

# PRIO

## EARNINGS RELEASE

# 4Q 23 & 2023

### Conference Call 4Q23 & 2023

March 11, 2024

Portuguese 11 am (BRA)

English 10 am (NYC)

Webinar: [Click here](#)

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



FRADE



WAHOO



TBMT



ALBACORA  
LESTE



POLVO



### Investor Relations

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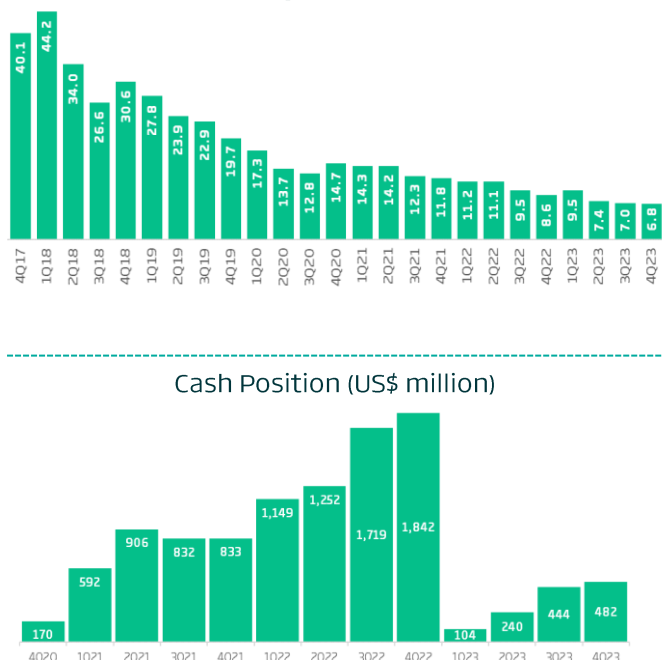
Rio de Janeiro, March 8, 2024 – PRIO S.A. (“PRIO” or “Company”) (B3: PRIO3) presents its results for the fourth quarter of 2023 (“4Q23”). The financial and operating information described below, unless otherwise stated, is presented on a consolidated basis and in US dollars (US\$), in accordance with International Financial Reporting Standards (IFRS) and includes the Company's direct subsidiaries: Petro Rio O&G Exploração e Produção de Petróleo Ltda., Petro Rio Internacional S.A., and their respective subsidiaries and branches.

Stock Information			12M Stock Price: PRIO3 x Ibovespa
Ticker (B3)		PRIO3	
# Shares issued ex-Treasury		834,428,004	
Market Cap (12/31/2023) ex-Treasury stocks	R\$	38,425,409,584	
Last Price (12/31/2023)	R\$	46.05	
12-month variation		25%	
90-day average trading volume	R\$	492,382,422	

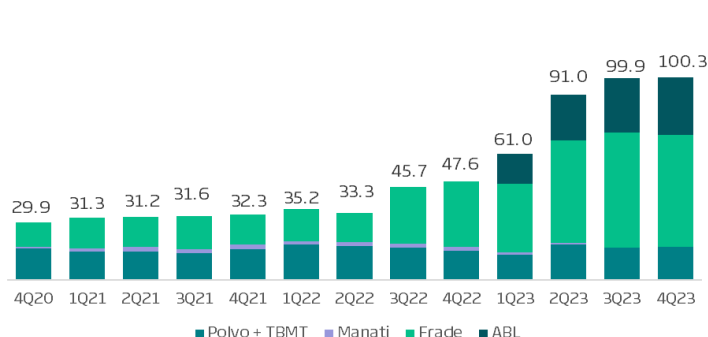
## HIGHLIGHTS OF THE QUARTER

- Record average daily production, reaching an average of 100.3 thousand barrels per day in 4Q23.
- Lifting cost of US\$ 6.8/barrel in 4Q23, the lowest ever recorded
- Operational efficiency above 94% in Albacora Leste by December 2023
- Conclusion of the 2nd phase of the Frade Revitalization Plan and beginning of studies for a possible 3rd phase
- Average carbon intensity of 21 kgCO<sub>2</sub>e/boe for the year, 20% lower than in 2022
- Publication of the first sustainability report in 2023
- Second edition of Reação Offshore in partnership with Instituto Reação and Todos na Luta
- Conclusion of the acquisition of ABL, the incorporation of DOMMO, and interest in Itaipu Field
- Record net revenue of US\$ 2.6 billion (110% increase over 2022)
- Record adjusted EBITDA (ex-IFRS 16) of US\$ 1.8 billion (101% increase over 2022)
- Record net income (ex-IFRS 16) of US\$ 1.1 billion (53% increase over 2022)

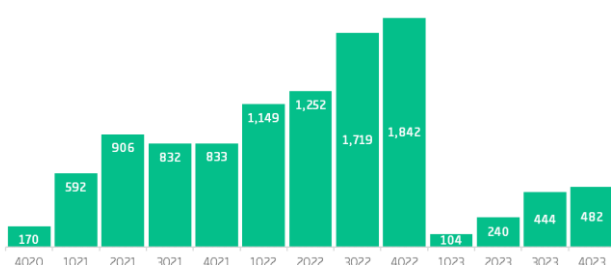
Lifting Cost (US\$/bbl)



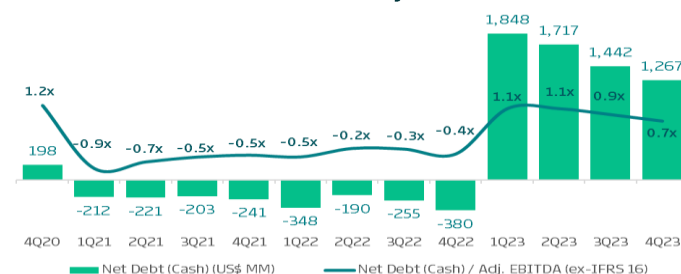
Production (kbpd)



Cash Position (US\$ million)



Net Debt (Cash) / Adjusted EBITDA



## MESSAGE FROM MANAGEMENT

The year 2023 was marked by several important achievements, such as the acquisition of the Albacora Leste field, the start of operations of the Hunter Queen, a rig acquired by PRIO in 2022, the purchase of the support vessel, Genesis I, emission reductions, and historic financial results. However, we also faced some setbacks, such as the conditions and integrity of the FPSO Forte and export taxes. Overcoming the challenges and achieving these milestones would not have been possible without the drive, determination, and discipline of our employees, who have shown total dedication by working tirelessly and making a difference.

In January 2023, we reached a significant milestone by finalizing the acquisition of the Albacora Leste field for approximately US\$2.2 billion, with US\$1.9 billion in fixed payments and up to US\$250 million in earn-outs. After a thorough transition program carried out by a multidisciplinary team comprising professionals from the previous operator and PRIO employees, we took over the asset's operation and implemented a series of investments to transform the field into a PRIO asset. We started with an efficiency of 61.0% upon assuming control and ended the year with an efficiency of 94.6%. Also in January, we acquired Dommo for US\$200 million, which held economic rights to 5% of the revenue from the Polvo and Tubarão Martelo cluster. In March, we also completed the acquisition of the remaining 40% stake in the Itaipu field, and in November, we divested the non-operating 10% stake in the Manati field, generating significant returns for the Company. Our trajectory continues to focus on growth, and we will continue to evaluate various opportunities for expansion and value creation.

We reached the historic milestone of 100,000 barrels per day in May 2023, highlighting our exceptional execution capability and our commitment to the highest standards of safety, sustainability, and socio-environmental responsibility. We also recognize that the efficiency of our operating costs is crucial to facing the volatility of the oil market. Thus, we recorded a record lifting cost of US\$7.5 per barrel for the year, reaching US\$6.8 per barrel in 4Q23. Additionally, in 2023, we concluded the 2nd phase of the successful Revitalization Campaign and achieved significant operational stability throughout the year in the Polvo and TBMT Cluster. These notable operational milestones are the direct result of increasingly efficient and safe production practices.

Through our Trading Company, established in 2023, we were able to practice sales under the "delivered to customer" mode, using larger vessels and optimizing our logistics. As a result, facing the significant increase in production, in 2023, we reached our highest level of offtakes, with 32.6 million barrels sold at competitive discounts.

Thus, we achieved record revenue, EBITDA, and net income for the year. We closed the quarter with a cash position of US\$ 482 million and a leverage ratio of 0.7x net debt/EBITDA. Throughout the year 2023, we also repurchased approximately 13.5 million shares, including 1.8 million in 4Q23. In November, we carried out debt amortization totaling US\$ 150 million, which had higher costs compared to the company's average and were nearing maturity. Finally, in February 2024, taking advantage of the favorable conditions in the local fixed-income market, we issued local debentures with a dollar swap totaling approximately US\$ 400 million with a duration of 5.9 years and an average cost of 6.14% per year. All of this puts us in a favorable position to continue our strategy of redeveloping operated assets and future opportunities for inorganic growth.

2023 was also marked by the enhancement of our corporate governance model. We established the Compensation Committee and the Sustainability Committee, further strengthening our decision-making process. In December, we approved our new stock option plan, fully aligned with shareholders' interests, ensuring that at least 80% of the compensation for key executives is in stocks, with a progressive vesting period of 5 years.

Our culture pushes us to reach new milestones. At PRIO, rebellion meets purpose, and our purpose is to improve lives by doing the impossible. We continue to work hard to raise awareness of the PRIO Culture so that the whole company can embody it. Currently, more than 91% of our employees are members of the company through the program for converting bonuses into shares, a reflection of the great cultural adherence and shared commitment.





We believe that we must act responsibly, respecting society and the environment. That's why we are focused on reducing our emissions in line with increasing efficiency and extending the life of our fields. In 2023, we achieved a 20% reduction in our emissions, reaching an average of 21 kgCO<sub>2</sub>e/boe for the year.

Internally, we continue to encourage and engage our employees in issues related to the environment, safety and social responsibility. One example was the Process Safety Campaign, focused on preventing accidents and improving safety, reliability, and operational performance.

We also expanded our external initiatives, consolidating our commitment to giving back to society. We launched the I ♥ PRIO signature, our declaration of love for the communities where we operate. In partnership with Instituto Reação and Todos na Luta, in 2023 we held the 2nd edition of the Reação Offshore program, training young people for the offshore industry. And we continued to support the PRIO Paralympic Team, while also sponsoring cultural events and exhibitions.

As part of our commitment to the development of the society in which we operate, throughout 2023, PRIO made 210 new hires and made a significant contribution to social development, allocating over R\$30 million in sponsorships through incentivized projects and direct sponsorships. Additionally, we invested over R\$8.9 million through the TAC Frade and paid R\$1.1 billion in royalties and special participation, as well as contributing over R\$526 million in income tax and social contribution, R\$108 million in PIS/COFINS payments, and over R\$271 million in export taxes. These actions reflect our dedication to promoting progress and sustainability in all areas where we operate.

Finally, we also thank our investors and society for supporting us on our journey so far. We know that there is much work ahead of us. We will continue to be enthusiastic and confident that 2024 will be a promising year for PRIO.

## OPERATING PERFORMANCE

	4Q22	2022	1Q23	2Q23	3Q23	4Q23	2023	4Q23 X 4Q22	4Q23 X 3Q23	2023 X 2022
Avg. Brent	\$ 88.63	\$ 99.04	\$ 82.16	\$ 77.73	\$ 85.92	\$ 82.86	\$ 82.18	-6.5%	-3.6%	-17.0%
Avg. Sales Price	\$ 85.32	\$ 100.12	\$ 82.93	\$ 77.67	\$ 86.48	\$ 77.39	\$ 81.41	-9.3%	-10.5%	-18.7%
Avg. Exchange Rate	5.26	5.17	5.19	4.94	4.88	4.96	4.99	-5.7%	1.6%	-3.3%
Final Exchange Rate	5.29	5.29	5.06	4.79	5.03	4.85	4.85	-8.2%	-3.6%	-8.2%
Offtakes (kbbl)										
Frade Field (100%)	1,495	6,900	4,334	4,130	5,278	4,762	18,505	218.5%	-9.8%	168.2%
Albacora Leste Field (90%)	n/a	n/a	1,409	1,432	3,028	1,828	7,697	n/a	-39.6%	n/a
Polvo + TBMT Cluster (100%)	798	5,386	1,547	1,602	1,466	1,843	6,459	131.0%	25.7%	19.9%
Total PRIO	2,293	12,286	7,290	7,164	9,773	8,433	32,660	267.7%	-13.7%	165.8%
Produção (boepd)										
Frade Field (100%)	32,254	22,689	33,833	50,825	56,643	55,345	49,161	71.6%	-2.3%	116.7%
Albacora Leste Field (90%)	n/a	n/a	14,731	22,651	27,113	28,412	23,227	n/a	4.8%	n/a
Polvo + TBMT Cluster (100%)	14,634	16,309	12,475	17,617	16,154	16,552	15,700	13.1%	2.5%	-3.7%
Manati Field (10%)	733	1,472	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total PRIO	47,621	40,470	61,039	91,094	99,910	100,308	88,088	110.6%	0.4%	117.7%
Lifting Cost (US\$/bbl)										
PRIO	8.6	10.7	9.5	7.4	7.0	6.8	7.5	-20.5%	-1.9%	-30.1%

The main operational highlights of the year are: (i) the Company's average production, which reached 88.0 kbpd in 2023 and 100.3 kbpd in 4Q23, an increase of approximately 118% and 111% compared to the previous year, respectively; (ii) lifting cost, which once again reached the lowest level ever recorded, showing a reduction of approximately 30% compared to 2022 and 20% compared to 4Q22; and (iii) the volume of offtakes carried out in the year, representing an increase of 166% compared to 2022.

The volume produced at **Frade** increased by 117% compared to 2022 and 72% compared to 4Q22. This increase is due to the start of production of the new wells from the 2nd phase of the **Frade** Revitalization campaign.

In the **Polvo and TBMT** cluster, the volume produced in the year was 4% lower than in the previous year due to the scheduled 8-day maintenance stoppage carried out in the cluster in March.

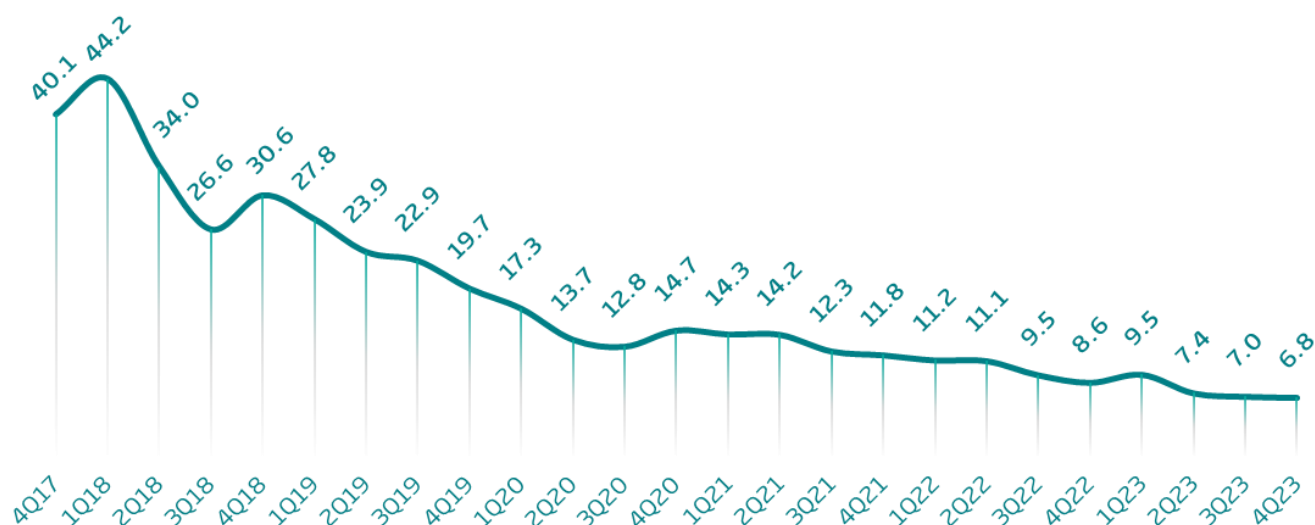
The volume produced in the **Albacora Leste** field in 4Q23 was 5% higher than in the previous quarter. The increase reflects the improvement in the asset's reliability, integrity and operational efficiency achieved over the course of 2023.

In the quarter, PRIO sold 8.4 million barrels, with 4.8 million from **Frade**, 1.8 million from the **Polvo and TBMT** cluster, and 1.8 million from **Albacora Leste**. The average gross sales price was US\$ 77.39, a 9% reduction on the figure recorded in 4Q22, mainly due to the reduction in the Brent price.

Since the beginning of PRIO's operations, which consolidated its growth strategy through the acquisition and development of producing assets, the Company has been working to increase its production levels and streamline its costs, while maintaining excellence in environmental responsibility, safety, and operational efficiency. PRIO believes that the best protection against Brent's volatility is the reduction of its lifting cost, which will continue to be a pillar of current and future projects. The Company presents below the evolution of its lifting cost since 4Q17.

## Lifting Cost PRIO

(US\$/bbl)



The 4Q23 lifting cost, the lowest ever recorded by the Company, represents a reduction of approximately 20% compared to the same quarter of the previous year and 2% compared to 3Q23. The positive result is mainly due to: (i) the outcomes of the **Frade** Revitalization Plan, which added production to the field, and (ii) the increase in production and cost reduction of the **Albacora Leste** field.



## TRADING

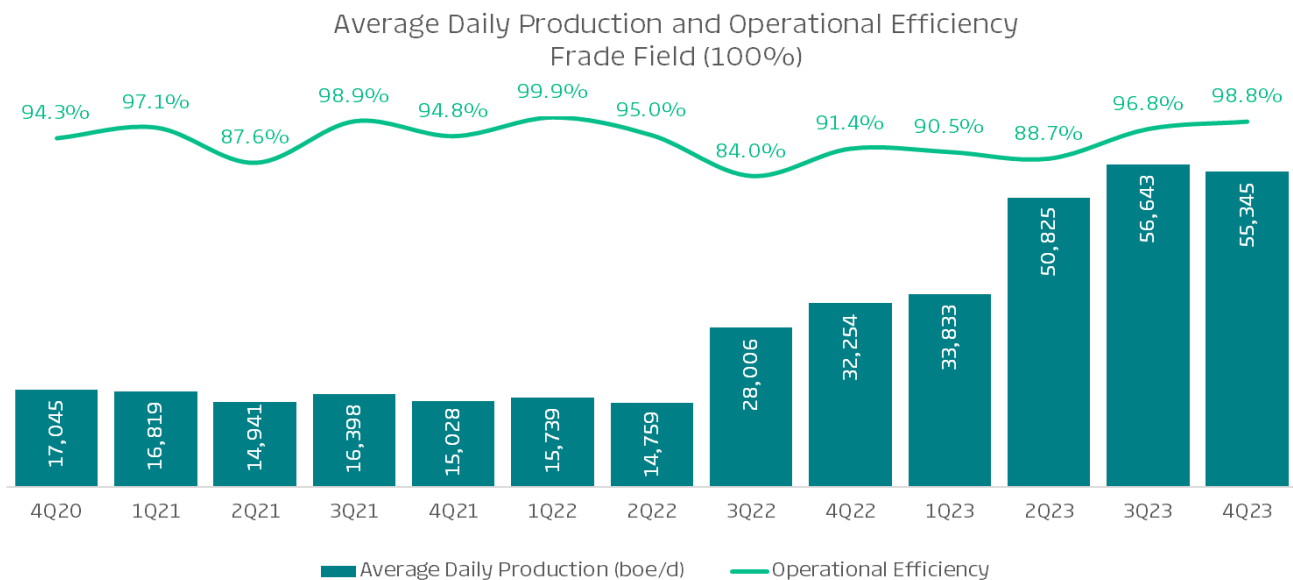
In 4Q23, PRIO sold 8.4 million barrels, representing an increase of 268% compared to 4Q22, which in turn was impacted by the Company's decision to sell a lower volume than its production, due to the increase in sea freight costs generated mainly by the redesign of Russian oil marketing flows. In relation to 3Q23, there was a 14% reduction in sales, mainly due to Repsol Sinopec Brasil S.A.'s offtake in **Albacora Leste**, which happens every time the oil stock referring to its stake accumulates 1 million barrels on the date set for the offtake.

Considering the significant increase in the Company's production, PRIO is looking for different alternatives for selling oil and obtaining better conditions, showing a growing improvement in the discounts practiced. As a result, most of the sales were made in the "delivery to customer" mode (5.2 million barrels), with a view to expanding the universe of customers.



The average production of the field in the quarter was 55.3 kbpd, a decrease of approximately 2% compared to the previous quarter, due to natural production decline.

The operational efficiency of the asset in this quarter was 98.8%, the highest figure since the start of the **Frade** Revitalization Campaign. In this quarter, the operational efficiency of the asset was impacted by the MUP3A well, which was undergoing workover and was completed in February 2024 with the designation of MUP3B.



With the completion of the second phase of the **Frade** Revitalization Plan in 2023 and the data collected during its execution, PRIO is preparing for a third phase of the field's Revitalization Plan.



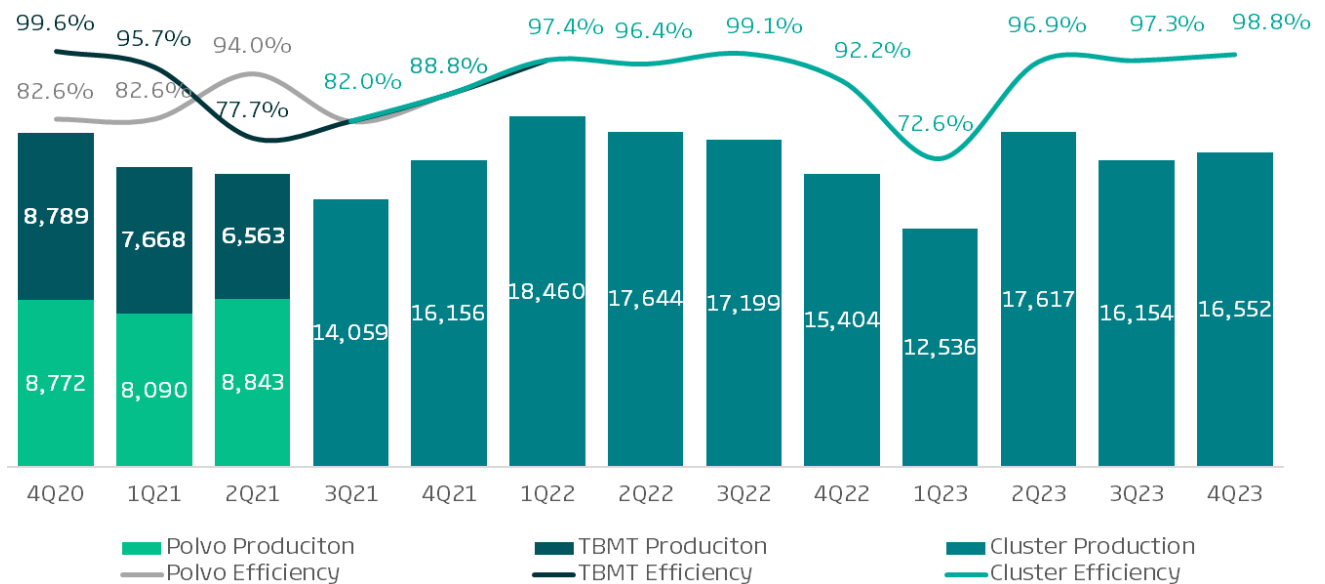




In 4Q23, the **Polvo** and **TBMT** cluster reported a daily average production 2.5% higher than the previous quarter. This increase is due to: (i) the temporary shutdown of the POL-W well in September, which resumed production in October, impacting production in 3Q23, and; (ii) the start of production from the new producing well, POL-Q, in September, contributing to the cluster's production. Compared to the previous year, the cluster had a daily average production 4% lower due to: (i) interruptions in the TBMT-4H and TBMT-8H wells, which resumed production in March and April, respectively, and; (ii) an 8-day scheduled shutdown in March, which impacted the asset's production average for the year.

The operational efficiency of the cluster in the quarter was 98.8%. The chart below illustrates the production and efficiency of the fields since 4Q20:

Average Daily Production and Operational Efficiency  
Polvo + TBMT Cluster (100%)



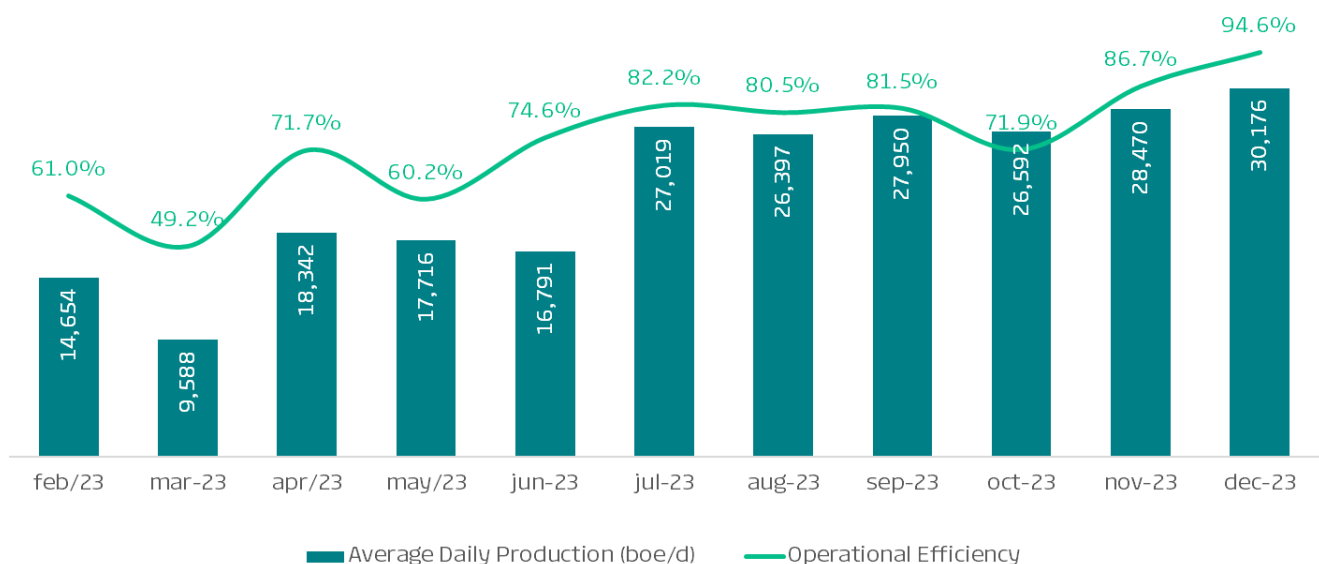


## ALBACORA LESTE FIELD

In the quarter, the **Albacora Leste** Field had an average daily production of approximately 28.4 thousand barrels per day (PRIO's share) and an operational efficiency of 84.3% vs 81.4% in 3Q23. The significant month-to-month improvement can be explained by corrective maintenance and equipment replacement at the operational unit, enhancing the asset's reliability. In October, production and operational efficiency were impacted by occasional shutdowns for maintenance of fire fighting systems and power generation. In December, the field achieved its highest operational efficiency since the acquisition of the asset at 94.6% and an average daily production of 30.1 kbpd.

The Company continues to focus on improving the reliability, integrity, and operational efficiency of the asset to reach and maintain the standards of other PRIO assets.

Average Daily Production (90%) and Operational Efficiency  
Albacora Leste Field



In the fourth quarter of 2023, PRIO remained focused on finalizing the acquisition of necessary equipment for the project, strengthening the diligence of manufacturing, importation, and delivery processes, deepening technical reviews of flow analysis and tieback specifications, as well as freezing project assumptions for well, topside, and subsea scopes to meet the first oil schedule of **Wahoo** in August 2024.

In November 2023, PRIO defined the window for the arrival of the vessel that will carry out the production line installation (tieback), scheduled between April 15, 2024, and May 15, 2024.

Finally, the next steps in the development of **Wahoo** are:

- 1) Approval of Environmental Licensing for drilling and production at **Wahoo** Field;
- 2) Start of drilling campaign;
- 3) Commencement of activities for subsea construction and launch preparation;
- 4) Subsea construction of interconnection between **Wahoo** Field and FPSO Valente;
- 5) First Oil from **Wahoo**.







PRIO has published a new reserves and resources certification, prepared by DeGolyer & MacNaughton (D&M), with a reference date of January 1, 2024, including the **Polvo** and **TBMT** clusters, **Frade** and **Wahoo**, and the **Albacora Leste** field.

Summary of reserves:

Field	Oil (MMbbl)				
	Jan/23 D&M 1P	Production 2023	Jan/23 Post Prod.	Jan/24 D&M 1P	Jan/24 D&M 1P + 1C
Frade (100%)	120.1	17.4	102.7	125.4	147.2
Wahoo (64.3%)	81.0	-	81.0	79.8	79.8
Polvo + TBMT (100%)	42.1	5.7	36.4	39.4	39.4
Albacora Leste (90%)	304.1	9.0	295.1	292.5	292.5
<b>Total Reserves</b>	<b>547.3</b>	<b>32.1</b>	<b>515.2</b>	<b>537.1</b>	<b>559.0</b>

Summary of CAPEX associated with reserves:

Field	Growth CAPEX <sup>(1)</sup> (US\$ MM)		CAPEX <sup>(1)</sup> /added barrel (PUD + PDNP) (US\$/bbl)		CAPEX <sup>(2)</sup> /well (US\$ MM)	
	D&M 2023	D&M 2024	D&M 2023	D&M 2024	D&M 2023	D&M 2024
Frade (100%)	195.0	154.4	3.6	3.6	48.7	50.5 <sup>(3)</sup>
Wahoo (64.3%)	533.7	533.7	6.6	6.7	51.3 <sup>(4)</sup>	51.3 <sup>(4)</sup>
Polvo + TBMT (100%)	60.0	49.5	4.0	7.9	20.0	24.8
Albacora Leste (90%)	1,130.9	1,159.8	4.9	5.6	57.0	59.2

Notes:

- (1) Does not consider production maintenance CAPEX.
- (2) Considers only drilling and well completion CAPEX.
- (3) Considers CAPEX realized in 2023 from the MUP3B well.
- (4) Considers CAPEX 100%.

In the **Frade** field, the 1P reserves were reviewed considering the performance of the producing wells opened in 2023. Additionally, the 2024 certification includes 3 new producing wells: MUP3B, ODP6, and Maracanã. ODP6 and Maracanã were considered contingent resources (1C), subject to the elaboration of the Development Plan, as was the case with Wahoo in the 2021 certification.

In the **Wahoo** field, there was a minor adjustment in the expected abandonment date due to the revision of Frade's OPEX from US\$ 65 million per year to US\$ 77 million per year.

In the **Albacora Leste** field, the 1P production curve was adjusted considering the current work plan, reaching a production peak of 79.2 kbpd in the year 2029. The CAPEX per added barrel was impacted by: (i) reopening of wells in 2023 with relatively low CAPEX compared to new wells; (ii) inclusion of 1 new injector well, resulting in an increase in CAPEX without an increase in reserves; and (iii) CAPEX of Arapuã reservoir wells underwent adjustments after joint analysis with partners following PRIO's operation commencement.

Finally, in the **Polvo and TBMT** cluster, the new certification considered the anticipation of 1 producer well in the Polvo field, Well B, for 2024. Regarding CAPEX, the 2023 certification had considered 3 new producer wells in **Polvo**, 2 dry completion wells, and 1 wet completion well. In 2023, 1 dry completion well was drilled and exhibited stabilized production below that forecasted in the 2023 certification. Thus, although the total CAPEX to carry out the 2 new wells did not change compared to 2023, the CAPEX per new well in the 2024 certification increased because the CAPEX of the remaining wells is higher than the previously drilled well. The production projection of the new wells was also adjusted based on the production from the well drilled in 2023.





The Company believes that its operational strategy, through efficiency improvement and field life extension, is directly linked to emission reduction. As such, in the year 2023<sup>1</sup>, PRIO achieved an average relative emission<sup>2</sup> of 21 kgCO<sub>2</sub>e/boe, a reduction of 20% compared to 27 kgCO<sub>2</sub>e/boe in 2022. If we exclude the Albacora Leste field, which was not operated by PRIO in 2022, this reduction would be 34%. Since PRIO took over the field's operation, a 17% decrease in emissions has been observed. These reductions result from a series of improvements that the Company has been implementing in its assets to enhance the efficiency of its facilities.

In 2023, PRIO was the only company in the oil and gas sector to be a finalist in the GRI Awards, an award that recognizes companies in the sector that have carried out outstanding sustainable initiatives in the biodiversity and communities categories. As part of the Frade TAC, the company supports various projects such as the Marine and Fishing Research project, an important ally in generating new information related to fishing and the marine environment of Rio de Janeiro, as well as Conservation Units, a project that makes it possible to improve nine conservation units on the coast of the state of Rio de Janeiro and the north coast of São Paulo.

The Company believes that increased safety leads to greater efficiency. Therefore, throughout 2023, PRIO promoted various activities and campaigns to strengthen this pillar and raise awareness among employees about the importance of safety. For example, in the fourth quarter, the Company conducted the Process Safety Campaign, aiming to consolidate and share all knowledge of best safety practices with employees, preventing accidents and ensuring the safety, reliability, and performance of the Company's operations.

In 2023, PRIO's renowned Wellness program celebrated its 5th anniversary. The Company believes that the well-being of its employees is of utmost importance and continues to promote and provide various activities for its staff. In 4Q23, the Company organized ceramic activities, which involved the participation of four groups divided over three weeks each. Throughout the quarter, the Company also held an internal soccer championship, promoting integration and team spirit among the participants. Additionally, various outdoor activities were conducted, such as PRIO Trekking, group hikes along trails in Rio de Janeiro, yoga classes at the Aterro, and street races.

In this year, PRIO has created a signature for all projects and initiatives aimed at giving back to society, an important part of its growth. The I♥PRIO is a declaration of PRIO's love for the places where we operate. In this sense, throughout 4Q23, the Company sponsored the I♥PRIO Blue & Jazz Festival, the play Diary of Pilar in the Amazon, the Footprints of the Little Prince exhibition, and the final stage of the Porsche Cup at Interlagos. Additionally, in November 2023, the Company inaugurated the I♥PRIO Theater, which will feature various plays and renowned names in theater and music.

Finally, for 2024, PRIO has several new initiatives, including sponsorship of the Vini Jr Institute, which uses sports as a tool to support the learning of public school students. Additionally, PRIO will support the social project Rede Cruzada, focused on the education of adolescents and children, along with various other initiatives.

<sup>1</sup> The information for 2023 refers to the partial inventory, which has not yet been certified and may undergo minor changes

<sup>2</sup> Scope 1 and 2 emissions





## FINANCIAL PERFORMANCE

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

### Income (loss) for period

(In thousands of US\$)

	Ex-IFRS 16			Accumulated - Ex-IFRS16			Includes IFRS 16		
	4Q22	4Q23	Δ	2022	2023	Δ	2022	2023	Δ
<b>Net Revenue</b>	<b>184,492</b>	<b>690,652</b>	<b>274%</b>	<b>1,249,659</b>	<b>2,623,111</b>	<b>110%</b>	<b>1,249,659</b>	<b>2,623,111</b>	<b>110%</b>
Export and domestic sales taxes	-	(4,521)	n/a	-	(84,868)	n/a	-	(84,868)	n/a
Commercialization Expenses	(9,795)	(52,366)	435%	(9,795)	(137,278)	1302%	(9,795)	(137,278)	1302%
<b>Net Revenue - FOB</b>	<b>174,697</b>	<b>633,765</b>	<b>263%</b>	<b>1,239,864</b>	<b>2,400,965</b>	<b>94%</b>	<b>1,239,864</b>	<b>2,400,965</b>	<b>94%</b>
Cost of goods sold	(30,595)	(57,230)	87%	(191,544)	(273,641)	43%	(168,902)	(230,925)	37%
Royalties	(15,098)	(75,587)	401%	(97,188)	(230,551)	137%	(97,188)	(230,551)	137%
<b>Operating Income</b>	<b>129,004</b>	<b>500,948</b>	<b>288%</b>	<b>951,133</b>	<b>1,896,772</b>	<b>99%</b>	<b>973,775</b>	<b>1,939,489</b>	<b>99%</b>
General and administrative expenses	(12,204)	(38,882)	219%	(50,888)	(90,563)	78%	(49,385)	(89,096)	80%
Other operating income (expenses)	51,885	47,269	-9%	26,885	5,297	-80%	26,885	5,297	-80%
<b>EBITDA</b>	<b>168,685</b>	<b>509,335</b>	<b>202%</b>	<b>927,129</b>	<b>1,811,507</b>	<b>95%</b>	<b>951,275</b>	<b>1,855,690</b>	<b>95%</b>
<b>EBITDA margin</b>	<b>97%</b>	<b>80%</b>	<b>-17 p.p.</b>	<b>75%</b>	<b>75%</b>	<b>0 p.p.</b>	<b>77%</b>	<b>77%</b>	<b>0 p.p.</b>
Depreciation and amortization	(25,165)	(57,117)	127%	(129,892)	(357,258)	175%	(145,355)	(394,727)	172%
Financial Results	(1,445)	(55,511)	3741%	(40,040)	(178,472)	346%	(44,007)	(212,705)	383%
Financial Income	(6,734)	155,704	-2412%	176,741	319,961	81%	176,741	319,961	81%
Financial Expenses	5,289	(211,215)	-4094%	(216,781)	(498,433)	130%	(220,748)	(532,666)	141%
Income and social contribution taxes	47,745	(72,492)	-252%	(45,656)	(189,056)	314%	(45,656)	(189,056)	314%
<b>Income (loss) for the period</b>	<b>189,819</b>	<b>324,215</b>	<b>71%</b>	<b>711,542</b>	<b>1,086,720</b>	<b>53%</b>	<b>716,257</b>	<b>1,059,203</b>	<b>48%</b>

	4Q22	4Q23	Δ	2022	2023	Δ	2022	2023	Δ
<b>Adjusted* EBITDA</b>	<b>116,801</b>	<b>462,066</b>	<b>296%</b>	<b>900,244</b>	<b>1,806,210</b>	<b>101%</b>	<b>924,389</b>	<b>1,850,393</b>	<b>100%</b>
<b>Adjusted EBITDA margin</b>	<b>67%</b>	<b>73%</b>	<b>+ 6 p.p.</b>	<b>73%</b>	<b>75%</b>	<b>+ 2 p.p.</b>	<b>75%</b>	<b>77%</b>	<b>+ 2 p.p.</b>

\*Adjusted EBITDA is calculated similarly to EBITDA, disregarding the line composed of non-recurring effects "Other Income and Expenses".

Oil sotck	4Q22	3Q23	4Q23	4Q23 X 4Q22	4Q23 X 3Q23
<b>Balance (barrels)</b>	<b>3,109</b>	<b>1,527</b>	<b>1,836</b>	<b>-40.9%</b>	<b>20.2%</b>
Frade Field	675	599	794	17.6%	32.6%
Albacora Leste	-	-	489	n/a	n/a
Polvo and TBMT cluster	439	878	553	26.0%	-37.0%
Storage in US Virgin islands	1,995	50	-	n/a	n/a
<b>Stock cost (US\$ thousand)</b>	<b>66,069</b>	<b>51,658</b>	<b>52,534</b>	<b>-20.5%</b>	<b>1.7%</b>
Frade Field	8,542	19,804	13,230	54.9%	-33.2%
Albacora Leste	-	-	21,060	n/a	n/a
Polvo and TBMT cluster	13,874	29,356	18,244	31.5%	-37.9%
Storage in US Virgin islands	43,653	2,498	-	n/a	n/a

In 2023, the main factor impacting PRIO's financial performance was the increase in revenue, reflecting the growth in production and sales, despite a 17% reduction in the average Brent price compared to the previous year. Thus, PRIO recorded a net revenue of \$2.6 billion for the year, representing a 110% increase, and an Adjusted EBITDA (ex-IFRS-16) of \$1.8 billion, 101% above 2022, both reflecting the growth in production and offtakes.

In the quarter, PRIO recorded revenue 274% higher tha 4Q22, due to (i) growth in production and offtakes and; (ii) an increase in shipping costs mainly caused by the imposition of a "price cap" on Russian oil, which led the Company's decision to sell a volume significantly lower than production and stockpile the oil in December 2022.

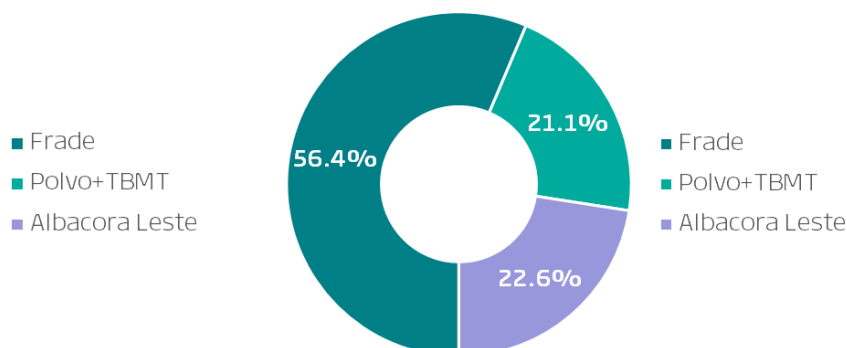
Analyzing the quarterly revenue, the **Frade** field accounted for 56% of the Company's total revenue, the **Polvo and TBMT** cluster represented 21% of the total revenue, and the **Albacora Leste** field, in turn, contributed 23% to PRIO's total revenue. In the annual revenue, the **Frade** field contributed 57%, the **Polvo and TBMT** cluster contributed 19%, while **Albacora Leste** contributed 24% of the total Company revenue. The graph below illustrates the representation of each asset in the total net revenue of the Company:



## Revenue per asset

**4Q23**

**2023**



Cost of Goods Sold ("COGS") totaled \$273 million for the year, 43% above the previous year's figure; however, the quantity of barrels sold during the year increased by 166% compared to the previous year, demonstrating a reduction in the unit cost per product sold. In the quarter, COGS was 87% higher than in 4Q22, due to the higher volume of barrels sold compared to the same quarter of the previous year.

The Company recognized an Operating Result (ex- IFRS 16) of \$1.9 billion for the year, 99% higher than the previous year, due to increased production and sales. In the quarterly comparison, the 288% higher result reflects the revenue increase for the quarter, attributable to a higher number of offtakes.

General and administrative expenses, including M&A expenses, personnel, projects, geology, and geophysics costs, increased by 219% compared to 4Q22 and accumulated a 78% increase in the annual comparison, totaling \$90 million, due to increased personnel expenses, sponsorship of social projects and office expansion.

Other operating income and expenses totaled \$47 million in the quarter, positively impacted by the provision adjustment for abandonment according to the new reserve certification.

The Company recorded an annual adjusted EBITDA (ex-IFRS 16) of \$1.8 billion, a 101% increase compared to the previous year, driven by significant growth in Operating Result. In the quarterly comparison, this indicator resulted in a 296% increase, also reflecting the higher operating result for the period.

The Company's financial result (ex- IFRS 16) was negative at \$178 million versus \$40 million negative recorded in the previous year, negatively impacted by interest on loans and financing considering the higher debt position in 2023, reduced financial revenue due to a smaller cash position compared to the previous year, premium payments due to Brent hedge contracts, and the updating factor of the **Albacora Leste** earn-out.

Net income (ex- IFRS 16) for the year was approximately \$1.1 billion, a 53% increase compared to the previous year, driven by higher production and sales volume during the year. In the quarter, the Company recorded a net income 71% higher than 4Q22, impacted by the growth in operating result.

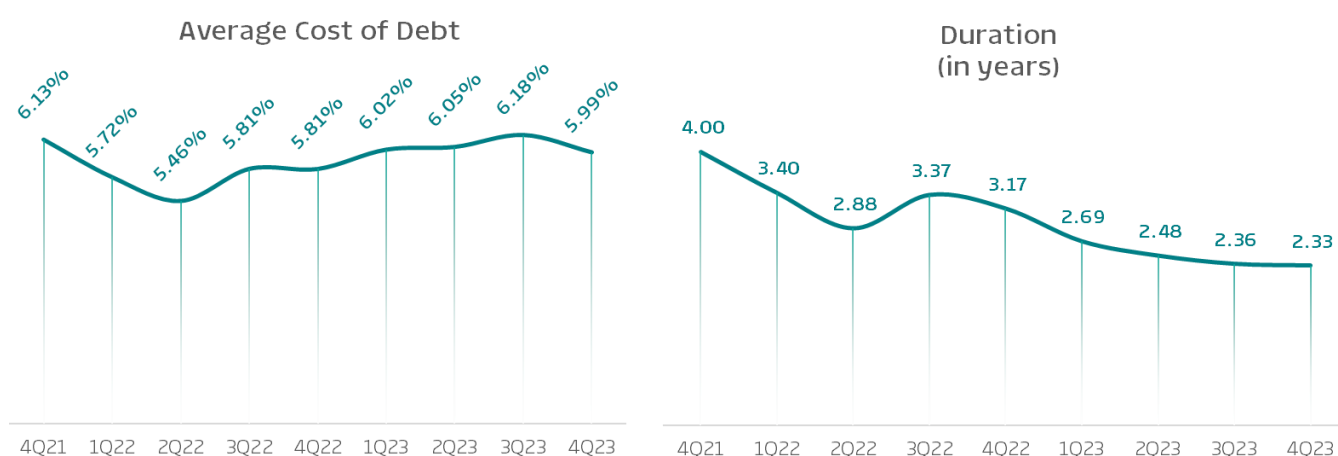


## CASH, DEBT AND FINANCING

In the fourth quarter of 2023, PRIO chose to prepay debts amounting to US\$150 million that had a higher cost than the Company's average cost and were due to mature soon. Additionally, PRIO renegotiated a debt of US\$50 million, extending the duration and reducing the cost. As a result, the Company's average debt cost in the quarter was 5.99% with a duration of 2.33 years.

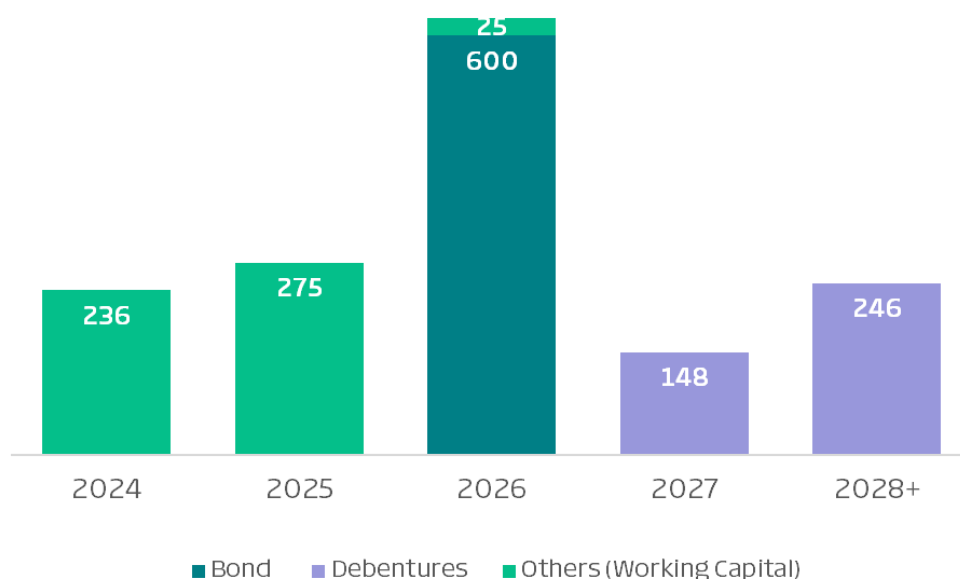
On February 29, 2024, the Company settled the 2nd issuance of simple debentures in the total amount of R\$2 billion and entered swaps (derivative instruments) with the aim of dollarizing the issuance. As a result, the issuance together with the derivative instruments resulted in an average dollarized cost of 6.14% per year and an approximate duration of 5.9 years.

PRIO maintains the cost and duration of its debts at levels considered adequate by the Company and continues to monitor the domestic and international markets seeking opportunities to maintain its robust capital structure.



## Amortization schedule

(US\$ million)



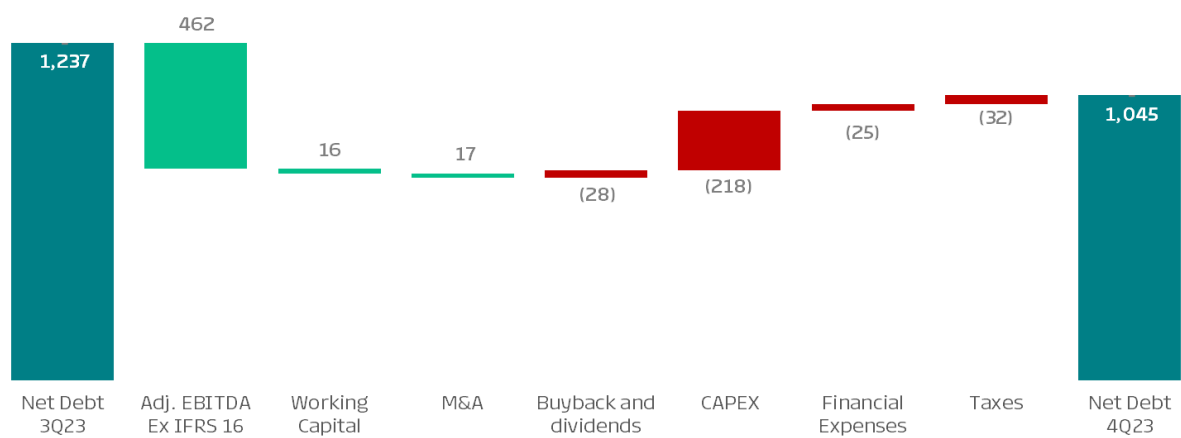


CASH VARIATIONS

In the fourth quarter of 2023, PRIO's net debt position decreased by approximately US\$192 million compared to 3Q23, explained by the following variations:

- **M&A:** receipt relating to the conclusion of the sale of the stake in the Manati Field
- **CAPEX:** mainly disbursements for the development of Wahoo, followed by Albacora Leste and Frade

Changes in net cash  
(US\$ million)







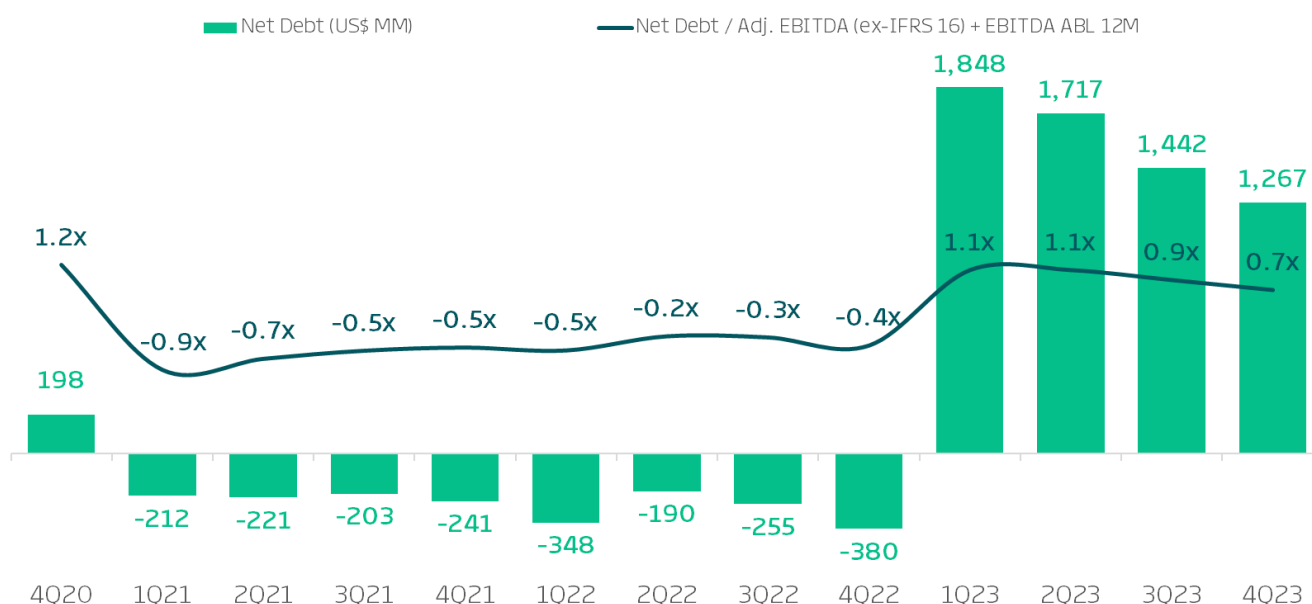
## LEVERAGE

In 4Q23, the Company continued its share buyback program, aiming to add value for its shareholders. Thus, it made a payment of approximately US\$ 16 million for the acquisition of about 1.8 million shares, as well as intensified CAPEX mainly for the Wahoo field and amortized US\$ 150 million in debt. As a result, PRIO ended the fourth quarter of 2023 in a net debt position, as shown in the graph below.

The leverage ratio was calculated according to the covenants established under the issuance of debt notes ("bonds") and debentures, meaning a possible additional payment related to the acquisition of Albacora Leste ("earn-outs") was considered, and an estimate of the adjusted EBITDA generated by the asset from December 31, 2022, to January 26, 2023, was included to reflect the adjusted EBITDA generated by the asset in the last 12 months.

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

(US\$ million)



## ANNEX 1

### IFRS 16

On January 1, 2019, the Company adopted the IFRS 16 rule change. The change unifies the treatment of operating and finance leases, significantly impacting the Company's balance sheet, primarily through the chartering of support vessels used in operations, which represents the largest lease contract.

<b>Right-of-use assets 2023</b>	<b>Balance</b>
Support Vessels	1,524,862
Helicopters	193,436
Buildings/Support Bases	162,339
Equipment	163,724
<b>Total</b>	<b>2,044,361</b>

To calculate the cost amount, the periods in which the assets will be required for operation were considered, ranging from 2031 to 2041, as well as the incremental rate on the loans outstanding at the time of equipment rental contracting. This rate is maintained until the end of the contracts, except if there is a change in their terms.

As disclosed in explanatory note 2, Basis of preparation and presentation of financial statements, there was an extension of the useful life of the Frade, Polvo, and Tubarão Martelo fields, leading to a review of discount rates. As of December 31, 2023, the rate of 12.44% p.a. (CDI + 2.05% p.a.) is being considered for contracts in Brazilian Real, and 11.87% p.a. for contracts in U.S. dollars for Frade and 11.55% for the Cluster.

As there was no change in the useful life period of Albacora Leste, there was no update of the discount rates, maintaining 14% for contracts in Brazilian Real and 7.14% for contracts in U.S. dollars.

Due to the new contracts included or terminated in the fiscal year and the updated reserve estimates, the asset increased by R\$804,223, the liability increased by R\$813,088, and the difference was recorded in the result, under the line of other operating income and expenses.

The effects presented in the fiscal year were:

	<b>Assets</b>	<b>Liabilities</b>
<b>Balance at December 31, 2022</b>	<b>1,470,973</b>	<b>(1,501,358)</b>
Additions/Reversals**	1,297,479	(1,297,479)
Reversals - contracts closed early	(619,952)	611,087
Additions/reversals - review of the useful life of fields	126,696	(126,696)
Currency adjustment	-	(5,046)
Monetary update	-	(148,861)
Payments made	-	221,404
Amortization	(146,332)	-
Conversion adjustment	(84,503)	85,711
<b>Balance at March 31, 2023</b>	<b>2,044,361</b>	<b>(2,161,238)</b>
Current	-	(224,502)
Non-current	<b>2,044,361</b>	<b>(1,936,736)</b>

\*Conversion factor: closing exchange rate for balances and average rate for period movements

Further details can be found in explanatory note 15 of the Annual Information for 2023.

## BALANCE SHEET

(In thousands of US\$)

ASSETS	Dec/22	Dec/23
Cash and cash equivalents	1,842,375	482,392
Securities	-	74
Accounts receivable	31,873	359,945
Oil inventories	66,069	52,533
Consumable inventories	20,833	82,069
Derivative Financial Instruments	-	-
Recoverable taxes	14,568	71,811
Advances to suppliers	35,722	20,703
Advances to partners	6,235	19,248
Prepaid expenses	2,072	4,571
Other receivables	60	159
<b>Total Current assets</b>	<b>2,019,807</b>	<b>1,093,505</b>
<b>Non-current assets available for sale</b>	<b>12,291</b>	<b>-</b>
	<b>2,032,098</b>	<b>1,093,505</b>
Advance to suppliers	-	-
Deposits and pledges	2,016	6,420
Recoverable taxes	5,160	873
Deferred taxes	132,640	106,703
Right-of-use (Lease CPC 06.R2 IFRS)	281,920	422,275
Property, plant and equipment	894,111	3,770,175
Intangible assets	543,141	431,175
<b>Total non-current assets</b>	<b>1,858,988</b>	<b>4,737,621</b>
<b>Total Assets</b>	<b>3,891,086</b>	<b>5,831,127</b>

LIABILITIES	Dec/22	Dec/23
Suppliers	108,463	172,429
Labor obligations	26,449	55,128
Taxes and Social Contribution	30,418	122,489
Derivative financial instruments	-	-
Debentures with swap	7,765	8,144
Loans and financing	75,370	250,477
Contractual Charges (Lease IFRS 16)	12,371	46,372
Accounts payable - Acquisition of assets	-	59,586
Other liabilities	8,324	847
<b>Total current liabilities</b>	<b>269,160</b>	<b>715,473</b>
<b>Liabilities kept for sale</b>	<b>(2,519)</b>	<b>-</b>
	<b>266,641</b>	<b>715,473</b>
Suppliers	288	-
Loans and financing	1,005,828	896,630
Debentures with swap	373,768	371,852
Mark-to-market - Swap	17,117	(16,669)
Provision for abandonment (ARO)	51,367	231,638
Provision for contingencies	4,475	195,423
Contractual Charges (Lease IFRS 16)	275,372	400,045
Accounts payable - Acquisition of assets	-	162,502
Other liabilities	373	7,590
<b>Total non-current liabilities</b>	<b>1,728,588</b>	<b>2,249,011</b>
<b>Minority Interest</b>	<b>-</b>	<b>-</b>
Realized capital	953,380	959,899
Capital reserves	68,214	43,792
Profit Reserves	45,763	664,090
Other comprehensive income	112,243	139,660
Income (loss) for the period	716,257	1,059,202
<b>Total shareholders' equity</b>	<b>1,895,857</b>	<b>2,866,643</b>
<b>Total liabilities and shareholders' equity</b>	<b>3,891,086</b>	<b>5,831,127</b>



## INCOME STATEMENT

(In thousands of US\$)

	2022	2023
<b>Net Revenue</b>	<b>1,249,659</b>	<b>2,538,244</b>
Cost of goods sold	(168,902)	(230,925)
Depreciation and amortization	(145,355)	(394,727)
Royalties	(97,188)	(230,551)
<b>Gross Profit</b>	<b>838,215</b>	<b>1,682,041</b>
<b>Operating income (expenses)</b>	<b>(32,295)</b>	<b>(221,077)</b>
Commercialization expenses	(9,795)	(137,278)
Geology and geophysics expenses	(2,901)	(5,017)
Personnel expenses	(23,248)	(47,308)
General and administrative expenses	(9,094)	(14,195)
Expenses with third party services	(11,864)	(16,722)
Taxes and fees	(2,279)	(5,854)
Other operating income (expenses)	26,885	5,297
<b>Financial Results</b>	<b>(44,007)</b>	<b>(212,705)</b>
<i>Financial income</i>	176,741	319,961
<i>Financial expenses</i>	(220,748)	(532,666)
<b>Income before income and social contribution taxes</b>	<b>761,913</b>	<b>1,248,259</b>
<i>Income and social contribution taxes - Current</i>	(105,154)	(138,874)
<i>Income and social contribution taxes - Deferred</i>	59,498	(50,182)
<b>Income (loss) for the period</b>	<b>716,257</b>	<b>1,059,203</b>

## CASH FLOW STATEMENT (In thousands of US\$)

	2022	2023
<b>Cash flows from operating activities</b>		
<b>Income (loss) for the period (before taxes)</b>	<b>761,913</b>	<b>1,248,259</b>
Depreciation and amortization	156,955	392,175
Financial income	(85,495)	(165,975)
Financial expenses	112,821	373,572
Share-based compensation	6,929	18,118
Provision for contingencies/losses/P&D	1,038	12,360
Reduction of provision for abandonment	(71,642)	(109,216)
0	-	(7,134)
	<b>882,519</b>	<b>1,762,159</b>
<b>(Increase) decrease in assets</b>		
Accounts receivable	132,410	(305,968)
Recoverable taxes	8,306	(85,787)
Prepaid expenses	(206)	(2,150)
Advances to suppliers	(20,668)	5,201
Oil inventories	(32,114)	46,346
Consumables inventory	(15,804)	(12,115)
Advance to partners in oil and gas operations	1,519	(23,998)
Deposits and pledges	(453)	361
Other receivables	440	111
<b>Increase (decrease) in liabilities</b>		
Suppliers	70,309	37,803
Labor obligations	(422)	24,640
Taxes and social contributions	(117,803)	(69,281)
Other obligations	7,012	23,251
<b>Net cash from operating activities</b>	<b>915,045</b>	<b>1,400,573</b>
<b>Cash flow from investing activities</b>		
(Investment) Redemption of securities	668,486	-
(Investment) Redemption in abandonment fund	883	-
Non-current assets available for sale	-	(2,594)
(Aquisition) Sale of Property, plant and equipment	(368,797)	(864,149)
(Acquisition) Sale of intangible assets	(166)	(77)
(Acquisition) of oil and gas asset	(360,150)	(1,699,895)
<b>Net cash from investing activities</b>	<b>(59,744)</b>	<b>(2,566,715)</b>
<b>Cash flows from financing activities</b>		
Loans and financing	478,000	328,000
Payment of principal on loans	-	(270,000)
Interest paid on loans	(44,062)	(70,103)
Contractual charges (Lease IFRS 16 - Principal)	(12,813)	(8,876)
Contractual charges (Lease IFRS 16 - Interest)	(11,086)	(29,957)
Debentures Issuance	397,520	-
Interest paid on debentures	-	(36,488)
Derivative transactions	6,274	-
(Purchase) Sale of shares of the Company (held in treasury)	2,991	(101,892)
(Decrease) Paid-up capital	(3,571)	6,519
Dividends distributed	-	(12,282)
<b>Net cash (invested in) from financing activities</b>	<b>813,253</b>	<b>(195,079)</b>
Conversion adjustment	(121)	1,238
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,668,433</b>	<b>(1,359,983)</b>
Cash and cash equivalents at the beginning of the period	173,942	1,842,375
Cash and cash equivalents at the end of the period	1,842,375	482,392
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,668,433</b>	<b>(1,359,983)</b>

## SOCIAL AND ENVIRONMENTAL PROJECTS



REAÇÃO OFFSHORE



INSTITUTO REAÇÃO



TODOS NA LUTA



PEA OBSERVAÇÃO



FAVELA BRASS



NEOJIBA



OSB



IRMÃ DULCE



ALLIANCE



INSTITUTO VINI JR

### About PRIO

PRIo is the largest independent oil and natural gas production company in Brazil. The Company's corporate culture seeks to increase production through the acquisition of new production assets, redevelopment, greater operational efficiency and reduction of production costs and corporate expenses. Its main objective is to create value for its shareholders by means of high financial discipline and preserving its liquidity, with full respect for safety and the environment. For more information, access the website: [www.prio3.com.br](http://www.prio3.com.br).

### Legal Notice

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