



Quarterly information – ITR

Petro Rio S.A.

June 30, 2021

with the Independent Auditors' Report on the
Review of the Quarterly Information

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Independent auditor's review report on quarterly information

The Shareholders, Board of Directors and Officers

Petro Rio S.A.

Rio de Janeiro - RJ

Introduction

We have reviewed the accompanying individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) of Petro Rio S.A. for the quarter ended June 30, 2021, comprising the statement of financial position as of June 30, 2021 and the related statements of profit or loss and of comprehensive income for the three- and six-month periods then ended, and the statements of changes in equity and of cash flows for the six month period then ended, including the explanatory notes.

Management is responsible for preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement NBC TG 21 - Interim Financial Reporting, and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the quarterly information referred to above are not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information Form (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

Other matters

Statements of value added

The abovementioned quarterly information includes the individual and consolidated statement of value added (SVA) for the six months period ended June 30, 2021, prepared under Company's Management responsibility and presented as supplementary information by IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall individual and consolidated interim financial information.

Rio de Janeiro, August 02, 2021.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP015199/O-6



Pia Leocádia de Avellar Peralta
Accountant CRC-1RJ101080/O-0



Notes to the quarterly information June 30, 2021

(In thousands of reais, unless otherwise indicated)

Balance sheet

June 30, 2021 and December 31, 2020

(In thousands of reais – R\$)

| | | Parent company | | Consolidated | |
|--|------|------------------|------------------|-------------------|------------------|
| | Note | 06/30/2021 | 12/31/2020 | 06/30/2021 | 12/31/2020 |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 3 | 25,573 | 27,480 | 3,381,619 | 809,273 |
| Securities | 4 | - | - | 1,135,096 | 22,793 |
| Restricted cash | 5 | - | - | 16,611 | 49,996 |
| Accounts receivable | 6 | - | - | 329,548 | 386,165 |
| Oil inventories | 24 | - | - | 368,739 | 186,160 |
| Inventory of consumables | | - | - | 13,699 | 8,506 |
| Financial instruments | 29 | - | - | 19,831 | 14,926 |
| Recoverable taxes | 7 | 3,439 | 2,648 | 84,757 | 124,321 |
| Advances to suppliers | 8 | 2 | 16 | 66,160 | 58,245 |
| Advances to partners | 19 | - | - | 14,011 | 86,997 |
| Prepaid expenses | | 451 | 340 | 15,940 | 25,594 |
| Other receivables | | - | - | 1,094 | - |
| | | 29,465 | 30,484 | 5,447,105 | 1,772,976 |
| Non-current assets classified as held for sale | 9 | - | - | 70,110 | 68,439 |
| | | 29,465 | 30,484 | 5,517,215 | 1,841,415 |
| Non-current assets | | | | | |
| Advances to suppliers | 8 | - | - | 12,596 | 12,596 |
| Deposits and pledges | | 4,392 | 5,347 | 15,224 | 20,317 |
| Recoverable taxes | 7 | - | - | 9,749 | 32,848 |
| Deferred taxes | 17 | 11,392 | 14,181 | 178,023 | 199,942 |
| Related parties | 22 | 11,851 | 8,627 | - | - |
| Right-of-Use (Lease CPC 06.R2/IFRS 16) | 16 | - | - | 311,153 | 369,836 |
| Investments | 10 | 5,576,494 | 3,642,162 | - | - |
| Property, plant and equipment | 11 | 1,242 | 1,486 | 3,444,525 | 3,359,013 |
| Intangible assets | 12 | - | - | 1,016,015 | 956,866 |
| | | 5,605,371 | 3,671,803 | 4,987,285 | 4,951,418 |
| Total assets | | 5,634,836 | 3,702,287 | 10,504,500 | 6,792,833 |

See the accompanying notes to the financial statements.



Notes to the quarterly information June 30, 2021

(In thousands of reais, unless otherwise indicated)

Balance sheet

June 30, 2021 and December 31, 2020

(In thousands of reais – R\$)

| | | Parent company | | Consolidated | |
|---|------|------------------|------------------|-------------------|------------------|
| | Note | 06/30/2021 | 12/31/2020 | 06/30/2021 | 12/31/2020 |
| Liabilities and shareholders' equity | | | | | |
| Current liabilities | | | | | |
| Suppliers | 13 | 2,195 | 3,940 | 152,400 | 236,889 |
| Labor obligations | | 9,862 | 1,304 | 74,923 | 54,857 |
| Taxes and social contributions | 14 | 6,367 | 5,484 | 96,411 | 87,741 |
| Loans and financing | 15 | - | - | 467,184 | 1,519,966 |
| Contractual charges (Leases - IFRS 16) | 16 | - | - | 116,230 | 252,645 |
| | | 18,424 | 10,728 | 907,148 | 2,152,098 |
| Liabilities directly linked to non-current assets classified as held for sale | 9 | - | - | (2,054) | (2,649) |
| | | 18,424 | 10,728 | 905,094 | 2,149,449 |
| Non-current liabilities | | | | | |
| Suppliers | 13 | - | - | 13,444 | 13,640 |
| Loans and financing | 15 | - | - | 2,959,261 | 389,753 |
| Provision for abandonment (ARO) | 18 | - | - | 760,946 | 638,504 |
| Provision for contingencies | 31 | 500 | 500 | 128,391 | 75,809 |
| Related parties | 22 | 194,155 | 540,645 | - | - |
| Contractual charges (Leases - IFRS 16) | 16 | - | - | 314,297 | 373,455 |
| Other liabilities | | - | - | 1,310 | 960 |
| | | 194,655 | 541,145 | 4,177,649 | 1,492,121 |
| Shareholders' equity | | | | | |
| Realized capital | 21 | 5,303,644 | 3,326,900 | 5,303,644 | 3,326,900 |
| Capital reserves | | 322,294 | 321,359 | 322,294 | 321,359 |
| Accumulated translation adjustment | | 518,373 | 579,820 | 518,373 | 579,820 |
| Accumulated losses | | (1,077,664) | (1,530,431) | (1,077,664) | (1,530,431) |
| Income (loss) for the period | | 355,110 | 452,766 | 355,110 | 452,766 |
| Non-controlling interest | | - | - | - | 849 |
| | | 5,421,757 | 3,150,414 | 5,421,757 | 3,151,263 |
| Total liabilities and shareholders' equity | | 5,634,836 | 3,702,287 | 10,504,500 | 6,792,833 |

See the accompanying notes to the financial statements.



Notes to the quarterly information

June 30, 2021

(In thousands of reais, unless otherwise indicated)

Statements of income

Six-month periods ended June 30, 2021 and 2020

(In thousands of reais – R\$, except earnings/losses per share)

| | Note | Parent company | | Consolidated | |
|---|------|-----------------|------------|------------------|-------------|
| | | 06/30/2021 | 06/30/2020 | 06/30/2021 | 06/30/2020 |
| Net revenue | 23 | - | - | 1,678,171 | 535,455 |
| Costs of products/services | 24 | - | - | (705,094) | (432,562) |
| Gross revenue | | - | - | 973,077 | 102,893 |
| Operating revenues (expenses) | | | | | |
| Geology and geophysics expenses | | - | - | (7,837) | (219) |
| Personnel expenses | | (7,855) | (2,745) | (51,691) | (15,180) |
| General and administrative expenses | | (338) | (678) | (10,724) | (18,815) |
| Expenses with outsourced services | | (3,815) | (3,912) | (23,910) | (28,258) |
| Taxes and rates | | (566) | (1,409) | (3,181) | (3,799) |
| Depreciation and amortization expenses | | (244) | (243) | (55,104) | (88,527) |
| Equity in income of subsidiaries | 10 | 367,849 | (117,343) | - | - |
| Other operating revenues (expenses), net | 25 | (69) | (1,580) | (82,437) | 204,707 |
| Operating income (loss) before financial income (loss) | | 354,962 | (127,910) | 738,193 | 152,802 |
| Financial income | 26 | 29,308 | 1,672 | 573,458 | 759,345 |
| Financial expenses | 26 | (26,371) | (50,146) | (795,085) | (1,087,472) |
| Income before income tax and social contribution | | 357,899 | (176,384) | 516,566 | (175,325) |
| Current income tax and social contribution | | - | - | (139,537) | (14,775) |
| Deferred income tax and social contribution | | (2,789) | 15,121 | (21,919) | 28,837 |
| Income (loss) for the period | | 355,110 | (161,263) | 355,110 | (161,263) |
| Basic and diluted earnings per share | | | | | |
| Basic | | 0,438 | (0,239) | 0,438 | (0,239) |
| Diluted | | 0,438 | (0,239) | 0,438 | (0,239) |

See the accompanying notes to the financial statements.



Notes to the quarterly information

June 30, 2021

(In thousands of reais, unless otherwise indicated)

Statements of income

Three-month periods ended June 30, 2021 and 2020

(In thousands of reais – R\$, except earnings/losses per share)

| | Note | 04/01/2021- 06/30/2021 | 04/01/2020- 06/30/2020 | 04/01/2021- 06/30/2021 | 04/01/2020- 06/30/2020 |
|---|------|---------------------------|---------------------------|---------------------------|---------------------------|
| Net revenue | 23 | - | - | 1,022,837 | 312,293 |
| Costs of products/services | 24 | - | - | (468,563) | (225,736) |
| Gross revenue | | - | - | 554,274 | 86,557 |
| Operating revenues (expenses) | | - | - | - | - |
| Geology and geophysics expenses | | - | - | (937) | (68) |
| Personnel expenses | | (1,644) | (109) | (28,057) | (4,626) |
| General and administrative expenses | | 26 | (442) | (7,360) | (9,320) |
| Expenses with outsourced services | | (756) | (3,371) | (11,779) | (11,797) |
| Taxes and rates | | (280) | (1,027) | 2,578 | (1,503) |
| Depreciation and amortization expenses | | (122) | (122) | (25,112) | (46,956) |
| Equity in income of subsidiaries | 10 | 411,231 | (96,828) | - | - |
| Other operating revenues (expenses), net | 25 | - | (1,364) | (62,187) | 89,603 |
| Operating income (loss) before financial income (loss) | | 408,455 | (103,263) | 421,420 | 101,890 |
| Financial income | 26 | 26,870 | 362 | 519,304 | 105,078 |
| Financial expenses | 26 | (5,853) | (12,022) | (378,883) | (329,722) |
| Income before income tax and social contribution | | 429,472 | (114,923) | 561,841 | (122,754) |
| Current income tax and social contribution | | - | - | (59,964) | (2,633) |
| Deferred income tax and social contribution | | (8,570) | 15,121 | (80,975) | 25,585 |
| Income (loss) for the period | | 420,902 | (99,802) | 420,902 | (99,802) |
| Basic and diluted earnings per share | | | | | |
| Basic | | 0,502 | (0,148) | 0,502 | (0,148) |
| Diluted | | 0,502 | (0,148) | 0,502 | (0,148) |

See the accompanying notes to the financial statements.



Notes to the quarterly information

June 30, 2021

(In thousands of reais, unless otherwise indicated)

Statements of comprehensive income

Six-month periods ended June 30, 2021 and 2020

(In thousands of reais – R\$)

| | Consolidated | |
|--|---------------------|-------------------|
| | 06/30/2021 | 06/30/2020 |
| Income (loss) for the period | 355,110 | (161,263) |
| Other comprehensive income | | |
| Translation adjustment on investment abroad, net of taxes | (61,447) | 563,289 |
| Other comprehensive income for the period, net of taxes | (61,447) | 563,289 |
| Total other comprehensive income for the period, net of taxes | 293,663 | 402,026 |

See the accompanying notes to the financial statements.



Notes to the quarterly information June 30, 2021

(In thousands of reais, unless otherwise indicated)

Statements of comprehensive income

Three-month periods ended June 30, 2021 and 2020
(In thousands of reais – R\$)

| | Consolidated | |
|--|-----------------------------------|-----------------------------------|
| | 04/01/2021- 06/30/2021 | 04/01/2020- 06/30/2020 |
| Income (loss) for the period | 420,902 | (99,802) |
| Other comprehensive income | - | - |
| Translation adjustment on investment abroad, net of taxes | (333,053) | 116,364 |
| Other comprehensive income for the period, net of taxes | (333,053) | 116,364 |
| | - | - |
| Total other comprehensive income for the period, net of taxes | 87,849 | 16,562 |

See the accompanying notes to the financial statements.



Notes to the quarterly information June 30, 2021

(In thousands of reais, unless otherwise indicated)

Statements of changes in shareholders' equity Six-month periods ended June 30, 2021 and 2020 (In thousands of reais – R\$)

| | Capital | Capital reserve | Accumulated translation adjustment | Accumulated loss | Total | Non-controlling interest | Total Consolidated |
|---|------------------|-----------------|------------------------------------|--------------------|------------------|--------------------------|--------------------|
| Balances at January 1, 2020 | 3,316,411 | 228,027 | 150,335 | (1,530,431) | 2,164,342 | - | 2,164,342 |
| Paid-up capital | 10,587 | - | - | - | 10,587 | - | 10,587 |
| Stock options granted | - | 3,218 | - | - | 3,218 | - | 3,218 |
| Translation adjustment on investment abroad | - | - | 563,289 | - | 563,289 | - | 563,289 |
| Loss for the period | - | - | - | (161,263) | (161,263) | - | (161,263) |
| Balances at June 30, 2020 | 3,326,998 | 231,245 | 713,624 | (1,691,694) | 2,580,173 | - | 2,580,173 |
| Balances at January 1, 2021 | 3,326,899 | 321,359 | 579,820 | (1,077,664) | 3,150,414 | 849 | 3,151,263 |
| Paid-up capital | 2,062,743 | - | - | - | 2,062,743 | - | 2,062,743 |
| Share issuance costs | (85,998) | - | - | - | (85,998) | - | (85,998) |
| Stock options granted | - | 935 | - | - | 935 | - | 935 |
| Translation adjustment on investment abroad | - | - | (61,447) | - | (61,447) | - | (61,447) |
| Income for the period | - | - | - | 355,110 | 355,110 | - | 355,110 |
| Acquisition of non-controlling interest | - | - | - | - | - | (849) | (849) |
| Balances at June 30, 2021 | 5,303,644 | 322,294 | 518,373 | (722,554) | 5,421,757 | - | 5,421,757 |

See the accompanying notes to the financial statements.



Notes to the quarterly information

June 30, 2021

(In thousands of reais, unless otherwise indicated)

Statements of cash flows

Six-month periods ended June 30, 2021 and 2020 | (In thousands of reais – R\$)

See the accompanying notes to the financial statements.

| | Parent company | | Consolidated | |
|---|-----------------------|-------------------|---------------------|-------------------|
| | 06/30/2021 | 06/30/2020 | 06/30/2021 | 06/30/2020 |
| Cash flows from operating activities | | | | |
| Income (loss) for the period (before taxes) | 357,899 | (176,384) | 516,566 | (175,325) |
| Depreciation and amortization | 244 | 243 | 368,124 | 351,579 |
| Financial income | (26,996) | (328) | (256,815) | (371,006) |
| Financial expenses | 23,916 | 49,866 | 223,687 | 940,694 |
| Share-based compensation | 935 | 1,931 | 935 | 3,218 |
| Equity in income of subsidiaries | (367,849) | 117,343 | - | - |
| Provision (reversal) for contingencies/losses | - | 220 | 49,269 | (2,678) |
| Provision (reversal) for abandonment | - | - | 946 | (95,417) |
| Provision for impairment | - | - | - | 9,544 |
| | (11,851) | (7,109) | 902,712 | 660,609 |
| (Increase) decrease in assets | | | | |
| Accounts receivable | - | - | 49,280 | 186,482 |
| Recoverable taxes | (781) | (71) | 62,466 | (10,070) |
| Prepaid expenses | (110) | (1,209) | 9,649 | (666) |
| Advances to suppliers | 15 | - | (22,971) | 6,491 |
| Oil inventories | - | - | (96,345) | (51,455) |
| Inventory of consumables | - | - | (5,193) | (229) |
| Related parties | (3,259) | (508) | - | - |
| Advance to partners in oil and gas operations | - | - | 75,734 | 44,659 |
| Deposits and pledges | 963 | 715 | 5,101 | (693) |
| Other receivables | - | 52 | (1,093) | 140 |
| Increase (decrease) in liabilities | | | | |
| Suppliers | (2,266) | 2,607 | (51,161) | 19,263 |
| Labor obligations | 8,558 | 157 | 20,055 | 12,466 |
| Taxes and social contributions | 716 | 729 | (143,803) | (57,602) |
| Related parties | (342,707) | 110,485 | - | - |
| Contingencies | - | - | - | 2,346 |
| Other liabilities | - | 17 | 350 | (20,307) |
| Net cash (invested in) from operating activities | (350,722) | 105,865 | 804,781 | 791,434 |
| Cash flows from investment activities | | | | |
| (Investment in) redemption of securities | 1 | - | (1,109,833) | 259,240 |
| (Investment in) redemption of restricted cash | - | - | 16,859 | (170,326) |
| (Investment in) redemption of abandonment fund | - | - | 1,560 | - |
| (Purchase) sale of property, plant and equipment | - | (23) | (236,703) | (114,362) |
| (Purchase) sale of intangible assets | - | - | 772 | - |
| (Increase) decrease in investments | (1,627,930) | (118,916) | - | - |
| (Acquisition) of oil and gas assets | - | - | (218,289) | (603,492) |
| Net cash (invested in) from investment activities | (1,627,929) | (118,939) | (1,545,634) | (628,940) |
| Cash flows from financing activities | | | | |
| Funding of loans | - | - | 4,191,053 | 899,014 |
| Repayment of principal on loans | - | - | (2,486,698) | (1,133,918) |
| Interest paid on loans | - | - | (156,109) | (32,685) |
| Contractual charges (Leases IFRS 16 - Principal) | - | - | (120,549) | (85,608) |
| Contractual charges (Leases - IFRS 16) - Interest | - | - | (17,176) | (23,297) |
| Derivative transactions | - | - | (46,544) | 12,103 |
| Paid-up capital | 1,976,744 | 10,587 | 1,976,744 | 10,587 |
| Interest of non-controlling shareholders | - | - | (666) | - |
| Net cash (invested in) from financing activities | 1,976,744 | 10,587 | 3,340,055 | (353,804) |
| Translation adjustment | - | - | (26,856) | 51,601 |
| Net increase (decrease) in cash and cash equivalents | (1,907) | (2,487) | 2,572,346 | (139,709) |
| Cash and cash equivalents at the beginning of the period | 27,480 | 4,911 | 809,273 | 459,397 |
| Cash and cash equivalents at the end of the period | 25,573 | 2,424 | 3,381,619 | 319,688 |
| Net increase (decrease) in cash and cash equivalents | (1,907) | (2,487) | 2,572,346 | (139,709) |

See the accompanying notes to the financial statements.



Notes to the quarterly information

June 30, 2021

(In thousands of reais, unless otherwise indicated)

Statements of added value

(supplementary information for IFRS purposes)

Six-month periods ended June 30, 2021 and 2020

(In thousands of reais – R\$)

| | Parent company | | Consolidated | |
|------------------------------------|-----------------------|-------------------|---------------------|-------------------|
| | 06/30/2021 | 06/30/2020 | 06/30/2021 | 06/30/2020 |
| Revenues | | | | |
| Oil & Gas sales | - | - | 1,678,171 | 535,455 |
| | - | - | 1,678,171 | 535,455 |
| Inputs and services | | | | |
| Outsourced services and other | (3,815) | (3,912) | (23,910) | (28,258) |
| Geology and geophysics expenses | - | - | (7,837) | (219) |
| Costs of services | - | - | (276,934) | (140,369) |
| Gross added value | (3,815) | (3,912) | 1,369,490 | 366,609 |
| Retentions | | | | |
| Depreciation and amortization | (244) | (243) | (368,124) | (351,579) |
| Net added value | (4,059) | (4,155) | 1,001,366 | 15,030 |
| Transferred value added | | | | |
| Net financial income (loss) | 2,937 | (48,474) | (221,627) | (328,127) |
| Equity in income of subsidiaries | 367,849 | (117,343) | - | - |
| Deferred taxes | (2,789) | 15,121 | (21,919) | 28,837 |
| Rents, royalties and other | (407) | (2,258) | (208,301) | 156,751 |
| Added value payable | 363,531 | (157,109) | 549,519 | (127,509) |
| Distribution of added value | | | | |
| Personnel | 7,855 | 2,745 | 51,691 | 15,180 |
| Taxes | 566 | 1,409 | 142,718 | 18,574 |
| Income (loss) for the period | 355,110 | (161,263) | 355,110 | (161,263) |
| Distributed added value | 363,531 | (157,109) | 549,519 | (127,509) |

See the accompanying notes to the financial statements.



Notes to the quarterly information

June 30, 2021

(In thousands of reais, unless otherwise indicated)

1. Operations

Petro Rio S.A. (PetroRio), was established on July 17, 2009. Headquartered in the city of Rio de Janeiro, its main purpose is to hold interests in other companies as partner, shareholder or quotaholder, in Brazil and abroad, with a focus on exploration, development and production of oil and natural gas.

For the purpose of this report, Petro Rio S.A and its subsidiaries are denominated, individually or jointly, as the "Company" or "Group", respectively.

Its significant operations are carried out by means of subsidiaries Petro Rio O&G Exploração e Produção de Petróleo Ltda. ("PetroRioOG"), Brasoil Coral Exploração Petrolífera S.A. ("Coral") and Petro Rio Jaguar Petróleo Ltda. ("Jaguar") are the production of oil and natural gas, operating in Campos Basin - RJ and Camamu Basin - BA ("Coral").

Polvo Field - 100%

PetroRioOG is the operator and holds 100% of the Polvo Field concession contract, acquired from BP Energy do Brasil Ltda. ("BP") - 60% in 2014 and from Maersk Energia Ltda. ("Maersk") - 40% in 2015.

The Polvo Field is in the southern portion of the Campos Basin (offshore) some 100 km east of the city of Cabo Frio in the state of Rio de Janeiro. The license covers an area of approximately 134 km² with several prospects for future exploration. Average daily output during the 2Q21 was of roughly 8.8 thousand bbl (9.5 thousand bbl for the 2Q20).

Manati Field - 10%

In March 2017, PetroRioOG concluded the transaction for the acquisition of 100% of the shares of Brasoil do Brasil Exploração Petrolífera S.A. ("Brasoil"). Brasoil is a holding company, indirectly holding a 10% interest in the rights and obligations of the Manati Field concession contract, in the production phase, in addition to a 10% interest in the Camarão Norte Field, under development, which is under return process by the consortia to National Agency of Petroleum, Natural Gas and Biofuels (ANP) and a 100% interest in the concessions of Blocks FZA-Z-539 and FZA-M-254, both in the exploration phase. Note 12.

The Manati Field is located in the Camamu Basin, on the coast of the State of Bahia. The license covers an area of approximately 76 km². Average daily output during the 2Q21 was of roughly 3.5 million cubic meters of natural gas (1.1 million cubic meters of natural gas for the 2Q20). The reduced amount in 2020 is due to the decrease in gas withdrawal from Petrobras, with 100% of the production from Manati Field contracted. This halt, which started in late February 2020, was due to the decrease in natural gas consumption owing to the COVID-19 pandemic.



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According to a relevant fact disclosed on November 5, 2020, on the same date, the Company signed an agreement with Gas Bridge S.A. ("Gas Bridge"), for the sale of the 10% interest held by the Company in Manati Field.

The total amount of the transaction is R\$ 144,400 thousand and includes the transfer of all the Company's liabilities in the Manati Field, including its interest in the abandonment of said Field. The transaction is subject to precedent conditions, among which the success of Gas Bridge in the acquisition of Manati operation from Petrobras.

The transaction consists of a fixed installment of R\$ 124,400,000 and an earn-out of R\$ 20,000,000, subject to certain subsequent regulatory approvals related to the Field.

The effective date of the sale is December 31, 2020. As of this date until the date of completion of the sale transaction, the Company will continue recording all results related to the interest in the field in its balance sheet. However, the cash generation of the field for this period will be included in the sales price adjustment.

With the signing of the agreement in November 2020, the Company started treating this asset in accordance with CPC 31, as Non-current assets classified as held for sale, pursuant to Note 9.

Frade Field – 100%

On March 25, 2019 and October 01, 2019, after complying with the precedent conditions and obtaining the necessary approvals, the Company completed the acquisition of 51.74% and 18.26%, respectively, of interest in the concession of Frade Field, in the operational assets of the Field, and assumed the operation of the Field.

Furthermore, on November 28, 2019, the Company signed a purchase and sale agreement with Petrobras for the acquisition of the remaining 30% interest in the Field, increasing its interest in Frade Field to 100%. The completion of this transaction took place on February 5, 2021, according to Note 12c.

The Frade Field is in the northern region of the Campos Basin, about 120 kilometers from the coast of the State of Rio de Janeiro. The license covers an area of approximately 154 km², with an average water depth of 1,155 m. The Field produced approximately 19,000 bbl of oil per day in the second quarter of 2021 (15 thousand bbl of oil per day in the second quarter of 2020).

FPSO Bravo (formerly "OSX-3") and Tubarão Martelo

On February 3, 2020, the Company entered into a contract for the acquisition of the FPSO Bravo vessel (Floating, Production, Storage and Offloading – FPSO), built in 2012



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with a processing capacity of 100 thousand bbl of oil per day and storage capacity of 1.3 million bbl, in the amount of US\$ 140 million, with a portion of the funds (US\$ 100 million) being financed by Prisma Capital. FPSO currently operates the Tubarão Martelo Field and it will be used for the operation of Polvo through the connection with the Polvo A Fixed Platform. The revenue generated by the lease of FPSO Bravo is US\$ 129,315 per day during the period from February 03, 2020 until the conclusion of Tubarão Martelo field's acquisition, which was on August 03, 2020.

Also, on February 03, 2020, a contract was signed on the same date for the acquisition of 80% of Tubarão Martelo Field, as well as the Field operation, fully-owned by Dommo Energia. On August 3, 2020, after the approvals of the Administrative Council for Economic Defense (CADE) and the National Petroleum Agency (ANP), the acquisition was concluded, with PetroRio taking over the operation of the Field and increasing developed proven reserves by approximately 17 million barrels.

The Field produced approximately 6.6 thousand bbl of oil per day in the second quarter of 2021.

Wahoo Field (64.3%) and Itaipu Field (60%)

On November 19, 2020, a contract was signed with BP Energy do Brasil Ltda. for the acquisition of shares regarding a 35.7% interest in Block BM-C-30 ("Wahoo Field" or "Wahoo"), and a 60% interest in Block BM-C-32 ("Itaipu Field" or "Itaipu"). On June 17, 2021, the ANP - Brazilian National Agency of Petroleum approved the transfer of assets, and on July 1, 2021, after all the conditions precedent of the purchase and sale agreement were concluded, the certificate of completion of the acquisition operation was signed, with PetroRio becoming the operator of both pre-salt fields and increasing proven developed reserves by approximately 132 million barrels.

Additionally, on March 04, 2021, the Company signed an agreement with Total E&P do Brasil Ltda. for the acquisition of an additional 28.6% interest in Wahoo, approved by the ANP on July 08, 2021, both detailed in note 32.1.

In addition to the Wahoo portion acquired from BP, PetroRio's interest the concession will increase to 64.3%. The Company formalized a proposal for the acquisition of the remaining 35.7% interest and has been making efforts to open negotiations with the current holders of the interest.

The Wahoo Field, with the oil discovery in 2008 and the formation test performed in 2010, fits into the Company's value generation strategy. With the development of the field, the Company will form another production cluster and will share the full infrastructure with Frade Field (including the FPSO), thus enabling the capture of several synergies resulting in another strong and sustainable decrease in the lifting cost, striving to always maintain the highest standards of safety and efficiency.



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COVID-19

The Company reviewed its business plan to adjust the scenario of uncertainty and volatility related to the spread of COVID-19 and the drop in Brent oil prices, in addition to adopting several monitoring and prevention measures, that remain in force and will be maintained as long as the pandemic scenario persists.

Among the measures, the highlights were the immediate reduction of People on Board (POB) and extension of the boarding period (aiming at reducing transfers) on the production platforms where the Company operates, keeping only the essential personnel for the safe and efficient Company's production; intensive availability of protection and sanitization items for the onshore and offshore units directly linked to the Company's production activity, especially in the areas most likely to be infected; intensified communication for all employees and third parties working in the production units; adoption of rapid tests and monitoring protocol (screening) at the airports, with the assistance of a nurse, for people who board the Company's production platforms. The initiative includes the monitoring of personnel 48 hours before departure, aiming at identifying suspected cases; the reduction of production costs through renegotiation with suppliers; initiatives for the recommissioning of tanks in the TBMT and Polvo FPSOs, which increased the Company's nominal oil storage capacity, giving offtakes flexibility according to market conditions. suspension of all international trips. National trips were reduced to essential professionals residing in other states for offshore units, preferably via car transportation; and suspension of all face-to-face events.

2. Basis of preparation and presentation of financial statements

2.1. Statement of conformity

The individual and consolidated quarterly information was prepared in accordance with technical pronouncement NBC TG 21 - Interim Statement with international standard IAS 34 - Interim Financial Reporting, issued by the Interim Financial Report issued by International Accounting Standards Board, and it is presented in a manner consistent with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of the Quarterly Information - ITR.

The statements of value added are presented as supplementary information for IFRS purposes.

The Management confirms that all relevant pieces of information characteristic of quarterly information are being evidenced, and correspond to those used by Management.



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June 30, 2021

(In thousands of reais, unless otherwise indicated)

2.2. Basis of preparation

The individual and consolidated quarterly information was prepared based on the historical cost, except for derivative those measured at fair value, when indicated.

2.3. Basis of consolidation and investments in subsidiaries

The consolidated quarterly information includes quarterly information of the Company and its subsidiaries. Control is achieved when the Company has the power to control financial and operating policies of an entity to gain benefits from its activities.

The income of the subsidiaries acquired, sold or merged during the period are included in the consolidated income and comprehensive income information from the effective date of acquisition, disposal or merger, as applicable.

In the individual quarterly information of the Company, the quarterly information of the direct and indirect subsidiaries is recognized under the equity method.

When necessary, subsidiaries' quarterly information accounting policies are adjusted to those of the Group. All transactions, balances, revenues and expenses among the Group's companies are fully eliminated in consolidated quarterly information.

The Company's consolidated financial statements include:

| | | Interest | | | |
|---|--------------------|------------|----------|------------|----------|
| | | 06/30/2021 | | 12/31/2020 | |
| | | Direct | Indirect | Direct | Indirect |
| Fully consolidated companies | | | | | |
| Petro Rio O&G Exploração e Produção de Petróleo Ltda. | "PetroRioOC" | 100.00% | - | 100.00% | - |
| Petrório USA Inc. | "PrioUSA" | 100.00% | - | 100.00% | - |
| Petro Rio Internacional S.A. | "PrioIntl" | 1.23% | 98.77% | 1.23% | 98.77% |
| Petrório Luxembourg Holding Sarl | "Lux Holding" | - | 100.00% | - | 100.00% |
| Petrório Netherlands BV | "Netherlands" | - | 100.00% | - | 100.00% |
| Walvis Petroleum (Pty) Ltd. | "Walvis" | - | 100.00% | - | 100.00% |
| Petrório Canada Inc. | "Canada" | - | 100.00% | - | 100.00% |
| Luderitz Petroleum (Pty) Ltd. | "Luderitz" | - | 100.00% | - | 100.00% |
| Petrório Luxembourg Sarl | "Lux Sarl" | - | 100.00% | - | 100.00% |
| Cumoxi Investments (Pty) Ltd. | "Cumoxi" | - | 100.00% | - | 100.00% |
| Kunene Energy (Pty) Ltd. | "Kunene" | - | 100.00% | - | 100.00% |
| Orange Petroleum Ltd. | "Orange" | - | 100.00% | - | 100.00% |
| Petro Rio do Brasil Exploração Petrolífera S.A. | "Brasoil" | - | 100.00% | - | 100.00% |
| Brasoil OPCO Exploração Petrolífera Ltda. | "Opco" | - | 99.99% | - | 99.99% |
| Petro Rio Coral Exploração Petrolífera Ltda. | "Coral" | - | 100.00% | - | 100.00% |
| Petro Rio Energia Ltda. | "PrioEnergia" | - | 100.00% | - | 100.00% |
| Petro Rio Comercializadora de Energia Ltda | "Comercializadora" | - | 100.00% | - | 100.00% |
| Brasoil Finco LLC | "Finco" | - | 100.00% | - | 100.00% |
| Petro Rio Jaguar Petróleo Ltda | "Jaguar" | - | 100.00% | - | 100.00% |
| Frade B.V. | "Frade B.V." | - | 100.00% | - | 70% |
| Petro Rio White Shark Petróleo Ltda | "White Shark" | - | 100.00% | - | 100.00% |



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June 30, 2021

(In thousands of reais, unless otherwise indicated)

2.4. Accounting policies adopted

We hereby declare that the accounting policies adopted in the preparation of this quarterly information are consistent with those used in the most recent annual financial statements (year ended December 31, 2020). Thus, this quarterly information should be read together with information disclosed in financial statements for the year ended December 31, 2020.

2.5. Functional currency and presentation currency

This individual and consolidated quarterly information is presented in Real, functional currency of the Company. The Company defined that its functional currency is the Brazilian Real of its foreign subsidiaries is the United States dollar, on account of its incurred costs of operation. All financial information presented in reais has been rounded to the nearest value, except otherwise indicated.

2.6. Standards and new and reviewed interpretations already issued

In the preparation of quarterly information, the Company's Management considers, when applicable, new reviews and interpretations of IFRS and technical pronouncements, issued by IASB and CPC. There were no changes affecting the Company's quarterly information during the accounting periods ended June 30, 2021.

2.7. Effects of adopting CPC 23 (IAS 8) – Accounting Policies, Changes in Accounting Estimates and Errors.

2.7.1 Change in accounting estimate

In the 1Q21, the Company, through an independent international certifying agency, DeGolyer and MacNaughton, conducted a reevaluation of reserves at Polvo, Tubarão Martelo, Frade and Manati fields. This revaluation indicated changes in the reserves and useful lives of some fields and, consequently, changes in the depreciation rates and extension of the terms for calculating the provision for abandonment.

The studies considered the effects of the Covid-19 pandemic and the current and future oil price scenarios.

At Polvo Field, the revaluation pointed to the maintenance of useful life until the end of 2026, and an increase of the developed proven reserves by approximately 3.6 million bbl, if compared to the same periods.

In Frade Field, the revaluation pointed to the maintenance of the useful life of the field until the end of 2030, and the same amount of proven reserves



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developed, but with an increase of approximately 8.2 million barrels, related to the completion of the acquisition of the remaining 30% of the field, if the same periods are compared.

At Tubarão Martelo Field, the revaluation indicated an increase in useful life of the field until the end of 2034, and an increase of the developed proven reserves by approximately 3.3 million bbl, if compared to the same periods.

Finally, the revaluation in Manati pointed to a decrease in the useful life of the field until the end of 2025, even with an increase of 57 million m³ in its developed proven reserves.

2.8. Completion of quarterly information

The Company's management authorized the presentation of this quarterly information on August 02, 2021.

3. Cash and cash equivalents

| | Parent company | | Consolidated | |
|----------|----------------|---------------|------------------|----------------|
| | 06/30/2021 | 12/31/2020 | 06/30/2021 | 12/31/2020 |
| Cash | - | - | 54 | 55 |
| Banks | 25,573 | 27,480 | 3,381,565 | 809,218 |
| | 25,573 | 27,480 | 3,381,619 | 809,273 |
| Domestic | 9,100 | 52 | 77,498 | 2,708 |
| Abroad | 16,473 | 27,428 | 3,304,121 | 806,565 |

The balance of cash and cash equivalents consists of funds for the purpose of business working capital, applied in highly liquid instruments in Brazil (committed and Bank Deposit Certificates) and abroad (remunerated current account deposits), without risk of significant change of the principal, and yields upon redemption.

4. Securities

| | Consolidated | |
|-------------------------------|------------------|---------------|
| | 06/30/2021 | 12/31/2020 |
| Bank deposit certificates (i) | 76,617 | 22,793 |
| Time deposit (ii) | 1,058,479 | - |
| Total securities | 1,135,096 | 22,793 |

- i. Checking account automatically remunerated via Bank Deposit Certificate (CDB) in reais (fixed income investments), with an average yield of 98% of the Interbank Deposit Certificate (CDI) rate;
- ii. Time Deposit with terms of 90, 180, and 270 days, with an average yield of 0.84% p.a.



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The Company carries out the risk management of securities through appropriate policy and procedure practices, as described in Note 29.

5. Restricted cash

| | Consolidated | |
|--------------------------------|---------------------|-------------------|
| | 06/30/2021 | 12/31/2020 |
| Frade Acquisition - 51.74% (i) | - | 17,907 |
| Banco Santander (ii) | 16,611 | 16,405 |
| Banco Daycoval (iii) | - | 8,317 |
| Banco Fibra (iv) | - | 7,367 |
| | 16,611 | 49,996 |

- i. The Company, in compliance with purchase and sale agreement for acquisition of 51.74% of interest in concession of Frade Field (Note 12), made monthly deposits in a restricted account (Escrow) that was released to the seller according to terms agreed-upon for debt payment, which was settled in May 2021.
- ii. The Company maintains cash in Bank Deposit Certificate (CDB) investments as a guarantee for the bank guarantee issued with Banco Santander, as required by the financing agreement with Finep, which was settled in April 2021, and the guarantee is in the process of being returned.
- iii. The Company maintained financial investments abroad as a guarantee for the 2 ACCs (Advances on Foreign Exchange Contracts) issued with Banco Daycoval, which were settled in March 2021.
- iv. The Company maintained a linked account as a collateral for the bank guarantee issued with Banco Fibra, as required by the financing agreement with Finep, which was settled in April 2021.

6. Accounts receivable

| | Consolidated | |
|------------------------|---------------------|-------------------|
| | 06/30/2021 | 12/31/2020 |
| Petrobras (i) | 25,367 | 20,594 |
| Petrochina (ii) | 303,662 | 126,919 |
| Shell | - | 237,977 |
| Other | 519 | 675 |
| Total | 329,548 | 386,165 |
| Total local currency | 25,886 | 21,071 |
| Total foreign currency | 303,662 | 365,094 |

- (i) Balance receivable referring to sales of condensed gas and oil carried out by Manati and Frade in May and June 2021 of approximately 20.4 million m³ of gas, corresponding to revenues of R\$ 24,582 for Manati and R\$ 28 for Frade, and Manati balance referring to amount not withdrawn in June 2020 (take or pay) of R\$ 757.

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- (ii) Balance receivable remaining from the sale of oil of Polvo Field carried out in June 2021, referring to approximately 394,000 barrels of oil, which generated a revenue of R\$ 128,988, and from the sale of oil of Frade Field carried out in in June 2021, referring to approximately 500,000 barrels of oil, which generated a revenue of R\$ 177,534.

The Company assessed the impacts of the COVID-19 and understands that these facts do not affect the balances receivable presented.

7. Recoverable taxes

| | Parent company | | Consolidated | |
|--|----------------|------------|---------------|------------|
| | 06/30/2021 | 12/31/2020 | 06/30/2021 | 12/31/2020 |
| Income tax and social contribution (i) | 3,415 | 2,622 | 13,843 | 13,736 |
| PIS and COFINS (ii) | 2 | 1 | 45,514 | 106,015 |
| ICMS (iii) | - | - | 28,501 | 34,554 |
| Foreign taxes (VAT) (iv) | - | - | 2,013 | 1,485 |
| Other | 22 | 25 | 4,635 | 1,379 |
| Total | 3,439 | 2,648 | 94,506 | 157,169 |
| Current assets | 3,439 | 2,648 | 84,757 | 124,321 |
| Non-current assets | - | - | 9,749 | 32,848 |

- (i) Primarily refers to withholding income tax on financial investments and negative balance of IRPJ/CSLL (Corporate Income Tax / Social Contribution on Net Revenue) and prepaid income tax and social contribution.
- (ii) PIS/COFINS credits on inputs used in operation;
- (iii) ICMS recoverable referring to oil loans between Frade Field partners and movement of materials upon acquisition of Polvo.
- (iv) Taxes (VAT) in the process of refund of the Luxembourg subsidiaries.



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8. Advances to suppliers

| | Parent company | | Consolidated | |
|-----------------------------|----------------|------------|---------------|---------------|
| | 06/30/2021 | 12/31/2020 | 06/30/2021 | 12/31/2020 |
| Geoquasar Energy (i) | - | - | 12,596 | 12,596 |
| BW (Prosafe) guarantee (ii) | - | - | 32,084 | 33,187 |
| Petrobras | - | - | 246 | 246 |
| Nitshore | - | - | 468 | 468 |
| BJ Services Brasil | - | - | 3,767 | 2,637 |
| Asa Assessoria | - | - | 709 | 2,358 |
| Bornemann GMBH | - | - | - | 1,805 |
| Workshop do Brasil | - | - | - | 1,245 |
| VME Process Inc | - | - | 1,342 | 702 |
| Appleton Marine Inc | - | - | 554 | 579 |
| ABB Automacao | - | - | 2,921 | 515 |
| Westcon | - | - | 480 | 480 |
| Schlumberger | - | - | 1,784 | 413 |
| Miros Scotland | - | - | 579 | 406 |
| Gevisa | - | - | - | 401 |
| GBA Corona | - | - | 309 | 338 |
| Siemens Infraestrutura | - | - | 4,071 | - |
| JS Aduaneira | - | - | 7,526 | - |
| Other | 2 | 16 | 9,320 | 12,465 |
| Total | 2 | 16 | 78,756 | 70,841 |
| Total current assets | 2 | 16 | 66,160 | 58,245 |
| Total non-current assets | - | - | 12,596 | 12,596 |

(i) The advances to Geoquasar refer to operating costs assumed by PetroRioOG and contractual payments in advance. As a counterparty to these advances, the Company has maintained the provision under "Long term suppliers" caption recorded, in the amount of R\$ 12,961 (Note 13). The settlement of these amounts, both assets and liabilities, awaits court decision.

(ii) The advances to BW (Prosafe) - US\$ 5,671 (R\$ 28,367) and R\$ 3,717 refer to contractual commitments and are held as a financial collateral from lease agreements and operation of FPSO Polvo. Upon the end of the contract with BW in July 2021, the amounts will be released.

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9. Non-current assets classified as held for sale (Consolidated)

In November 2020, the Company entered into an agreement with Gas Bridge S.A. ("Gas Bridge") for the sale of the 10% interest held by the Company in Manati Field.

The total amount of the transaction is R\$ 144,400 thousand and includes the transfer of all the Company's liabilities in the field, including its interest in the abandonment of said Field. The transaction is subject to precedent conditions, among which the success of Gas Bridge in the acquisition of Manati operation from Petrobras.

The transaction consists of a fixed installment of R\$ 124,400,000 and an earn-out of R\$ 20,000,000, subject to certain subsequent regulatory approvals related to the Field.

The effective date of the sale is December 31, 2020. As of this date until the date of completion of the sale transaction, the Company will continue recording all results related to the interest in the field in its balance sheet. However, the cash generation of the field for this period will be included in the sales price adjustment.

The result for the six-month periods ended June 30, 2021 and 2020, of the Manati Field, proportional to the Company's interest, is presented below:

| | Consolidated | |
|---|---------------------|-------------------|
| | 06/30/2021 | 06/30/2020 |
| Net revenue from services | 56,368 | 20,336 |
| Costs of services | (15,408) | (14,864) |
| Gross revenue | 40,960 | 5,472 |
| Operating revenues (expenses) | | |
| Geology and geophysics expenses | - | (12) |
| Personnel expenses | (8,853) | (1,064) |
| General and administrative expenses | (925) | (632) |
| Expenses with outsourced services | (728) | (524) |
| Taxes and rates | - | (34) |
| Depreciation and amortization expenses | - | (313) |
| Other operating income (expenses), net | (8) | 4,239 |
| Operating income (loss) before financial income (loss) | 30,446 | 7,132 |
| Financial income | 8,187 | 8,267 |
| Financial expenses | (9,213) | (12,298) |
| Income before income tax and social contribution | 29,420 | 3,101 |
| Current income tax and social contribution | (3,162) | (4,901) |
| Deferred income tax and social contribution | (2,088) | 5,434 |
| Income (loss) from discontinued operation | 24,170 | 3,634 |



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The main classes of assets and liabilities classified as held for sale on June 30, 2021 and December 31, 2020 are as follows:

| | 06/30/2021 | 12/31/2020 |
|---|----------------|----------------|
| Assets | | |
| Advances to partners | 5,443 | 2,349 |
| Property, plant and equipment | 3,398 | 3,677 |
| Intangible assets | 61,269 | 62,413 |
| Total assets | 70,110 | 68,439 |
| Liabilities | | |
| Provision for abandonment (ARO) | (3,306) | (3,392) |
| Other liabilities | 1,252 | 743 |
| Total liabilities | (2,054) | (2,649) |
| Non-current assets classified as held for sale | 72,164 | 71,088 |

The net cash flows incurred in the six-month periods ended June 30, 2021 and 2020, are:

| | 06/30/2021 | 06/30/2020 |
|---|---------------|---------------|
| Net cash (invested in) from operating activities | 28,806 | 21,554 |
| Net cash (invested in) from investment activities | 279 | 978 |
| Net increase in cash and cash equivalents | 29,085 | 22,532 |

Earnings per share

| Basic and diluted earnings per share | 06/30/2021 | 06/30/2020 |
|--|------------|------------|
| Numerator (in thousands of reais) | | |
| Income from discontinued operation | 24,170 | 3,634 |
| Denominator (in thousands of shares) | | |
| (+) Weighted average number of common shares adjusted by dilution effect | 810,343 | 675,763 |
| Basic and diluted earnings per share from discontinued operations: | 0.0298 | 0.0054 |

10. Investments

On June 30, 2021, the Company presented the following main interest held in direct subsidiaries:

- **Petro Rio O&G Exploração e Produção de Petróleo Ltda. ("PetroRioOG")**

The subsidiary was created on July 20, 2009, with headquarters in Rio de Janeiro, and engages in: (i) exploration, development and production of oil and natural gas; (ii) import, export, refining, sale and distribution of oil, natural gas, fuel and oil by-products; (iii) generation, sale and distribution of electric power; and (iv) interest in other companies.

PetroRioOG holds 100% of the Polvo Field concession, 80% of the Tubarão Martelo Field concession, and ownership of FPSO Bravo, which from July 14, 2021, started



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operating both fields, after the conclusion of the TIEBACK operation, which reduces production costs and increases the useful life of the two fields, as per note 32.2.

Since March 2011, PetroRioOG already operated as Operator B, in shallow waters and, beginning as of October 2015, PetroRioOG was qualified as Operator A by ANP, which permits conduction of activities in land areas, and shallow, deep and ultra-deep waters.

- **Petro Rio Internacional S.A. ("PrioIntl")**

The subsidiary, headquartered in Rio de Janeiro is engaged in: (i) exploration, development and production of oil and natural gas; (ii) import, export, refining, sale and distribution of oil, natural gas, fuel and oil by-products; (iii) generation, sale and distribution of electric power; and (iv) interest in other companies.

All Group's companies located outside of Brazil, except for PrioUSA, are consolidated under a single corporate structure having PrioIntl as head office in Brazil.

Currently, the main Companies controlled by PrioIntl are Lux Holding, a company that has large-sized assets in operation; Coral, which was contributed by PetroRioOG in June 2019 and holds 10% of interest in the concession of Manati field, and Lux Sarl, which as for September 2016 started to trade the oil produced in the Polvo field. Lux Holding owns the fixed platform, "Polvo A", and a 3,000 HP drilling rig. Moreover, under this corporate structure are subsidiaries located in Canada and the Republic of Namibia.

As mentioned in Note 1, Petrório, through its subsidiary Lux Holding, entered into purchase and sale agreements for the acquisition of a 18.26% and 51.74% interest on October 26, 2018 and January 30, 2019, respectively, in the Frade Field concession and Field operating assets, through the acquisition of companies Frade Japão Petróleo Ltda, Inpex Offshore North Campos, Ltd., Chevron Brasil Upstream Frade Ltda. and Chevron Frade LLC., becoming the operator of Frade Field, with 70% of interest.

In February 2021, the Company now holds a 100% interest in the asset, after the conclusion of the purchase and sale transaction signed on November 28, 2019 with Petrobrás (Notes 1 and 11).

Additionally, the Company is in the process of acquiring a 64.3% interest in the Wahoo Field concession and 60% in the Itaipu Field, as described in note 1.

- **Petrório USA Inc ("PrioUSA")**

Established on March 4, 2011, former HRT America Inc., incorporated under the laws of the State of Delaware and headquartered in Houston, USA. Subsidiary was basically established to provide geology and geophysics services to other subsidiaries of the



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Group, mainly to PrioIntl and its subsidiaries. It currently has no activities and is in the process of liquidation.

Portfolio of concessions

On June 30, 2021 the Company's subsidiaries were participants in the following concessions in Brazilian basins:

| Country | Basin | Block | Field | Concessionaire | % | Status | Phase | PEM (*) |
|---------|-----------------|-----------|-----------------|----------------|------|--------------|-------------|------------|
| Brazil | Fields | BM-C-8 | Polvo | PetroRioOG | 100% | Operator | Production | - |
| Brazil | Camamu | BCAM-40 | Manati (**) | Manati | 10% | Non-operator | Production | - |
| Brazil | Fields | Frade | Frade | Jaguar | 100% | Operator | Production | - |
| Brazil | Fields | C-M-466 | Tubarão Martelo | PetroRioOG | 80% | Operator | Production | - |
| Brazil | Camamu | BCAM-40 | Camarão Norte | Manati | 10% | Non-operator | Development | - |
| Brazil | Foz do Amazonas | FZA-M-254 | - | Manati | 100% | Operator | Exploration | R\$ 587 |
| Brazil | Foz do Amazonas | FZA-M-539 | Pirapema | Manati | 100% | Operator | Exploration | R\$ 10,564 |
| Brazil | Ceará | CE-M-715 | - | Jaguar | 50% | Operator | Exploration | R\$ 59,200 |

(*) Minimum exploratory program remaining.

(**) As described in Note 9, the Company entered into an agreement to dispose of this asset, whose transaction closing is subject to the terms and conditions usually adopted in transactions of this nature and the approval of government agencies. Thus, these assets are presented as non-current assets held for sale.

The BCAM-40 Block Consortium started and awaits for the process of returning the discovery of Camarão Norte, located in south of the Manati Field, in the Camamu-Almada Basin, to the National Agency of Petroleum, Natural Gas and Biofuels (ANP). The Company has a 10% interest in the discovery of Camarão Norte, which was declared a commercial undertaking in 2009. After evaluating several development plans and potential unitization to the adjacent area, the consortium concluded that the area was not economically feasible and decided to return it.

The acquisition of Jaguar expanded the concessions portfolio with 100% Frade Field, and with 50% of the Exploratory Block CE-M-715, in Ceará Basin, in partnership with Ecopetrol.

a) Relevant information on investees as of June 30, 2021

| | PetroRioOG | PrioIntl | PrioUSA |
|------------------------------|------------|-----------|---------|
| Direct interest | 100.00% | 1.23% | 100.00% |
| Indirect interest | 0.00% | 98.77% | 0.00% |
| Shareholders' equity | 5,533,797 | 3,413,950 | 603 |
| Income (loss) for the period | 365,346 | 219,600 | (204) |
| Total assets | 6,581,577 | 7,905,334 | 731 |

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(In thousands of reais, unless otherwise indicated)

b) Breakdown of investments

| | Parent company | |
|------------|-----------------------|-------------------|
| | 06/30/2021 | 12/31/2020 |
| PetroRioOG | 5,533,797 | 3,602,058 |
| PrioUSA | 603 | (39) |
| PrioIntl | 42,094 | 40,143 |
| | 5,576,494 | 3,642,162 |

c) Changes in investment

| | PetroRioOG | PrioIntl | PrioUSA | Total |
|-------------------------------------|-------------------|-----------------|----------------|------------------|
| Balance at January 1, 2020 | 2,241,194 | 27,223 | 68 | 2,268,485 |
| Capital increase/decrease | 435,910 | - | 164 | 436,074 |
| Equity in income of subsidiaries | 500,762 | 7,624 | (268) | 508,118 |
| Conversion adjustments | 424,192 | 5,296 | (3) | 429,485 |
| Balance at December 31, 2020 | 3,602,058 | 40,143 | (39) | 3,642,162 |
| Capital increase/decrease | 1,627,036 | - | 894 | 1,627,930 |
| Equity in income of subsidiaries | 365,346 | 2,708 | (205) | 367,849 |
| Conversion adjustments | (60,643) | (757) | (47) | (61,447) |
| Balance at June 30, 2021 | 5,533,797 | 42,094 | 603 | 5,576,494 |

11. Property, plant and equipment (Consolidated)

a) Breakdown of the balance

| | Depreciation rate % | Cost | Depreciation | Translation adjustment | Balance at 06/30/2021 | Balance at 12/31/2020 |
|---|----------------------------|------------------|---------------------|-------------------------------|------------------------------|------------------------------|
| In operation | | | | | | |
| Platform and Drilling rig - Polvo | UOP * | 101,439 | (102,900) | 21,625 | 20,164 | 23,834 |
| Oil & gas assets - Frade *** | UOP * | 2,753,016 | (846,556) | - | 1,906,460 | 1,986,129 |
| FPSO Bravo (Tubarão Martelo) | UOP * | 797,445 | (117,413) | - | 680,032 | 718,235 |
| Machinery and equipment | 10 | 9,488 | (5,761) | - | 3,727 | 4,633 |
| Furniture and fixtures | 10 | 2,185 | (941) | - | 1,244 | 1,354 |
| Communication equipment | 20 | 674 | (417) | - | 257 | 320 |
| IT equipment | 20 | 6,430 | (4,104) | - | 2,326 | 2,382 |
| Leasehold improvements | 4 | 6,998 | (459) | - | 6,539 | 6,367 |
| Development expenditures **** | UOP * | 350,223 | (169,684) | - | 180,539 | 204,176 |
| Maintenance of wells | 33 | 65,582 | (47,459) | - | 18,123 | 27,203 |
| In progress | | | | | | |
| Property, plant and equipment in progress ** | - | - | - | - | - | 237 |
| Maintenance of wells - Polvo | - | 1,819 | - | - | 1,819 | 29 |
| Well drilling costs | - | 318,391 | - | (315) | 318,076 | 93,485 |
| Spare parts | - | 55,124 | - | 2,899 | 58,023 | 54,261 |
| Material for well revitalization/re-entry - Frade *** | - | 245,919 | - | - | 245,919 | 234,304 |
| Material for use and consumption (wells) | - | 1,277 | - | - | 1,277 | 2,064 |
| Total | | 4,716,010 | (1,295,694) | 24,209 | 3,444,525 | 3,359,013 |

*UOP - Units of Production (Unit-of-production depreciation method)

** Construction in progress refers basically to expenditures with administrative facilities;

*** With the completion of Frade acquisition, the Company then consolidates 100% of the assets related to the field, which include, in addition to the expenses related to producing wells, FPSO Frade and all submarine equipment. In addition, Frade consortium prepared for the Field Revitalization Plan by acquiring materials and equipment that are classified as assets in progress, as well as FPSO equipment and submarines that are waiting drilling of more wells to start operation.

**** Revitalization/drilling campaigns.



Notes to the quarterly information

June 30, 2021

(In thousands of reais, unless otherwise indicated)

b) Changes in balance

| | Balance at 01/01/2021 | Frade Acquisition - 30% | Additio ns | Write- offs | Depreciation | Transfers | Translation adjustment | Balance at 06/30/2021 |
|---|--------------------------|-------------------------------|----------------|----------------|------------------|-----------|---------------------------|--------------------------|
| In operation | | | | | | | | |
| Platform and Drilling rig - Polvo | 23,833 | - | - | - | (3,011) | - | (658) | 20,164 |
| Oil & gas assets - Frade | 1,986,130 | 104,990 | 1,098 | - | (192,538) | 6,780 | - | 1,906,460 |
| FPSO Bravo (Tubarão Martelo) | 718,235 | - | - | - | (38,203) | - | - | 680,032 |
| Machinery and equipment | 4,633 | - | - | (1,062) | (1,323) | 1,479 | - | 3,727 |
| Furniture and fixtures | 1,354 | - | - | - | (110) | - | - | 1,244 |
| Communication equipment | 320 | - | - | - | (63) | - | - | 257 |
| IT equipment | 2,382 | - | - | - | (455) | 399 | - | 2,326 |
| Leasehold improvements | 6,367 | - | - | - | (115) | 287 | - | 6,539 |
| Development expenditures | 204,176 | - | - | - | (23,637) | - | - | 180,539 |
| Maintenance of wells | 27,203 | - | - | - | (9,080) | - | - | 18,123 |
| In progress | | | | | | | | |
| Property, plant and equipment in progress | 237 | - | 449 | - | - | (686) | - | - |
| Maintenance of wells - Polvo | 29 | - | 1,790 | - | - | - | - | 1,819 |
| Well drilling costs | 93,484 | - | 236,824 | (892) | - | (11,024) | (316) | 318,076 |
| Spare parts | 54,261 | - | - | - | - | 4,244 | (482) | 58,023 |
| Material for well revitalization/re-entry - Frade | 234,304 | 13,530 | - | (1,915) | - | - | - | 245,919 |
| Material for use and consumption (wells) | 2,064 | - | 1,278 | (586) | - | (1,479) | - | 1,277 |
| Total | 3,359,012 | 118,520 | 241,439 | (4,455) | (268,535) | - | (1,456) | 3,444,525 |

| | Balance at 01/01/2020 | Additions | Write- offs | Depreciation | Impairment | Transfers | Translation adjustment | Balance at 12/31/2020 |
|---|--------------------------|----------------|-----------------|------------------|------------|-----------------|---------------------------|--------------------------|
| In operation | | | | | | | | |
| Platform and Drilling rig - Polvo | 23,925 | 301 | - | (7,362) | - | - | 6,970 | 23,834 |
| Oil & gas assets - Manati | 6,388 | 397 | (2,453) | (658) | - | (3,677) | - | - |
| Oil & gas assets - Frade | 1,735,177 | 16,482 | (21,327) | (362,448) | - | 265,646 | 352,599 | 1,986,129 |
| FPSO Bravo (Tubarão Martelo) | - | 1,273 | - | (79,210) | - | 785,949 | 10,223 | 718,235 |
| Machinery and equipment | 6,215 | - | - | (2,644) | - | 1,062 | - | 4,633 |
| Furniture and fixtures | 1,559 | - | - | (220) | - | 15 | - | 1,354 |
| Communication equipment | 446 | - | - | (126) | - | - | - | 320 |
| IT equipment | 2,992 | - | - | (860) | - | 250 | - | 2,382 |
| Leasehold improvements | 6,597 | - | - | (230) | - | - | - | 6,367 |
| Surplus of Oil & gas assets - Frade | 239,341 | - | - | (48,937) | - | (255,494) | 65,090 | - |
| Development expenditures | 187,963 | 103,611 | - | (56,894) | - | (30,504) | - | 204,176 |
| Maintenance of wells | 30,533 | - | - | (17,583) | - | 14,253 | - | 27,203 |
| In progress | | | | | | | | |
| Property, plant and equipment in progress | 3,638 | 497 | - | - | - | (3,898) | - | 237 |
| Maintenance of wells | 4,301 | 5,086 | - | - | - | (9,358) | - | 29 |
| Acquisition of FPSO Bravo (Tubarão Martelo) | 49,096 | 603,492 | - | - | - | (788,757) | 136,169 | - |
| Well drilling costs | - | 70,821 | - | - | - | 18,813 | 3,851 | 93,485 |
| Spare parts | 50,069 | 1,303 | - | - | - | - | 2,889 | 54,261 |
| Material for well revitalization/re-entry - Frade | 254,283 | - | (19,938) | - | - | (41) | - | 234,304 |
| Material for use and consumption (wells) | - | - | - | - | - | 2,064 | - | 2,064 |
| Total | 2,602,523 | 803,263 | (43,718) | (577,172) | 3 | (3,677)* | 577,791 | 3,359,013 |

* Amounts transferred to non-current assets classified as held for sale, referring to Manati Campo.

Notes to the quarterly information June 30, 2021

(In thousands of reais, unless otherwise indicated)

12. Intangible assets (Consolidated)

a) Breakdown of the balance

| | Amortization rate (%) | Consolidated | |
|---|--------------------------|------------------|------------|
| | | 06/30/2021 | 12/31/2020 |
| Oil & Gas assets | | | |
| Acquisition cost - Polvo | (i) | 313,787 | 313,787 |
| Acquisition Cost - Tubarão Martelo | (i) | 264,535 | 297,409 |
| Acquisition cost - Frade | (i) | 197,418 | - |
| Subscription bonus - FZA-M-254 | | 5,968 | 5,968 |
| Subscription bonus - FZA-Z-539 | | 8,022 | 8,022 |
| Subscription bonus - Frade | (i) | 50,850 | 50,850 |
| Subscription bonus - Ceará | (i) | 31,358 | 31,358 |
| Capital gain in the acquisition of the Frade concession | (ii) | 696,185 | 724,111 |
| Advance for acquisition of asset | (iii) | 58,526 | 64,959 |
| Software and others | | 9,033 | 9,033 |
| | | 1,635,682 | 1,505,497 |
| Accumulated amortization | | (619,667) | (548,631) |
| Total | | 1,016,015 | 956,866 |

(i) Acquisition costs/subscription bonuses and exploration expenses are amortized by the unit of production method, considering the production of each concession and the volume of reserves when exploration/redevelopment processes will be completed.

(ii) Capital gain related to the acquisition of the concession contract for Frade Field, Jaguar and White Shark, amortized using the units produced method, monitoring the asset generating the capital gain.

(iii) Advances for the acquisition of Wahoo Field (64.3%) and Itaipu Field (60%), as described in Note 1.

b) Changes in balance

| | Balance at 01/01/2021 | Frade Acquisiti on - 30% | Additio ns | Write- offs | Amortizati on | Transfer | Translati on adjustme nt | Balance at 06/30/2021 |
|---|--------------------------|--------------------------------|---------------|-----------------|------------------|----------|-----------------------------------|--------------------------|
| Acquisition cost - Polvo | 29,826 | - | - | - | (3,460) | - | - | 26,366 |
| Acquisition Cost - Tubarão Martelo | 277,922 | - | - | (32,874) | (13,003) | - | - | 232,045 |
| Acquisition cost - Frade | - | 157,353 | - | - | (14,495) | 40,065 | - | 182,923 |
| Subscription bonus - FZA-M-254 | 5,968 | - | - | - | - | - | - | 5,968 |
| Subscription bonus - FZA-Z-539 | 8,022 | - | - | - | - | - | - | 8,022 |
| Subscription bonus - Frade | 3,999 | - | - | - | (370) | - | - | 3,629 |
| Subscription bonus - Ceará | 31,358 | - | - | - | - | - | - | 31,358 |
| Capital gain in the acquisition of the Frade concession | 534,538 | - | - | - | (51,364) | - | (16,270) | 466,904 |
| Software and others | 274 | - | - | - | - | - | - | 274 |
| Advance for acquisition of asset | 64,959 | - | 41,765 | (8,133) | - | (40,065) | - | 58,526 |
| Total | 956,866 | 157,353 | 41,765 | (41,007) | (82,692) | - | (16,270) | 1,016,015 |

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June 30, 2021

(In thousands of reais, unless otherwise indicated)

| | Balance at 01/01/2020 | Additions | Write-offs | Amortization | Transfer | Translation adjustment | Balance at 12/31/2020 |
|---|--------------------------|----------------|----------------|------------------|------------------|---------------------------|--------------------------|
| Acquisition cost - Polvo | 46,772 | - | (7,559) | (9,387) | - | - | 29,826 |
| Acquisition cost - Manati | 36,888 | - | - | (5,048) | (31,840) | - | - |
| Acquisition Cost - Tubarão Martelo | - | 297,409 | - | (19,487) | - | - | 277,922 |
| Subscription bonus - FZA-M-254 | 5,968 | - | - | - | - | - | 5,968 |
| Subscription bonus - FZA-Z-539 | 8,022 | - | - | - | - | - | 8,022 |
| Subscription bonus - Frade | 4,832 | - | - | (833) | - | - | 3,999 |
| Subscription bonus - Ceará | 31,358 | - | - | - | - | - | 31,358 |
| Goodwill on acquisition - Brasoil | 20,228 | - | - | - | (26,080) | 5,852 | - |
| Capital gain in the acquisition of the Frade concession | 500,919 | - | - | (112,153) | - | 145,772 | 534,538 |
| Client portfolio - Manati | 4,038 | - | - | (702) | (4,494) | 1,158 | - |
| Software and others | 274 | - | - | - | - | - | 274 |
| Advance for acquisition of asset | 30,230 | 34,729 | - | - | - | - | 64,959 |
| Total | 689,529 | 332,138 | (7,559) | (147,610) | (62,414)* | 152,782 | 956,866 |

* Amounts transferred to non-current assets classified as held for sale, referring to Manati Campo.

In the first quarter of 2021, the Company carried out a new certification of reserves with DeGolyer and MacNaughton, which pointed to a change in the useful life for Tubarão Martelo and Manati, as well as an increase in reserves (Note 2.7).

c) Acquisition of assets

1. Frade - 30%

As of February 5, 2021, the Company concluded the acquisition of 30% interest of Frade Field, through its indirect subsidiaries Jaguar and Lux Holding. Jaguar acquired 30% of the Frade Field concession, FPSO, Submarine Equipment and other assets and liabilities related to the concession, in which it already had 51.74% of the rights and control. Furthermore, Lux Holding acquired 30% of the shares of Frade BV, in which it already held a 51.74% interest and control of the entity.

The core operation was the acquisition of 30% of the assets related to the concession for the final net adjusted value of R\$ 221,799 thousand (US\$ 41,162 thousand), paid in the form of an advance in November 2019, upon signature of the contract, in the amount of R\$ 40,065 thousand (US\$ 7,500 thousand), and the remaining balance, in the amount of R\$ 181,734 thousand (US\$ 33,662 thousand) on February 5, 2021, the completion date, through a payment by Jaguar of R\$ 1,396,656 (US\$ 259,197 thousand) and a receipt by Lux Holding of R\$ 1,214,922 (US\$ 225,470 thousand).

The form of the acquisition was through two separate purchase and sale agreements, with different prices and parts.



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The amounts paid and received, as well as the allocations of assets and liabilities, are distributed as follows:

| Allocation of price | Jaguar | Lux Holding | Total In thousand of reais | US\$ thousand |
|---|------------------|--------------------|---------------------------------------|----------------------|
| Initial consideration | 107,768 | 431,072 | 538,840 | 100,000 |
| Price adjustment | 1,325,443 | (1,645,994) | (320,551) | (59,489) |
| Final consideration paid (received) | 1,433,211 | (1,214,922) | 218,289 | 40,511 |
| Concession (intangible assets) | 465,783 | (435,322) | 30,461 | 5,653 |
| FPSO and subsea equipment (PP&E) | 692,812 | (587,821) | 104,991 | 19,485 |
| Petroleum stock (current assets) | 141,553 | (120,102) | 21,451 | 3,981 |
| Field revitalization material (PP&E) | 89,281 | (75,751) | 13,530 | 2,511 |
| Advances to the consortium/suppliers (current assets) | 48,576 | - | 48,576 | 9,015 |
| TAC provision (non-current liabilities) | (4,794) | - | (4,794) | (890) |
| Frade BV shares (investment) | - | 183 | 183 | 34 |
| Advances to the consortium (current assets) | - | 3,891 | 3,891 | 722 |

Moreover, a provision for abandonment was recorded, proportional to the 30% acquisition, in the amount of R\$ 159,937, recorded in the "Concession" account under intangible assets, against the provision for abandonment, in liabilities (note 18).

d) Business combination

1. Tubarão Martelo

On August 03, 2020, the Company concluded the transaction for the acquisition of 80% of Tubarão Martelo Field interest by means of its indirect subsidiary PetroRioOG.

The Company became the operator of the Tubarão Martelo Field, which may influence the decisions of the consortium and implement cost reductions and synergies to its operation.

The Company calculated the fair values of the assets acquired and liabilities assumed, as well as the allocation of the purchase price, accounting for their effects individually, based on CPC 15 (R1) – Business combination.

The definitive allocation of recognized purchase price caused the following distribution:

| | |
|---------------------------------------|-----------|
| Final price (receivable) | (59,762) |
| Allocation of price | |
| Concession | 110,668 |
| Assumed property, plant and equipment | 2,541 |
| Liabilities assumed | (126,286) |
| Provision for abandonment | (46,685) |

The assumed liability of R\$ 126,286 refers to amounts payable for the lease of FPSO, that operates the Tubarão Martelo Field (Bravo), payable to Lux Sarl, a subsidiary of PetroRio, not involving cash; therefore, it is not included in the changes presented in the Company's Statement of Cash Flows.



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13. Suppliers

| | Parent company | | Consolidated | |
|-------------------------------|----------------|------------|----------------|------------|
| | 06/30/2021 | 12/31/2020 | 06/30/2021 | 12/31/2020 |
| Domestic suppliers | 2,195 | 3,593 | 142,117 | 183,925 |
| Foreign suppliers | - | 347 | 23,727 | 66,604 |
| | 2,195 | 3,940 | 165,844 | 250,529 |
| Total current liabilities | 2,195 | 3,940 | 152,400 | 236,889 |
| Total non-current liabilities | - | - | 13,444 | 13,640 |

14. Taxes and social contributions payable

| | Parent company | | Consolidated | |
|-----------------------|----------------|------------|---------------|------------|
| | 06/30/2021 | 12/31/2020 | 06/30/2021 | 12/31/2020 |
| IRPJ and CSLL payable | - | - | 58,718 | 52,729 |
| PIS/COFINS/CSLL | 6 | - | 11,577 | 4,767 |
| IRRF on services | 1,652 | 709 | 2,595 | 11,851 |
| ICMS | 56 | 56 | 1,097 | 1,094 |
| INSS | 4,583 | 4,671 | 8,744 | 7,524 |
| Taxes on Equity | - | - | 1,353 | 1,406 |
| Royalties | - | - | 11,533 | 7,795 |
| Other | 70 | 48 | 794 | 575 |
| | 6,367 | 5,484 | 96,411 | 87,741 |

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15. Loans and financing

| | | 12/31/2020 | Additions | | Payments | | Appropriation | Foreign exchange | Translation adjustment | 06/30/2021 |
|-----------------|--------|------------------|------------------|---------------|--------------------|------------------|---------------|------------------|------------------------|------------------|
| | | | Principal | Interest | Principal | Interest | | | | |
| Citibank | (i) | 41,808 | 176,258 | 1,812 | (74,745) | (958) | - | (18,161) | - | 126,014 |
| Trafigura | (ii) | 182,202 | - | 1,902 | (201,746) | (2,298) | - | 19,940 | - | - |
| CCB | (iii) | 108,215 | 150,775 | 2,203 | (110,912) | (3,169) | - | (10,509) | - | 136,603 |
| FINEP | (iv) | 57,738 | - | 1,328 | (54,101) | (4,965) | - | - | - | - |
| Fibra | (v) | 20,075 | - | 335 | (21,250) | (431) | - | - | 1,271 | - |
| Bradesco | (vi) | 26,669 | 55,200 | 551 | (78,763) | (1,273) | - | (2,384) | - | - |
| Daycoval | (vii) | 36,705 | 26,240 | 880 | (38,731) | (1,118) | - | 1,146 | - | 25,122 |
| Santander | (viii) | 65,126 | 282,925 | 2,334 | (317,286) | (6,048) | - | (27,051) | - | - |
| C.E.F. | (ix) | 30,961 | - | 443 | (33,100) | (1,828) | - | 3,524 | - | - |
| Chevron | (x) | 733,129 | - | 13,726 | (668,850) | (89,333) | - | - | 11,328 | - |
| Prisma Capital | (xi) | 539,437 | - | 20,523 | (511,470) | (40,272) | - | - | (8,218) | - |
| Harvest | (xii) | 23,637 | 13,630 | 537 | (37,780) | (512) | - | 488 | - | - |
| Banco do Brasil | (xiii) | 44,017 | - | 826 | (41,579) | (956) | - | (2,308) | - | - |
| BTG | (xiv) | - | 275,575 | 2,821 | (246,385) | (2,654) | - | (29,357) | - | - |
| ABC | (xv) | - | 80,000 | 390 | (50,000) | (294) | - | (1,521) | - | 28,575 |
| Itaú | (xvi) | - | 159,965 | 836 | - | - | - | (9,916) | - | 150,885 |
| Funding costs | * | - | (7,343) | - | - | - | 6,543 | - | 800 | - |
| Subtotal | | 1,909,719 | 1,213,225 | 51,447 | (2,486,698) | (156,109) | 6,543 | (76,109) | 5,181 | 467,199 |
| | | | | | | | | | | |
| BOND | (xvii) | - | 3,031,980 | 10,723 | - | - | - | - | (30,660) | 3,012,043 |
| Funding costs | ** | - | (54,152) | - | - | - | 895 | - | 460 | (52,797) |
| Total | | 1,909,719 | 4,191,053 | 62,170 | (2,486,698) | (156,109) | 7,438 | (76,109) | (25,019) | 3,426,445 |
| Current | | 1,519,966 | | | | | | | | 467,184 |
| Non-current | | 389,753 | | | | | | | | 2,959,261 |

* Costs with lawyers and advisors for fundraising from Prisma.

** Costs with banks, lawyers, and consultants for issuing the BOND.

(i) In October 2020, the Company signed a loan agreement in the form of an Advance on Exchange Contract (ACC) with Citibank of US\$ 8 million, with a rate of 3.28%. Said contract was prepaid in June 2021. In March 2021, the Company contracted another ACC with Banco Citibank in the amount of US\$ 25 million, with a term of 1 year and a cost of 2.63%, with an open position in June 2021. On May 10, 2021, the Company signed the third contract with Banco Citibank in the amount of US\$ 7 million, with a term of 1 year and a cost of 2.62% p.a., settled in advance in June 2021.

(ii) In December 2020, the Company signed another export prepayment agreement with Trafigura PTE Ltd, in the amount of US\$ 35 million, at a cost of Libor + 3.75%. This contract expired in March 2021.

(iii) In March 2020, the Company contracted an ACC with China Construction Bank (CCB) in the amount of US\$ 19 million, for a period of 1 year and at a cost of 4%. On



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April 5, 2021, the Company contracted another ACC in the amount of US\$ 8 million, with a term of 1 year and cost of 4.00% p.a.

(iv) On November 19, 2018, the Company signed an agreement with Finep for a R\$ 90 million credit facility to be paid in 10 years, including a 2.5-year grace period. The financing cost is long-term interest rate (TJLP) + 1.5% p.a. Approximately R\$ 54,101 were released by FINEP. This contract was prepaid in April 2021.

(v) On November 30, 2020, the Company signed an amendment to the credit facility with Banco Fibra, in the amount of US\$ 3.8 million and with a term of 1 year and cost of 6.8% per annum. This debt was prepaid in March 2021.

(vi) The Company had two ACC contracts with Banco Bradesco in the amounts of US\$ 2 million and US\$ 3 million, which were settled on maturity in March 2021. In the same month, the Company contracted a new contract in the amount of US\$ 10 million, with a term of 180 days and a cost of 3.3% pa. This debt was prepaid in June 2021.

(vii) The Company prepaid two Advances on Foreign Exchange Contracts with Bank Daycoval in the amounts of US\$ 5 million and US\$ 2 million, with a rate of 8.7%, in March 2021. On May 21, 2021, the Company signed a contract with Banco Daycoval in the amount of US\$ 5 million, with a term of 180 days and cost of 4.00% p.a., effective in June 2021.

(viii) The Company prepaid two Advances on Foreign Exchange Contracts with Banco Santander in the amounts of US\$ 10 million and US\$ 2 million, with a rate of 5.12%, in March 2021. On April 16, 2021, the Company signed a contract with Banco Santander in the amount of US\$ 50 million, with a term of 1 year and cost of 3.92% p.a., paid in advance in June 2021.

(xii) On April 6, 2020, the Company signed a contract with Caixa Econômica Federal in the amount of R\$ 30 million, with a term of 1 year and a cost of 5.7% p.a. In March 2021, the Company settled the principal of the debt and the interest was charged to its account in April 2021.

(x) On January 29, 2019, the Company entered into a contract, effective as of March 25, 2019, with Chevron Latin America Marketing LLC and Chevron Amazonas LLC for the acquisition of Chevron Brasil Upstream Frade LTDA, Chevron Frade LLC and Frade B.V., in the amount of USD 224,023, with a two-year term. The financing is at Libor + 3% p.a. In June 2020, an amendment to the contract was signed, changing its final term to November 2021, to be settled in 3 installments, the first in November 2020, the second in May 2021 and the last in November 2021, with renegotiated interest of 7% p.a. Said contract was prepaid in May 2021.

(xi) On January 27, 2020, the Company signed a contract with an entity of the Prisma Capital fund for a bridge loan in the amount of US\$ 100 million at the cost of 8.95%



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p.a. As of December 21, 2020, the Company signed the long-term extension, where the maturity of the total debt was due in December 2022. This contract was prepaid in June 2021.

(xii) On December 23, 2020, the Company signed a contract with Banco Safra in the amount of US\$ 5 million, with a term of 6 months and cost of 3.8% p.a. On April 26, 2021, the Company signed another contract with Banco Safra in the amount of US\$ 2.5 million, with a maturity of 1 year and a cost of 3.00% p.a., settled in advance in June 2021.

(xiii) On November 6, 2020, the Company signed a contract with Banco do Brasil in the amount of US\$ 2.75 million, with a term of 6 months and a cost of 5% p.a., prepaid in June 2021. On December 29, 2020, the Company signed another contract with Banco do Brasil in the amount of US\$ 5.7 million, with a term of 6 months and cost of 4.15% p.a., settled in June 2021.

(xiv) On March 22, 2020, the Company signed a contract with BTG in the amount of US\$ 50 million, with a term of one year and a cost of 4.15% p.a, prepaying it in June 2021.

(xv) On April 9, 2021, the Company signed a contract with Banco ABC in the amount of US\$ 9 million, with a term of 1 year and cost of 3.98% p.a., settled in advance in June 2021. On May 26, 2021, the Company signed another ACC with Banco ABC in the amount of US\$ 5.7 million, with a term of 1 year and cost of 3.00% p.a., effective in June 2021.

(xiv) On April 30, 2021, the Company signed a contract with Banco Itaú in the amount of US\$ 20 million, with a term of one year and a cost of 3.65% p.a. On May 21, 2021, the Company signed another ACC with Banco Itaú in the amount of US\$ 10 million, with a term of 1 year and cost of 3.60% p.a.

(xvii) On June 9, 2021, the Company issued debt in the international capital market in the amount of US\$ 600 million at a cost of 6.125% p.a. and a final term of 5 years, with a repurchase option as of the 3rd year. The principal will be repaid on maturity, June 9, 2026, while interest will be repaid semiannually, the first in December 2021.

This contract has financial covenants linked to the leverage ratio. The ratio is calculated by dividing the net debt for the period by the Adjusted EBITDA of the last 12 months (EBITDA minus other revenues and expenses). The maximum limit of the ratio is 2.5x, however, any non-compliance with this index results in restriction on taking on new debts. The measurement of this ratio will be carried out quarterly, and on June 30, 2021, the calculated indicator was below the established limit, following the contractual covenants.

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16. Leases CPC 06 (R2) / IFRS 16

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

| Right-of-use assets | Cost | Amortization | Balance |
|----------------------------|------------------|---------------------|----------------|
| FPSO Polvo | 796,614 | (478,071) | 318,543 |
| Support Vessels | 103,825 | 78,028 | 181,853 |
| Helicopters | 29,755 | 8,009 | 37,764 |
| Buildings/Support Bases | 57,572 | 28,524 | 86,096 |
| Equipment | 32,002 | 57,364 | 89,366 |
| Total | 1,019,768 | (306,146) | 713,622 |

To calculate the amount of the cost, the terms when the assets are necessary for the operation and surcharge on loans, of 5.63% p.a. to contracts in Dollar and 10% p.a. for contracts in Reais were taken into consideration.

The depreciations of the right of use, when related to assets used for the operations, are firstly recognized in inventory and then transferred to income when disposed. Administrative assets are directly recorded in the statement of income, both under the straight-line method, observing the periods when they are used.

Exchange-rate change and inflation adjustment are recorded directly in the Company's statement of income.

The effects presented in the period were:

| | Assets | Liabilities |
|-------------------------------------|----------------|--------------------|
| Balance at January 1, 2020 | 452,067 | (612,482) |
| Additions/Reversals | 74,633 | (86,025) |
| Currency adjustment | - | (126,294) |
| Price-level restatement | - | (45,473) |
| Payments made | - | 244,174 |
| Depreciation | (156,864) | - |
| Balance at December 31, 2020 | 369,836 | (626,100) |
| Additions/Reversals | 22,997 | 66,702 |
| Currency adjustment | - | 8,321 |
| Price-level restatement | - | (17,175) |
| Payments made | - | 137,725 |
| Depreciation | (81,680) | - |
| Balance at June 30, 2021 | 311,153 | (430,527) |
| Current | - | (116,230) |
| Non-current | 311,153 | (314,297) |

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(In thousands of reais, unless otherwise indicated)

| Contract maturity | | *Pis/Cofins Amount R\$ |
|--------------------------------|------------------|------------------------------|
| Maturity of installments | Amount R\$ | |
| 2021 | 83,163 | 7,704 |
| 2022 | 57,812 | 5,348 |
| 2023 | 57,812 | 5,348 |
| 2024 | 57,935 | 5,359 |
| 2025 | 57,812 | 5,348 |
| 2026 | 57,812 | 5,348 |
| 2027 | 44,904 | 4,154 |
| 2028 | 45,027 | 4,165 |
| 2029 | 44,904 | 4,154 |
| 2030 | 44,904 | 4,154 |
| Undiscounted amounts | 552,085 | 51,082 |
| Embedded interest | (121,558) | |
| Lease liability balance | 430,527 | |

* Pis/Cofins presented for information purposes only. They are not being considered for discounting the projected lease amounts.

17. Deferred income tax and social contribution

| Companies | Tax loss | | Tax credit | |
|-------------|------------------|------------|------------------|------------|
| | 06/30/2021 | 12/31/2020 | 03/31/2021 | 12/31/2020 |
| PetroRio | 95,408 | 77,522 | 32,439 | 26,358 |
| PetroRioOG | 1,262,454 | 1,341,630 | 429,234 | 456,154 |
| PrioIntl | 14,808 | 14,807 | 5,035 | 5,034 |
| Brasoil | 122,522 | 131,214 | 41,658 | 44,613 |
| Jaguar | 1,402,318 | 1,472,678 | 476,788 | 500,711 |
| White Shark | 846,642 | 878,408 | 287,858 | 298,659 |
| Lux Holding | 2,075,658 | 3,294,654 | 517,669 | 821,687 |
| | 5,819,810 | 7,210,913 | 1,790,681 | 2,153,216 |

The Company has tax loss carry forwards and negative social contribution tax generated in Brazil and abroad, which may be offset against future taxable profit, limited to 30% every year in Brazil, and without offset limit in Luxembourg. As detailed below, and based on the projected results of the companies, Management recognized and recorded the amounts proportional to future income, as well as the amount related to the negative goodwill recorded in the acquisition of the Polvo Field and the total amount of deferred liabilities recorded in Luxembourg, related to negative goodwill recorded in the acquisition of Frade Field. Other credits, which will be recognized as the future taxable income is being generated.



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(In thousands of reais, unless otherwise indicated)

The provision for deferred income and social contribution tax is as follows:

| | Parent company | | Consolidated | |
|---|-----------------|-----------------|------------------|------------------|
| | 06/30/2021 | 12/31/2020 | 06/30/2021 | 12/31/2020 |
| Negative goodwill/surplus in business combination | - | - | 167,835 | 192,148 |
| Temporary expenses | (11,392) | (14,181) | (54,954) | (25,607) |
| Tax losses | - | - | (290,905) | (366,483) |
| Net balance of (Assets) Liabilities | (11,392) | (14,181) | (178,024) | (199,942) |

| Realization estimate | Consolidated | | | | | | | | | | Total |
|---|--------------|----------|----------|----------|----------|----------|----------|----------|---------|---------|-----------|
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | |
| Negative goodwill/surplus in business combination | 29,676 | 25,585 | 22,080 | 19,127 | 16,493 | 14,285 | 12,381 | 10,770 | 9,333 | 8,105 | 167,835 |
| Temporary expenses | (54,954) | - | - | - | - | - | - | - | - | - | (54,954) |
| Tax losses | (29,675) | (64,729) | (58,333) | (44,631) | (31,916) | (21,032) | (12,381) | (10,770) | (9,333) | (8,105) | (290,905) |

18. Provision for abandonment (ARO)

Changes in the balance of provision for abandonment of wells in the Polvo, Manati, Frade and Tubarão Martelo Fields are shown below:

| | Polvo | Manati | Tubarão Martelo | Frade |
|---|----------------|---------------|-----------------|----------------|
| Balance at December 31, 2019 | 195,672 | 44,374 | - | 706,002 |
| Acquisition of Tubarão Martelo (100%) | - | - | 233,426 | - |
| Decrease | (25,498) | (6,870) | (12,205) | (582,875) |
| Currency adjustment | 51,003 | 9,030 | (4,850) | 191,419 |
| Price-level restatement | 11,066 | 2,461 | 5,568 | 43,284 |
| Balance at December 31, 2020 | 232,243 | 48,995 | 221,939 | 357,830 |
| Frade Acquisition (30%) | - | - | - | 159,937 |
| Increase / (Decrease) | - | 946 | (32,659) | - |
| Currency adjustment | (9,405) | (1,672) | (7,510) | (25,917) |
| Price-level restatement | 10,872 | 2,117 | 5,936 | 15,086 |
| Balance at June 30, 2021 | 233,710 | 50,386 | 187,706 | 506,936 |
| (-) Abandonment fund | (167,406) | (53,692) | - | - |
| Transfer to Liabilities directly linked to non-current assets classified as held for sale | - | 3,306 | - | - |
| Net balance of liabilities | 66,304 | - | 187,706 | 506,936 |
| Total consolidated balance | | | | 760,946 |

The estimated abandonment costs were provisioned for the period ended June 30, 2021.

For Polvo field, this provision corresponds to PetroRio interest of 100%, and reflects the estimated present value discounted at the rate of 5.86% p.a. and updated according to the inflation rate (US) of average 2% p.a. In addition, amounts are adjusted by the changes in the USD rate. These costs will be incurred in the abandonment of the Polvo field, including, but not limited to the plugging of wells, and the removal of production lines and equipment.

Regarding Manati field, a new abandonment study was approved in November 2018, which reduced the total provision by approximately US\$ 48 million (100%), with a



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decrease of R\$ 5,426 in the Company's balance sheet, corresponding to a 10% interest in Manati. 20% of the provision for abandonment are represented by costs in reais, updated at the inflation rate of 4.01% per annum and discounted at the risk-free rate of 6.27% per annum. The other costs, estimated in US Dollars, are updated at the inflation rate of 2% per annum and discounted at the rate of 5.86%, before translation into Reais.

To assure the consortium's ability to settle the abandonment obligations in the Manati field, the operator Petrobras collects monthly installment regarding estimated abandonment expenditures from consortium members. The contributed amounts are invested and will be used to pay the abandonment costs when they occur. On June 30, 2021, the Company maintained a balance of R\$ 55,252.

Regarding Frade field, a new abandonment study was approved in December 2020 by ANP, considering the current market conditions from PetroRio's point of view as a new operator, reduced the total provision by approximately US\$ 207 million with a decrease of R\$ 499,700 in the Company's balance sheet, corresponding to a 70% interest in Frade. This provision reflects the estimated present value discounted at the rate of 6.14% p.a. The main expenses included in these surveys are the removal of the FPSO, abandonment of wells (e.g.: drilling rig lease, cementation, pipe and pipeline removal, placement of buffers), environmental remediation and removal of seabed equipment (e.g. Christmas tree, anchoring blocks).

With the completion of the acquisition of 80% of the Tubarão Martelo Field, the Company assumed, in addition to 80% of the total expected to abandon the field, according to the interest of each consortium member in the field, as well as the additional 20% previously under Dommo's responsibility, as consideration for the acquisition of interest. The present value reflects a discount of 6.14% per annum on the total.

As highlighted in note 2.7.1, there was a change in the present values of the provisions for abandonment of Manati and Tubarão Martelo Fields, with a change in their useful lives, and an increase of R\$ 946 and a reduction of R\$ 32.659, respectively.

Moreover, with the acquisition of the complementary 30% of the Frade field, as described in notes 1 and 12, a supplement was made to the provision for abandonment of the field, in the amount of R\$ 159,937, proportional to the amount previously recorded in the company, of 70%.



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19. Advances to/from partners in oil and gas operations

| | Consolidated | |
|---|-----------------|-----------------|
| | 06/30/2021 | 12/31/2020 |
| Operated blocks | | |
| Blocks operated (GALP - PEL 23 Namibia) | (578) | (601) |
| Petrobras - Frade | - | (86,412) |
| Dommo - TBMT | (13,407) | - |
| Ecopetrol - Ceará | (29) | 12 |
| Total operated blocks | (14,014) | (87,001) |
| Petrobras - Coral/Cavalo Marinho/Manati | (5,440) | (2,345) |
| Total non-operated blocks | (19,454) | (89,346) |
| Transfer to Liabilities directly linked to non-current assets classified as held for sale | 5,443 | 2,349 |
| Total advances to/from partners | (14,011) | (86,997) |
| Total current liabilities | - | - |
| Total current assets | (14,011) | (86,997) |

20. Impairment

The Company monitors, periodically, on each report date, changes in economic and operating expectations that may indicate impairment or loss of its recoverable value. If such evidence is identified, calculations are performed to verify whether the net book value exceeds the recoverable value and, in such case, a provision for devaluation is recorded adjusting the book value to the recoverable value.

Due to the impacts caused by the COVID-19 pandemic worldwide, the demand for oil decreased sharply, thus reducing the oil prices practiced in international markets. The relevant decrease in the Brent price, directly linked to the company's revenues, are indicative of a possible loss in the recoverable value of the assets.

The Company made calculations to verify the recoverable value of its assets against the recorded values by using most current projections of oil and dollar price and did not detect the need to recognize a provision.

Cash flows are estimated based on the results already achieved the Company's annual budget, considering the maturity of each concession and the expected market growth, based on assumptions validated annually by the reserve certifying agency (DeGolyer and MacNaughton) when they are reevaluated. Such flows are discounted at the Company's most recent weighted average cost of capital, of 21.8%, using a methodology widely adopted in the oil and gas market.



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21. Shareholders' equity

21.1 Capital

The Company's authorized capital is R\$10 billion.

On June 30, 2021 the Company's subscribed and paid-in capital totaling R\$ 5,526,452 is comprised of 878,330,845 shares, all nominative, book-entry with no par value.

The Company recorded R\$ 222,808 referring to share issuance costs in a capital reducing account and which comprise the balance shown of R\$ 5,303,644.

| Shareholder | Number of common shares | % of interest* |
|--------------------------------|-------------------------|----------------|
| Aventti Strategic Partners LLP | 167,937,200 | 19% |
| Truxt Investimentos | 96,781,165 | 11% |
| Other Shareholders | 613,612,480 | 70% |
| Total | 878,330,845 | 100% |

*According to information disclosed in reference form.

On January 28, 2021, within the scope of the public offering for primary distribution, with restricted efforts, of common, nominative and book-entry shares with no par value, free of any liens or encumbrances, issued by the Company, the determination of the price per share of R\$ 69.00, totaling R\$ 2,049,000 and the increase in the Company's capital, through the issue of 29,700,000 new common, nominative and book entry shares, with no par value, free of any liens or encumbrances, issued by the Company.

The Shares subject to the Offer started being traded at B3 S.A. – Brasil, Bolsa, Balcão ("B3") on February 1, 2021, and the physical and financial settlement of the Shares occurred on February 2, 2021.

Furthermore, the Company's Capital Stock underwent changes in January 2021, with an increase of R\$ 13,743 through the issuance of shares upon the exercise of stock options granted to employees, as described in note 21.2.

On April 30, 2021, at a meeting of the Board of Directors, the split of shares issued by the Company was approved, at a ratio of 1/5, so that each share issued by the Company is now represented by 5 (five) shares. The shares started to be traded split on May 6, 2021.

On June 30, 2021, balance of Petro Rio S.A. common shares in Treasury Shares account, rectifying Shareholders' Equity, is 39,077,565 shares at acquisition cost of R\$ 40,874.

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21.2 Share-based remuneration plan

The Board of Director, within the scope of its duties and in accordance with the stock option plan, approved the grant of preferred stock option to Company's employees. Stock options fair value was estimated on concession date, using the Black-Scholes pricing model. The dates of Board of Directors' meetings and the assumptions used in the pricing model are listed below:

| | Program I | Program IV | Program V | Program VI |
|--|------------|------------|------------|------------|
| Grant date by Board of Directors | 01/25/2018 | 11/05/2018 | 02/28/2019 | 02/28/2019 |
| Total stock options granted | 314,267 | 122,923 | 20,482 | 83,596 |
| Share price on granting date | 91.50 | 118.00 | 150.98 | 150.98 |
| Strike Price | 54.70 | 54.7 | 86.27 | 86.27 |
| Weighted fair value on concession date | 41.08 | 69.06 | 66.70 | 77.20 |
| Estimated volatility of share price | 73.99% | 72.41% | 52.54% | 52.54% |
| Risk-free rate of return | 8.83% | 8.75% | 7.14% | 7.14% |
| Option validity (in years) | 3 | 4 | 2 | 2 |

| | Program VII | Program VIII | Program IX |
|--|-------------|--------------|------------|
| Grant date by Board of Directors | 02/28/2019 | 03/20/2020 | 03/20/2020 |
| Total stock options granted | 79,026 | 524,870 | 501,600 |
| Share price on granting date | 150.98 | 12.40 | 12.40 |
| Strike Price | 97.06 | 17.36 | 19.53 |
| Weighted fair value on concession date | 68.30 | 3.51 | 4.49 |
| Estimated volatility of share price | 69.46% | 77.01% | 66.17% |
| Risk-free rate of return | 8.25% | 5.60% | 7.65% |
| Option validity (in years) | 4 | 2 | 4 |

For the period ended June 30, 2021, the Company has a balance recorded in shareholders' equity - income (loss) from share-based remuneration in the amount of R\$ 254,177, and the counterpart being in the statement of income as personnel cost since the granting.

Out of the options granted, 1,280,509 options were exercised on January 1, 2021, with the full payment of R\$ 13,622 in the Company's capital.

21.3 Earnings per share

Pursuant to CPC 41 (IAS 33), the Company presents some information on earnings per share for the three and six-month periods ended June 30, 2021 and 2020. Basic earnings per share are calculated by dividing income (loss) for the period attributed to the Parent company's common and preferred shareholders by the weighted average number of common and preferred shares available in the period.

Diluted earnings per share are calculated by dividing income/loss attributable to Parent company's common shareholders by the weighted average number of common shares available for the period, plus the weighted average number of

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common shares that would be issued on conversion of all potential diluted common shares into common shares, excluding treasury shares in the period.

The tables below show data of income and shares used in calculating basic and diluted earnings per share during the periods:

| Basic and diluted earnings per share | 04/01/2021- 06/30/2021 | 04/01/202 0- 06/30/202 0 | 01/01/2021 - 06/30/202 1 | 01/01/202 0- 06/30/202 0 |
|--|---------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Numerator (in thousands of reais) | | | | |
| Income (loss) for the period attributable to Group's shareholders | 419,727 | (99,802) | 353,935 | (161,263) |
| Denominator (in thousands of shares) | | | | |
| Weighted average of number of common shares for basic earnings per share | 839,253 | 675,805 | 810,343 | 675,763 |
| Basic earnings per share | 0,502 | (0,148) | 0,438 | (0,239) |
| Diluted earnings per share | 0,502 | (0,148) | 0,438 | (0,239) |
| Potentially dilutive shares in future periods with profit | 6,391 | 6,995 | 6,308 | 8,016 |

* Number of shares' weighted average considers the effect of treasury share changes' weighted average during the period.

22. Related party transactions

| | Parent company | |
|--|------------------|------------|
| | 06/30/2021 | 12/31/2020 |
| Loan PetroRio S.A x PetroRio Internacional | 2 | 2 |
| Accounts payable - PetroRio O&G x PetroRio S.A (i) | 3,198 | 2,011 |
| Service agreement PetroRio x Lux Holding (ii) | 901 | 936 |
| Apportionment of Brasoil's administrative expenses | 2,164 | 293 |
| Apportionment administrative expenses Frade | 5,586 | 5,385 |
| Loan - PetroRio S.A vs. PetroRio Luxembourg Sarl (iii) | (194,155) | (200,830) |
| Loan - PetroRio S.A vs. White Shark | - | (300,626) |
| Loan - PetroRio S.A vs. Coral | - | (39,189) |
| | (182,304) | (532,018) |
| Total non-current assets | 11,851 | 8,627 |
| Total non-current liabilities | (194,155) | (540,645) |

- (i) Balance of share-based remuneration plan between PetroRio and PetroRioOG.
- (ii) Refers to contract entered into by PetroRio and PetroRio Lux Energy S.à.r.l., which establishes that PetroRio Lux Energy S.à.r.l. must reimburse PetroRio of all expenses incurred for management of its assets (platform), such as salaries, rent of physical space and equipment, telephone, Internet and software.
- (iii) Balance referring to loan contracts executed into since the second semester of 2019 by PetroRio and Lux Sarl, with indefinite period and Libor interest rate + 2.9% p.a., which will be settled upon distribution of dividends by Lux Sarl itself.

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Management remuneration

The Company's management remuneration in the period ended June 30, 2021 was R\$ 5,515 (R\$ 1,539 on June 30, 2020), as detailed below:

| | 06/30/2021 | 06/30/2020 |
|------------------------------|--------------|--------------|
| Short-term employee benefits | 921 | 1,285 |
| Share-based payment | 4,594 | 254 |
| | 5,515 | 1,539 |

23. Net revenue

Net revenue for the three- and six-month periods ended June 30, 2021, is made up as follows:

| | 01/01/2021-06/30/2021 | | | | | 01/01/2020-06/30/2020 | | | |
|--------------------|-----------------------|---------------|----------------|----------------|------------------|-----------------------|---------------|----------------|----------------|
| | Tubarão | | | | | | | | |
| | Polvo | Manati | Frade | Martelo | Total | Polvo | Manati | Frade | Total |
| Gross revenue | 500,970 | 68,719 | 886,000 | 234,833 | 1,690,522 | 165,220 | 24,926 | 349,900 | 540,046 |
| Deductions | - | (12,351) | - | - | (12,351) | - | (4,591) | - | (4,591) |
| Net revenue | 500,970 | 56,368 | 886,000 | 234,833 | 1,678,171 | 165,220 | 20,335 | 349,900 | 535,455 |

| | 04/01/2021-06/30/2021 | | | | | 04/01/2020-06/30/2020 | | | |
|--------------------|-----------------------|---------------|----------------|----------------|------------------|-----------------------|--------------|----------------|----------------|
| | Tubarão | | | | | | | | |
| | Polvo | Manati | Frade | Martelo | Total | Polvo | Manati | Frade | Total |
| Gross revenue | 337,759 | 35,494 | 547,613 | 108,362 | 1,029,228 | 87,831 | 8,892 | 217,115 | 313,838 |
| Deductions | - | (6,391) | - | - | (6,391) | - | (1,684) | 139 | (1,545) |
| Net revenue | 337,759 | 29,103 | 547,613 | 108,362 | 1,022,837 | 87,831 | 7,208 | 217,254 | 312,293 |

24. Costs of products sold and services rendered

| | Consolidated | | | |
|--------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 04/01/2021-06/30/2021 | 04/01/2020-06/30/2020 | 01/01/2021-06/30/2021 | 01/01/2020-06/30/2020 |
| FPSO/Platform | - | - | (3,095) | (11,453) |
| Logistics | (18,245) | (12,660) | (28,300) | (23,400) |
| Consumables | (46,916) | (15,505) | (71,006) | (33,585) |
| Operation and maintenance | (54,518) | (13,911) | (79,026) | (36,905) |
| Personnel | (27,625) | (12,644) | (41,296) | (25,941) |
| SMS | (2,420) | (1,040) | (4,473) | (2,234) |
| Purchase of oil for resale | - | - | (21,451) | - |
| Other costs | (25,881) | (95) | (28,287) | (6,851) |
| Royalties and special interest | (81,896) | (21,131) | (115,140) | (53,359) |
| Amortization CPC 06 (R2) | (50,224) | (21,050) | (75,077) | (46,425) |
| Depreciation and amortization | (160,838) | (127,700) | (237,943) | (192,409) |
| Total | (468,563) | (225,736) | (705,094) | (432,562) |



Notes to the quarterly information

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(In thousands of reais, unless otherwise indicated)

Oil stock (quantity not reviewed by independent auditors)

| | 06/30/2021 | | 12/31/2020 | |
|------------------------|----------------|--------------------|------------|--------------------|
| | Amount | Barrels (thousand) | Amount | Barrels (thousand) |
| Polvo | 147,998 | 897 | 138,437 | 874 |
| Tubarão Martelo | 102,214 | 582 | 35,878 | 256 |
| Frade | 118,527 | 756 | 11,845 | 79 |
| Total | 368,739 | 2,235 | 186,160 | 1,209 |

25. Other operating income (expenses), net

| | Parent company | | | | Consolidated | | | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | 04/01/2021- 06/30/2021 | 04/01/2020- 06/30/2020 | 01/01/2021- 06/30/2021 | 01/01/2020- 06/30/2020 | 04/01/2021- 06/30/2021 | 04/01/2020- 06/30/2020 | 01/01/2021- 06/30/2021 | 01/01/2020- 06/30/2020 |
| Increase/decrease in the provision for abandonment (rate/curve change) | - | - | - | - | - | - | (946) | 95,417 |
| Reversal (Provision) for impairment | - | - | - | - | - | 6,349 | - | 3 |
| Reversal (Provision) for labor contingencies | - | - | - | - | (775) | 3,003 | (6,689) | 5,665 |
| Reversal (Provision) for tax contingencies | - | - | - | - | 4,221 | (109) | 4,144 | (231) |
| Reversal (Provision) for civil contingencies | - | - | - | 280 | (46,139) | 493 | (46,215) | 271 |
| Tax credits (PIS and COFINS/INSS/ICMS) | - | - | - | - | 1,871 | 7,696 | 2,855 | 42,908 |
| FPSO OSX-3 lease revenue | - | - | - | - | - | 104,710 | - | 104,710 |
| Depreciation expense - FPSO OSX-3 | - | - | - | - | - | (24,218) | - | (24,218) |
| Labor indemnities from previous years | - | (1,364) | (247) | (1,364) | - | (8,612) | (3,184) | (15,299) |
| Decommissioning - Tubarão Azul | - | - | - | - | - | - | 26,080 | - |
| Indirect Overhead - Frade | - | - | - | - | (57) | 406 | 118 | 1,352 |
| IRRF on subsea rental remittance | - | - | - | - | (8,211) | - | (33,662) | - |
| Maintenance of the Valente FPSO keel | - | - | - | - | (4,423) | - | (14,521) | - |
| Other revenues (expenses) | - | - | 178 | (496) | (8,674) | (115) | (10,417) | (5,871) |
| Total | - | (1,364) | (69) | (1,580) | (62,187) | 89,603 | (82,437) | 204,707 |

Notes to the quarterly information

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(In thousands of reais, unless otherwise indicated)

26. Financial income (loss)

| | Parent company | | | | Consolidated | | | |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | 04/01/2021- 06/30/2021 | 04/01/2020- 06/30/2020 | 01/01/2021- 06/30/2021 | 01/01/2020- 06/30/2020 | 04/01/2021- 06/30/2021 | 04/01/2020- 06/30/2020 | 01/01/2021- 06/30/2021 | 01/01/2020- 06/30/2020 |
| Financial income | 26,870 | 362 | 29,308 | 1,672 | 519,304 | 105,078 | 573,458 | 759,345 |
| Income from realized financial investment | 1 | 13 | 12 | 41 | 3,522 | 3,036 | 19,828 | 11,932 |
| Income from exchange-rate change | 26,863 | 337 | 29,286 | 1,605 | 516,838 | 60,918 | 553,000 | 352,938 |
| Gain in realization of derivatives | - | - | - | - | - | 35,425 | - | 254,497 |
| Marked at fair value of derivatives | - | - | - | - | - | - | - | 134,572 |
| Other financial income | 6 | 12 | 10 | 26 | (1,056) | 5,699 | 630 | 5,406 |
| Financial expenses | (5,853) | (12,022) | (26,371) | (50,146) | (378,883) | (329,722) | (795,085) | (1,087,472) |
| Loss on realized financial investment | - | - | - | - | (24,546) | (226) | (24,546) | (226) |
| Expense on foreign exchange rate | (2,559) | (8,647) | (21,887) | (44,409) | (223,256) | (184,456) | (584,531) | (868,355) |
| Interest on loans | (1,623) | (2,841) | (2,150) | (4,889) | (71,573) | (54,206) | (110,192) | (91,215) |
| Commission on bank guarantees | - | - | - | - | (1,286) | (336) | (2,627) | (899) |
| Marked at fair value - Derivatives | - | - | - | - | 16,785 | - | 16,785 | - |
| Loss in realization of derivatives | - | - | - | - | (54,241) | (72,950) | (62,532) | (85,407) |
| Expenses with interest on leases | - | - | - | - | (4,161) | (10,503) | (13,336) | (20,743) |
| Other financial expenses | (1,671) | (534) | (2,334) | (848) | (16,605) | (7,045) | (14,106) | (20,627) |

(*) The foreign exchange expense refers mainly to the fluctuation in the dollar rate applied to the balances of provision for abandonment, lease liabilities (IFRS 16) and loans.

27. Income tax and social contribution

Taxes on income of the Company differ from the theoretical value that would be obtained using the applicable tax rate, as shown below:

| | Parent company | | | | Consolidated | | | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | 04/01/2021- 06/30/2021 | 04/01/2020- 06/30/2020 | 01/01/2021- 06/30/2021 | 01/01/2020- 06/30/2020 | 04/01/2021- 06/30/2021 | 04/01/2020- 06/30/2020 | 01/01/2021- 06/30/2021 | 01/01/2020- 06/30/2020 |
| Income before income tax and social contribution | 429,472 | (114,923) | 357,899 | (176,384) | 561,841 | (122,754) | 516,566 | (175,325) |
| Tax rate according to the current legislation | 34% | 34% | 34% | 34% | 34% | 34% | 34% | 34% |
| Income tax and social contribution based on the current rate | 146,021 | (39,073) | 121,686 | (59,971) | 191,026 | (41,737) | 175,632 | (59,611) |
| Non-deductible expenses/non-taxable revenue, net: | - | - | - | - | - | - | - | - |
| Permanent differences | 140 | 358 | 91 | 744 | 7,107 | 2,875 | 10,546 | 3,827 |
| Temporary differences | - | (11,854) | - | - | (34,476) | (47,209) | (6,930) | 48,258 |
| Equity in income of subsidiaries | (139,819) | 32,922 | (125,069) | 39,897 | - | - | - | - |
| Other additions (exclusions) | - | - | - | - | 1,207 | 1,389 | 351 | 1,233 |
| Deduction / Tax benefits | - | - | - | - | (1,985) | (519,000) | (6,568) | (532,000) |
| (Use of) Previously unrecognized tax losses | (3,853) | (1,682) | - | - | (23,583) | (32,497) | (13,325) | (79,891) |
| Unrecognized tax losses | 6,081 | 4,208 | 6,081 | 4,208 | 6,081 | 100,197 | 6,081 | 100,197 |
| Effect of reduced tax rates in the USA and Luxembourg | - | - | - | - | (4,438) | (5,451) | (34,000) | (27,543) |
| Adjustment related to prior-year taxes | - | - | - | - | - | - | (4,297) | - |
| Total | 8,570 | (15,121) | 2,789 | (15,122) | 140,939 | (22,952) | 161,456 | (14,062) |
| Income tax and social contribution | - | - | - | - | 59,964 | 2,633 | 139,537 | 14,775 |
| Deferred income tax | 8,570 | (15,121) | 2,789 | (15,122) | 80,975 | (25,585) | 21,919 | (28,837) |
| Net expenses from income tax and social contribution in income (loss) | 8,570 | (15,121) | 2,789 | (15,122) | 140,939 | (22,952) | 161,456 | (14,062) |
| Effective rate on pre-tax profit | 2.00% | 13.16% | 0.78% | 8.57% | 25.09% | 18.70% | 31.26% | 8.02% |



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28. Segment reporting (Consolidated)

PetroRio is active in one sole operating segment, i.e. oil and gas exploration and production (E&P) in Brazil and overseas.

| | 06/30/2021 | 12/31/2020 |
|---------------------------|-------------------|-------------------|
| Current assets | | |
| Brazil | 984,621 | 512,726 |
| Abroad | 4,462,484 | 1,260,250 |
| Non-current assets | | |
| Brazil | 4,291,139 | 4,127,685 |
| Abroad | 696,146 | 823,733 |
| Income | 06/30/2021 | 06/30/2020 |
| Brazil | 394,755 | 216,922 |
| Abroad | 1,283,416 | 318,533 |

29. Objectives and policies for financial risk management

The main financial liabilities of PetroRio refer to trade accounts payable to suppliers for goods and services to be used in its hydrocarbon exploration and production operations, debentures convertible into shares, and the financial security agreements. On the other hand, cash and cash equivalents are recorded in assets, as described in Notes 3 and 4.

The Company is exposed to market (interest and exchange rates), credit and liquidity risks, and its strategy is to make a portion of its investments in fixed and variable income assets, foreign exchange transactions, interest, swaps, derivatives, sundry commodities and other financial instruments for speculative purposes in various industries in Brazil and abroad in the short, medium and/or long term, to maximize the profitability and seek a higher return to its shareholder. By adopting this strategy, the Company is exposed to the risks inherent to such investments, and to fluctuations in the prices of these assets, which may negatively impact the Company's cash position.

The Board of Directors reviews and establishes policies for the management of each of these risks, which are summarized below.

Market risk

Market risk is the possibility of losses arising from the effect of the fluctuation of market values of financial instruments and commodities. The company constantly monitors the market and, when necessary, contracts derivative transactions to neutralize the impacts of these commodity price oscillations.

Notes to the quarterly information June 30, 2021

(In thousands of reais, unless otherwise indicated)

Derivative financial instruments - Hedge

In the 2Q21, the Company entered into derivative agreements aimed at hedging against the risk of volatility in oil prices for sales of 2021.

Basically, the transactions protect the Company, which obtained minimum price (floor) per barrel as the chart below:

| Operation | Type | Maturity | Settlement | Strike | Quantity | Price | Position | |
|-----------|------|----------|------------|--------|----------|--------------|------------------|----------------------|
| | | | | | | Engagement | US\$ thousand | In thousand of reais |
| Purchase | PUT | 30/06/21 | - | 68.25 | 400 | 0,230 | - | - |
| Purchase | PUT | 31/07/21 | - | 68.00 | 1,495 | 1,425 | 194,320 | 972,028 |
| Purchase | PUT | 31/08/21 | - | 67.50 | 935 | 2,370 | 927,810 | 4,641,090 |
| Purchase | PUT | 30/09/21 | - | 67.00 | 975 | 3,135 | 1,686,389 | 8,435,656 |
| Purchase | PUT | 31/10/21 | - | 66.25 | 488 | 3,709 | 1,155,887 | 5,781,976 |
| | | | | | | 4,293 | 3,964,406 | 19,830,750 |

Interest rate risk

Available funds are invested in securities issued by first-tier financial institutions at variable rates, mostly with daily liquidity, in compliance with prudential concentration limits.

Interest rate sensitivity

The table below shows the sensitivity to a possible change in interest rates, income and Company's equity before taxation, where all other variables are kept constant.

| Operation | Risk | Probable scenario | Scenario (I) 25% | Scenario (II) 50% |
|--------------------------|-----------------|-------------------|------------------|-------------------|
| Impact on the securities | Decrease in CDI | 169 | 33 | (103) |

For the earnings from financial investments and securities the CDI projections disclosed by BM&FBOVESPA for the six-month period as from June 30, 2021 were taken into account under the probable scenario (CDI 4.94%), a 25% reduction in the projected CDI was taken into account under scenario I and a 50% reduction was taken into account under scenario II, both in relation to the probable scenario.

Exchange risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities and net investments in foreign subsidiaries. The table below shows the sensitivity to a change that may occur in the exchange rate and the impact on the Company's shareholders' equity before taxation.

Notes to the quarterly information

June 30, 2021

(In thousands of reais, unless otherwise indicated)

| Operation | Risk | Probable scenario | Scenario (I) 25% | Scenario (II) 50% |
|---------------------------------|-----------|-------------------|------------------|-------------------|
| Impact on financial investments | USD decr. | 13,182 | (455,017) | (910,034) |
| Provision for abandonment (ARO) | USD incr. | (7,088) | (244,684) | (489,369) |
| Loans | USD incr. | (24,816) | (856,611) | (1,713,223) |

For calculation of the amounts included in the above scenarios the average exchange rate projection disclosed by BM&FBOVESPA for the six-month period as from June 30, 2021 (US\$ 1/R\$ 5.0384). Under scenario I, this projection was increased by 25% and under scenario II, the curve was increased by 50%, both against the probable scenario.

Credit risk

The Company is exposed to credit risk in its operating activities and bank and/or financial institution deposits, foreign exchange transactions and other financial instruments. In order to mitigate such risks, the Group adopts a conservative management by investing short-term funds with day-to-day liquidity and post-fixed rates in first-class banks, bearing in mind ratings by the key risk agencies and respecting prudential concentration limits.

As for the credit risk of its sales transactions, the Company is analyzing the financial and equity position of its customers together with the service provider (trader), which also intermediates the oil sale transactions. During the six-month period ended June 30, 2021, sales of oil were carried out to Petrochina and Leeuwin, and gas sales to one single client (Petrobrás). However, they present an irrelevant credit risk, considering that its background does not show any delays or defaults.

Liquidity risk

Prudent management of risk implies maintaining cash consistent with the disbursement needs to cover its obligations, in accordance with the Company's business plan.

Consolidated

| Year ended June 30, 2021 | up to 12 months | 1-5 years | Total |
|--|------------------|--------------------|--------------------|
| Liabilities | | | |
| Loans and financing | (467,184) | (2,959,261) | (3,426,445) |
| Suppliers | (152,400) | (13,444) | (165,844) |
| Labor obligations | (74,923) | - | (74,923) |
| Taxes and social contributions | (96,411) | - | (96,411) |
| Provision for abandonment | - | (760,946) | (760,946) |
| Provision for contingencies | - | (128,391) | (128,391) |
| Contractual charges (Leases - IFRS 16) | (116,230) | (314,297) | (430,527) |
| Other liabilities | - | (1,310) | (1,310) |
| | (907,148) | (4,177,649) | (5,084,797) |

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June 30, 2021

(In thousands of reais, unless otherwise indicated)

| Year ended December 31, 2020 | up to 12 months | 1-5 years | Total |
|--|------------------------|--------------------|--------------------|
| Liabilities | | | |
| Loans and financing | (1,519,966) | (389,753) | (1,909,719) |
| Suppliers | (236,889) | (13,640) | (250,529) |
| Labor obligations | (54,857) | - | (54,857) |
| Taxes and social contributions | (87,741) | - | (87,741) |
| Provision for abandonment | - | (638,504) | (638,504) |
| Provision for contingencies | - | (75,809) | (75,809) |
| Contractual charges (Leases - IFRS 16) | (223,579) | (402,521) | (626,100) |
| Other liabilities | - | (960) | (960) |
| | (2,123,032) | (1,521,187) | (3,644,219) |

Parent company

| Year ended June 30, 2021 | up to 12 months | 1-5 years | Total |
|---------------------------------|------------------------|------------------|-----------------|
| Liabilities | | | |
| Suppliers and other | (2,195) | - | (2,195) |
| Labor obligations | (9,862) | - | (9,862) |
| Taxes and social contributions | (6,367) | - | (6,367) |
| Provision for contingencies | - | (500) | (500) |
| | (18,424) | (500) | (18,924) |

| Year ended December 31, 2020 | up to 12 months | 1-5 years | Total |
|-------------------------------------|------------------------|------------------|-----------------|
| Liabilities | | | |
| Suppliers and other | (3,940) | - | (3,940) |
| Labor obligations | (1,304) | - | (1,304) |
| Taxes and social contributions | (5,484) | - | (5,484) |
| Provision for contingencies | - | (500) | (500) |
| | (10,728) | (500) | (11,228) |

Fair value of financial assets and liabilities

The "fair value" concept provides for the valuation of assets and liabilities based on market prices in the case of liquid assets, or based on mathematical pricing models otherwise. The level in the fair value hierarchy gives priority to unadjusted quoted prices in an active market. These financial instruments are grouped in levels from 1 to 3, based on the grade that their fair value is quoted:

a) Level 1: fair value measurement uses prices quoted (not corrected) in active markets, based on equal assets and liabilities.

b) Level 2: fair value measurement is derived from other inputs quoted included in Level 1, which are quoted through an asset or liability directly (i.e. as the prices) or indirectly (i.e. derivative of prices).

c) Level 3: fair value measurement is derived from valuation techniques that include and asset or liability that are not included in an active market.



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(In thousands of reais, unless otherwise indicated)

| | 06/30/2021 | | | | 12/31/2020 | | | |
|--|----------------|------------|--------------|------------|----------------|------------|--------------|------------|
| | Parent company | | Consolidated | | Parent company | | Consolidated | |
| | Book value | Fair value | Book value | Fair value | Book value | Fair value | Book value | Fair value |
| Financial assets | | | | | | | | |
| Amortized cost: | | | | | | | | |
| Accounts receivable (i) | - | - | 329,548 | 329,548 | - | - | 386,165 | 386,165 |
| Related parties | 11,851 | 11,851 | - | - | 8,627 | 8,627 | - | - |
| Fair value through profit or loss | | | | | | | | |
| Cash and cash equivalents (ii) | 25,573 | 25,573 | 3,381,619 | 3,381,619 | 27,480 | 27,480 | 809,273 | 809,273 |
| Securities (ii) | - | - | 1,135,096 | 1,135,096 | - | - | 22,793 | 22,793 |
| Financial liabilities | | | | | | | | |
| Amortized cost: | | | | | | | | |
| Suppliers (i) | 2,195 | 2,195 | 165,844 | 165,844 | 3,940 | 3,940 | 250,529 | 250,529 |
| Loans and financing | - | - | 3,426,445 | 3,426,445 | - | - | 1,909,719 | 1,909,719 |

Market values ("fair value") estimated by management were determined by level 1 for those financial instruments:

(i) The amounts related to the balances of accounts receivable and suppliers do not have significant differences in their fair value since the receivable/payment turnover does not exceed 60 days.

(ii) The fair value measurements are obtained by directly observable variables (as well as prices) or indirectly (derived from prices).

30. Insurance (Not reviewed by the independent auditors)

The Company has a policy of taking out insurance plan for the items subject to risks.

The Company is covered against major risks such as P&I to Frade's FPSO, Energy Package, which includes: Physical Damage over offshore assets, Operator's Extra Expenses (OEE - Well Control, Extra Expense/Reboring and Infiltration and Pollution, Cleaning and Contamination) and Offshore Liability (TPL) and Cargo/equipment coverage related to the Polvo and Frade field operations and D&O (Directors & Officers Liability) policy for directors and subordinates.

The insurance policies in force at June 30, 2021 cover the insured amount of R\$ 25,996,401. In addition, the Company also contracts insurance for Operator' Extra Expenses, whose main exposures covered are as follows:



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| Insurance/Modality | Amount insured |
|--|-----------------------|
| Physical damages (Oil inventories) | 893,393 |
| Fixed Platform | 910,400 |
| Offshore Platform | 11,549 |
| FPSO Frade | 3,706,130 |
| Subsea Equipment | 4,740,662 |
| Offshore property (Pipeline) | 146,064 |
| Onshore properties (Pipeline) | 58,526 |
| Onshore Treatment Station | 87,038 |
| OEE production (Well control) | 1,200,528 |
| Offshore Civil Liability + Surplus | 3,851,694 |
| Cargo (Polvo) | 5,000 |
| D&O | 40,000 |
| P&I | 6,752,970 |
| General liability | 5,000 |
| Equity | 13,200 |
| Legal guarantee | 74,665 |
| Life insurance | 23,066 |
| PEM guarantee insurance - ANP | 73,644 |
| Travel Insurance Travel Guard | 1,376 |
| FPSO OSX-3 Hull and Machine FPSO OSX-3 | 3,401,496 |
| Total insured | 25,996,401 |

31. Contingencies

Management of the Company and its subsidiaries, based on the opinion of its legal advisors regarding the possibility of success in several lawsuits, believes that the provisions recorded in the balance sheet on June 30, 2021 and December 31, 2020 in the amounts of R\$ 128,391 and R\$ 75,809, respectively, are sufficient to cover losses considered probable and reasonably estimated.

Provisions recorded

Currently, the Company is party to lawsuits with probable risk, which are basically labor claims that add up to R\$ 12,969 and tax claims of R\$ 358, civil claims in the amount of R\$ 99,815 and contingency due to Frade's incident in the amount of R\$ 15,249.

Among the civil lawsuits, the most relevant involves an annulment lawsuit regarding an arbitration related to the supposedly unreasonable termination of two drilling rig lease agreements from the subsidiary PetroRioOG, as of the period when PetroRioOG was the operator of exploratory blocks in the Bacia Sedimentar do Solimões. The Company, based on the opinion of the lawyers responsible for the lawsuits, considers the losses as probable, with a provision recorded in the amount of R\$ 88,574.

Incidents in Frade

Because of the incident of November 2011 at Frade Field, still in this period under operation by Chevron, the Company was notified by ANP in years 2011 and 2012.



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Additionally, on November 21, 2011, the Company received a fine from IBAMA (Brazilian Institute for the Environment and Renewable Natural Resources) in the amount of R\$ 50,000 and on December 23, 2011, other fine in the amount of R\$ 10,000. These fines, of R\$ 37,762 and R\$ 7,095, respectively, were paid in July 2013, at their restated amount, after negotiation with IBAMA. The differences between the provisioned amounts and the payments made have been reversed to the statement of income.

In September 2012, ANP issued 6 fines referring to the incident at Frade Field occurred in November 2011, totaling R\$ 35,160. The Consortium waived the right to appeal and paid this amount during the 10-day appeal period, the fine being reduced by 30%. On September 21, 2012, the Frade Field Consortium paid the total amount of R\$ 24,612.

The Company was cited in two public civil lawsuits filed by the Federal Public Prosecutor's Office (MPF) of Campos dos Goytacazes alleging environmental damage caused by oil leak, amounting to R\$ 20 billion each. This civil suit was filed with the 1st Federal Court of Rio de Janeiro. At the end of 2012, the Company accrued the amount of R\$ 95,000 related to the preventive and compensatory measures of the Term of Adjustment of Conduct (TAC), which was approved and signed in September 2013 with the MPF, ANP and IBAMA. This agreement supersedes the two civil lawsuits, which were initialed filed by the MPF.

The Company's management maintains only the provision for TAC, in the amount of R\$ 15,249, corresponding to a 100% interest in the Frade field, monetarily updated after the acquisition of the remaining 30%, according to note 12c. The amounts of this provision are monetarily restated every month and had a restatement of R\$ 672 in 2021.

Other lawsuits

According to the Group's legal advisors, risk of loss in other lawsuits is "possible" - R\$ 1,218,493 (R\$ 1,296,736 on December 31, 2020), of which R\$ 641,585 is related to tax claims, R\$ 535,339 is related to civil claims and R\$ 41,569 to labor claims. The claim with the most relevant amount, in the amount of R\$ 352,209, is from Federação dos Pescadores do Rio de Janeiro ("FEPERJ"), requesting reparation for alleged losses suffered by fishermen as a result of the Oil Spills of Frade Field in 2011/2012, when operated by Chevron, which is currently in the knowledge phase. Pursuant to accounting practices adopted in Brazil and IFRS, Management did not form a provision for contingencies for these lawsuits with likelihood of possible and remote loss.



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32. Subsequent events

32.1 Completion of the acquisition of interest in the Wahoo and Itaipu Fields

- On July 01, 2021, the Company concluded the purchase and sale transaction for 35.7% of the Wahoo Field, and 60% of the Itaipu Field with BP, by signing the certificate of completion of the purchase and sale transaction, after approval by the ANP, on June 17, 2021.
- On July 28, 2021, the Company concluded the purchase and sale transaction of 28.6% of the Wahoo Field with Total, by signing the certificate of completion of the purchase and sale transaction, after approval by the ANP, which took place on July 08, 2021.

32.2 Completion of the connection between the Polvo and Tubarão Martelo fields

On July 14, 2021, the Company concluded the interconnection ("tieback") between the Polvo and Tubarão Martelo fields.

The interconnection project between Polvo-A Platform and FPSO Bravo, which lasted a total of 11 months, will enable a reduction in operating costs corresponding to the leasing value of FPSO Polvo, currently chartered to the field and operated by BW Offshore, and expenses with maintenance and diesel.

The reduction in the absolute costs of the new cluster will allow more oil to be recovered from the reservoirs, for a longer period, considerably increasing the recovery factor of the fields. According to the DeGolyer and MacNaughton ("D&M") reserve certification report, published this year, the cluster has an economic life until 2037 (when considering 1P proved reserves), which represents a 10-year extension for Polvo and 12 years for Tubarão Martelo.

As of this date, PetroRio will have the right to 95% of the oil from the Polvo + TBMT pole up to the first 30 million barrels of oil produced, and 96% of the pole's oil after 30 million barrels produced, as well as being responsible for 100% of the Opex, Capex and abandonment costs of the fields.