stated, is presented on a consolidated basis and in US dollars (US\$), in accordance with 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., and their respective subsidiaries and branches.

Stock Information			12M Stock Price: PRIO3 x Ibovespa	
Ticker (B3)	PRIO3			
# Shares issued ex-Treasury	836,230,404			
Market Cap (06/30/2023) ex-Treasury stocks	R\$	31,007,423,380		
Last Price (06/30/2023)	R\$	37.08		
12-month variation	68%			
90-day average trading volume	R\$	457,357,548		

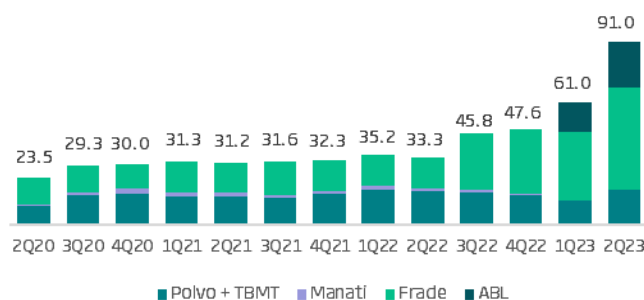
HIGHLIGHTS OF THE QUARTER

- Record average production of 91,000 barrels of oil per day
- Record Lifting cost of US\$ 7.4/barrel
- Start of the ODP5 well, in Frade, allowing PRIO to reach daily production of 100 kbpd
- Net revenue of US\$ 532 million (41% increase over 2Q22)
- Net income (ex-IFRS 16) of US\$ 185 million (32% increase over 2Q22)
- Adjusted EBITDA (ex-IFRS 16) of US\$ 333 million (24% increase over 2Q22)

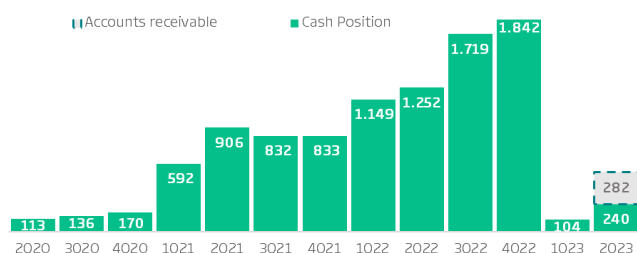
Lifting Cost (US\$/bbl)



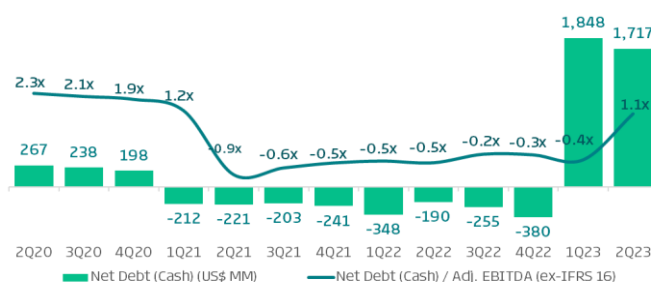
Production (kbpd)



Cash Position (US\$ MM)



Net Debt (Cash) / Adjusted EBITDA



MESSAGE FROM MANAGEMENT

We are pleased to share the Company's second quarter 2023 results. We reached the new level of production of 100 thousand barrels per day (one of the objectives pursued since the beginning of our operations) with a lifting cost of US\$ 7.4 per barrel, always maintaining the highest standards of safety and respect for society and the environment, demonstrating the efficiency and commitment of our team.

Following the Frade Revitalization Plan, we consolidated the field's daily production at close to 60 thousand barrels per day with the completion, in early July, of another producing well, the ODP5 (F23P3), which added 8 kbpd to our production. We are proud of the results we've achieved. The success of the Frade Revitalization Plan is yet another confirmation of our strategic directive of generating value in mature fields through their revitalization.

During the second quarter, we also focused our efforts on stabilizing the Albacora Leste operations, which is currently producing above 25,000 barrels per day (PRIO's share). We have been striving to improve the condition and integrity of the Forte FPSO, implementing improvements aimed at raising efficiency levels. We can already see the first fruits of our efforts being harvested, with production showing higher levels of efficiency in recent months, although we still have some ways to go before we reach the levels of the Company's other assets.

In view of the significant increase in production in recent months, we are constantly seeking different alternatives to optimize our oil trading. Thus, we have further intensified the "delivered to client" modality, in which the delivery logistics are our responsibility, in order to expand our customer base and achieve better commercial conditions.

In PRIO, we believe that the best protection against the volatility of Brent prices is the improvement of our operating costs. In this sense, we reached an average lifting cost of US\$ 7.4/bbl, the lowest mark since the beginning of our operations. This reduction was driven by the increase in production in Frade, the normalization of production in the Polvo and TBMT Cluster and the stabilization of production and costs in Albacora Leste.

As part of our strategy to identify capital allocation opportunities, throughout the second quarter of 2023, we ramped up our share buybacks, totaling in 2023 the repurchase of approximately 12 million shares at an average price of R\$ 34.81. This initiative demonstrates our commitment to generating value for our shareholders, while maintaining a healthy capital structure, with low leverage, adequate cash position while being ready for future M&A opportunities.

PRIO believes in a strong alignment between carbon footprint reduction and increased efficiency, asset consolidation and lengthening the life of the fields, obtaining on 2Q23, a reduction in its emissions, with an average of 21 kgCO₂e/boe while this average in 4Q22 was 22 kgCO₂e/boe (and would have been 17 kgCO₂e/boe excluding the effects of the Albacora Leste acquisition). We also continue to encourage and engage our employees on topics related to the environment, safety and social responsibility. For this reason, in the second quarter of 2023, we held a sustainability week to raise awareness among our employees about environmental and sustainable impacts, as well as the health and safety month, carrying out various dynamics to raise awareness about safety at work.

We also believe that the success of a company goes beyond financial results and that we must act in a sustainable way. As such, we have further strengthened our presence in sponsoring musicals, plays, social projects and the paralympic team, PRIO Environmental Education Project (PEA), Favela Brass, Instituto Todos na Luta, among others, in order to support and benefit the communities in which we operate.

Internally, we intensified our successful health and wellness program, offering several options of programs aimed at the personal care of our employees and we are starting a new and extensive training cycle, aimed at training new leaders within the PRIO corporate culture.



Finally, we thank again all our employees for their dedication and drive, our investors, and society in general for their continued support. We are confident that we will reach new milestones and continue to drive forward PRIO's success.

OPERATING PERFORMANCE

	2Q22	3Q22	4Q22	1Q23	2Q23	2Q23 X 2Q22	2Q23 X 1Q23
Avg. Brent	\$ 111.70	\$ 97.70	\$ 88.63	\$ 82.16	\$ 77.73	-30.4%	-5.4%
Avg. Sales Price	\$108.37	\$ 94.36	\$ 85.32	\$ 82.93	\$ 77.67	-28.3%	-6.3%
Avg. Exchange Rate	5.11	5.25	5.26	5.19	4.94	-3.3%	-4.8%
Final Exchange Rate	5.35	5.41	5.29	5.06	4.79	-10.5%	-5.5%
Offtakes (kbbl)							
Frade Field (100%)	1,503	2,252	1,495	4,334	4,126	174.5%	-4.8%
Albacora Leste Field (90%)	n/a	n/a	n/a	1,409	1,428	n/a	1.3%
Polvo + TBMT Cluster (100%)	1,844	1,595	798	1,547	1,602	-13.1%	3.5%
Total PRIO	3,347	3,847	2,293	7,290	7,156	113.8%	-1.8%
Production (boepd)							
Frade Field (100%)	14,759	28,006	32,254	33,833	50,825	244.4%	50.2%
Albacora Leste Field (90%)	n/a	n/a	n/a	14,731	22,651	n/a	53.8%
Polvo + TBMT Cluster (100%)	16,762	16,302	14,634	12,475	17,617	5.1%	41.2%
Manati Field (10%)	1,783	1,458	733	n/a	n/a	n/a	n/a
Total PRIO	33,304	45,766	47,621	61,039	91,094	173.5%	49.2%
Lifting Cost (US\$/bbl)							
PRIO	11.1	9.5	8.6	9.5	7.4	-33.8%	-22.7%

The main operational highlights of the quarter are: (i) The Company's average production, which exceeded 91 kbpd, an increase of 174% compared to the same quarter of last year; (ii) the volume of offtakes in the quarter, representing an increase of 114% compared to 2Q22; and (iii) the lifting cost presenting a reduction of approximately 23% and 34% when compared to 1Q23 and 2Q22, respectively.

The volume produced in **Frade** increased 244% over 2Q22 and 50% compared to the previous quarter. The increase is mainly explained by the stabilization of production at the MUP5 well which started production in March and the start of production at the N5P2 well, in April. Both wells are the result of the **Frade** Revitalization Plan.

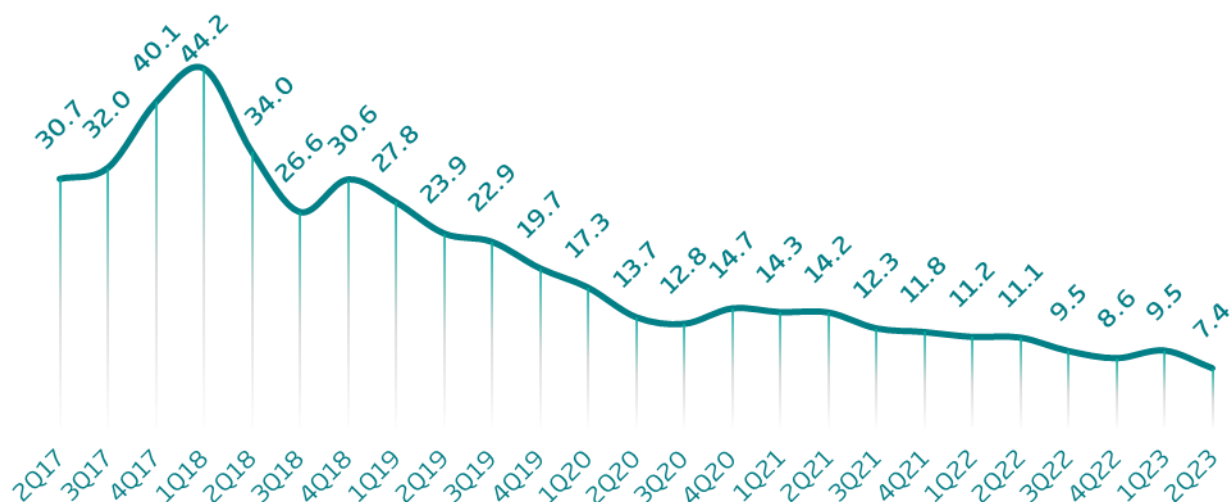
In the **Polvo and TBMT** cluster, the volume produced in the quarter was 41% higher than recorded in the prior quarter, due to the maintenance shutdown of the cluster in March, which impacted the 1Q23 production.

In the quarter, PRIO sold 7.1 million barrels, of which 4.1 million from the **Frade** Field, 1.6 million from **Polvo and TBMT** cluster, and 1.4 million from **Albacora Leste** Field. The average gross sales price was US\$ 77.67, 28% lower than 2Q22, mainly due to the decrease in Brent Prices.

Since the beginning of the Company's operations, 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 operation efficiency. PRIO 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 2Q17 below.

Lifting Cost PRIO

(US\$/bbl)



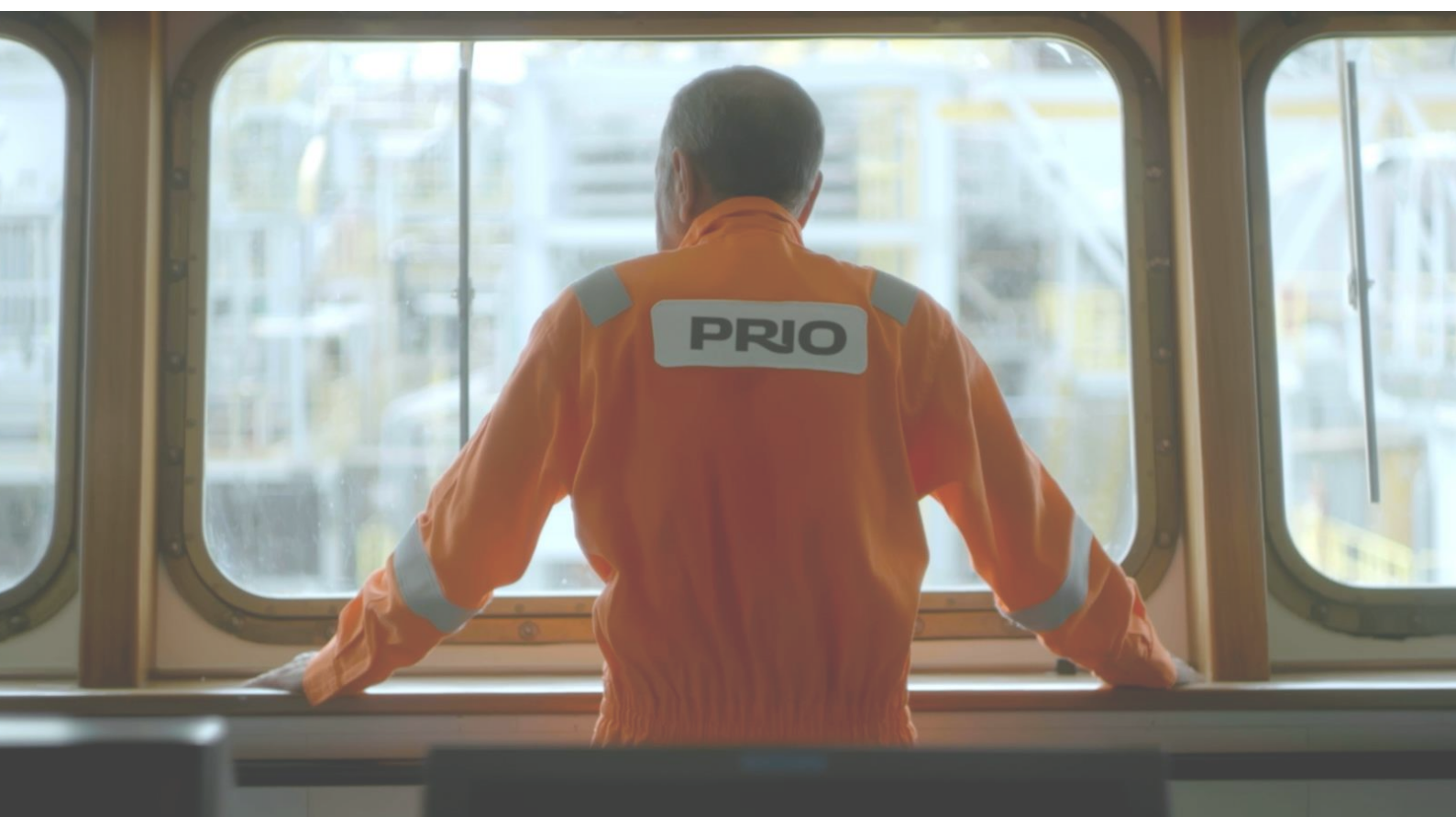
The consolidated lifting cost presented in 2Q23 represents the lowest since the beginning of the Company's operations. This reduction is due to: (i) increased production in the **Frade** field; (ii) normalization in the production of the **Polvo and TBMT** cluster, and (ii) stabilization of OPEX and production of the **Albacora Leste** field.



TRADING

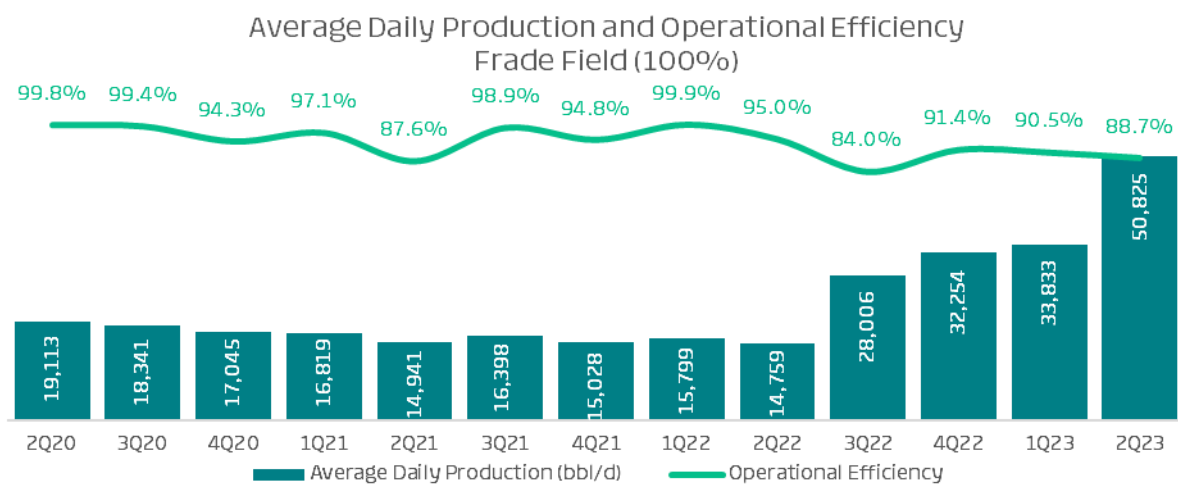
In 2Q23, the Company sold 7.1 million barrels, an increase of 114% compared to 2Q22.

Considering the significant increase in the Company's production, PRIO search, different alternatives to optimize oil trading and obtain better discount conditions. Thus, an increasing part of the sales were carried out in the "delivery to client" modality (5.0 million barrels), in which the delivery logistics is PRIO's responsibility, aimed at expanding the Company's customer base.



The field's average production in the quarter was 50.8 kbpd, an increase of about 50% over the previous quarter. This increase is due to the MUP5 well (F23P1) which started in March, adding 8 kbpd to the field's production and the start of the N5P2 well (F23P2), adding about 11 kbpd to field's production.

The asset's operational efficiency in the quarter was impacted by: (i) a 3-day scheduled maintenance shutdown in early May, and (ii) the MUP3A well, which started its workover and is undergoing necessary adjustments, which have not yet been concluded.



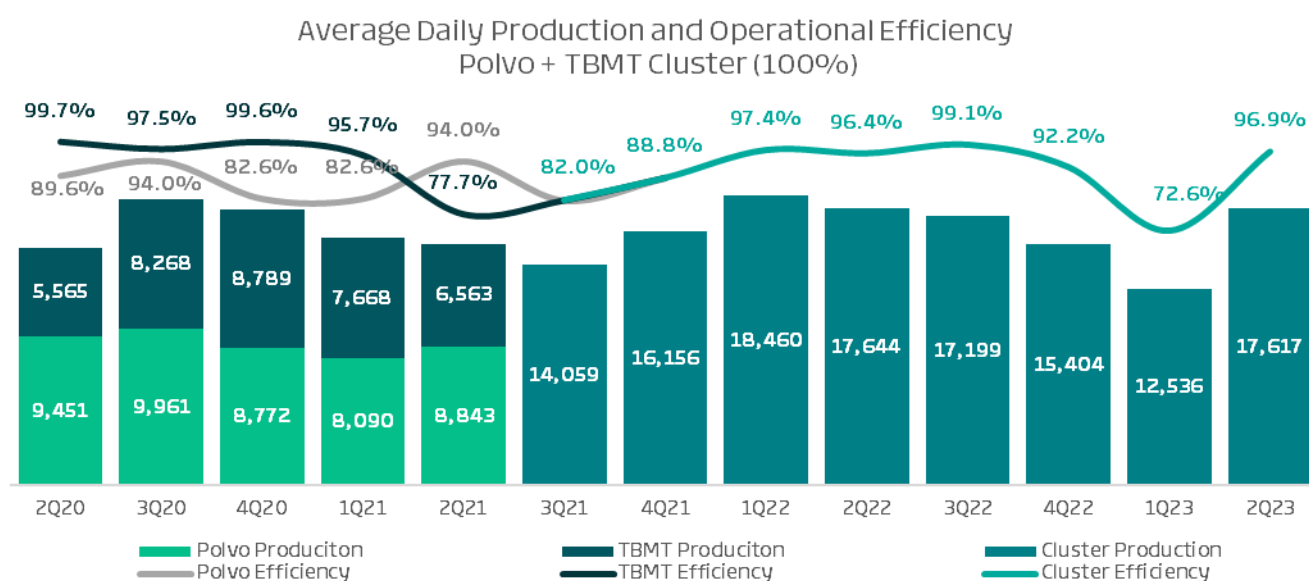
In addition, in July, the fifth producing well of The **Frade** Revitalization Plan was implemented, the ODP5 well (F23P3), with initial stabilized production of approximately of 8,000 barrels per day. The ODP5 is the first well of the third phase of **Frade's** Redevelopment Campaign and is positioned in the same reservoir as the ODP4 well, the first producing well of the Campaign.





In 2Q23, the **Polvo** and **TBMT** cluster presented an average daily production 41% higher than in the previous quarter. This increase can be explained by: (i) the scheduled maintenance shutdown of 8 days in March, which affected the asset's production averages and operating efficiency on 1Q23, and (ii) the shutdowns in the TBMT-4H and TBMT-8H wells, which resumed production in March and April, respectively.

The operating efficiency of the cluster for the quarter was approximately 97%. The chart below illustrates field production and efficiency as of 2Q20:



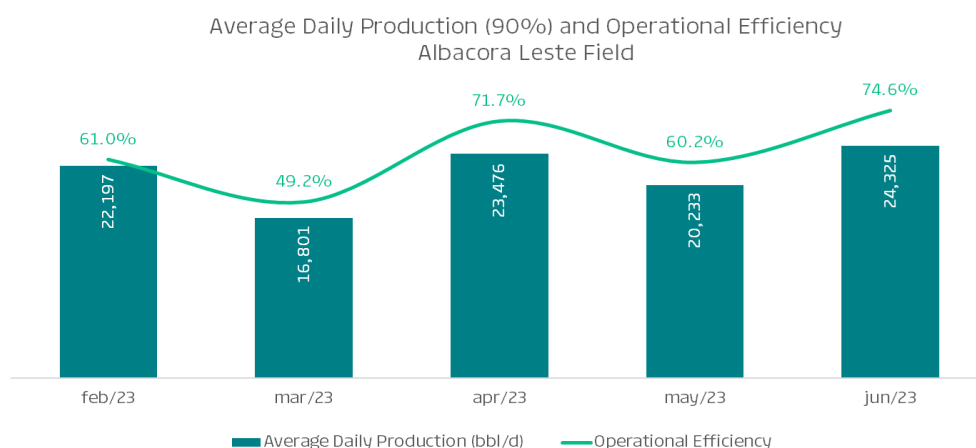
In 1Q23, PRIO acquired Dommo Energia S.A. ("Dommo"), which was entitled to 5% of the revenue from the **Polvo** and **Tubarão Martelo** cluster. Thus, PRIO is now entitled to 100% of the cluster's revenue.



ALBACORA LESTE FIELD

In the quarter, **Albacora Leste** Field had an average daily production of about 23 thousand barrels per day (PRIO's share) and operational efficiency of 68.8% vs 54.8% in 1Q23, improving but still impacted by issues in the generation, gas compression and water injection systems, and by a scheduled shutdown in May for corrective maintenance in the FPSO's cooling and power generation systems.

PRIO is working on the corrective maintenance and replacement of several pieces of equipment in the operational unit that were faulty, focused on improving the reliability, integrity and operational efficiency of the asset.



WAHOO FIELD

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

With the transactions, 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 test 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 connection of these wells to the 35km tieback between the field and FPSO **Valente**. The initially estimated CAPEX for the whole project is broken down into US\$ 330 million for the tieback, US\$ 310 million for well drilling and completion, US\$ 150 million for subsea equipment and US\$ 40 million for adjustments to the **Valente** FPSO to receive the production of new field.

On December 22, 2021, PRIO filed the Declaration of Commerciality of the **Wahoo** discovery (located in Block C-M-101) and the Development Plan under an exclusive operation regime with the ANP, which on May 25, 2023, was approved.

Therefore, in the second quarter of 2023, PRIO kept focused on completing the acquisition of equipment necessary for the project, reinforcing the expediting of the manufacturing, import and delivery processes, in-depth technical reviews of the flow analysis and tieback specifications, as well as on establishing the project assumptions to the scopes of wells, topside and subsea, aiming to comply with the schedule of the first **Wahoo** oil in the first semester of 2024.

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

- 1) Approval of the environmental licensing for drilling and production in the **Wahoo** Field;
- 2) Beginning of the drilling campaign;
- 3) Beginning of preparation activities for subsea launching and construction;
- 4) Subsea construction of interconnection between the **Wahoo** field and the FPSO Valente;
- 5) 1st **Wahoo** oil.





PRIO believes in the alignment between the reduction of the carbon footprint and its operational strategy. Therefore, throughout 2023, it has been making efforts to obtain a significant reduction in its emissions¹. PRIO's average relative emissions of 2Q23² was 21 kgCO₂e/boe, while this average in 4Q22 was 22 kgCO₂e/boe (and would have been 17 kgCO₂e/boe excluding the effects of the Albacora Leste acquisition). This reduction is due to a series of improvements that the Company has been making to its assets in order to improve the efficiency of its facilities.

On the social front, in May, PRIO launched the TAC Frade [website](#), where it is possible to access all the information, results, news and agendas of the more than 80 projects carried out under the responsibility of PRIO. During 2023, some achievements stand out, such as:

- The Arraial do Cabo Marine Extractive Reserve (RESEX Arraial), after 26 years, will have its own headquarters with a visitor center, accommodation and exhibition space, strengthening ICMBio's monitoring and presence in the municipality;
- Representatives of six initiatives of the Mangrove Conservation projects gathered at the 2nd Seminar of the Marine Research Project, strengthening partnerships and exchanging knowledge for the protection of this ecosystem that is so important for biodiversity and extractive communities;
- Start of projects to promote mariculture that will promote the sustainable development of this activity in the state of Rio de Janeiro, through regularization, diversification and development of technologies.

In 2023, the Annual Forum of the PEA Rede Observation (PRIO's Environmental Education Project) took place, which covers 11 municipalities in the Campos Basin and works with training processes with social groups of artisanal fishermen, shellfish gatherers, family farmers and quilombolas. The Forum had more than 200 participants.

PRIO believes that it has a great commitment to society, always seeking to contribute actively. In this way, the Company seeks to raise awareness and engage its employees in issues related to sustainability and safety. Therefore, in the second quarter of 2023, PRIO held a sustainability week aimed at making employees aware of the Company's and the sector's environmental data, as well as reinforcing the topics considered material for the Company. During the sustainability week, topics on food safety were also addressed, in line with what was proposed by the Hortas Project, and on conscious consumption and ways to reduce waste generation. Finally, the sustainability week also promoted a visit to Boto Cinza Project, where employees were able to observe the animal in its natural habitat and exchange experiences with the quilombolas of Ilha da Marambia.



¹ Scope 1 and 2 emissions

² The 2023 information refers to the partial inventory, which is not yet certified and may change slightly.



The Company believes that the safety of its employees is the highest priority in all activities. To foster employee engagement, PRIO promoted in April, the World Health and Safety Month, an immersion through activities, lectures and dynamics, to issues related to safety at work in order to raise awareness among onshore and offshore employees about the relevance of the theme.

PRIO stands out for its Health and Wellness program, offering a variety of activities and encouraging employee participation. Each quarter, even more options are offered, including running (Night Run), volleyball training and championships, PRIO Trekking (group hikes on the trails of Rio de Janeiro), PRIO Zen Outdoor (outdoor meditation), Canoa Havaiana (canoeing classes), stretching and physiotherapy sessions, meditation and yoga classes and shiatsu sessions. The company also values mental and nutritional health, providing telenutrition and online psychology services. All of this demonstrates PRIO's commitment to the integral well-being of its staff.

The company also supports projects through tax incentives or direct contributions. In 2Q23, PRIO invested in cultural sponsorships such as awards (PRIO do Humor), musicals and plays (Mamma Mia, Gargalhada Selvagem and O Astronauta) and conferences (Fronteiras do Pensamento). Additionally, the Company also invested in sports projects, sponsoring the Paralympic team and social projects such as Squashinhos and Zoê NGO.



FINANCIAL PERFORMANCE

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

Income (loss) for period

(in thousands of US\$)

	Ex-IFRS 16			Accumulated - Ex-IFRS16			Includes IFRS 16		
	2Q22	2Q23	Δ	6M22	6M23	Δ	2Q22	2Q23	Δ
Net Revenue	377,337	532,490	41%	687,012	1,097,206	60%	377,337	532,490	41%
Export and domestic sales taxes	-	(47,635)	n/a	-	(69,186)	n/a	-	(47,635)	n/a
Commercialization Expenses	-	(34,042)	n/a	-	(52,609)	n/a	-	(34,042)	n/a
Net Revenue - FOB	377,337	450,813	19%	687,012	975,412	42%	377,337	450,813	19%
Cost of goods sold	(62,884)	(53,854)	-14%	(107,990)	(142,383)	32%	(55,444)	(45,156)	-19%
Royalties	(31,598)	(46,643)	48%	(53,929)	(90,971)	69%	(31,598)	(46,643)	48%
Operating Income	282,855	350,315	24%	525,093	742,057	41%	290,295	359,013	24%
General and administrative expenses	(13,567)	(16,968)	25%	(27,016)	(29,348)	9%	(13,231)	(16,610)	26%
Other operating income (expenses)	(20,039)	(1,483)	-93%	(23,445)	(28,729)	23%	(20,039)	(1,483)	-93%
EBITDA	249,248	331,865	33%	474,632	683,980	44%	257,024	340,921	33%
EBITDA margin	66%	74%	+ 8 p.p.	69%	62%	- 7 p.p.	68%	76%	+ 8 p.p.
Depreciation and amortization	(31,295)	(85,252)	172%	(61,504)	(144,398)	135%	(37,350)	(95,526)	156%
Financial Results	(35,737)	(63,107)	77%	(37,185)	(105,746)	184%	(36,124)	(69,672)	93%
Financial Income	(23,208)	161,429	-796%	42,419	217,928	414%	(23,208)	161,429	-796%
Financial Expenses	(12,529)	(224,536)	1692%	(79,604)	(323,674)	307%	(12,916)	(231,101)	1689%
Income and social contribution taxes	(42,279)	1,065	n/a	(7,710)	(17,937)	133%	(42,279)	1,065	-103%
Income (loss) for the period	139,936	184,571	32%	368,232	415,900	13%	141,270	176,788	25%
Adjusted* EBITDA	269,287	333,348	24%	498,077	712,709	43%	277,063	342,404	24%
Adjusted EBITDA margin	71%	74%	+ 3 p.p.	72%	73%	+ 1 p.p.	73%	76%	+ 3 p.p.

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

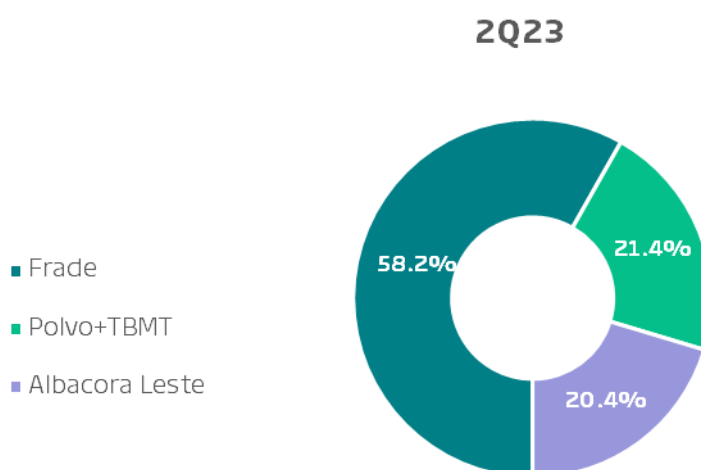
Oil Stock	2Q22	1Q23	2Q23	2Q23 X 2Q22	2Q23 X 1Q23
Balance (barrels)	970	1,435	2,274	134.4%	58.5%
Frade Field	287	555	866	201.7%	56.0%
Albacora Leste	-	-	494	n/a	n/a
Polvo and TBMT cluster	683	830	864	26.5%	4.1%
Storage in US Virgin Islands	-	50	50	n/a	n/a
Stock cost (US\$ thousand)	27,741	45,519	75,365	171.7%	65.6%
Frade Field	7,666	14,387	29,543	285.4%	105.3%
Albacora Leste	-	-	23,780	n/a	n/a
Polvo and TBMT cluster	20,075	27,250	19,233	-4.2%	-29.4%
Storage in US Virgin Islands	-	3,882	2,809	n/a	-27.6%

In 2Q23, PRIO reported net revenue of \$532 million, representing an increase of 41% vs 2Q22, and Adjusted EBITDA (ex-IFRS-16) of \$333 million, an increase of 24% when compared to 2Q22. This growth reflects the increase in production and sales, which grew 174% and 114%, respectively, compared to the same quarter of the previous year. However, approximately 2 million barrels that were produced in 2Q23, were sold in early July, impacting the revenue recorded in this quarter.

Analyzing the quarterly revenue, the **Frade** field accounted for 58.2% of total revenue, since it is currently the Company's largest producing field. The **Polvo + TBMT** cluster was responsible for 21.4% of revenues.

The **Albacora Leste** field, was responsible for 20.4% of revenues. The chart below shows the representativeness of each asset in the Company's total net revenue:

Revenue per asset



It is important to note that the quarter was affected by commercialization expenses, corresponding to freight, storage, and shuttle tanker costs, and export sales taxes, since 100% of sales in 2Q23 were impacted by the tax on oil exports.

The Cost of Goods Sold ("COGS") totaled \$54 million in the quarter, 14% below the amount registered in the same period of previous year, demonstrating the Company's commitment to operational efficiency and cost reduction.

The Company recognized an Operating Income (ex-IFRS 16) of \$350 million, 24% higher than that recorded in 2Q22, due to the higher revenues generated by higher production carried out in 2Q23 and costs reduction.

General and administrative expenses, including M&A expenses, personnel, projects, geology, and geophysics, totaled \$17 million in the period, 25% higher than that recorded in 2Q22, due to the increase of third-party services expenses and exchange rate variation, since a large part of the expenditure recorded is in Brazilian real.

Other operating income and expenses totaled negative US\$ 1.5 million in the quarter, impacted by arbitrage fees.

The Company recorded adjusted EBITDA (ex-IFRS 16) of US\$ 333 million, 24% higher than in 2Q22, driven by the significant growth in operating income. The EBITDA margin was 74%.

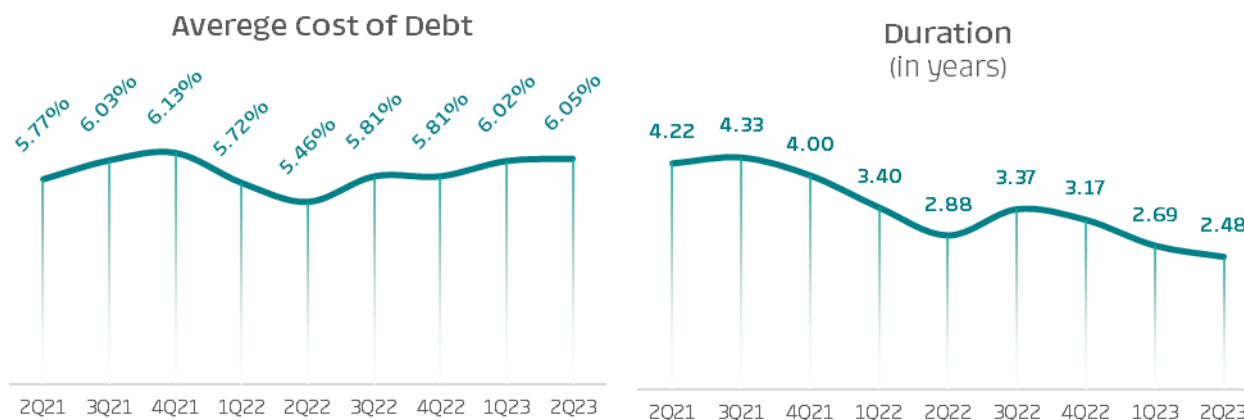
The Company's financial result (ex-IFRS 16) was negative US\$ 63 million vs. negative US\$ 35 million recorded in 2Q22, negatively impacted by interest on loans and financing considering the higher debt position in 2Q23, reduction in financial income as a result of the lower cash position and premium payments due to the contracting of Brent hedges.

Net income (ex-IFRS 16) for the period was positive by US\$ 184 million, 32% higher than 2Q22, reflecting the increase in the Company's production and sales.



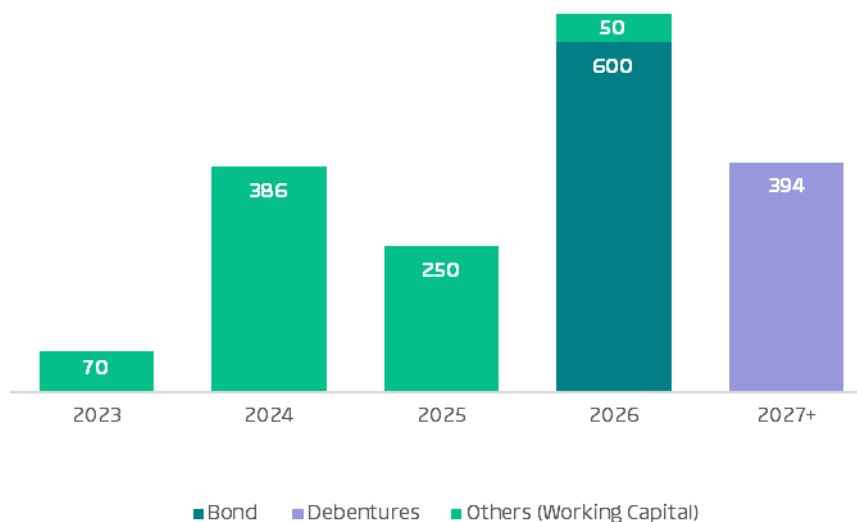
CASH, DEBT AND FINANCING

In the second quarter of 2023, the average cost of the Company's debt was 6.05% with a duration of 2.48 years. PRIO maintains the cost and duration of debt at levels considered appropriate by the Company and continues to monitor the domestic and international market seeking opportunities in order to maintain its robust capital structure.



Amortization schedule

(US\$ million)





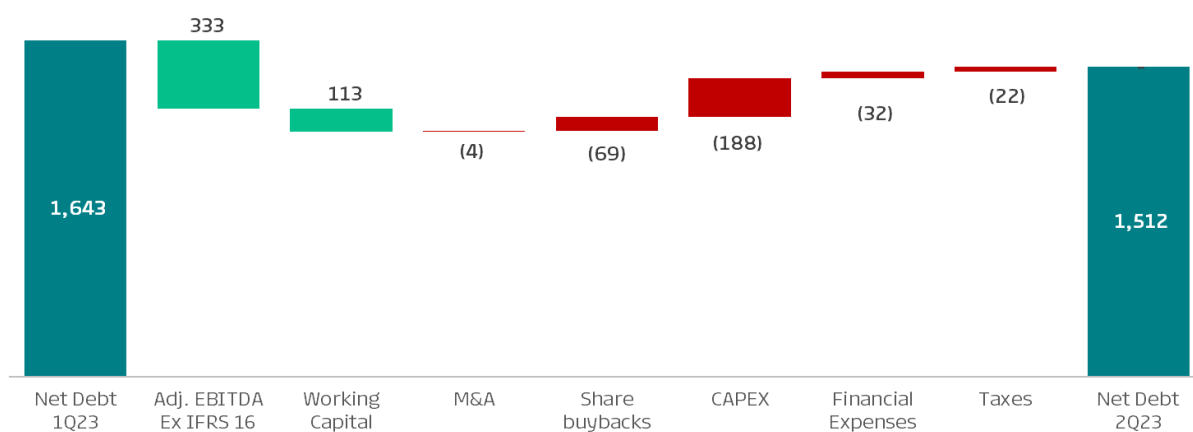
CASH VARIATIONS

In the second quarter of 2023, PRIO's net debt decreased by approximately US\$ 131 million compared to 1Q23, explained by the following changes:

- **Working Capital:** working capital was impacted by cash inflows due to receivables at the end of 1Q23, and higher inventories at the end of 2Q23
- **CAPEX:** mostly disbursements for Wahoo's development, followed by drilling in Frade and Albacora Leste's integrity expenditures

Changes in Net Debt

(US\$ MM)





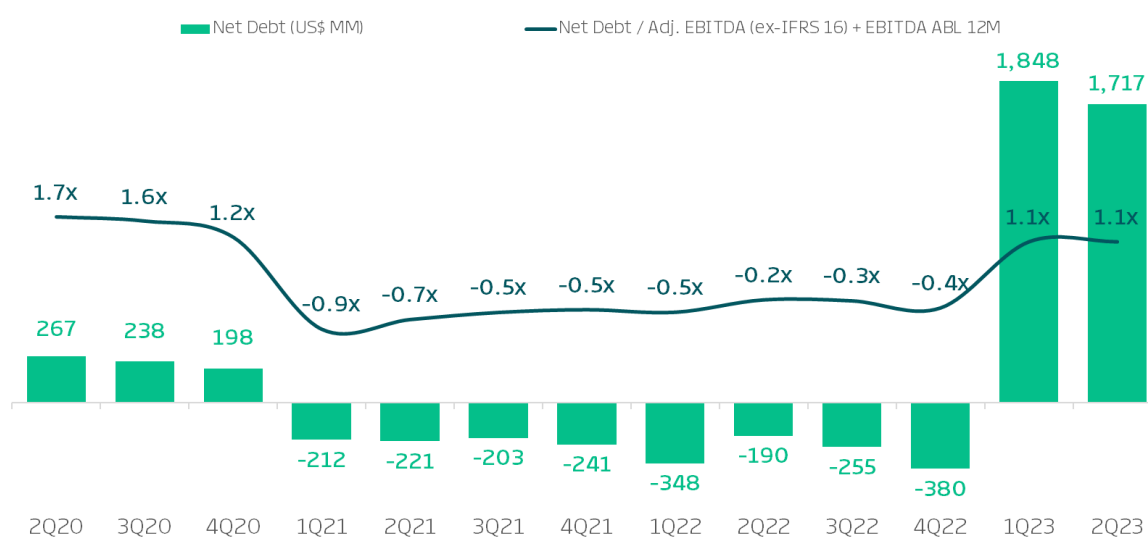
LEVERAGE

In 2Q23, the Company ramped up its share buybacks, aiming to add value to its shareholders. Thus, it paid approximately US\$ 69 million related to the acquisition of approximately 10 million shares. Capex also accelerated, mainly for the Wahoo and Albacora Leste fields. As a result, the Company ended the second quarter of 2023 in a net debt position, as shown in the chart below.

The leverage ratio was calculated in accordance with the covenants established in the bond and debentures issuances, and therefore possible earn-out payments related to the acquisition of **Albacora Leste** were considered, as well as an estimate of the adjusted EBITDA generated by the asset from July 1, 2022 to January 26, 2023,.

Net Debt / Adjusted EBITDA (ex-IFRS 16)

(em US\$ MM)



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:

Right-of-use assets	Balance
Support Vessels	1,234,873
Helicopters	204,677
Buildings/Support Bases	119,304
Equipment	155,931
Total	1,714,785

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. The dollar-denominated contracts in force since the beginning were discounted at rates of 5.63% p.a., recalculated to 5.90% p.a. when the economic life of the **Polvo** Field was increased. The contracts in reais are discounted at the rate of 10% p.a.. In the vessel contract that entered in 2020, in dollars, the discount rate used was 8.95% p.a., and in two contracts that entered in the first quarter of 2022, the dollar portion used the rate of 4.45% p.a., and the real portion, CDI+2.05% p.a., average of the loans contracted in the period. Additionally, a new contract in dollars was included for aircraft chartering using the rate of 6.93% p.a.

	Assets	Liabilities
Balance at December 31, 2022	1,470,973	(1,501,358)
Additions/Reversals	435,897	(435,897)
Currency adjustment	-	8,879
Price-level restatement	-	(51,831)
Payments made	-	60,835
Amortization	(57,631)	-
Translation adjustment	(134,454)	131,018
Balance at March 31, 2023	1,714,785	(1,806,112)
Current	-	(177,407)
Non-current	1,714,785	(1,628,705)

*Translation factor: closing exchange rate of the periods for balances and average for the period for changes

More details can be found in Explanatory Notes 17 of the 2Q23 Quarterly Information.

BALANCE SHEET

(In thousands of US\$)

ASSETS	Dec/22	Jun/23
Cash and cash equivalents	1,842,375	239,719
Securities	-	-
Accounts receivable	31,873	281,768
Oil inventories	66,069	75,365
Consumable inventories	20,833	75,946
Derivative Financial Instruments	-	123
Recoverable taxes	14,568	41,338
Advances to suppliers	35,722	28,604
Advances to partners	6,235	376
Prepaid expenses	2,072	2,894
Other receivables	60	119
Total Current assets	2,019,807	746,251
Non-current assets available for sale	12,291	14,093
	2,032,098	760,343
Advance to suppliers	-	-
Deposits and pledges	2,016	6,742
Recoverable taxes	5,160	1,369
Deferred taxes	132,640	154,543
Right-of-use (Lease CPC 06.R2 IFRS)	281,920	355,824
Property, plant and equipment	894,111	1,584,043
Intangible assets	543,141	2,508,160
Total non-current assets	1,858,988	4,610,682
Total Assets	3,891,086	5,371,025

LIABILITIES	Dec/22	Jun/23
Suppliers	108,463	157,155
Labor obligations	26,449	37,538
Taxes and Social Contribution	30,418	89,918
Derivative financial instruments	-	-
Debentures with swap	7,765	8,063
Loans and financing	75,370	457,817
Contractual Charges (Lease IFRS 16)	12,371	36,813
		55,001
Other liabilities	8,324	5,146
Total current liabilities	269,160	847,450
Liabilities kept for sale	(2,519)	(3,448)
	266,641	844,001
Suppliers	288	-
Loans and financing	1,005,828	910,892
Debentures with swap	373,768	375,331
Mark-to-market - Swap	17,117	(22,392)
Provision for abandonment (ARO)	51,367	334,899
Provision for contingencies	4,475	207,477
Contractual Charges (Lease IFRS 16)	275,372	337,962
	-	150,000
Other liabilities	373	1,386
Total non-current liabilities	1,728,588	2,295,556
Minority Interest	-	-
Realized capital	953,380	959,899
Capital reserves	68,214	47,346
Profit Reserves	45,763	676,372
Other comprehensive income	112,243	149,279
Income (loss) for the period	716,257	398,572
Total shareholders' equity	1,895,857	2,231,467
Total liabilities and shareholders' equity	3,891,086	5,371,025

INCOME STATEMENT
(In thousands of US\$)

	2Q22	2Q23
Net Revenue	377,337	484,855
Cost of goods sold	(55,444)	(45,156)
Depreciation and amortization	(37,350)	(95,526)
Royalties	(31,598)	(46,643)
Gross Profit	252,944	297,529
Operating income (expenses)	(33,271)	(52,134)
Commercialization expenses	-	(34,042)
Geology and geophysics expenses	(1,414)	(225)
Personnel expenses	(7,199)	(8,306)
General and administrative expenses	(3,013)	(3,251)
Expenses with third party services	(460)	(3,443)
Taxes and fees	(1,145)	(1,384)
Other operating income (expenses)	(20,039)	(1,483)
Financial Results	(36,124)	(69,672)
Financial income	(23,208)	161,429
Financial expenses	(12,916)	(231,101)
Income before income and social contribution taxes	183,549	175,722
Income and social contribution taxes - Current	(37,797)	(22,037)
Income and social contribution taxes - Deferred	(4,481)	23,102
Income (loss) for the period	141,270	176,788

CASH FLOW STATEMENT

(In thousands of US\$)

	2Q22	2Q23
Cash flows from operating activities		
Income (loss) for the period (before taxes)	183,549	175,723
Depreciation and amortization	37,350	103,810
Financial income	36,945	(55,036)
Financial expenses	(12,777)	100,782
Share-based compensation	1,015	4,923
Provision for contingencies/losses/P&D	10,981	(10,201)
Reduction of provision for abandonment	1,723	(8,773)
Provision for impairment	5,619	6,672
	-	3,230
	264,405	321,130
(Increase) decrease in assets		
Accounts receivable	8,303	157,226
Recoverable taxes	(475)	(19,875)
Prepaid expenses	576	(1,846)
Advances to suppliers	(6,830)	13,778
Oil inventories	10,556	(22,945)
Consumables inventory	(4,298)	(3,251)
Advance to partners in oil and gas operations	616	(225)
Deposits and pledges	230	118
Other receivables	200	177
Increase (decrease) in liabilities		
Suppliers	10,963	24,168
Labor obligations	5,325	(1,490)
Taxes and social contributions	(18,193)	4,058
Related parties	-	-
Contingencies	-	-
Other obligations	(6)	(3,691)
Net cash from operating activities	271,372	467,332
Cash flow from investing activities		
(Investment) Redemption of securities	(148,510)	-
(Investment) Restricted cash redemption	-	-
(Investment) Redemption in abandonment fund	(1,249)	3,113
(Aquisition) Sale of Property, plant and equipment	(70,213)	(278,949)
(Acquisition) Sale of intangible assets	(292,650)	-
(Acquisition) of oil and gas asset	(37,500)	15,987
Net cash from investing activities	(550,122)	(259,849)
Cash flows from financing activities		
Loans and financing	265,000	-
Payment of principal on loans	-	-
Interest paid on loans	(18,375)	(24,216)
Contractual charges (Lease IFRS 16 - Principal)	(5,598)	(460)
Contractual charges (Lease IFRS 16 - Interest)	(2,616)	(6,204)
Debentures Issuance	-	-
Interest paid on debentures	-	1,780
Derivative transactions	(2,615)	27,122
(Purchase) Sale of shares of the Company (held in treasury)	-	(69,860)
(Decrease) Paid-up capital	-	-
Net cash (invested in) from financing activities	235,796	(71,838)
Translation adjustment	69	307
Net increase (decrease) in cash and cash equivalents	(42,885)	135,952
Cash and cash equivalents at the beginning of the period	652,542	-
Cash and cash equivalents at the end of the period	609,657	135,952
Net increase (decrease) in cash and cash equivalents	(42,885)	135,952



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.prio3.com.br.

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