# Petro Rio S.A.

## Quarterly Information in US dollar

September 30, 2023

Legal Notice

This report uses the Company's functional currency, the US dollar, as the presentation currency, and was prepared to allow comparison with other companies in the oil sector. For the purpose of comparability, we have converted (i) all assets and liabilities on the Balance Sheet as of December 31, 2022 at the closing exchange rate on December 31, 2022; (ii) all accounts in the income statement, other comprehensive income and cash flows using the average exchange rate prevailing during the applicable period.

PRIO

## Balance sheet
September 30, 2023 and December 31, 2022
(In thousands of dollars – US$)

| | Note | Parent Company | | Consolidated | |
|---|---|---|---|---|---|
| | | **09/30/2023** | **12/31/2022** | **09/30/2023** | **12/31/2022** |
| **Assets** | | | | | |
| **Current assets** | | | | | |
| Cash and cash equivalents | 3 | **3,691** | 3,287 | **444,376** | 1,842,375 |
| Accounts receivable | 4 | **-** | - | **322,264** | 31,873 |
| Oil inventories | 23 | **-** | - | **51,658** | 66,069 |
| Inventory of consumables | | **-** | - | **80,634** | 20,833 |
| Financial instruments | | **-** | - | **5,557** | - |
| Recoverable taxes | 5 | **371** | 302 | **52,413** | 14,568 |
| Advances to suppliers | | **7** | 7 | **35,937** | 35,676 |
| Advances to partners | 18 | **-** | - | **2,127** | 6,235 |
| Prepaid expenses | | **27** | 81 | **6,203** | 2,072 |
| Other receivables | | **-** | - | **-** | 60 |
| | | **4,096** | 3,677 | **1,001,169** | 2,019,761 |
| Non-current assets classified as held for sale | 6 | **-** | - | **14,600** | 12,291 |
| | | **4,096** | 3,677 | **1,015,769** | 2,032,052 |
| **Non-current assets** | | | | | |
| Advances to suppliers | | **-** | - | **46** | 46 |
| Deposits and pledges | | **-** | 2 | **6,321** | 2,016 |
| Recoverable taxes | 5 | **-** | - | **955** | 5,160 |
| Deferred taxes | 16 | **2,429** | 2,102 | **84,998** | 132,640 |
| Mark-to-market of debenture swaps | 14 | **-** | - | **19,134** | - |
| Related parties | 21 | **14,324** | 18,568 | **-** | - |
| Right-of-use (Lease CPC 06.R2/IFRS 16) | 15 | **-** | - | **402,033** | 281,920 |
| Investments | 7 | **2,668,820** | 1,917,550 | **-** | - |
| Property, plant and equipment | 8 | **56** | 100 | **1,725,336** | 894,111 |
| Intangible assets | 9 | **-** | - | **2,441,088** | 543,141 |
| | | **2,685,629** | 1,938,322 | **4,679,911** | 1,859,034 |
| **Total assets** | | **2,689,725** | 1,941,999 | **5,695,680** | 3,891,086 |

See the accompanying notes to the quarterly information.

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# Balance sheet

September 30, 2023 and December 31, 2022
(In thousands of dollars – US$)

| | Note | Parent Company | | Consolidated | |
|---|---|---|---|---|---|
| | | 09/30/2023 | 12/31/2022 | 09/30/2023 | 12/31/2022 |
| **Liabilities and shareholders' equity** | | | | | |
| **Current** | | | | | |
| Suppliers | 10 | **275** | 42 | **127,414** | 108,463 |
| Labor obligations | 11 | **2,370** | 3,594 | **39,733** | 26,449 |
| Taxes and social contributions | 12 | **128** | 122 | **100,699** | 30,418 |
| Loans and financing | 13 | **-** | - | **395,125** | 75,370 |
| Local debentures (includes conversion swaps) | 14 | | | **1,606** | 7,765 |
| Advances from partners | 18 | **-** | - | **8,343** | - |
| Contractual charges (Leases - IFRS 16) | 15 | **-** | - | **41,361** | 12,371 |
| Accounts payable - earn out Albacora Leste | 9.2.c | **-** | - | **55,001** | - |
| Accounts payable for obligations associated with assets held for sale | 6 | **-** | - | **4,952** | 8,324 |
| | | **2,773** | 3,758 | **774,234** | 269,160 |
| Liabilities directly linked to non-current assets classified as held for sale | 6 | **-** | - | **(3,867)** | (2,519) |
| | | **2,773** | 3,758 | **770,367** | 266,641 |
| **Non-current** | | | | | |
| Suppliers | 10 | **-** | - | **-** | 288 |
| Loans and financing | 13 | **-** | - | **911,100** | 1,005,828 |
| Mark-to-market of debenture swaps | 14 | **-** | - | **-** | 17,117 |
| Local debentures (includes conversion swaps) | 14 | **-** | - | **373,723** | 373,768 |
| Provision for abandonment (ARO) | 17 | **-** | - | **327,154** | 51,367 |
| Provision for contingencies | 30 | **80** | 96 | **202,695** | 4,475 |
| Related parties | 21 | **110,531** | 42,288 | **-** | - |
| Contractual charges (Leases - IFRS 16) | 15 | **-** | - | **378,235** | 275,372 |
| Accounts payable - earn out Albacora Leste | 9.2.c | **-** | - | **150,000** | - |
| Other liabilities | | **36** | - | **6,101** | 373 |
| | | **110,647** | 42,384 | **2,349,008** | 1,728,588 |
| **Shareholders' equity** | | | | | |
| Realized share capital | 20 | **959,899** | 953,380 | **959,899** | 953,380 |
| Capital reserves | | **52,009** | 68,214 | **52,009** | 68,214 |
| Profit reserves | | **676,372** | 762,020 | **676,372** | 762,020 |
| Accumulated translation adjustment | | **125,082** | 129,360 | **125,082** | 129,360 |
| Equity valuation adjustments | 14 | **19,134** | (17,117) | **19,134** | (17,117) |
| Income (loss) for the period | | **743,809** | - | **743,809** | - |
| | | **2,576,305** | 1,895,857 | **2,576,305** | 1,895,857 |
| **Total liabilities and shareholders' equity** | | **2,689,725** | 1,941,999 | **5,695,680** | 3,891,086 |

See the accompanying notes to the quarterly information.

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## Statements of income

Nine-month period ended September 30, 2023 and 2022
(In thousands of dollars - US$, except earnings/losses per share)

| | | Parent Company | | Consolidated | |
|---|---|---|---|---|---|
| | Note | 09/30/2023 | 09/30/2022 | 09/30/2023 | 09/30/2022 |
| **Net revenue** | 22 | **-** | - | **1,767,200** | 1,065,167 |
| Costs of products/services | 23 | **-** | - | **(657,841)** | (325,763) |
| **Gross revenue** | | **-** | - | **1,109,359** | 739,404 |
| **Operating revenues (expenses)** | | | | | |
| Geology and geophysics expenses | | **-** | - | **(484)** | (2,818) |
| Personnel expenses | | **(634)** | (4,435) | **(24,912)** | (15,780) |
| General and administrative expenses | | **(45)** | (18) | **(12,190)** | (9,075) |
| Expenses with Outsourced Services | | **(618)** | (297) | **(11,469)** | (7,584) |
| Taxes and rates | | **(183)** | (399) | **(4,362)** | (2,263) |
| Depreciation and amortization expenses | | **(44)** | (61) | **(11,527)** | (15,929) |
| Equity in net income of subsidiaries | 7 | **748,742** | 526,714 | **-** | **-** |
| Other operating revenues (expenses), net | 24 | **(2,415)** | (38) | **(39,148)** | (25,001) |
| **Operating income (loss) before financial income (loss)** | | **744,803** | 521,466 | **1,005,267** | 660,954 |
| Financial revenues | 25 | **172** | 22 | **25,102** | 42,559 |
| Financial expenses | 25 | **(2,499)** | (1,000) | **(145,452)** | (78,514) |
| Net exchange-rate changes | 25 | **1,095** | 89 | **(24,543)** | (12,076) |
| **Income before income tax and social contribution** | | **743,571** | 520,577 | **860,374** | 612,923 |
| Current income tax and social contribution | 26 | **-** | - | **(84,468)** | (109,379) |
| Deferred income tax and social contribution | 26 | **238** | (1,055) | **(32,097)** | 15,978 |
| **Income for the period** | | **743,809** | 519,522 | **743,809** | 519,522 |
| ***Basic and diluted earnings per share*** | | | | | |
| Basic | | **0.884** | 0.616 | **0.884** | 0.616 |
| Diluted | | **0.877** | 0.610 | **0.877** | 0.610 |

See the accompanying notes to the quarterly information.

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## Statements of income

Three-month period ended September 30, 2023 and 2022
(In thousands of dollars - US$, except earnings/losses per share)

| | Note | Parent Company | | Consolidated | |
|---|---|---|---|---|---|
| | | **07/01/2023–09/30/2023** | **07/01/2022–09/30/2022** | **07/01/2023–09/30/2023** | **07/01/2022–09/30/2022** |
| **Net revenue** | 22 | **-** | - | **791,788** | 378,155 |
| Costs of products/services | 23 | **-** | - | **(286,391)** | (114,043) |
| **Gross revenue** | | **-** | - | **505,397** | 264,112 |
| **Operating revenues (expenses)** | | | | | |
| Geology and geophysics expenses | | **-** | - | **(259)** | (47) |
| Personnel expenses | | **(231)** | (319) | **(10,768)** | (4,905) |
| General and administrative expenses | | **(1)** | - | **(4,983)** | (2,174) |
| Expenses with Outsourced Services | | **(401)** | (67) | **(6,685)** | (4,152) |
| Taxes and rates | | **(63)** | (2) | **(2,079)** | (434) |
| Depreciation and amortization expenses | | **(12)** | (19) | **(3,248)** | (7,357) |
| Equity in net income of subsidiaries | 7 | **343,818** | 155,616 | **-** | - |
| Other operating revenues (expenses), net | 24 | **(38)** | 22 | **(10,419)** | 683 |
| **Operating income (loss) before financial income (loss)** | | **343,072** | 155,231 | **466,956** | 245,726 |
| Financial revenues | 25 | **35** | 11 | **20,661** | 28,982 |
| Financial expenses | 25 | **(1,212)** | (359) | **(60,378)** | (25,694) |
| Net exchange-rate changes | 25 | **2,119** | (425) | **16,626** | (8,473) |
| **Income before income tax and social contribution** | | **344,014** | 154,458 | **443,865** | 240,541 |
| Current income tax and social contribution | 26 | **985** | - | **(37,409)** | (47,256) |
| Deferred income tax and social contribution | 26 | **238** | 392 | **(61,219)** | (38,435) |
| **Income for the period** | | **345,237** | 154,850 | **345,237** | 154,850 |
| ***Basic and diluted earnings per share*** | | | | | |
| Basic | | **0.412** | 0.184 | **0.412** | 0.184 |
| Diluted | | **0.408** | 0.181 | **0.408** | 0.181 |

See the accompanying notes to the quarterly information.

## Statements of comprehensive income

Nine-month period ended September 30, 2023 and 2022
(In thousands of dollars – US$)

| | Consolidated | |
|---|---|---|
| | **09/30/2023** | **09/30/2022** |
| **Income (loss) for the period** | **743,809** | 519,522 |
| Mark-to-market of local debenture swaps | **19,134** | (7,274) |
| (-) Deferred taxes on mark-to-market of swaps | **(6,506)** | - |
| Translation adjustment to presentation currency | **(4,278)** | 585 |
| **Other comprehensive income for the period, net of taxes** | **8,350** | (6,689) |
| **Total other comprehensive income for the period, net of taxes** | **752,159** | 512,833 |

See the accompanying notes to the quarterly information.

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## Statements of comprehensive income

Three-month period ended September 30, 2023 and 2022
(In thousands of dollars – US$)

| | Consolidated | |
|---|---|---|
| | **07/01/2023–09/30/2023** | **07/01/2022–09/30/2022** |
| **Income (loss) for the period** | **345,237** | 154,849 |
| Mark-to-market of local debenture swaps | **(3,258)** | (7,274) |
| (-) Deferred taxes on mark-to-market of swaps | **1,107** | - |
| Translation adjustment to presentation currency | **(1,806)** | (1,024) |
| **Other comprehensive income for the period, net of taxes** | **(3,957)** | (8,298) |
| **Total other comprehensive income for the period, net of taxes** | **341,280** | 146,551 |

See the accompanying notes to the quarterly information.

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## Statements of changes in shareholders' equity
Nine-month period ended September 30, 2023 and 2022
(In thousands of dollars – US$)

| | Capital | Capital reserve | Treasury shares | Profit reserve | Accumulated translation adjustment | Equity valuation adjustment | Retained earnings | Consolidated |
|---|---|---|---|---|---|---|---|---|
| **Balances at January 1, 2022** | **950,389** | **69,843** | **(7,324)** | **45,763** | **127,648** | **-** | **-** | **1,186,319** |
| Paid-up capital | 3,096 | - | - | - | - | - | - | 3,096 |
| Share issuance costs | (105) | - | - | - | - | - | - | (105) |
| Stock options granted | - | 4,157 | - | - | - | - | - | 4,157 |
| Translation adjustment to presentation currency | - | - | - | - | 585 | - | - | 585 |
| Gain (loss) on derivative financial instruments | - | - | - | - | - | (7,274) | | (7,274) |
| Acquisition of non-controlling interest | - | 2,246 | - | - | - | - | - | 2,246 |
| Treasury shares | - | - | 92 | - | - | - | - | 92 |
| Net income for the period | - | - | - | - | - | - | 519,522 | 519,522 |
| **Balances at September 30, 2022** | **953,380** | **76,246** | **(7,232)** | **45,763** | **128,233** | **(7,274)** | **519,522** | **1,708,638** |
| **Balances at January 1, 2023** | **953,380** | **75,446** | **(7,232)** | **762,020** | **129,360** | **(17,117)** | **-** | **1,895,857** |
| Paid-up capital | 6,519 | - | - | - | - | - | - | 6,519 |
| Stock options granted | - | 13,239 | - | - | - | - | - | 13,239 |
| Translation adjustment to presentation currency | - | - | - | - | (4,278) | - | - | (4,278) |
| Gain (loss) with financial instruments | - | - | - | - | - | 36,251 | - | 36,251 |
| Net income for the period | - | - | - | - | - | - | 743,809 | 743,809 |
| Treasury shares | - | - | (85,648) | - | - | - | - | (85,648) |
| Gain (loss) with the buyback of preferred shares in the subsidiary | - | (29,444) | - | - | - | - | - | (29,444) |
| **Balances at September 30, 2023** | **959,899** | **59,241** | **(92,880)** | **762,020** | **125,082** | **19,134** | **743,809** | **2,576,305** |

See the accompanying notes to the quarterly information.

## Statements of cash flows
Nine-month period ended September 30, 2023 and 2022
(In thousands of dollars – US$)

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | 09/30/2023 | 09/30/2022 | 09/30/2023 | 09/30/2022 |
| **Cash flows from operating activities** | | | | |
| **Income (loss) for the period (before taxes)** | **743,571** | **520,577** | **860,374** | **612,923** |
| Depreciation and amortization | 44 | 61 | 326,819 | 116,602 |
| Financial revenue | (1,705) | (1,063) | (104,646) | (54,812) |
| Financial expenses | 3,547 | 2,063 | 233,408 | 98,873 |
| Share-based compensation | 13,239 | 4,158 | 13,239 | 4,158 |
| Equity in net income of subsidiaries | (748,742) | (526,714) | - | - |
| Provision for contingencies/losses/R&D | (23) | - | 23,445 | (1,378) |
| Amendment of the provision for abandonment/IFRS 16 Contracts | - | - | 5,952 | 585 |
| | **9,931** | **(918)** | **1,358,591** | **776,951** |
| **(Increase) decrease in assets** | | | | |
| Accounts receivable | - | - | (268,429) | (35,634) |
| Recoverable taxes | (260) | (59) | (35,798) | 10,190 |
| Prepaid expenses | 64 | (228) | (3,902) | (1,739) |
| Advances to suppliers | - | (1) | (260) | (41,910) |
| Oil inventories | - | - | 32,724 | 12,826 |
| Inventory of consumables | - | - | (10,680) | (25,799) |
| Related parties | 5,336 | (4,880) | - | - |
| Advance to partners in oil and gas operations | - | - | 8,748 | 765 |
| Deposits and pledges | 3 | (2) | (98) | (455) |
| Other receivables | (4) | (11) | 247 | (234) |
| **Increase (decrease) in liabilities** | | | | |
| Suppliers | 551 | (2) | (13,335) | 22,671 |
| Labor obligations | (796) | 276 | 10,837 | (2,140) |
| Taxes and social contributions | (391) | (29) | (37,138) | (88,670) |
| Related parties | 65,060 | 1,183 | - | - |
| Other liabilities | 35 | - | 4,197 | - |
| **Net cash (invested in) from operating activities** | **79,532** | **(4,671)** | **1,045,704** | **626,798** |
| | | | | |
| **Cash flows from investment activities** | | | | |
| (Investment in) redemption of securities | - | - | - | 487,533 |
| (Investment in) redemption of Abandonment Fund | - | - | (360) | 866 |
| (Purchase) sale of property, plant and equipment | - | - | (632,732) | (203,891) |
| (Acquisition) of oil and gas assets | - | - | (1,833,236) | (360,150) |
| **Net cash (invested in) from investment activities** | **-** | **-** | **(2,466,328)** | **(75,642)** |
| | | | | |
| **Cash flows from financing activities** | | | | |
| Borrowings | - | - | 278,000 | 478,000 |
| Principal paid on loans | - | - | (70,000) | - |
| Interest paid on loans | - | - | (42,658) | (23,465) |
| Contractual charges - Leases IFRS 16 - Principal | - | - | (15,591) | 23,641 |
| Contractual charges (Leases - IFRS 16) - Interest | - | - | (12,021) | (43,622) |
| Funding of debentures | - | - | - | 377,908 |
| Interest paid on debentures | - | - | (36,487) | 6,274 |
| Derivative transactions | - | - | (389) | 2,991 |
| (Decrease) Paid-up capital | 6,519 | 2,991 | 6,519 | 478,000 |
| Own Company's shares (held in treasury) | (85,647) | - | (85,648) | - |
| **Net cash (invested in) from financing activities** | **(79,128)** | **2,991** | **21,725** | **821,727** |
| Translation adjustment | - | - | 900 | (66) |
| **Net increase (decrease) in cash and cash equivalents** | **404** | **(1,680)** | **(1,397,999)** | **1,372,817** |
| | | | | |
| **Cash and cash equivalents at the beginning of the period** | 3,287 | 4,288 | 1,842,375 | 173,942 |
| **Cash and cash equivalents at the end of the period** | 3,691 | 2,608 | 444,376 | 1,546,759 |
| **Net increase (decrease) in cash and cash equivalents** | **404** | **(1,680)** | **(1,397,999)** | **1,372,817** |

See the accompanying notes to the quarterly information.

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# Notes to the quarterly information
# September 30, 2023

*(In thousands of dollars - US$, unless otherwise indicated)*

## 1. Operations

Petro Rio S.A. ("Prio"), 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 unitholder, 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. ("PrioOG"), Petro Rio Jaguar Petróleo S.A. ("Jaguar"), Prio Bravo Ltda. ("Bravo") and Brasoil Coral Exploração Petrolífera S.A. ("Coral") and Prio Forte S.A. ("Forte") are the production of oil and natural gas, operating in Campos Basin - RJ (PrioOG, Jaguar and Bravo) and in Camamu Basin – BA ("Coral").

<u>Polvo Field</u>

The Company 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. On March 29, 2023, the field concession was transferred from the subsidiary PrioOG to the subsidiary Bravo, starting a process of restructuring/streamlining the group's corporate structure, with no impact on the quarterly information.

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 third quarter of 2023 was of roughly 6.2 thousand barrels (6.5 thousand barrels for the third quarter of 2022).

<u>Manati Field</u>

In March 2017, PrioOG 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 in 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.

The Manati Field is located in the Camamu Basin, on the coast of the State of Bahia Average daily output during the 3Q23 was of roughly 1.3 million cubic meters of natural gas (2.2 million cubic meters of natural gas for the 3Q22).

As of November 3, 2022, the Company signed an agreement with Gas Bridge S.A. ("Gas Bridge"), for the disposal of its 10% interest in Manati Field. The total amount of the transaction is R$ 124,000. For further details, see Note 6.

The Company accounts for this asset in accordance with CPC 31, as non-current assets classified as held for sale.

Frade Field

On March 25, 2019 and October 01, 2019, after complying with the precedent conditions and obtaining the necessary approvals, Jaguar 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, Jaguar signed a purchase and sale agreement with Petrobras for the acquisition of the remaining 30% interest in the Field, increasing interest in Frade Field to 100%. The completion of this transaction took place on February 5, 2021.

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. In the 3Q23, the Field produced approximately 54.5 thousand bbl of oil per day (27.5 thousand bbl of oil per day in the third quarter of 2022).

Tubarão Martelo ("TBMT") and Dommo Energia S.A. (currently Prio Forte S.A. – "Forte")

As of August 3, 2020, PrioOG completed the acquisition of 80% of the Tubarão Martelo Field operations and took over the Field's operation.

The Tubarão Martelo Field is located in the south of the Campos Basin, approximately 86 kilometers off the coast of the State of Rio de Janeiro. The license covers an area of approximately 32 km², with an average water depth of 110m. The Field produced approximately 10 thousand barrels of oil per day in the third quarter of 2023 (10.7 thousand bbl of oil per day in the third quarter of 2022).

On January 8, 2023, the subsidiary Petro Rio OPCO Exploração Petrolífera Ltda. ("OPCO") completed the acquisition of shares and control of Dommo. As of this date, all Dommo's shares were transferred to OPCO, in exchange for PNA shares that were redeemed on the same day for PRIO3 shares; and PNB, in turn redeemed in cash on January 13, 2023, as detailed in the Note of Intangible Assets. Dommo Energia S.A. had its corporate name changed to Prio Forte S.A. ("Forte").

FPSO Bravo (formerly "OSX-3") and connection between the Polvo and Tubarão Martelo fields

As of 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 with a processing capacity of 100 thousand bbl of oil per day and storage capacity of 1.3 million bbl.

Currently, the FPSO operates in the Tubarão Martelo and Polvo Fields, through a tieback with the Polvo A Fixed Platform, concluded on July 14, 2021.

Wahoo and Itaipu Field

As of 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, the certificate of completion of the acquisition operation was signed, with Prio becoming the operator of both pre-salt fields and increasing proven reserves by approximately 132 million barrels.

Additionally, on March 4, 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. Subsequently, as of September 26, 2022, the Company also signed with Total E&P do Brasil Ltda. the acquisition of the remaining 40% of the Itaipu field, approved by ANP on March 23, 2023. In addition to the Wahoo portion acquired from BP, Prio’s interest the concession will increase to 64.3%.

With the development of the field, estimated to be concluded in 2024, 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.

Albacora Leste field

On April 28, 2022, Jaguar signed a Purchase and Sale Agreement with Petróleo Brasileiro S.A. (“Petrobras”) for the acquisition of a 90% interest and operation of Albacora Leste Field, with Repsol Sinopec Brasil as the partner holding the remaining 10%.

On January 26, 2023, upon ANP’s approval, the acquisition of control, a 90% interest in Albacora Leste Field (“Field” or “Albacora Leste”) with Petrobras was concluded. As of this date, PRIO becomes the operator of the asset, pursuant to the Note 9.

Albacora Leste is located at a water depth of 1,200 meters, in the north of the Campos Basin, 23 km from the Frade field. Discovered in 1986, the field had its first oil in 1998 through its 10 producing wells and 6 injection wells currently in operation. The field produced in the third quarter of 2023, approximately 29.5 thousand bbl of oil per day.

## 2. Preparation basis and presentation of quarterly information

### 2.1 Statement of conformity

The individual and consolidated quarterly information in US dollars was prepared based on the quarterly information – ITR filed with the Brazilian Securities and Exchange Commission – CVM.

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

*(In thousands of dollars - US$, unless otherwise indicated)*

## 2.2 Basis of preparation

The individual and consolidated quarterly information was prepared based on the historical cost, except for amounts and transactions 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 quarterly information comprises:

| | | | **Interest** | | | |
|---|---|---|---|---|---|---|
| | | | **09/30/2023** | | **12/31/2022** | |
| **Fully consolidated companies** | **Reference** | **Situation** | **Direct** | **Indirect** | **Direct** | **Indirect** |
| Petro Rio O&G Exploração e Produção de Petróleo Ltda. | “PrioOG” | Inactive | **100%** | **-** | 100% | - |
| Petro Rio Energia Ltda. | “PrioEnergia” | Inactive | **-** | **100%** | - | 100% |
| Petro Rio Internacional Ltda. | “PrioIntl” | Holding | **0.86%** | **99.14%** | 1.23% | 98.77% |
| Petrorio Luxembourg Holding Sarl | “Lux Holding” | Trading | **-** | **100%** | - | 100% |
| Walvis Petroleum (Pty) Ltd. | “Walvis” | In liquidation | **-** | **100%** | - | 100% |
| Prio Bravo Ltda. | “Bravo” | Production | **-** | **100%** | - | 100% |
| Petro Rio Jaguar Petróleo S.A. | “Jaguar” | Production | **-** | **100%** | - | 100% |
| Petro Rio OPCO Exploração Petrolífera Ltda. | “OPCO” | Holding | **-** | **100%** | - | 100% |
| Petro Rio Coral Exploração Petrolífera Ltda. | “Coral” | Production | **-** | **100%** | - | 100% |
| Brasoil Finco LLC | “Finco” | In liquidation | **-** | **100%** | - | 100% |
| Dommo R-11 Petróleo e Gás S.A | “R-11” | Inactive | **-** | **100%** | - | - |
| Óleo e Gás Participações S.A | “OGPar” | Inactive | **-** | **100%** | - | - |
| Prio Forte S.A. | “Forte” | Production | **-** | **100%** | - | - |
| PRIO O&G International GmbH | “PrioOGIntl” | Holding | **-** | **100%** | - | - |
| PRIO O&G Trading & Shipping GmbH | “PrioAustria” | Trading | **-** | **100%** | - | - |
| Dommo Netherlands Holding BV | “Ned Holding” | Inactive | **-** | **100%** | - | - |
| Dommo Netherlands BV | “PrioNed” | Inactive | **-** | **100%** | - | - |
| Petrorio Luxembourg Trading Sarl | “Lux Trading” | Trading | **-** | **100%** | - | 100% |
| Kunene Energy (Pty) Ltd. | “Kunene” | In liquidation | **-** | **100%** | - | 100% |
| Orange Petroleum Ltd. | “Orange” | In liquidation | **-** | **100%** | - | 100% |

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, 2022). Thus, this quarterly information should be read together with information disclosed in financial statements for the year ended December 31, 2022.

2.5 Functional and presentation currency

Presentation currency

In compliance with Brazilian legislation, the individual and consolidated quarterly information is presented in reais, translated from the consolidated information prepared in the Company's functional currency, which on January 1, 2022 was changed to the US dollar, as highlighted:

- Assets and liabilities are translated into reais at the exchange rate on the reporting date (closing rate);
- Statements of income, comprehensive income, cash flows and added value are translated at the exchange rate on the date of operations (daily rate); and
- Shareholders' equity is translated at the historical rate.

Foreign exchange differences resulting from said translation are accounted for separately in shareholders' equity, in comprehensive statement of income, in line of "Accumulated translation adjustments".

Functional currency

The Company's Management periodically monitors the primary and secondary indicators that define the functional currency to be used.

With the gradual increase in the representativeness of operations in U.S. dollar ("dollar"), considering the acquisition of new fields, investments in new wells, which increased the billing, debts raised in Dollar, in addition to other factors analyzed, the evaluation indicated that the U.S. dollar is the most significant currency in the underlying transactions, events and conditions. As a result, the Company changed its functional currency as of January 1, 2022, the date on which the U.S. dollar was defined as the Company's functional currency.

The exchange rate was R$ 5.5805, and the translation was carried out prospectively, according to item 35 of CPC 02 (R2) - Effects of changes in foreign exchange rates and translation of financial statements. Thus, there is no need to open historical values prior to the date of definition of the functional currency. The amounts resulting from the translation, in the case of non-monetary items, were treated as if they were their historical costs.

Transactions involving monetary assets and liabilities in currencies other than the functional currency are translated into the functional currency at the exchange rate prevailing on the settlement date or at the rate prevailing at the end of the reporting period. The exchange change incurred between the transaction's initial recording date and the date of settlement or presentation of the quarterly information is recorded in income for the period.

*(In thousands of dollars - US$, unless otherwise indicated)*

All the Company's subsidiaries had their functional currency translated changed to dollar as of January 1, 2022, except for the subsidiary Coral, which did not meet the necessary requirements for the change. Furthermore, the entities added in Dommo's merger process also had their functional currency changed to the U.S. dollar on the acquisition date, as they have the same structure as Prio's companies.

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 for the nine-month accounting period ended September 30, 2023.

2.7 Completion of quarterly information

The Company's management authorized the presentation of this quarterly information on October 31, 2023.

## 3. Cash and cash equivalents

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | **09/30/2023** | **12/31/2022** | **09/30/2023** | **12/31/2022** |
| Cash | **-** | - | **23** | 15 |
| Banks | **3.691** | 3.287 | **444.348** | 1.842.360 |
| | **3.691** | 3.287 | **444.376** | 1.842.375 |
| National | **1.348** | 655 | **48.399** | 512.076 |
| Abroad | **2.343** | 2.631 | **395.977** | 1.330.299 |

The balance of cash and cash equivalents consists of funds for the purpose of working capital, applied in highly liquid instruments in Brazil (committed, Bank Deposit Certificates and Investment fund) and abroad (remunerated current account deposits and time deposit), without risk of significant change of the principal, and yields upon redemption. The reduction presented in the period is mainly due to the payment of the acquisition amounts regarding the interest in Albacora Leste Field and the repurchase of preferred shares in the process of acquisition of shares and equity control of Forte.

*(In thousands of dollars - US$, unless otherwise indicated)*

## 4. Accounts receivable

| | Consolidated | |
|---|---|---|
| | **09/30/2023** | **12/31/2022** |
| Petrobras (i) | **19.419** | 3.418 |
| Repsol | **-** | 24.058 |
| Petrochina (ii) | **157.577** | 4.396 |
| Valero (iii) | **141.276** | - |
| Shell (iv) | **3.558** | - |
| Other | **434** | 1 |
| **Total** | **322.264** | 31.873 |
| Total local currency | **19.853** | 3.418 |
| Total foreign currency | **302.411** | 28.455 |

(i) Balance receivable referring to sales of gas and condensed oil carried out by Manati, Frade and Albacora Leste fields in September 2023, of which US$ 1,700 for Manati, US$ 924 for Frade and US$ 16,796 for Albacora Leste. The average period of receipt of accounts receivable is 30 to 45 days. In October 2023, the amount of US$ 17,347 was partially received, with US$ 689 referring to Frade Field, US$ 15,318 from Albacora Leste and US$ 1,340 from Manati Field.
(ii) Balance receivable referring to the sales of oil from Polvo and Tubarão Martelo, Frade and Albacora Leste field cluster, made in September 2023 and partially received in the amount of US$ 75,777 in October 2023.
(iii) Balance receivable referring to the sale of oil from Frade Field, made in September 2023 and partially received in October 2023, in the amount of US$ 9,949.
(iv) Balance receivable referring to the sale of oil from Polvo and Tubarão Martelo Cluster, made in September 2023 and fully received in October 2023.

## 5. Recoverable taxes

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | **09/30/2023** | **12/31/2022** | **09/30/2023** | **12/31/2022** |
| PIS and COFINS (i) | **-** | 2 | **24.284** | 8.206 |
| Income tax and social contribution (ii) | **371** | 299 | **6.926** | 4.507 |
| Tax abroad (iii) | **-** | - | **16.643** | 2.200 |
| ICMS (iv) | **-** | - | **5.421** | 4.637 |
| Other | **-** | 1 | **94** | 178 |
| **Total** | **371** | 302 | **53.368** | 19.728 |
| Current assets | **371** | 302 | **52.413** | 14.568 |
| Non-current assets | **-** | - | **955** | 5.160 |

(i) PIS/COFINS credits on inputs used in operation. The increase in this nine-month period occurred primarily in Jaguar is mainly due to the acquisition of equity interest in Albacora Leste.
(ii) Primarily refers to withholding income tax on interest earning bank deposits, negative balance of IRPJ/CSLL (Corporate Income Tax / Social Contribution on Net Revenue) from advances in a greater amount, and advances of IRPJ/CSLL for the current year.
(iii) Taxes (Value Added Tax - VAT and Net Withholding Tax - NWT) in the process of refunding the subsidiaries in Luxembourg.
(iv) ICMS recoverable referring to oil loans between Frade Field partners and movement of materials upon acquisition of Polvo.

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

As of November 3, 2022, the Company signed a new agreement with Gas Bridge S.A. ("Gas Bridge"), for the disposal of its 10% interest in Manati Field.

The amount negotiated is R$ 124, 000 million, with 10% received upon signing, 10% received one month after signing and the remaining amount upon conclusion of the operation. The conclusion is subject to the usual precedent conditions, such as approval by CADE and the ANP. Moreover, management is making efforts together with the competent bodies to conclude the operation. The effective date of the sale is December 1, 2022, that is, the revenues and expenses related to Manati Field, as of this date, will adjust the purchase price, when closing the transaction.

Thus, the Company accounts for this asset in accordance with CPC 31, as non-current assets classified as held for sale recorded at cost.

The main classes of assets and liabilities classified as held for sale on September 30 are as follows:

| | 09/30/2023 | 12/31/2022 |
|---|---|---|
| **Assets** | | |
| Advances to partners | 2,135 | 167 |
| Property, plant and equipment | 446 | 370 |
| Intangible assets | 12,018 | 11,755 |
| **Total assets held for sale** | **14,600** | 12,291 |
| **Liabilities** | | |
| Provision for abandonment (ARO) | (4,182) | (2,802) |
| Other liabilities | 315 | 283 |
| **Total liabilities directly linked to assets held for sale** | **(3,867)** | (2,519) |
| **Non-current assets classified as held for sale** | **18,467** | 14,810 |

Incurred net cash flows are:

| | 09/30/2023 | 09/30/2022 |
|---|---|---|
| Net cash generated in operating activities | **4,544** | 5,681 |
| **Net increase in cash and cash equivalents** | **4,544** | 5,681 |

Earnings per share:

| Basic and diluted earnings per share | 09/30/2023 | 09/30/2022 |
|---|---|---|
| **Numerator (R$'000)** | | |
| Income from discontinued operation | **6,185** | 4,876 |
| **Denominator (in thousands of shares)** | | |
| Weighted average number of common shares adjusted by dilution effect | **841,863** | 843,764 |
| Basic and diluted earnings per share from discontinued operations: | *0.0073* | *0.0058* |

*(In thousands of dollars - US$, unless otherwise indicated)*

The result for the nine-month period ended September 30, 2023, of the Manati Field, proportional to the Company's interest, is presented below:

| | Consolidated | |
|---|---|---|
| | **09/30/2023** | **09/30/2022** |
| **Net revenue from services** | 10,117 | 15,987 |
| Costs of services | (3,437) | (6,811) |
| **Gross revenue** | **6,680** | **9,176** |
| **Operating revenues (expenses)** | | |
| Personnel expenses | - | (1,937) |
| General and administrative expenses | (111) | (941) |
| Expenses with Outsourced Services | (20) | (693) |
| Taxes and rates | (15) | (92) |
| Other operating revenues (expenses), net | (21) | (960) |
| **Operating income (loss) before financial income (loss)** | **6,513** | **4,553** |
| Financial revenues | 2,929 | 3,447 |
| Financial expenses | (1,498) | (1,951) |
| **Income before income tax and social contribution** | **7,944** | **6,049** |
| Current income tax and social contribution | (907) | (1,206) |
| Deferred income tax and social contribution | (852) | 33 |
| **Profit for the period** | **6,185** | **4,876** |

## 7. Investments

On September 30, 2023, the Company presented the following main interest held in direct subsidiaries:

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

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.

Since March 2011, PrioOG already operated as Operator B, in shallow waters and, beginning as of October 2015, PrioOG 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 are consolidated under a single corporate structure having PrioIntl as head office in Brazil.

Currently, the main Companies controlled by PrioIntl are (i) Lux Holding, a company that has large-sized assets in operation, (ii) Coral, which was contributed by PrioOG in June 2019 and holds 10% of interest in the concession of Manati field, and (iii) Lux Trading, which as for September 2016 started to trade the oil produced in the Polvo field and currently trades the production of Frade and Tubarão Martelo fields. Lux Holding owns the fixed platform, “Polvo A”, and a 3,000 HP drilling rig. Also, under this corporate structure are subsidiaries located in the Republic of Namibia and are under settlement.

*(In thousands of dollars - US$, unless otherwise indicated)*

### Portfolio of concessions

On September 30, 2023, the Company’s subsidiaries were participants in the following concessions in Brazilian basins:

| Country | Basin | Block | Field | Concessionaire | % | JOA (**) | Status | Phase | PEM (*) |
|---|---|---|---|---|---|---|---|---|---|
| Brazil | Fields | BM-C-8 | Polvo | Bravo | 100% | No | Operator | Production | - |
| Brazil | Camamu | BCAM-40 | Manati | Coral | 10% | Yes | Non-operator | Production | - |
| Brazil | Fields | Frade | Frade | Jaguar | 100% | No | Operator | Production | - |
| Brazil | Fields | C-M-466 | Tubarão Martelo | Bravo | 100% | No | Operator | Production | - |
| Brazil | Foz do Amazonas | FZA-M-254 | - | Coral | 100% | No | Operator | Exploration | US$ 117 |
| Brazil | Foz do Amazonas | FZA-M-539 | Pirapema | Coral | 100% | No | Operator | Exploration | US$ 2,110 |
| Brazil | Fields | BM-C-30 | Wahoo | Jaguar | 64% | Yes | Operator | Exploration | - |
| Brazil | Fields | BM-C-32 | Itaipu | Jaguar | 100% | No | Operator | Exploration | - |
| Brazil | Fields | Albacora Leste | Albacora Leste | Jaguar | 90% | Yes | Operator | Production | - |

(*) Minimum exploratory program remaining.
(**) Joint Operating Agreement.

The acquisition of Forte shares during the first quarter of 2023 increased the interest in the Tubarão Martelo Field by 20%, and now is 100% of interest; thus, granting control of the Field to the Company.

Still in the first quarter of 2023, there was the acquisition of a 90% interest in the Albacora Leste field (with the remaining 10% owned by Repsol Sinopec Brasil), and the acquisition of the remaining 40% of the Itaipu field, achieving 100% ownership of the field.

a) Relevant information on investees on September 30, 2023

| | PrioOG | PrioIntl |
|---|---|---|
| Direct interest | 100.00% | 0.86% |
| Indirect interest | - | 99.14% |
| Shareholders' equity | 2,650,195 | 2,162,288 |
| Income (loss) for the period | 742,651 | 707,240 |
| Total assets | 2,746,852 | 2,162,288 |

b) Breakdown of investments

| | Parent Company | |
|---|---|---|
| | 09/30/2023 | 12/31/2022 |
| PrioOG | **2,650,194** | 1,905,038 |
| PrioIntl | **18,626** | 12,512 |
| | **2,668,820** | 1,917,550 |

PRIO

# Notes to the quarterly information
# September 30, 2023
*(In thousands of dollars - US$, unless otherwise indicated)*

c) Changes in investment

| | PetroRioOG | PTRIntl | Total |
|---|---|---|---|
| **Balance at December 31, 2022** | **1,905,038** | **12,512** | **1,917,550** |
| Equity in net income of subsidiaries | 742,651 | 6,091 | 748,742 |
| Conversion adjustments | (4,244) | (34) | (4,278) |
| Capital reserve – as a result of the repurchase of OPCO shares | (29,190) | (255) | (29,445) |
| Reflexive equity valuation adjustments on income from swap on debentures (Note 14) | 35,939 | 312 | 36,251 |
| **Balance at September 30, 2023** | **2,650,194** | **18,626** | **2,668,820** |

## 8. Property, plant and equipment (Consolidated)

### a) Breakdown of the balance

| | Depreciation rate % | Cost* | Depreciation* | Balance at 09/30/2023 | Balance at 12/31/2022 |
|---|---|---|---|---|---|
| **In operation** | | | | | |
| Polvo A platform and drilling rig | UOP** | 42,561 | (39,315) | 3,246 | 3,712 |
| Oil & gas assets - Frade | UOP** | 378,117 | (102,574) | 275,543 | 201,296 |
| FPSO Tubarão Martelo | UOP** | 144,309 | (54,732) | 89,577 | 96,116 |
| FPSO Valente | UOP** | 335,284 | (158,712) | 176,572 | 212,084 |
| FPSO P.50 Forte – Albacora Leste ****** | UOP** | 348,614 | (25,833) | 322,781 | - |
| Development expenditures | UOP** | 1,435 | (1,435) | - | 1 |
| Wells revitalization (workover) | 3 | 399 | (240) | 159 | 180 |
| Machinery and equipment | 10 | 206 | (110) | 96 | 91 |
| Furniture and fixtures | 10 | 2,226 | (1,396) | 830 | 492 |
| Communication equipment | 20 | 1,254 | (191) | 1,063 | 1,101 |
| IT equipment | 20 | 177,954 | (88,349) | 89,605 | 99,956 |
| Leasehold improvements | 4 | 95,828 | (34,298) | 61,530 | 22,892 |
| **In progress** | | | | | |
| Property, plant and equipment in progress *** | | 2,725 | - | 2,725 | 462 |
| Wells revitalization (workover) **** | | 53 | - | 53 | 6,707 |
| Development expenditures ******* | | 455,096 | - | 455,096 | 142,102 |
| Spare parts | | 2,478 | - | 2,478 | 10,654 |
| Hunter Queen drilling rig | | 92,363 | - | 92,363 | 41,844 |
| Material for well revitalization/re-entry – Frade***** | | 151,619 | - | 151,619 | 54,421 |
| **Total** | | **2,232,521** | **(507,185)** | **1,725,336** | **894,111** |

* Cost and depreciation are presented translated at their respective historical rates
** UOP – Units of Production (Unit-of-production depreciation method);
*** Construction in progress refers basically to expenditures with administrative facilities;
**** Well Workover for the resumption and/or improvement of wells;
***** Materials acquired as part of the Frade Field Revitalization Plan.
****** FPSO acquired in the Albacora Leste business combination as “Intangible assets” note.
******* Development expenditures mainly of Wahoo Field.

*(In thousands of dollars - US$, unless otherwise indicated)*

b) Changes in balance

| | Balance at 01/01/2023 | Acquisition | Additions | Write-offs | Depreciation | Transfers * | Balance at 09/30/2023 |
|---|---|---|---|---|---|---|---|
| **In operation** | | | | | | | |
| Polvo A platform and drilling rig | 3,712 | - | - | - | (466) | - | 3,246 |
| Oil & gas assets - Frade | 201,296 | - | - | - | (50,701) | 124,948 | 275,543 |
| FPSO Tubarão Martelo | 96,116 | - | 6,300 | - | (12,839) | - | 89,577 |
| FPSO Valente | 212,084 | - | - | - | (35,512) | - | 176,572 |
| FPSO P50 Forte – Albacora Leste | - | 348,614 | - | - | (25,833) | - | 322,781 |
| Machinery and equipment | 1 | - | - | - | (1) | - | - |
| Furniture and fixtures | 180 | - | 2 | - | (23) | - | 159 |
| Communication equipment | 91 | - | 15 | - | (10) | - | 96 |
| IT equipment | 492 | 125 | 392 | - | (179) | - | 830 |
| Leasehold improvements | 1,101 | - | - | - | (38) | - | 1,063 |
| Development expenditures | 99,956 | 3,869 | - | - | (13,212) | (1,008) | 89,605 |
| Wells revitalization ( workover) | 22,892 | - | - | - | (15,264) | 53,902 | 61,530 |
| **In progress** | - | - | - | - | - | - | - |
| Property, plant and equipment in progress | 462 | - | 2,263 | - | - | - | 2,725 |
| Wells revitalization ( workover) | 6,707 | - | 47,248 | - | - | (53,902) | 53 |
| Development expenditures | 118,619 | - | 415,134 | - | - | (78,657) | 455,096 |
| Spare parts | 10,654 | - | - | - | - | (8,176) | 2,478 |
| Hunter Queen Capricorn drilling rig | 65,327 | - | 27,036 | - | - | - | 92,363 |
| Material for well revitalization/re-entry - Frade | 54,421 | - | 165,144 | (20,171) | - | (47,775) | 151,619 |
| **Total** | **894,111** | **352,608** | **663,534** | **(20,171)** | **(154,078)** | **(10,668)** | **1,725,336** |

* The transfers do not balance out because the value of US$ 10,668 from the consumables inventory in the current assets was transferred to fixed assets.

In 2022, the Company started the redevelopment of Frade Field. The first phase was completed in October 2022, with the drilling of two production wells and two injection wells, which increased the field's production by approximately 18,000 barrels of oil per day. Phase 2, initially scheduled for 2025, has been brought forward and is currently ongoing. At this stage, the production wells MUP5/F23P1, N5P2/F23P2 and ODP5/F23P3 have already been drilled, in addition to the injection well F23I1.

Furthermore, the Company started production from the POL-Q well in the Polvo Field, with initial stabilized production of approximately 1,000 barrels of oil per day, representing a 15% increase in the field's production. The new well is producing in the Eocene reservoir, where it already produces POL-K and POL-L.

On July 22, 2022, the Company concluded the acquisition of the Hunter Queen (previously known as West Capricorn) drilling rig, with the definitive transfer of the equipment to Prio. Furthermore, US$ 1,886 thousand (R$ 9,971) were paid for the transfer of the drilling rig. The drilling rig is located in Brazil, carrying out its technical activation, and will then be transported to the Field for the start of operational activities.

*(In thousands of dollars - US$, unless otherwise indicated)*

## 9. Intangible assets (Consolidated)

a) Breakdown of the balance

| | Amortization rate (%) | Cost | Depreciation | 09/30/2023 | 12/31/2022 |
|---|---|---|---|---|---|
| Oil & Gas assets | | | | | |
| Acquisition cost - Polvo | (i) | 56,228 | (52,986) | 3,242 | 19,345 |
| Acquisition cost - Albacora Leste | (i) | 1,734,871 | (128,558) | 1,606,313 | - |
| Acquisition cost – TBMT | (i) | 35,009 | (16,811) | 18,198 | 108,557 |
| Acquisition cost – Frade | (i) | 14,388 | (10,529) | 3,859 | 24,222 |
| Acquisition cost – Wahoo | (i) | 151,560 | - | 151,560 | 790,796 |
| Capitalization of future expenses for the abandonment of Albacora Leste | (i) | 243,955 | (18,078) | 225,877 | - |
| Subscription bonus - Frade | (i) | 9,112 | (8,711) | 401 | 2,517 |
| Capital gain in the acquisition of the Frade concession | (ii) | 143,580 | (85,926) | 57,654 | 361,285 |
| Advance for the acquisition of Albacora Leste | * | - | - | - | 1,526,960 |
| Goodwill on the acquisition of equity control of Forte (formerly Dommo Energia S.A.) | (iii) | 311,453 | - | 311,453 | - |
| Software and others | 20 | 50 | - | 49 | 274 |
| Surplus in the acquisition of Forte (formerly Dommo Energia S.A.) | (iiii) | 62,481 | - | 62,481 | - |
| **Total** | | **2,762,687** | **(321,599)** | **2,441,088** | **2,833,955** |

* Amount referring to the advance for the acquisition of the block from Petrobras, pursuant to Operations, fully allocated to assets and liabilities identified in the operation upon the completion of the operation on January 26, 2023.

(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 Bravo, amortized using the units produced method, monitoring the asset generating the capital gain.
(iii) Goodwill and surplus related to the acquisition of shares and control of Forte (formerly Dommo Energia S.A.), as detailed below.

b) Changes in balance

| | Balance at 01/01/2023 | Acquisition | Amortization | Balance at 09/30/2023 |
|---|---|---|---|---|
| Acquisition cost - Polvo | 3,708 | | (465) | 3,242 |
| Acquisition cost - Albacora Leste (*) (Nota 9.2.c) | - | 1,734,871 | (128,558) | 1,606,313 |
| Acquisition cost – TBMT | 20,805 | | (2,607) | 18,198 |
| Acquisition cost – Frade | 4,635 | | (776) | 3,859 |
| Acquisition cost – Wahoo | 151,560 | | - | 151,560 |
| Capitalization of future expenses for the abandonment of Albacora Leste (*) | - | 243,955 | (18,078) | 225,877 |
| Subscription bonus - Frade | 483 | | (82) | 401 |
| Software and others | 50 | | - | 50 |
| Capital gain in the acquisition of the Frade concession | 69,250 | | (11,596) | 57,654 |
| Advance for the acquisition of Albacora de Leste (*) | 292,650 | (292,650) | - | - |
| Surplus in the acquisition of Forte (formerly Dommo Energia S.A.) (**) (Nota 9.2.d) | - | 311,453 | - | 311,453 |
| Goodwill on the merger of Forte (formerly Dommo Energia S.A.) (**) | - | 62,481 | - | 62,481 |
| | **543,141** | **20,060,110** | **(162,163)** | **2,441,088** |

* Amount at transaction date referring to the acquisition of Albacora Leste, whose allocation in the total concession's intangible assets is US$ 1,978,866, pursuant to Note 9.2.c.
** Amount at transaction date referring to the acquisition of Forte (formerly Dommo Energia S.A.), pursuant to Note 9.2.d.

c) Acquisition of assets

1. Itaipu Field (100%)

The Company completed the acquisition of the remaining 40% interest in the Itaipu Field from Total On March 23, 2023 for the amount of US$ 75 (R$ 395).

Itaipu is an exploratory block in the Campos Basin and had 3 pilot wells drilled. It is located close to Parque das Baleias cluster and preliminary studies performed indicate that the accumulation is potentially shared with the southeast region of the cluster. Before any development definition, the area must go through a unitization process.

The field has already carried out the minimum exploratory programs and has no provision for abandonment, which is only formed during the development period.

2. Albacora Leste field

As described in the Operations, as of January 26, 2023, Jaguar concluded the acquisition of 90% interest of Albacora Leste field with Petrobras and also became the field's operator, which may provide suggestions to the decisions of the consortium and implement cost reductions and synergies to its operation, in agreement with Repsol, which equally shares the Field's control.

The transaction price was established in US Dollars and totaled US$ 1,935 million (R$ 9,824,596 translated on the operation date), of which US$ 293 million (R$ 1,491,081) were paid upon signing the agreement, on April 28, 2022, US$ 1,636 million (R$ 8,333,515) were paid on January 26, 2023 and the remaining portion of US$ 7 million (R$ 35,608) were paid in August 2023, considering the final price adjustment. On the date of these financial statements, as provided for by CPC, Management is investigating the fine adjustments of the transaction for the acquisition of interest, as well as identifying the fair value of the assets and liabilities acquired. Not yet completed.

Additionally, according to oil price projections on the closing date, there is an expected payment of US$ 205 million of the total of US$ 250 million (R$ 1,044,496 and R$ 1,273,775, respectively) of contingent consideration (earn-out), and such amount likely payment was included in the total price against accounts payable to Petrobras. Any change between the provision and the realization of amounts will have an impact on the Company's income.

The identified fair value assets and liabilities, on the transaction date, as well as the preliminary allocation to Jaguar, are presented below:

*(In thousands of dollars - US$, unless otherwise indicated)*

| | R$ | US$'000 |
|---|---|---|
| Downpayment (advance) | 1,491,081 | 292,650 |
| Payment - closing date | 8,333,515 | 1,635,594 |
| Final price adjustment | 35,608 | 6,988 |
| Earn-out provision | 1,044,496 | 205,000 |
| **Total consideration** | **10,904,700** | **2,140,232** |
| Allocation of price | | |
| Intangible assets – Concession | 10,083,344 | 1,978,866 |
| Property, plant and equipment - FPSO P-50 – Albacora Leste | 1,776,225 | 348,614 |
| Inventories | 250,280 | 49,122 |
| Inventory oil | 38,852 | 7,625 |
| Provision for abandonment | (1,244,001) | (243,995) |

d) Business combination - Acquisition of shares and control – Dommo Energia S.A. (currently "Forte")

As disclosed in the operations session, on January 8, 2023, OPCO completed the acquisition of control of Dommo Energia S.A. (whose corporate name was changed to Prio Forte S.A. – identified as "Forte" in this financial statement), through the purchase of 100% of the shares. On this date, the OPCO's capital was increased through the issue of Class A and B preferred shares (PNA and PNB, respectively), which were paid in with Dommo's shares and subscription warrants, valued at US$ 168,379 (R$ 889,970).

In total, 64,618,788 PNA preferred shares and 481,643,405 PNB preferred shares were issued by choice of the holders of shares and subscription warrants, which were redeemed on the same day for PRIO3 shares, in the case of PNA, and in cash, in the case of the PNB, which together amounted to US$ 203,340 (R$ 1,031,875) of which R$ 141,906 was paid in excess to the market value of shares on the date and consequently, treated as transaction among partner and recorded in the shareholders' equity as the statement of changes in shareholders' equity.

The operation included the company Forte, holder of 20% interest in Tubarão Martelo field and all subsidiaries of this company, in which it has a 100% interest, which are Dommo R-11 Petróleo e Gás S.A., Oil and Gas Participações S.A., Dommo Austria GmbH (changed to PRIO O&G Trading & Shipping GmbH), Dommo International GmbH (changed to PRIO O&G International GmbH), Dommo Netherlands BV and Dommo Netherlands Holding BV.

The Group, through its subsidiary PrioOG, held a JOA contract with Forte, through which it controlled 80% of the Tubarão Martelo field operations. Thus, in light of CPC 15, the acquisition of control of Forte by OPCO, through the remaining 20% of the JOA, was treated by Management as a business combination carried out in stages (step acquisition). The Company determined the fair values of the assets acquired and liabilities assumed, the fair value of the interest previously held by the Company of 80% of the Field, as well as the allocation of the purchase price.

On the control acquisition date, net assets and liabilities amounted to a liability of US$ 81,611 (R$ 431,355), mainly consisting of provision for probable contingencies recognized in the balance sheet int he amount of R$ 424,509 and amounts payable for the conclusion of the abandonment of Tubarão Azul Field in the amount of R$ 86,092, in the final stage, net of bank deposits in the amount of R$ 48,192 and judicial deposits in the amount of R$ 21,473.

*(In thousands of dollars - US$, unless otherwise indicated)*

The gain on the revaluation of previously existing assets (referring to the 80% interest) was fully realized upon the transfer of JOA and control of Forte's activities to the subsidiary, Bravo, on March 29, 2023. Therefore, there is no effect on the income for the year regarding the transaction.

On the date of these financial statements, as provided for by CPC 15, Management determined the fine adjustments of the transaction for the acquisition of interest and control, as well as identifying the fair value of the assets acquired and liabilities assumed. The assets and liabilities determined at fair value on the transaction date, as well as the preliminary allocation, are as follows:

| | R$ | US$'000 |
|---|---|---|
| **Consideration transferred (subscription of OPCO shares)** | **889,970** | **168,379** |
| Allocation of price | | |
| Shareholders' equity on acquisition | (431,355) | (81,611) |
| Capital gain of the concession | 330,241 | 62,481 |
| Deferred tax on surplus | (112,282) | (21,243) |
| Contingent liabilities assumed | (542,819) | (102,700) |
| Goodwill generated in business combination | 1,646,185 | 311,452 |

## 10. Suppliers

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | **09/30/2023** | **12/31/2022** | **09/30/2023** | **12/31/2022** |
| Domestic suppliers | **53** | 42 | **88,975** | 51,441 |
| Foreign suppliers | **222** | - | **38,439** | 57,310 |
| | **275** | 42 | **127,414** | 108,751 |
| Total current liabilities | **275** | 42 | **127,414** | 108,463 |
| Total non-current liabilities | **-** | - | **-** | 288 |

## 11. Labor obligations

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | **09/30/2023** | **12/31/2022** | **09/30/2023** | **12/31/2022** |
| Salary | **-** | - | **2,358** | 705 |
| Provision for bonus (*) | **2,332** | 3,562 | **30,756** | 22,664 |
| Charges | **20** | 16 | **3,030** | 590 |
| Vacation / 13th salary | **18** | 16 | **3,589** | 2,490 |
| | **2,370** | 3,594 | **39,733** | 26,449 |

(*) Subject to the Company's performance indicators.

*(In thousands of dollars - US$, unless otherwise indicated)*

## 12. Taxes and social contributions payable

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | **09/30/2023** | **12/31/2022** | **09/30/2023** | **12/31/2022** |
| IRPJ and CSLL payable | **-** | - | **38,547** | 16,670 |
| IRRF on services | **126** | 121 | **28,002** | 2,169 |
| Royalties | **-** | - | **28,220** | 9,524 |
| PIS/COFINS/CSLL | **1** | 1 | **4,046** | 862 |
| ICMS | **-** | - | **474** | 472 |
| INSS | **-** | - | **1,071** | 600 |
| Taxes on Equity | **-** | - | **52** | 25 |
| Other | **1** | - | **287** | 96 |
| | **128** | 122 | **100,699** | 30,418 |

## 13. Loans and financing

| | | | Additions | | Payments | | | |
|---|---|---|---|---|---|---|---|---|
| | | **12/31/2022** | **Principal** | **Interest** | **Principal** | **Interest** | **Allocation** | **09/30/2023** |
| Citibank | (i) | 101,492 | 50,000 | 6,487 | - | (7,405) | - | **150,574** |
| CCB | (ii) | 28,940 | - | 913 | - | - | - | **29,853** |
| BTG | (iii) | 71,195 | - | 1,743 | (70,000) | (2,938) | - | **-** |
| ABC | (iv) | 30,918 | - | 1,019 | - | - | - | **31,937** |
| Itaú | (v) | 101,149 | 100,000 | 9,182 | - | (6,050) | - | **204,281** |
| Safra (bank) | (vi) | 36,151 | - | 1,168 | - | - | - | **37,319** |
| Santander | (vii) | 101,170 | 50,000 | 6,121 | - | (5,567) | - | **151,724** |
| Bank of China | (viii) | 15,367 | - | 563 | - | (738) | - | **15,192** |
| ICBC | (ix) | - | 50,000 | 2,162 | - | (1,584) | - | **50,578** |
| HSBC | (x) | - | 28,000 | 1,481 | - | - | - | **29,481** |
| **Subtotal** | | **486,382** | **278,000** | **30,839** | **(70,000)** | **(24,282)** | **-** | **700,939** |
| BOND | (xi) | 602,144 | - | 27,563 | - | (18,375) | - | **611,332** |
| Fundraising expenses - Bond | * | (7,328) | - | - | - | - | 1,282 | **(6,046)** |
| **Total** | | **1,081,198** | **278,000** | **58,402** | **(70,000)** | **(42,657)** | **1,282** | **1,306,225** |
| Current | | 75,370 | | | | | | 395,125 |
| Non-current | | 1,005,828 | | | | | | 911,100 |

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

(i) In March 2022, Petro Rio Jaguar contracted an Export Prepayment Agreement ("PPE") with Banco Citibank in the amount of US$ 100 million, with full amortization at maturity, at the rate of 4.71% p.a., semi-annual interest payments and final maturity in 36 months.

In January 2023, Petro Rio Jaguar contracted an Export Prepayment Agreement ("PPE") with Banco Citibank in the amount of US$ 50 million, with full amortization at maturity, at the TERM SOFR rate + 2.90% p.a., monthly interest payments and final maturity in 36 months.

(ii) In March 2022, Petro Rio Jaguar contracted an Advance on Exchange Contract ("ACC") with China Construction Bank (CCB) in the amount of US$ 28 million, with total amortization and interest at maturity, rate of 4.30% p.a. and maturing in 24 months.

(iii) In February 2022, Petro Rio contracted an Advance on Exchange Contract ("ACC") with BTG in the amount of US$ 70 million, with full amortization at maturity, at the rate of 4.15% p.a., semi-annual interest payments and final maturity in 18 months. This contract was settled in August 2023, as provided for in the contract.

(iv) In April 2022, Petro Rio Jaguar contracted two Advances on Exchange Contract ("ACC") with Banco ABC Brasil (ABC) in the total amount of US$ 30 million, with total amortization and interest at maturity, at a rate of 4.48% p.a. and maturing in 22 and 23 months.

(v) In April 2022, Petro Rio Jaguar contracted an Export Prepayment Agreement ("PPE") with Banco Itaú in the amount of US$ 100 million, with full amortization at maturity, at the rate of 4.65% p.a., semi-annual interest payments and final maturity in 24 months. Additionally, in January 2023, Petro Rio Jaguar contracted an Export Prepayment Agreement ("PPE") with Banco Itaú in the amount of US$ 100 million, with full amortization at maturity, at the TERM SOFR rate + 2.57% p.a., semi-annual interest payments and final maturity in 12 months.

(vi) In April 2022, Petro Rio Jaguar contracted an Export Prepayment Agreement ("PPE") with Banco Safra in the amount of US$ 35 million, with total amortization and interest at maturity, at a rate of 4.4% p.a. and final maturity in 24 months.

(vii) In April 2022, Petro Rio Jaguar contracted an Export Prepayment Agreement ("PPE") with Banco Santander in the amount of US$ 100 million, with full amortization at maturity, at the rate of 4.9% p.a., quarterly interest payments and final maturity in 36 months.

In February 2023, Petro Rio Jaguar contracted an Export Prepayment Agreement ("PPE") with Banco Santander in the amount of US$ 50 million, with full amortization at maturity, at the TERM SOFR rate + 2.46% p.a., quarterly interest payments and final maturity in 12 months.

(viii) In July 2022, Petro Rio contracted an Advance on Exchange Contract ("ACC") with Banco da China (Brazil) in the amount of US$ 15 million, with full amortization at maturity, at the rate of 4.95% p.a., semi-annual interest payments and final maturity in 30 months.

(ix) In January 2023, Petro Rio Jaguar contracted an Export Prepayment Agreement ("PPE") with ICBC in the amount of US$ 50 million, with full amortization at maturity, at the TERM SOFR rate + 1.45% p.a., semi-annual interest payments and final maturity in 24 months.

(x) In January 2023, Petro Rio Jaguar contracted an Advance on Exchange Contract ("ACC") with HSBC in the amount of US$ 28 million, with total amortization and interest at maturity, rate of 7.47% p.a. and maturing in 12 months.

(xi) 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, and the first amortization took place in December 2021. Additionally, this contract has non-financial obligations, disclosed in the prospectus, that are monitored quarterly and are fully met.

The contracts signed with Citibank (i), BTG (iii), Santander (vii), ICBC (ix) and the debt issued in the international capital market (xi) have 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 and any non-compliance with this index results in a restriction on taking on new debts. The measurement of this ratio is carried out quarterly, and on September 30, 2023, the calculated indicator was below the established limit, complying with the contract clauses.

## 14. Local debentures (includes conversion swaps)

As of August 24, 2022, the first issue of simple, non-convertible debentures, in two series, of the unsecured type, with additional personal guarantee from Jaguar, in the total amount of R$ 2,000,000 in the date of its issuance, which was the object of a public offering with restricted placement efforts, carried out under the terms of CVM Instruction 476, with 1,500,000 Debentures issued in the First Series, maturing as of August 15, 2032; and 500,000 Debentures issued in the Second Series, maturing on August 15, 2027.

The First Series Debentures will bear interest equivalent to IPCA+ 7.41% per annum, and the Second Series Debentures are restated at the interest of 100% of the DI Rate, plus a spread of 2.05% p.a. Both series have semiannual interest, with payment dates on February 15 and August 15.

On the same date, Jaguar entered into derivative instruments (swap contracts) to hedge the risks of foreign exchange exposures of debentures, issued in Brazil (in Reais), and the volatility of the debentures' indexes, IPCA and CDI.

These swap contracts, which were contracted with terms and interest rates identical to the 1st and 2nd series debentures, practically exchange the amounts in Reais and interest rates of IPCA+7.41% p.a. and CDI+ 2.05% p.a., respectively, on a debt denominated in US$ at a fixed rate of 6.79% p.a.

The Company designated the debentures as hedged items, and the swap contracts with hedging instruments. Moreover, it decided to use hedge accounting, according to CPC 48, item 6.4.1, as cash flow hedge. As they were contracted with identical terms and rates, the operation is fully effective, with no risk of mismatching as to the amounts practiced in the settlement of each interest or principal installment.

The cash flow hedge must account for the adjustment to fair value (or mark-to-market) of the hedging instruments in shareholders' equity, under other comprehensive income. This represents the amount that would be paid and transferred to income (loss) in the event of early settlement of the swap contracts. In September 2023, the amount recorded in Shareholders' Equity amounts to US$ 19,134 (R$ 92,221). The amount Brazilian reais of R$ 95,817 was recorded in the asset, which was translated at the closing rate, generating a non-relevant translation change.

Furthermore, the expenses for the issuance of debentures were capitalized and are being allocated to income (loss) for the term of maturity of the debentures. Balance at September 30, 2023 is US$ 12,603 (R$ 63,109).

*(In thousands of dollars - US$, unless otherwise indicated)*

Changes in linked debentures and swaps are presented below, including mark-to-market:

| | 12/31/2022 | Interest Additions | Interest Payments | Allocation | Exchange rate changes | 09/30/2023 | Mark-to-market | 09/30/2023 |
|---|---|---|---|---|---|---|---|---|
| Debentures | **397,762** | 4,073 | - | - | 15,724 | **417,560** | - | **417,560** |
| Swap contracts - Assets | **(397,762)** | (4,073) | - | - | (15,724) | **(417,560)** | (51,337) | **(468,897)** |
| Swap contracts - Liabilities | **394,860** | 30,402 | (36,488) | - | (842) | **387,932** | 32,203 | **420,135** |
| Funding costs | **(13,328)** | - | - | 1,272 | (547) | **(12,603)** | - | **(12,603)** |
| **Total** | **381,533** | **30,402** | **(36,488)** | **1,272** | **(1,389)** | **375,329** | **(19,134)** | **356,195** |
| **Current** | 7,765 | | | | | 1,606 | - | |
| **Non-current** | 373,768 | | | | | 373,723 | (19,134) | |

The debentures have 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 a restriction on taking on new debts. The measurement of this ratio will be carried out quarterly and, on September 30, 2023, the calculated indicator was below the established limit, complying with the contract clause. Additionally, these contracts have non-financial obligations, disclosed in the prospectus, that are monitored quarterly and are fully met.

## 15. Lease operations

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

| Right-of-use assets | Cost | Amortization | Balance |
|---|---|---|---|
| Support Vessels | 329.575 | (22.878) | 306.697 |
| Helicopters | 47.839 | (7.514) | 40.325 |
| Buildings/Support Bases | 28.757 | (5.490) | 23.267 |
| Equipment | 39.265 | (7.522) | 31.743 |
| **Total** | **445.436** | **(43.404)** | **402.032** |

To calculate the cost, the terms in which the assets will be needed for the operation and the incremental rate on the loans in force at the time of contracting the equipment lease were considered. The dollar-denominated contracts in force since the beginning were discounted at rates of 5.63% p.a., recalculated to 5.90% p.a. when the useful life of the Polvo Field increased. Contracts in reais are discounted at the rate of 10% p.a. For a dollar-denominated contract for a vessel that entered 2020, in dollars, the discount rate used was 8.95% p.a., and for two contracts that entered in the first quarter of 2022, the installment in dollars, the rate used was 4.45% p.a., for the installment in reais the rate used was CDI + 2.05% p.a., the average of loans contracted in the period. Furthermore, a new aircraft charter contract in US dollars was included using the rate of 6.93% p.a.

As disclosed in Note, Basis for preparation and presentation of quarterly information, the new estimate of the Frade Field reserve, with the lengthening of the production curve, changed the lease discount rates, CDI + 2.05% p.a. for contracts in Reais and 7.14% p.a. for contracts in Dollar, same rates used in Albacora Leste's contracts.

In the first quarter of 2023, with the entry of Albacora Leste, there was the inclusion of an operation support vessel (US$ 42,830) and freshwater production equipment in a stationary production unit (US$ 621).

*(In thousands of dollars - US$, unless otherwise indicated)*

Furthermore, in the second quarter of 2023, there was a replacement of a contract in dollars for a support vessel for the operation, discounted at the rate of 7.14% pa.

In the third quarter of 2023, there was a replacement of a contract for a support vessel for the operation, discounted at the rate of 7.14% p.a. for the installment in Dollar and at the rate of 14% for the installment in reais.

Due to new contracts included in the period and the update of the estimated reserves at Frade and Albacora Leste, the assets increased by US$ 139,977 (R$ 595,703), liabilities increased by US$ 139,657 (R$ 676,494) and the difference was recorded in the income (loss) in the "Other operating revenues and expenses" line.

The effects presented in the period were:

| | Assets | Liabilities |
|---|---|---|
| **Balance at December 31, 2022** | **281,921** | **(287,743)** |
| Additions/reversals (*) | 139,977 | (139,657) |
| Currency adjustment | - | 561 |
| Price-level restatement | - | (20,368) |
| Payments made | - | 27,611 |
| Amortization | (19,865) | - |
| **Balance at September 30, 2023** | **402,033** | **(419,596)** |
| Current | **-** | **(41,361)** |
| Non-current | **402,033** | **(378,235)** |

(*) Reversals refer to contracts terminated early and other amendments to existing contracts.

| **Contract maturity**<br>**Maturity of installments** | **Amount R$** | **PIS/COFINS**<br>**Amount R$** |
|---|---|---|
| 2023 | (16,295) | (1,507) |
| 2024 | (47,007) | (4,348) |
| 2025 | (46,898) | (4,338) |
| 2026 | (46,898) | (4,338) |
| 2027 | (46,898) | (4,338) |
| 2028 | (47,007) | (4,348) |
| 2029 | (46,898) | (4,338) |
| 2030 | (46,898) | (4,338) |
| 2031 | (46,898) | (4,338) |
| 2032 | (45,098) | (4,172) |
| 2033-2041 | (286,139) | (26,468) |
| Undiscounted amounts | (722,934) | (66,871) |
| Embedded interest | 303,338 | |
| Lease liability balance | (419,596) | |

*(In thousands of dollars - US$, unless otherwise indicated)*

## 16. Current and deferred income tax and social contribution

We present below the bases of tax loss and credit, respectively:

| Companies | Tax loss | | Tax credit | |
|---|---|---|---|---|
| | 09/30/2023 | 12/31/2022 | 09/30/2023 | 12/31/2022 |
| PetroRio S.A. | **40,203** | 35,092 | **13,669** | 11,931 |
| PrioIntl | **2,311** | 2,842 | **786** | 966 |
| PetroRioOG | **127,892** | 151,967 | **43,483** | 51,669 |
| Jaguar | **170,992** | 192,370 | **58,137** | 65,406 |
| Bravo | **118,836** | 140,865 | **40,404** | 47,894 |
| Brasoil Group (Coral, OPCO and Energia) | **12,455** | 13,751 | **4,235** | 4,675 |
| Forte Group (formerly Dommo Energia S.A.) (*) | **4,244,371** | - | **1,443,086** | - |
| Lux Holding | **637,435** | 852,588 | **158,976** | 212,635 |
| Lux Trading (*) | **144,973** | 142,896 | **36,156** | 35,638 |
| | **5,499,468** | **1,532,371** | **1,798,932** | **430,814** |

(*) As of September 30, 2023, there is no tax loss or credit recognized in the accounts, due to the non-expectation of generating taxable income from operations over an average period of time.

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 acquisitions of the Polvo and Albacora Leste Fields 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. Of the total available tax credits, only non-operating amounts were not recognized in the Company's balance sheet.

The balance of deferred income tax and social contribution, net of provision for recovery is as follows:

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | 09/30/2023 | 12/31/2022 | 09/30/2023 | 12/31/2022 |
| Negative goodwill/surplus in business combination | **-** | - | **20,374** | 24,893 |
| Temporary differences | **(2,429)** | (2,102) | **34,837** | 4,408 |
| Temporary differences - Translation adjustments * | **-** | - | **(24,414)** | (12,187) |
| Tax losses | **-** | - | **(115,795)** | (149,754) |
| **Net balance of (Assets) Liabilities** | **(2,429)** | (2,102) | **(84,998)** | (132,640) |

| Realization estimate | Consolidated | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033–2041 | Total |
| Negative goodwill/surplus in business combination | 2 | 2,156 | 1,834 | 1,616 | 1,461 | 1,345 | 1,241 | 1,155 | 1,089 | 1,038 | 7,437 | **20,374** |
| Temporary differences | 34,837 | - | - | - | - | - | - | - | - | - | - | **34,837** |
| Tax losses | 101,627 | (36,912) | (28,120) | (24,117) | (20,501) | (17,791) | (15,366) | (13,327) | (11,745) | (10,868) | (38,675) | **(115,795)** |

*(In thousands of dollars - US$, unless otherwise indicated)*

* Changes in the exchange rate gave rise to temporary differences that resulted in a deferred tax asset, which was credited to income (loss) as per item 38 of CPC 32.

## 17. Provision for abandonment (ARO)

Changes in the balance of provision for abandonment of wells in the Polvo, Manati, Tubarão Martelo, Albacora Leste and Tubarão Azul fields are shown below:

| | Polvo | Manati | Tubarão Martelo | Frade | Albacora Leste | Tubarão Azul | Total |
|---|---|---|---|---|---|---|---|
| **Balance at December 31, 2022** | **27,453** | **8,416** | **28,889** | **30,196** | **-** | **-** | **94,952** |
| Acquisition - Albacora Leste Note 9.2.c | - | - | - | - | 243,955 | - | 243,955 |
| Incorporation of Tubarão Azul (acquisition of Forte) Note 9.2.d | - | - | - | - | - | 16,500 | 16,500 |
| Increase | - | - | - | 6,272 | - | - | 6,272 |
| Price-level restatement | 748 | 365 | 2,311 | 2,958 | 3,318 | - | 9,700 |
| Translation adjustment | - | (1,805) | - | - | - | - | (1,805) |
| **Balance at September 30, 2023** | **28,201** | **6,976** | **31,200** | **39,426** | **247,273** | **16,500** | **369,574** |
| (-) Maersk's guarantee / Manati's abandonment fund | (35,444) | (11,158) | - | - | - | - | (46,602) |
| Transfer to liabilities directly linked to non-current assets classified as held for sale | - | 4,182 | - | - | - | - | 4,182 |
| **Net balance of liabilities** | **(7,243)** | **-** | **31,200** | **39,426** | **247,273** | **16,500** | **327,154** |

With the acquisition of Albacora Leste Field, a provision for abandonment of the field was recorded in the amount of US$ 243,955 (R$ 1,244,001), pursuant to Note 9.2.c.

Additionally, with the acquisition of Forte's shares, the Company started consolidating the values for the conclusion of the abandonment foreseen for Tubarão Azul Field, in the amount of US$ 16,500 (R$ 86,092).

As highlighted in 1Q23, there was a non-relevant change in the present values of the provision for abandonment of the Frade Field, with a decrease in the useful life and restatement of discount and inflation rate, with an increase of US$ 6,272 (R$ 32,735) that directly affected the income (loss).

Polvo and Tubarão Martelo fields, with abandonment forecast in 2032, the abandonment estimates, both in dollars, are discounted to present value at the rate of 10.81% per annum. The Frade Field, with the abandonment forecast extended to 2039 and estimated in dollars, uses the rate of 10.95% per annum. Albacora Leste, with the abandonment forecast for 2031 and estimated in dollars, uses the rate of 10.62%, while Manati Field uses 11.15% per annum for the estimated portion in Dollars and 12.38% per annum for the amount in Reais. The inflation rates used, when necessary, are an average of 2.0% per annum for amounts in dollars and 3.87% per annum for the portion in *reais*.

*(In thousands of dollars - US$, unless otherwise indicated)*

## 18. Advances to/from partners in oil and gas operations

| | Consolidated | |
|---|---|---|
| **Operated blocks** | **09/30/2023** | **12/31/2022** |
| Forte (formerly Dommo Energia S.A. – TBMT) | **-** | (5,615) |
| Total - Wahoo/Itaipu | **(277)** | (209) |
| IBV – Wahoo | **(74)** | (176) |
| Ecopetrol – Ceará | **(14)** | (16) |
| Repsol - Albacora Leste | **16,841** | - |
| **Total operated blocks** | **16,476** | (6,016) |
| Petrobras - Coral/Cavalo Marinho/Manati | **(2,126)** | (386) |
| **Total non-operated blocks** | **14,350** | (6,402) |
| Liabilities associated with non-current assets held for sale | **2,135** | 167 |
| **Total advances to/from partners** | **16,485** | (6,235) |
| **Total current assets** | **8,343** | - |
| **Total current liabilities** | **(2,127)** | (6,235) |

Forte started to be consolidated in the Company's financial statements as of the merger of shares, where balances between group companies are eliminated for presentation purposes.

## 19. *Impairment*

The Company periodically monitors changes in economic and operating expectations that may indicate impairment loss of assets. 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.

With the current scenario of the oil market, with prices above those practiced in recent years and an increase in production in the fields, the Company assessed that there were no indications of impairment that would result in the need to carry out calculations to verify the recoverable value of the assets against the amounts recorded in the period.

## 20. Shareholders' equity

### 20.1 Capital

As of September 30, 2023, the Company's subscribed and paid-in capital totaling US$ 999,930 (R$ 5,576,158) is composed of 887,229,147 nominative, book-entry shares with no par value.

The Company has a balance of R$ 223,365 referring to share issuance costs in a share capital reducing account and which comprise the balance shown of US$ 959,899 (R$ 5,352,792).

*(In thousands of dollars - US$, unless otherwise indicated)*

| Shareholder | Number of common shares * | % of Interest |
|---|---|---|
| Aventti Strategic Partners LLP | 52,703,398 | 6% |
| Blackrock, INC. | 44,484,371 | 5% |
| Other Shareholders | 790,041,378 | 89% |
| **Total** | **887,229,147** | **100%** |

*According to information disclosed in reference form.

The Company's Share Capital underwent changes in January 2023, with an increase of US$ 6,519 (R$ 33,118) through the issuance of shares upon the exercise of stock options granted to employees.

The Company maintains the balance of Petro Rio S.A. common shares in Treasury Shares account, rectifying Shareholders' Equity, in the amount of 50,898,338 shares at transaction cost of US$ 92,880 (R$ 466,835).

### 20.2 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 VII | Program IX | Program X | Program XI | Program XII |
|---|---|---|---|---|---|
| Grant date by Board of Directors | 02/28/2019 | 03/20/2020 | 04/30/2021 | 04/30/2021 | 08/03/2022 |
| Total stock options granted | 64,220 | 995,235 | 260,711 | 632,569 | 988,059 |
| Share price on granting date | 150.98 | 12.40 | 91.86 | 91.86 | 23.76 |
| Strike Price | 97.06 | 19.53 | 35.27 | 39.68 | 16.7 |
| Weighted fair value on concession date | 81.97 | 4.49 | 61.85 | 65.91 | 9.68 |
| Estimated volatility of share price | 69.46% | 66.17% | 92.13% | 73.64% | 52.67% |
| Risk-free rate of return | 8.25% | 7.65% | 6.41% | 7.86% | 13.28% |
| Option validity (in years) | 4 | 4 | 2 | 4 | 2 |

| | Program XIII | Program XIV | Program XV | Program XVI |
|---|---|---|---|---|
| Grant date by Board of Directors | 08/03/2022 | 02/07/2023 | 02/07/2023 | 02/07/2023 |
| Total stock options granted | 3,671,976 | 1,068,826 | 3,838,250 | 480,000 |
| Share price on granting date | 23.76 | 41.63 | 41.63 | 41.63 |
| Strike Price | 18.79 | 28.33 | 31.87 | 31.87 |
| Weighted fair value on concession date | 13.45 | 19.34 | 26.20 | 16.13 |
| Estimated volatility of share price | 74.19% | 49.47% | 68.93% | 47.09% |
| Risk-free rate of return | 12.40% | 13.11% | 13.17% | 13.56% |
| Option validity (in years) | 4 | 2 | 5 | 1 |

The Company has a balance recorded in shareholders' equity under "Capital reserve, share-based remuneration", the amount of R$ 382,645, and the counterparty is in the statement of income as personnel cost since the grant.

Out of the options granted, 4,582,762 options were exercised on January 2, 2023, with the full payment of US$ 6,519 (R$ 33,118) in the Company's share capital.

### 20.3 Earnings per share

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** | **07/01/2023–09/30/2023** | **07/01/2022–09/30/2022** | **01/01/2023–09/30/2023** | **01/01/2022–09/30/2022** |
|---|---|---|---|---|
| **Numerator (R$)** | | | | |
| Income (loss) for the period attributable to Group's shareholders | **345,237** | 154,850 | **743,809** | 519,522 |
| **Denominator (in thousands of shares)** | | | | |
| Weighted average of number of common shares for basic earnings per share * | **836,326** | 843,989 | **841,863** | 843,764 |
| **Basic earnings per share** | **0.413** | 0.183 | **0.884** | 0.616 |
| **Diluted earnings per share** | **0.409** | 0.182 | **0.877** | 0.610 |
| Potentially dilutive shares in future periods with profit | **7,555** | 7,551 | **6,634** | 7,511 |

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

## 21. Related party transactions (Parent company)

| | **Parent Company** | |
|---|---|---|
| | **09/30/2023** | **12/31/2022** |
| Accounts receivable - Petrorio S.A x Petrorio O&G (i) | **41,193** | 12,037 |
| Accounts receivable Petrorio S.A. x Petrorio Jaguar (i) | **6,551** | - |
| Apportionment of Brasoil's administrative expenses | **-** | 643 |
| Apportionment of Frade's administrative expenses (ii) | **(22,106)** | 4,292 |
| Apportionment of Bravo's administrative expenses (ii) | **(13,510)** | - |
| Loan payable Petrorio S.A. x Bravo (v) | **(42,511)** | - |
| Loan payable Petrorio Luxembourg Sarl x Petrorio S.A. (iii) | **(41,626)** | (40,692) |
| Loan payable - Petrorio S.A vs. Coral (iv) | **(16,285)** | - |
| Loan payable Petrorio S.A. x O&G (vi) | **(7,913)** | - |
| | **(96,207)** | (23,720) |
| **Total non-current assets** | **14,324** | 18,568 |
| **Total non-current liabilities** | **(110,531)** | (42,288) |

*(In thousands of dollars - US$, unless otherwise indicated)*

(i) Balance of share-based remuneration plan of the Company with Petro Rio O&G and Jaguar.
(ii) Balance referring to the sharing of expenses between the Company and Petro Rio Jaguar and Bravo.
(iii) Balance referring to loan contract executed into since the second semester of 2019 by Prio and Lux Trading, with indefinite period and Libor interest rate + 2.9% p.a., which will be settled upon distribution of dividends by Lux Trading itself.
(iv) Balance referring to a loan agreement worth up to US$ 28,360 (R$ 150 million) signed in March 2023 between Prio and Petro Rio Coral, with an indefinite term and an interest rate of 3% pa that will be used for the cash composition for the share buyback program.
(v) Balance referring to a loan agreement worth up to US$ 29,435 (R$ 150 million) signed in April 2023 between Prio and Petro Rio Bravo, with an indefinite term and an interest rate of 3% pa that will be used for the cash composition for the share buyback program.
(vi) Balance referring to a loan agreement worth up to US$ 31,125 (R$ 150 million) signed in June 2023 between Prio and Petro Rio O&G, with an indefinite term and no interest that will be used for the cash composition.

### Management remuneration

The Company's management remuneration in the nine-month period ended September 30, 2023 was US$ 369 (US$ 3,270 on September 30, 2022) as detailed below:

| **Management remuneration** | **09/30/2023** | **09/30/2022** |
|---|---|---|
| Short-term employee benefits | **360** | **287** |
| Share-based payment | **9** | **2,983** |
| **Total** | **369** | **3,270** |

## 22. Net revenue

Net revenue for the respective periods is broken down as follows:

| | **01/01/2023–09/30/2023** | | | | |
|---|---|---|---|---|---|
| | **Polvo/TBMT** | **Manati** | **Frade** | **Albacora Leste** | **Total** |
| Gross revenue | 348,833 | 12,152 | 1,102,512 | 468,962 | 1,932,459 |
| Deductions * | (9,569) | (2,035) | (48,740) | (20,004) | (80,348) |
| Subtotal | 339,264 | 10,117 | 1,053,772 | 448,958 | 1,852,111 |
| Trading expenses | (11,564) | - | (60,052) | (13,295) | (84,911) |
| **Net revenue** | **327,700** | **10,117** | **993,720** | **435,663** | **1,767,200** |

| | **07/01/2023–09/30/2023** | | | | |
|---|---|---|---|---|---|
| | **Polvo/TBMT** | **Manati** | **Frade** | **Albacora Leste** | **Total** |
| Gross revenue | 120,491 | 3,223 | 459,819 | 251,720 | 835,253 |
| Deductions * | (44) | (542) | (7,591) | (2,986) | (11,163) |
| Subtotal | 120,447 | 2,681 | 452,228 | 248,734 | 824,090 |
| Trading expenses | (5,493) | - | (20,119) | (6,690) | (32,302) |
| **Net revenue** | **114,954** | **2,681** | **432,109** | **242,044** | **791,788** |

*(In thousands of dollars - US$, unless otherwise indicated)*

| | 01/01/2022–09/30/2022 | | | |
|---|---|---|---|---|
| | **Polvo/TBMT** | **Manati** | **Frade** | **Total** |
| Gross revenue | 494,137 | 19,239 | 555,043 | 1,068,419 |
| Deductions | - | (3,252) | - | (3,252) |
| **Net revenue** | **494,137** | **15,987** | **555,043** | **1,065,167** |

| | 07/01/2022–09/30/2022 | | | |
|---|---|---|---|---|
| | **Polvo/TBMT** | **Manati** | **Frade** | **Total** |
| Gross revenue | 157,915 | 5,327 | 215,733 | 378,975 |
| Deductions | - | (819) | - | (819) |
| **Net revenue** | **157,915** | **4,507** | **215,733** | **378,155** |

In 2023, the Company reinforced its trading area with the purpose of improving sales prices and reducing associated costs. Thus, it started making sales directly to refineries and contract sales-related services (freight, insurance, among others) directly. In the nine-month period of 2023, the Company recorded sales expenses in the amount of US$ 84,912.

## 23. Costs of products sold and services rendered

| | Consolidated | | | |
|---|---|---|---|---|
| | **07/01/2023–09/30/2023** | **07/01/2022–09/30/2022** | **01/01/2023–09/30/2023** | **01/01/2022–09/30/2022** |
| Logistics | 7,558 | 731 | 13,605 | 10,128 |
| Consumables | 21,297 | 11,986 | 55,065 | 25,465 |
| Operation and maintenance | 17,830 | 8,677 | 41,264 | 27,152 |
| Personnel | 11,607 | 6,855 | 37,935 | 21,909 |
| Purchase of oil for resale | - | 17,431 | 7,646 | 50,163 |
| Other costs | 5,144 | 1,182 | 32,068 | 9,854 |
| Royalties and special interest | 63,995 | 27,019 | 154,966 | 82,090 |
| Amortization CPC 06 (R2) | 2,723 | 3,804 | 22,481 | 10,993 |
| Depreciation and amortization | 156,236 | 36,358 | 292,811 | 88,009 |
| **Total** | **286,390** | **114,043** | **657,841** | **325,763** |

### Oil stock

| | 09/30/2023 | | 12/31/2022 | |
|---|---|---|---|---|
| | **Amount** | **Quantity** | **Amount** | **Quantity** |
| **Polvo** | 7,572 | 254 | 1,751 | 52 |
| **Tubarão Martelo** | 19,093 | 503 | 12,123 | 387 |
| **Forte (formerly Dommo Energia S.A.)** | 2,691 | 122 | - | - |
| **Frade** | 19,804 | 599 | 8,542 | 675 |
| **Lux Sarl** | 2,498 | 50 | 43,653 | 1,995 |
| **Total** | **51,658** | **1,528** | **66,069** | **3,109** |

## 24. Other revenues and expenses

| | Parent Company | | | |
|---|---|---|---|---|
| | **07/01/2023–09/30/2023** | **07/01/2022–09/30/2022** | **01/01/2023–09/30/2023** | **01/01/2022–09/30/2022** |
| Reversal (Provision) for civil contingencies | **21** | - | **21** | - |
| Addition/Reversal of employee/administrators´ bonuses | **(23)** | - | **(2,375)** | - |
| Tax credits (PIS and COFINS/INSS/ICMS) | **-** | - | **(11)** | - |
| Other revenues (expenses) | **(36)** | 22 | **(50)** | (38) |
| **Total** | **(38)** | **22** | **(2,415)** | **(38)** |

*(In thousands of dollars - US$, unless otherwise indicated)*

| | Consolidated | | | |
|---|---|---|---|---|
| | **07/01/2023– 09/30/2023** | **07/01/2022– 09/30/2022** | **01/01/2023– 09/30/2023** | **01/01/2022– 09/30/2022** |
| Increase/decrease in the provision for abandonment (rate/curve change) | **-** | - | **(6,274)** | 233 |
| Reversal (Provision) for labor contingencies | **(47)** | 1,606 | **(1,033)** | 938 |
| Reversal (Provision) for tax contingencies | **(323)** | - | **(1,002)** | (140) |
| Reversal (Provision) for civil contingencies | **952** | 601 | **(12,281)** | 580 |
| Acquisition of Albacora Leste | **-** | - | **(3,273)** | - |
| Addition/Reversal of employee/administrators´ bonuses | **(23)** | - | **(14,052)** | - |
| Sales of scrap | **40** | - | **225** | |
| Reversal of operational provision in prior years | **-** | - | **1,246** | |
| Credit for untimely taxes (PIS&COFINS/INSS/ICMS) * | **5,139** | 593 | **18,684** | 1,442 |
| Expenses with taxes | **-** | - | **(677)** | - |
| Decommissioning - Tubarão Azul | **-** | 2,424 | **-** | (946) |
| Indirect overhead - Partnerships | **(248)** | 18 | **(292)** | 304 |
| Demobilization of BW/ Arbitration | **-** | (2,461) | **(1,546)** | (10,577) |
| Reduction of liabilities - IFRS 16 (CPC 06) | **441** | 832 | **1,456** | 4,285 |
| Write-off of materials from the Frade Field | **(14,044)** | - | **(14,044)** | - |
| Depreciation expense of Manati (asset held for sale) | **-** | - | | (1,671) |
| CE-M-715 Block return – Ceará Basin | **-** | (635) | | (16,530) |
| Acquisition of Hunter Queen drilling rig | **(2,621)** | - | **(6,266)** | |
| Labor indemnities from previous years | **1,016** | - | **1,016** | |
| Other revenues (expenses) | **(701)** | (2,295) | **(1,035)** | (2,919) |
| **Total** | **(10,419)** | **683** | **(39,148)** | **(25,001)** |

*Jaguar, O&G, and Bravo PIS and Cofins credits for the consumption of materials related to a previous fiscal year.

## 25. Financial income (loss)

| | Parent Company | | | |
|---|---|---|---|---|
| | **07/01/2023– 09/30/2023** | **07/01/2022– 09/30/2022** | **01/01/2023– 09/30/2023** | **01/01/2022– 09/30/2022** |
| **Financial revenues** | **35** | 11 | **172** | 22 |
| Revenue from realized interest earning bank deposit | **26** | 9 | **93** | 17 |
| Other financial revenues | **9** | 2 | **79** | 5 |
| **Financial expenses** | **(1,212)** | (359) | **(2,499)** | (1,000) |
| Other financial expenses | **(1,212)** | (359) | **(2,499)** | (1,000) |
| **Net exchange-rate changes** | **2,119** | (425) | **1,095** | 89 |
| Revenue from exchange-rate change | **(67)** | (145) | **2,676** | 1,298 |
| Expense on foreign exchange rate (*) | **2,186** | (280) | **(1,581)** | (1,209) |

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**Notes to the quarterly information**
**September 30, 2023**
*(In thousands of dollars - US$, unless otherwise indicated)*

| | Consolidated | | | |
|---|---|---|---|---|
| | 07/01/2023–09/30/2023 | 07/01/2022–09/30/2022 | 01/01/2023–09/30/2023 | 01/01/2022–09/30/2022 |
| **Financial revenues** | **20,661** | 28,982 | **25,102** | 42,559 |
| Revenue from realized interest earning bank deposit | **5,122** | 28,180 | **5,913** | 40,135 |
| Marked at fair value of derivatives | **1,895** | - | **2,018** | - |
| Gain in realization of derivatives | **123** | - | **3,474** | - |
| Fair value Gain - ARO | **13,441** | - | **13,441** | - |
| Other financial revenues | **80** | 802 | **256** | 2,424 |
| **Financial expenses** | **(60,378)** | (25,694) | **(145,452)** | (78,514) |
| Loss on realized financial investment | **(274)** | (255) | **(5,460)** | (7,916) |
| Interest on loans | **(27,777)** | (18,196) | **(81,739)** | (43,087) |
| Commission on bank guarantees | **(7)** | - | **(22)** | - |
| Marked at fair value - Derivatives | **(3,830)** | - | **(3,830)** | 2,753 |
| Loss in realization of derivatives | **(1,166)** | - | **(9,949)** | (10,878) |
| Fair value loss - Bond | **-** | (79) | **-** | (1,118) |
| Expenses with interest on leases | **(8,266)** | (3,936) | **(20,368)** | (8,530) |
| Fair value loss - ARO | **(23,141)** | - | **(23,141)** | - |
| Other financial expenses | **4,083** | (3,228) | **(943)** | (9,738) |
| **Net exchange-rate changes** | **16,626** | (8,473) | **(24,543)** | (12,076) |
| Revenue from exchange-rate change | **(74,332)** | 54,189 | **139,155** | 140,916 |
| Expense on foreign exchange rate (*) | **90,958** | (62,662) | **(163,698)** | (152,992) |

(*) With the change in the functional currency to the US dollar, foreign exchange variation revenues and expenses refer to amounts recorded in currencies other than the US dollar, which vary with the change in the rate, such as, mainly bank balances, recoverable taxes, suppliers, leases, labor obligations and taxes payable.

## 26. 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 | | | |
|---|---|---|---|---|
| | 07/01/2023–09/30/2023 | 07/01/2022–09/30/2022 | 01/01/2023–09/30/2023 | 01/01/2022–09/30/2022 |
| **Income before income tax and social contribution** | **344,014** | 154,458 | **743,571** | 520,577 |
| Tax rate according to the current legislation | **34%** | 34% | **34%** | 34% |
| **Income tax and social contribution based on the current rate** | **116,965** | 52,516 | **252,814** | 176,996 |
| **Non-deductible expenses/non-taxable revenue, net:** | | | | |
| Permanent differences | **(87)** | (79) | **996** | 35 |
| Temporary differences | **1,686** | | **701** | |
| Equity in net income of subsidiaries | **(116,898)** | (33,303) | **(254,572)** | (159,639) |
| (Use of) tax loss | **(643)** | (807) | **(1,237)** | |
| Unrecognized tax losses | **-** | (758) | **-** | (758) |
| Difference in tax base – Functional Currency | **1,060** | (17,961) | **1,060** | (15,580) |
| Adjustment related to prior-year taxes | **(3,306)** | | **-** | - |
| **Total** | **(1,223)** | (392) | **(238)** | 1,055 |
| Income tax and social contribution | **(985)** | - | **-** | - |
| Deferred income tax | **(238)** | (392) | **(238)** | 1,055 |
| **Net expense (revenue) from income tax and social contribution in income (loss)** | **(1,223)** | (392) | **(238)** | 1,055 |
| **Effective rate on pre-tax profit** | **-0.36%** | -0.25% | **-0.03%** | 0.20% |

*(In thousands of dollars - US$, unless otherwise indicated)*

| | Consolidated | | | |
|---|---|---|---|---|
| | **07/01/2023 – 09/30/2023** | **07/01/2022 – 09/30/2022** | **01/01/2023 – 09/30/2023** | **01/01/2022 – 09/30/2022** |
| **Income before income tax and social contribution** | **443,865** | 240,541 | **860,374** | 612,923 |
| Tax rate according to the current legislation | **34%** | 34% | **34%** | 34% |
| **Income tax and social contribution based on the current rate** | **150,914** | 81,784 | **292,527** | 208,394 |
| **Non-deductible expenses/non-taxable revenue, net:** | | | | |
| Permanent differences | **(30,276)** | 487 | **(32,534)** | 1,921 |
| Temporary differences | **15,790** | 4,197 | **(56,182)** | 138 |
| Deduction / Tax benefits | **(711)** | 376 | **(1,302)** | (1,488) |
| (Use of) tax loss | **(43,922)** | 44,462 | **(102,055)** | (53,470) |
| Unrecognized tax losses | **-** | (43,056) | **-** | (51,526) |
| Effect of reduced tax rates in the USA and Luxembourg | **(32,349)** | (3,404) | **(64,129)** | (12,702) |
| Difference in tax base – Functional Currency | **80,240** | 848 | **80,240** | 2,134 |
| Adjustment related to prior-year taxes | **(41,057)** | (3) | **-** | - |
| **Total** | **98,629** | 85,691 | **116,565** | 93,401 |
| Income tax and social contribution | **38,394** | 47,256 | **84,468** | 109,379 |
| Deferred income tax | **60,235** | 38,435 | **32,097** | (15,978) |
| **Net expense (revenue) from income tax and social contribution in income (loss)** | **98,629** | 85,691 | **116,565** | 93,401 |
| **Effective rate on pre-tax profit** | **22.22%** | 35.62% | **13.55%** | 15.99% |

## 27. Segment reporting (Consolidated)

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

Segment reporting for continued operations:

| | **09/30/2023** | **12/31/2022** |
|---|---|---|
| **Current assets** | | |
| Brazil | 275,740 | 642,466 |
| Abroad | 740,029 | 1,377,295 |
| **Non-current assets** | | |
| Brazil | 4,360,033 | 1,783,095 |
| Abroad | 319,878 | 75,939 |

| **Revenue** | **09/30/2023** | **09/30/2022** |
|---|---|---|
| Brazil | 10,117 | 15,987 |
| Abroad | 1,757,083 | 1,049,180 |

## 28. Objectives and policies for financial risk management

The main financial liabilities of Prio 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, the Company maintains cash and cash equivalents are recorded in assets, as described in “Cash and cash equivalents” note.

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.

*(In thousands of dollars - US$, unless otherwise indicated)*

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.

### Derivative financial instruments – Hedge

The Company entered into derivative agreements aim at hedging against the risk of volatility in oil prices for sales of the third quarter of 2023. Basically, the transactions protect the Company, which obtained minimum price (floor) per barrel as the chart below:

| | | | | | | Price | | | | Position | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Operation** | **Type** | **Maturity** | **Settlement** | **Strike** | **Quantity** | **Engagement** | **Premium** | **MTM** | **Settlement** | **US$'000** | **R$'000** |
| Purchase | PUT | 08/31/2023 | 08/31/2023 | 83.40 | 1,000 | 1.89 | 1,890 | - | - | - | - |
| Purchase | PUT | 08/31/2023 | 08/31/2023 | 83.95 | 1,000 | 1.94 | 1,940 | - | - | - | - |
| Purchase | PUT | 08/31/2023 | 08/31/2023 | 87.15 | 1,000 | 1.43 | 1,430 | - | 2,047 | - | - |
| Purchase | PUT | 10/31/2023 | - | | 1,000 | 3.12 | 3,124 | (1,783) | - | 1,341 | 6,716 |
| Purchase | PUT | 10/31/2023 | - | | 1,000 | 2.20 | 2,198 | 2,018 | - | 4,216 | 21,112 |
| | | | | | **5,000** | | **10,582** | **235** | **2,047** | **5,557** | **27,828** |

### 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 shareholders' equity before taxation, where all other variables are kept constant.

| **Operation** | **Risk** | **Probable scenario** | **Scenario (I) 25%** | **Scenario (II) 50%** |
|---|---|---|---|---|
| Impact on the securities | CDI decrease | (2) | (52) | (101) |

For the earnings from financial investments and securities the CDI projections disclosed by BM&FBOVESPA for the nine-month period as from September 30, 2023 were taken into account under the probable scenario (CDI 13.03%), 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.

*(In thousands of dollars - US$, unless otherwise indicated)*

## 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 income (loss) and Company's shareholders' equity before taxation.

| Operation | Risk | Probable scenario | Scenario (I) 25% | Scenario (II) 50% |
|---|---|---|---|---|
| Impact on financial investments | USD decrease | (586) | (6,705) | (13,410) |
| Provision for abandonment (ARO) | USD increase | 1,039 | (11,885) | (23,769) |

For calculation of the amounts included in the above scenarios the average exchange rate projection disclosed by BM&FBOVESPA for nine months as from September 30, 2023 (US$ 1/R$ 4.8981). 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 nine-month period ended on September 30, 2023 oil net sales were decentralized, with sales to clients Petrobras, Petrochina, Repsol, Valero and Shell, and gas sales in other client (Petrobras); 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.

*(In thousands of dollars - US$, unless otherwise indicated)*

Consolidated

| Period ended September 30, 2023 | ≤12 months | 01-05 years | Total |
|---|---|---|---|
| **Liabilities** | | | |
| Loans and financing | (395,125) | (911,100) | **(1,306,225)** |
| Suppliers | (127,414) | - | **(127,414)** |
| Labor obligations | (39,733) | - | **(39,733)** |
| Taxes and social contributions | (100,699) | - | **(100,699)** |
| Advances from partners | (1,606) | (373,723) | **(375,329)** |
| Local debentures (includes conversion swaps) | (8,343) | - | **(8,343)** |
| Provision for abandonment | - | (327,154) | **(327,154)** |
| Provision for contingencies | - | (202,695) | **(202,695)** |
| Contractual charges (Leases - IFRS 16) | (41,361) | (378,235) | **(419,596)** |
| Other liabilities | (59,953) | (156,101) | **(216,054)** |
| | **(774,234)** | **(2,349,008)** | **(3,123,242)** |

| Year ended December 31, 2022 | ≤12 months | 01-05 years | Total |
|---|---|---|---|
| **Liabilities** | | | |
| Loans and financing | (75,370) | (1,005,828) | **(1,081,198)** |
| Suppliers | (108,463) | (288) | **(108,751)** |
| Labor obligations | (26,449) | - | **(26,449)** |
| Taxes and social contributions | (30,418) | - | **(30,418)** |
| Mark-to-market of debenture swaps | - | (17,117) | **(17,117)** |
| Local debentures (includes conversion swaps) | (7,765) | (373,768) | **(381,533)** |
| Provision for abandonment | - | (51,367) | **(51,367)** |
| Provision for contingencies | - | (4,475) | **(4,475)** |
| Contractual charges (Leases - IFRS 16) | (12,371) | (275,372) | **(287,743)** |
| Accounts payable – acquisition of Wahoo | (8,324) | (373) | **(8,697)** |
| | **(269,160)** | **(1,728,588)** | **(1,997,748)** |

Parent Company

| Period ended September 30, 2023 | ≤12 months | 01-05 years | Total |
|---|---|---|---|
| **Liabilities** | | | |
| Suppliers and other | (275) | - | **(275)** |
| Labor obligations | (2,370) | - | **(2,370)** |
| Taxes and social contributions | (128) | - | **(128)** |
| Provision for contingencies | - | (80) | **(80)** |
| Other liabilities | - | (36) | **(36)** |
| | **(2,773)** | **(116)** | **(2,889)** |

| Year ended December 31, 2022 | ≤12 months | 01-05 years | Total |
|---|---|---|---|
| **Liabilities** | | | |
| Suppliers and other | (42) | - | **(42)** |
| Labor obligations | (3,594) | - | **(3,594)** |
| Taxes and social contributions | (122) | - | **(122)** |
| Provision for contingencies | - | (96) | **(96)** |
| | **(3,758)** | **(96)** | **(3,854)** |

*(In thousands of dollars - US$, unless otherwise indicated)*

### 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.

Market values ("fair value") estimated by management were determined by level 1 for those financial instruments below, and there were no transfers between measurement levels in the fair value hierarchy for the nine-month period ended September 30, 2023.

| | 09/30/2023 | | | | 12/31/2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | 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) | - | - | 322,264 | 322,264 | - | - | 31,873 | 31,873 |
| Related parties | 14,324 | 14,324 | - | - | 18,568 | 18,568 | - | - |
| **Fair value through profit or loss** | | | | | | | | |
| Cash and cash equivalents (ii) | 3,691 | 3,691 | 444,376 | 444,376 | 3,287 | 3,287 | 1,842,375 | 1,842,375 |
| **Financial liabilities** | | | | | | | | |
| **Amortized cost:** | | | | | | | | |
| Suppliers (i) | 275 | 275 | 127,414 | 127,414 | 42 | 42 | 108,751 | 108,751 |
| Loans and financing | - | - | 1,306,225 | 1,306,225 | - | - | 1,081,198 | 1,081,198 |
| Debentures and Swap | - | - | 375,329 | 1,783,676 | - | - | 381,533 | 398,649 |
| Contractual charges (Leases - IFRS 16) | - | - | 419,596 | 419,596 | - | - | 287,743 | 287,743 |
| Accounts payable - Gas Bridge | - | - | 4,952 | 4,952 | - | - | 8,324 | 8,324 |
| Accounts payable earn-out of Albacora Leste | - | - | 205,001 | 205,001 | - | - | - | - |

(i) The amounts related to the balance of accounts receivable and suppliers does not have significant differences in the fair value since receivable/payment turnover of these balances is 60 days on average.
(ii) The fair value measurements are obtained by directly observable variables (as well as prices) or indirectly (derived from prices).

*(In thousands of dollars - US$, unless otherwise indicated)*

## 29. Insurance

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

The Company adopts insurance policies for assets under risk and, along with companies under the same group, is covered against major risks such as P&I to FPSO Valente, FPSO Bravo, Drilling rig King Maker and Hunter Queen, Energy Package, which includes: Physical damage over offshore assets, Operator's extra expenses (OEE), Offshore Liability (TPL) and Oil inventories, Cargo/equipment coverage related to the Polvo, Manati, Frade, Tubarão Martelo and Albacora Leste field operations and D&O (Directors & Officers Liability) policy for its administrators.

D&O, one of the main insurance policies hired by the company, is able to protect the company against losses due to third party complaints. Additionally, the Company hires insurance for Operator's Extras Expenses, which includes: Control over Well, Extra Expense/Re-drilling and Infiltration and Pollution, Cleaning and Contamination.

The insurance policies in force on September 30, 2023 cover the insured amount of US7,343,739. The validation of the scope of insurance contracts is out of the scope of the audit.

In addition, the Company also contracts insurance for Operator' Extra Expenses, whose main exposures covered are as follows:

| Insurance/Modality | Insured amount |
|---|---|
| Physical damages (Oil inventories) | 185,000 |
| Fixed Platform | 182,000 |
| Offshore platform | 22,300 |
| FPSO Frade | 740,900 |
| Subsea equipment | 300,136 |
| Offshore property (Pipeline) | 43,500 |
| Onshore properties (Pipeline) | 11,700 |
| Onshore Treatment Station | 17,400 |
| OEE production (Well control) | 90,500 |
| OEE Production ODP-4 | 105,000 |
| Offshore Civil Liability + Surplus | 620,000 |
| Transportation | 469,605 |
| D&O | 19,970 |
| P&I | 2,800,000 |
| General liability | 998 |
| Equity | 5,312 |
| Legal guarantee | 49,802 |
| Guarantee insurance | 5,451 |
| Travel Insurance Travel Guard | 275 |
| FPSO OSX-3 Hull and Machine | 680,000 |
| Drilling rig | 145,000 |
| FPSO Forte | 848,890 |
| **Total insured** | **7,343,739** |

## 30. 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 provision recorded in the balance sheet on September 30, 2023 and December 31, 2022 in the amounts of US$ 202,695 and US$ 4,475, respectively, is sufficient to cover losses considered probable and reasonably estimated. The relevant change is mainly due to probable regulatory and tax provisions arising from the balance sheet of Prio Forte S.A. (formerly Dommo Energia S.A.), acquired in January 2023. The Company also has judicial deposits related to ongoing lawsuits recorded in non-current assets, in the amount of US$ 6,321 (US$ 2,016 as of December 31, 2022), mainly related to tax and labor claims.

Nature of contingencies recorded

Currently, the Company is party to lawsuits with probable risk, which are basically labor claims that add up to US$ 2,909, tax claims of US$ 15,925, civil, regulatory claims in the amount of US$ 81,162 (as of December 31, 2022, US$ 1,993, US$ 74 and US$ 2,407, respectively). Among the probable causes, the most relevant are a regulatory one by Prio Forte in the amount of US$ 47,597, referring to fines on local content and a fiscal one, also by Prio Forte, in the amount of US$ 15,770, referring to the requirement of collecting withholding income tax on remittances made in 2013 for settlement of financial intermediation contracts.

Additionally, the amount of US$ 102,700 was recognized referring to the contingent liability assumed, measured on possible and remote provision in the acquisition of Forte. On the date of this financial statement, Management is completing fine adjustments for the allocation of fair value to assets acquired and liabilities assumed, as required by CPC 15 – Business Combinations.

Other lawsuits with possible loss

According to the Group's legal advisors, the risk of loss in other lawsuits is classified as "possible" in the amount of US$ 668,941 (US$ 221,325 as of December 31, 2022), of which US$ 525,454 refers to tax claims, US$ 139,002 is related to civil claims and US$ 4,485 to labor claims (US$ 106,253, US$ 112,970 and US$ 2,102, respectively, as of December 31, 2022). The lawsuits with the most relevant values are:

(1) Federal Revenue Service in the amount of US$ 170,958, referring to the tax assessment notice requiring withholding income tax (IRRF) on remittances abroad as interest arising from the Export Prepayment Agreement ("PPE") of Forte;

(2) Federal Revenue Service in the amount of US$ 118,555, referring to the tax assessment notice with disallowance of expenses on non-deductible interest from the calculation of taxable income and the CSLL calculation basis arising from the Export Prepayment Agreement ("PPE") from Forte;

(3) National Treasury, in the amount of US$ 17,435, referring to the Ordinary Action filed with the objective of deconstituting Forte's IRRF tax credit;

(4) Federal Revenue Service in the amount of US$ 29,864, referring to the non-recognition of early reimbursement in the amount of 50% of the total PIS and COFINS credit;

(5) National Treasury, in the amount of US$ 18,662, referring to the advance payment requirement of the historic amount of US$ 15,221, arising from PIS and Cofins credits advanced by the Brazilian Federal Revenue Service;

(6) Federação dos Pescadores do Rio de Janeiro (“FEPERJ”), in the amount of US$ 82,248, 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;

(7) from the Attorney General's Office of the National Treasury in the amount of US$ 42,798, charging IRPJ and CSLL due to the transfer pricing rules used in Jaguar in 2010, when operated by Chevron, and is awaiting the decision of an Appeal in the higher court. The Company awaits the receipt of the records to close the lawsuit, which has a favorable decision for Prio Jaguar;

(8) Brazilian Federal Revenue Service, in the amount of US$ 17,286, referring to the collection of IRPJ and CSLL from Bravo related to taxable events that occurred in the calendar year 2012, related to the exchange rate change, non-deductible operating expenses and unsubstantiated deductions;

(9) Public Treasury Court in the amount of US$ 13,783, referring to the collection of ICMS on imports in the temporary admissions at Jaguar, which occurred in October and December 2007, when operated by Chevron;

(10) Arbitration decision handed down by Tuscany, in the amount of US$ 17,129, referring to the reimbursement due to the early termination of the lease and operating agreements for helitransportable drilling rigs for O&G; and National Agency of Petroleum, Natural Gas and Biofuels (“ANP”) in the amount of US$ 10,955 charging a fine on Jaguar’s special interest when it was still operated by Chevron.