

Prio S.A.

Quarterly Information – ITR

June 30, 2024

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Quarterly Information

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Report on the review of quarterly information

To
Shareholders, Board Members and Directors of
Prio S.A.
Rio de Janeiro - RJ

Introduction

We have reviewed the accompanying individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) of Prio S.A. for the quarter ended June 30, 2024, comprising the statement of financial position as of June 30, 2024, and the related statements of profit or loss and of comprehensive income for the three and six-month periods then ended, and the statements of changes in equity and of cash flows for the six-month period then ended, including the explanatory notes.

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

Scope of review

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

Conclusion on the individual and consolidated interim financial information

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

Other matters

Statements of value added

The abovementioned quarterly information includes the individual and consolidated statements of value added (SVA) for the six-months period ended June 30, 2024, prepared under the responsibility of the Company's executive board and presented as supplementary information under IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if their format and content are in accordance with the criteria set forth by NBC TG 09 – *Statement of Value Added*. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, in accordance with the criteria set forth by this Standard and consistently with the overall individual and consolidated interim financial information.

Rio de Janeiro, August 06, 2024.

ERNST & YOUNG
Auditores Independentes S.S. Ltda
CRC- SP015199/F



Beatriz Gonçalves de Moraes Nicolaci
Accountant CRC-RJ091370/O



Balance sheet

June 30, 2024 and December 31, 2023

(In thousands of reais—R\$)

	Note	Parent company		Consolidated	
		06/30/2024	12/31/2023	06/30/2024	12/31/2023
Assets					
Current assets					
Cash and cash equivalents	3	9,908	18,248	6,447,834	2,335,403
Accounts receivable	4	-	-	2,093,882	1,743,491
Oil inventories	21	-	-	329,782	254,330
Inventory of consumables		-	-	737,449	397,321
Financial instruments		-	-	23,424	358
Recoverable taxes	5	2,060	1,954	618,807	347,658
Advances to suppliers		-	34	273,093	100,227
Advances to partners		-	-	1,936	93,188
Prepaid expenses		49	75	21,857	22,129
Other receivables		-	-	1,645	769
		<u>12,017</u>	<u>20,311</u>	<u>10,549,709</u>	<u>5,294,874</u>
Non-current assets					
Advances to suppliers		-	-	258	225
Mark-to-market of debenture swaps		-	-	-	80,698
Deposits and pledges	28	-	-	29,930	29,971
Recoverable taxes	5	-	-	11,935	4,225
Deferred taxes	15	18,638	10,191	-	516,582
Related parties	19	12,335	9,355	-	-
Right-of-use (Lease CPC 06.R2/IFRS 16)	14	-	-	2,599,750	2,044,361
Investments	6	18,387,245	14,403,401	-	-
Property, plant and equipment	7	190	224	12,326,971	9,425,118
Intangible assets	8	-	-	11,775,377	10,914,878
		<u>18,418,408</u>	<u>14,423,171</u>	<u>26,744,221</u>	<u>23,016,058</u>
Total assets		<u>18,430,425</u>	<u>14,443,482</u>	<u>37,293,930</u>	<u>28,310,932</u>

See the accompanying notes to the quarterly information.



Balance sheet

On June 30, 2024 and December 31, 2023

(In thousands of reais—R\$)

	Note	Parent company		Consolidated	
		06/30/2024	12/31/2023	06/30/2024	12/31/2023
Liabilities and shareholders' equity					
Current liabilities					
Suppliers	9	2,018	644	1,123,726	834,778
Labor obligations	10	8,621	15,083	196,040	266,893
Taxes and social contributions	11	573	676	698,730	593,007
Loans and financing	12	-	-	1,210,318	1,212,632
Local debentures (includes conversion swaps)	13	-	-	101,304	39,430
Contractual charges (Leases - IFRS 16)	14	-	-	283,841	224,502
Accounts payable - earn out Albacora Leste	8	-	-	935,511	288,465
Other accounts payable		-	-	-	4,104
		11,212	16,403	4,549,470	3,463,811
Non-current liabilities					
Loans and financing	12	-	-	3,600,518	4,340,854
Mark-to-market of debenture swaps	13	-	-	634,194	-
Local debentures (includes conversion swaps)	13	-	-	5,650,563	1,800,248
Provision for abandonment (ARO)	16	-	-	1,364,973	1,121,429
Provision for contingencies	28	400	400	700,621	946,101
Deferred taxes and social contributions	15	-	-	572,935	-
Related parties	19	651,848	548,214	-	-
Contractual charges (Leases - IFRS 16)	14	-	-	2,411,307	1,936,736
Accounts payable - earn out Albacora Leste	8	-	-	-	786,723
Other liabilities		183	185	42,567	36,750
		652,431	548,799	14,977,678	10,968,841
Shareholders' equity					
Realized share capital	18	7,611,387	5,352,792	7,611,387	5,352,792
Capital reserves		(326,651)	(171,877)	(326,651)	(171,877)
Profit reserves		6,601,741	8,801,741	6,601,741	8,801,741
Accumulated translation adjustment		2,048,937	(184,660)	2,048,937	(184,660)
Equity valuation adjustments	13	(634,194)	80,284	(634,194)	80,284
Income (loss) for the period		2,465,562	-	2,465,562	-
		17,766,782	13,878,280	17,766,782	13,878,280
Total liabilities and shareholders' equity		18,430,425	14,443,482	37,293,930	28,310,932

See the accompanying notes to the quarterly information.



Statements of income

Six-month period ended June 30, 2024 and 2023

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

	Note	Parent company		Consolidated	
		06/30/2024	06/30/2023	06/30/2024	06/30/2023
Net revenue	20	-	-	7,795,227	4,864,353
Costs of products/services	21	-	-	(3,578,220)	(1,824,958)
Gross revenue		-	-	4,217,007	3,039,395
Operating revenues (expenses)					
Geology and geophysics expenses		-	-	(4,988)	(1,108)
Personnel expenses		(46,839)	(2,029)	(106,645)	(72,923)
General and administrative expenses		(59)	(225)	(54,005)	(35,613)
Expenses with Outsourced Services		(5,685)	(1,115)	(65,995)	(24,885)
Taxes and rates		(1,665)	(624)	(24,918)	(11,577)
Depreciation and amortization expenses		(67)	(176)	(55,880)	(42,029)
Equity in net income of subsidiaries	6	2,480,796	2,032,775	-	-
Other operating revenues (expenses), net	22	(141)	(12,358)	339,257	(150,228)
Operating income (loss) before financial income (loss)		2,426,340	2,016,248	4,243,833	2,701,032
Financial revenues	23	415	692	386,061	20,870
Financial expenses	23	(23,993)	(4,515)	(664,194)	(505,142)
Net exchange-rate changes	23	53,978	(4,646)	23,584	(121,072)
Income before income tax and social contribution		2,456,740	2,007,779	3,989,284	2,095,688
Current income tax and social contribution	24	-	(4,745)	(425,786)	(233,000)
Deferred income tax and social contribution	24	8,822	-	(1,097,936)	140,346
Income for the period		2,465,562	2,003,034	2,465,562	2,003,034
<i>Basic and diluted earnings per share</i>					
Basic		2,943	2,371	2,943	2,371
Diluted		2,930	2,355	2,930	2,355

See the accompanying notes to the quarterly information.

Statements of income

Three-month period ended June 30, 2024 and 2023

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

	Note	Parent company		Consolidated	
		04/01/2024– 06/30/2024	04/01/2023– 06/30/2023	04/01/2024– 06/30/2024	04/01/2023– 06/30/2023
Net revenue	20	-	-	4,595,041	2,146,040
Costs of products/services	21	-	-	(2,190,581)	(843,072)
Gross revenue		-	-	2,404,460	1,302,968
Operating revenues (expenses)					
Geology and geophysics expenses		-	-	(4,538)	(1,108)
Personnel expenses		(24,295)	(1,061)	(64,166)	(43,125)
General and administrative expenses		(25)	(1)	(37,219)	(14,936)
Expenses with Outsourced Services		(4,174)	(266)	(46,716)	(17,802)
Taxes and rates		(804)	(122)	(10,595)	(6,839)
Depreciation and amortization expenses		(31)	(84)	(30,383)	(20,691)
Equity in net income of subsidiaries	6	1,412,100	860,463	-	-
Other operating revenues (expenses), net	22	(71)	(6,926)	309,234	(17,278)
Operating income (loss) before financial income (loss)		1,382,700	852,003	2,520,077	1,181,189
Financial revenues	23	207	264	332,246	(5,940)
Financial expenses	23	(15,432)	(3,418)	(375,160)	(273,510)
Net exchange-rate changes	23	46,095	(4,919)	(12,956)	(61,604)
Income before income tax and social contribution		1,413,570	843,930	2,464,207	840,135
Current income tax and social contribution	24	-	(2,961)	(244,863)	(108,927)
Deferred income tax and social contribution	24	6,439	-	(799,335)	109,761
Income for the period		1,420,009	840,969	1,420,009	840,969
<i>Basic and diluted earnings per share</i>					
Basic		1,696	0,999	1,696	0,999
Diluted		1,688	0,992	1,688	0,992

See the accompanying notes to the quarterly information.



Statements of comprehensive income
Six-month period ended June 30, 2024 and 2023
(In thousands of reais—R\$)

	Consolidated	
	06/30/2024	06/30/2023
Income (loss) for the period	2,465,562	2,003,034
Mark-to-market of local debenture swaps	(714,478)	190,398
(-) Deferred taxes on mark-to-market of swaps	242,923	(64,735)
Translation adjustment for presentation currency	2,233,597	(839,448)
Other comprehensive income for the period, net of taxes	1,762,042	(713,785)
Total other comprehensive income for the period, net of taxes	4,227,604	1,289,249

See the accompanying notes to the quarterly information.



Statements of comprehensive income
Three-month period ended June 30, 2024 and 2023
(In thousands of reais—R\$)

	Consolidated	
	04/01/2024– 06/30/2024	04/01/2023– 06/30/2023
Income (loss) for the period	1,420,009	840,969
Mark-to-market of local debenture swaps	(714,720)	150,588
(-) Deferred taxes on mark-to-market of swaps	243,005	(51,200)
Translation adjustment for presentation currency	1,749,550	(518,940)
Other comprehensive income for the period, net of taxes	1,277,835	(419,552)
Total other comprehensive income for the period, net of taxes	2,697,844	421,417

See the accompanying notes to the quarterly information.



Statements of changes in shareholders' equity
Six-month period ended June 30, 2024 and 2023
(In thousands of reais—R\$)

	Share capital	Capital reserve	Treasury shares	Profit reserve	Accumulated translation adjustment	Equity valuation adjustment	Retained earnings	Consolidated
Balances at January 1, 2023	5,319,674	417,863	(40,435)	3,682,453	601,773	(89,310)	-	9,892,018
Paid-up capital	33,118	-	-	-	-	-	-	33,118
Stock options granted	-	43,075	-	-	-	-	-	43,075
Translation adjustment for presentation currency	-	-	-	-	(839,448)	-	-	(839,448)
Gain (loss) on derivative financial instruments	-	-	-	-	-	190,398	-	190,398
Treasury shares	-	-	(426,401)	-	-	-	-	(426,401)
Gain (loss) with the buyback of preferred shares in the subsidiary	-	(141,906)	-	-	-	-	-	(141,906)
Net income for the period	-	-	-	-	-	-	2,003,034	2,003,034
Balances at June 30, 2023	5,352,792	319,032	(466,836)	3,682,453	(237,675)	101,088	2,003,034	10,753,888
Balances at January 1, 2024	5,352,792	373,968	(545,845)	8,801,741	(184,660)	80,284	-	13,878,280
Paid-up capital	2,258,595	-	-	(2,200,000)	-	-	-	58,595
Stock options granted	-	21,361	-	-	-	-	-	21,361
Translation adjustment for presentation currency	-	-	-	-	2,233,597	-	-	2,233,597
Gain (loss) with financial instruments	-	-	-	-	-	(714,478)	-	(714,478)
Income in sale of treasury shares	-	10,298	-	-	-	-	-	10,298
Treasury shares	-	-	(186,433)	-	-	-	-	(186,433)
Net income for the period	-	-	-	-	-	-	2,465,562	2,465,562
Balances at June 30, 2024	7,611,387	405,627	(732,278)	6,601,741	2,048,937	(634,194)	2,465,562	17,766,782

See the accompanying notes to the quarterly information.



Statements of cash flows
Six-month period ended June 30, 2024 and 2023
(In thousands of reais—R\$)

	Parent company		Consolidated	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Cash flows from operating activities				
Income (loss) for the year (before taxes)	2,456,740	2,007,779	3,989,284	2,095,688
Depreciation and amortization	67	176	1,306,611	845,349
Financial revenue	(128,113)	(12,090)	(2,028,310)	(594,011)
Financial expenses	96,831	21,274	1,126,024	1,024,612
Share-based compensation	21,361	43,075	21,361	43,075
Equity in net income of subsidiaries	(2,480,796)	(2,032,775)	-	-
Provision for contingencies/losses/R&D	57	(38)	(146,937)	22,900
Amendment of the provision for abandonment/IFRS 16 Contracts	-	-	(16,681)	20,776
	(33,853)	27,401	4,251,352	3,458,389
(Increase) decrease in assets				
Accounts receivable	-	-	(350,729)	(1,074,506)
Recoverable taxes	(1,126)	2,000	(109,548)	70,578
Prepaid expenses	32	301	4,744	(1,283)
Advances to suppliers	34	-	(172,897)	48,543
Oil inventories	-	-	(56,485)	157,328
Inventory of consumables	-	-	(340,128)	(7,021)
Related parties	111,712	(9,720)	-	-
Advance to partners in oil and gas operations	-	-	100,803	(12,555)
Deposits and pledges	-	13	(3,833)	1,978
Other receivables	(10)	(17)	868	(126)
Increase (decrease) in liabilities				
Suppliers	(2,026)	1,965	516,308	(147,932)
Labor obligations	6,268	(5,026)	(32,984)	22,473
Taxes and social contributions	(4,729)	(2,479)	(623,535)	(182,578)
Related parties	(50,294)	380,632	-	-
Other liabilities	(2)	181	39,413	(5,341)
Net cash (invested in) from operating activities	26,006	395,251	3,223,349	2,327,947
Cash flows from investment activities				
(Investment in) redemption of abandonment fund	-	-	-	20,291
Non-current assets held for sale	-	-	(4,104)	-
(Purchase) sale of property, plant and equipment	-	-	(1,875,967)	(2,104,287)
(Acquisition) of oil and gas assets	-	-	(295,054)	(9,317,197)
Net cash (invested in) from investment activities	-	-	(2,175,125)	(11,401,193)
Cash flows from financing activities				
Borrowings	-	-	-	1,467,650
Repayment of principal on loans	-	-	(1,359,754)	-
Interest paid on loans	-	-	(211,546)	(149,086)
Contractual charges - Leases IFRS 16 - Principal	-	-	(35,989)	(9,004)
Contractual charges (Leases - IFRS 16) - Interest	-	-	(99,099)	(51,831)
Funding of debentures	-	-	3,178,048	-
Interest paid on debentures	-	-	(69,409)	(66,397)
Derivative transactions	-	-	(36,052)	25,237
(Decrease) Paid-up capital	58,595	33,118	58,595	33,118
Own Company's shares (held in treasury)	(91,794)	(426,401)	(186,433)	(426,401)
Net cash (invested in) from financing activities	(33,199)	(393,283)	1,238,361	823,286
Translation adjustment	(1,147)	(2,474)	1,825,846	(207,748)
Net increase (decrease) in cash and cash equivalents	(8,340)	(506)	4,112,431	(8,457,708)
Cash and cash equivalents at the beginning of the period	18,248	17,148	2,335,403	9,612,961
Cash and cash equivalents at the end of the period	9,908	16,642	6,447,834	1,155,253
Net increase (decrease) in cash and cash equivalents	(8,340)	(506)	4,112,431	(8,457,708)

See the accompanying notes to the quarterly information.

Statements of added value
(Supplementary information for IFRS purposes)
Six-month period ended June 30, 2024 and 2023
(In thousands of reais—R\$)

	Parent company		Consolidated	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Revenues				
Oil & Gas sales	-	-	7,795,227	5,126,161
	-	-	7,795,227	5,126,161
Inputs acquired from third parties				
Third party's services and other	(5,685)	(1,115)	(65,995)	(24,885)
Geology and geophysics expenses	-	-	(4,988)	(1,108)
Costs of services	-	-	(1,720,685)	(557,788)
Gross added value	(5,685)	(1,115)	6,003,559	4,542,380
Depreciation and amortization	(67)	(176)	(1,306,611)	(845,349)
Net added value produced by the Entity	(5,752)	(1,291)	4,696,948	3,697,031
Added value received as transfer				
Financial revenues	144,384	14,220	2,695,587	1,062,704
Equity in net income of subsidiaries	2,480,796	2,032,775	-	-
Deferred taxes	8,822	-	(1,097,936)	140,346
Other revenues	-	2	83,488	436,607
Total added value payable	2,628,250	2,045,706	6,378,087	5,336,688
Distribution of added value				
Personnel	46,839	2,029	106,645	72,923
Direct remuneration	46,192	1,941	98,511	62,776
Benefits	139	59	7,081	8,012
FGTS	508	29	1,053	2,135
Taxes, rates and contributions	1,665	5,368	450,704	244,575
Federal	1,481	5,317	445,069	243,918
State	-	-	3,230	(540)
Municipal	184	51	2,405	1,197
Third-party capital remuneration	114,184	35,275	3,355,176	3,016,156
Interest (Financial expenses)	113,984	22,689	2,950,136	1,668,048
Rents	-	-	57,752	102,680
Other (royalties, other expenses)	200	12,586	347,288	1,245,428
Remuneration of own capital	2,465,562	2,003,034	2,465,562	2,003,034
Income for the period	2,465,562	2,003,034	2,465,562	2,003,034

See the accompanying notes to the quarterly information.

Notes to the quarterly information

June 30, 2024

(In thousands of reais—R\$, unless otherwise indicated)

1. Operations

Prio S.A. (“Prio” or “Company”), 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, Prio S.A and its subsidiaries are denominated, individually or jointly, as the “Company” or “Group”, respectively.

Its relevant activities are carried out by means of subsidiaries Petro Rio Jaguar Petrôleo SA. (“Jaguar”), Prio Bravo Ltda (“Bravo”) and Prio Forte S.A. (“Forte”), and they are focused on the production of oil and natural gas, operating in Campos Basin on June 30, 2024:

Country	Basin	Block	Field	Concessionaire	%	Status	Phase
Brazil	Campos	BM-C-8	Polvo	Bravo	100%	Operator	Production
Brazil	Campos	C-M-466	Tubarão Martelo	Bravo	100%	Operator	Production
Brazil	Campos	Frade	Frade	Jaguar	100%	Operator	Production
Brazil	Campos	Albacora Leste	Albacora Leste	Jaguar	90%	Operator	Production
Brazil	Campos	BM-C-30	Wahoo	Jaguar	64%	Operator	Exploration
Brazil	Campos	BM-C-32	Itaipu	Jaguar	100%	Operator	Exploration
Brazil	Foz do Amazonas	FZA-M-254	-	Coral	100%	Operator	Exploration
Brazil	Foz do Amazonas	FZA-M-539	Pirapema	Coral	100%	Operator	Exploration

Below we describe the activities in the main Fields where the Company operates:

Polvo Field

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 Prio Comercializadora Ltda. (“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 2Q24 was of roughly 6.6 thousand bbl (7.1 thousand bbl for the 2Q23).

Tubarão Martelo (“TBMT”) and 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 8.5 thousand bbl of oil per day in the second quarter of 2024 (10,6 bbl of oil per day in the second quarter of 2023).



Notes to the quarterly information

June 30, 2024

(In thousands of reais—R\$, unless otherwise indicated)

On January 8, 2023, the subsidiary Prio 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 Note 8. Dommo Energia S.A. had its corporate name changed to Prio Forte S.A. (“Forte”).

FPSO Bravo 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.

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 2Q24, the Field produced approximately 45.8 thousand bbl of oil per day (49.0 thousand bbl of oil per day in the second quarter of 2023).

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 operation and 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 Note 8.



Notes to the quarterly information

June 30, 2024

(In thousands of reais—R\$, unless otherwise indicated)

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 second quarter of 2024, approximately 26.9 thousand bbl of oil per day (24.5 thousand bbl of oil per day in the second quarter of 2023).

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 Wahoo, estimated to be concluded in the first semester of 2025, 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.

On April 11, 2024, the International Chamber of Commerce (“ICC”) issued its final decision (“Arbitral Award”) in the arbitration process related to the BM-C-30 concession (“Wahoo”). The ICC ruled in favor of PRIO, finding no contractual breaches by the Company or its subsidiaries regarding the exclusive operation declaration of Wahoo. Consequently, the Company will continue to execute the Wahoo project individually, and thus 100% of the production from the wells included in this campaign will be PRIO's.

The Arbitral Award dismissed all claims made by the plaintiffs, ordering them to reimburse the Company for all costs related to the arbitration and legal fees.

On April 24, 2024, the Company received the amount of R\$ 40,567 (US\$ 7,859) as reimbursement for arbitration costs from IBV Brasil Petróleo Ltda. (“IBV”).

Itaipu is an exploratory block that is located close to the Parque das Baleias cluster and preliminary studies performed indicate that the accumulation is potentially shared with the southeast region of the cluster and before the development definition, a unitization process may be necessary. See further details of the acquisition in Note 8.

Notes to the quarterly information

June 30, 2024

(In thousands of reais—R\$, unless otherwise indicated)

2. Accounting policies material to the quarterly information

2.1 Statement of conformity

The individual and consolidated quarterly information was prepared and are presented in accordance with accounting practices adopted in Brazil, which includes the provisions of Brazilian Corporation Law, Procedures, Guidance and Interpretations issued by Accounting Pronouncement Committee - CPC and approved by the Brazilian Securities Commission - CVM and by the Federal Accounting Council - CFC, which are in conformity with international accounting standards issued by *International Accounting Standards Board - IASB*.

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

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 (loss) of the subsidiaries acquired, sold or merged during the year 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.



Notes to the quarterly information June 30, 2024

(In thousands of reais—R\$, unless otherwise indicated)

The Company's consolidated quarterly information comprises:

Fully consolidated companies	Reference	Status	Interest			
			06/30/2024		12/31/2023	
			Direct	Indirect	Direct	Indirect
Prio Comercializadora Ltda.	"PrioOC"	Inactive	100.00%	-	100.00%	-
Prio Energia Ltda.	"PrioEnergia"	Inactive	-	100.00%	-	100.00%
Prio Internacional Ltda.	"PrioIntl"	Holding	0.62%	99.38%	0.62%	99.38%
Prio Luxembourg Holding Sarl	"Lux Holding"	Trading	-	100.00%	-	100.00%
Walvis Petroleum (Pty) Ltd.	"Walvis"	Under settlement	-	100.00%	-	100.00%
Prio Bravo Ltda.	"Bravo"	Production	-	100.00%	-	100.00%
Petro Rio Jaguar Petróleo S.A.	"Jaguar"	Production	-	100.00%	-	100.00%
Prio OPCO Exploração Petrolífera Ltda.	"Opco"	Holding	-	100.00%	-	100.00%
Prio Coral Exploração Petrolífera Ltda.	"Coral"	Inactive	-	100.00%	-	100.00%
Brasoil Finco LLC	"Finco"	Under settlement	-	100.00%	-	100.00%
Dommo R-11 Petróleo e Gás S.A.	"R-11"	Inactive	-	100.00%	-	100.00%
Óleo e Gás Participações S.A.	"OGPar"	Inactive	-	100.00%	-	100.00%
Prio Forte S.A.	"Forte"	Production	-	100.00%	-	100.00%
PRIO O&G International GmbH	"PrioOGIIntl"	Holding	-	100.00%	-	100.00%
PRIO O&G Trading & Shipping GmbH	"PrioAustria"	Trading	-	100.00%	-	100.00%
Dommo Netherlands Holding BV	"Ned Holding"	Inactive	-	100.00%	-	100.00%
Dommo Netherlands BV	"PrioNed"	Inactive	-	100.00%	-	100.00%
Petrorio Luxembourg Trading Sarl	"Lux Trading"	Trading	-	100.00%	-	100.00%
Kunene Energy (Pty) Ltd.	"Kunene"	Under settlement	-	100.00%	-	100.00%
Orange Petroleum Ltd.	"Orange"	Under settlement	-	100.00%	-	100.00%

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, 2023). Thus, this quarterly information should be read together with information disclosed in financial statements for the year ended December 31, 2023.

2.5 Functional currency 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.

Notes to the quarterly information

June 30, 2024

(In thousands of reais—R\$, unless otherwise indicated)

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.

All of the Company's subsidiaries, except Coral, have the US Dollar as their functional currency.

The individual and consolidated quarterly information in the US dollar functional currency, presented as supplementary information, as well as the information translated into the presentation currency, which is the Real, are presented below:

Balance sheet	June 30, 2024			
	Parent company		Consolidated	
	US\$	R\$	US\$	R\$
Assets				
Cash and cash equivalents	1,782	9,908	1,159,912	6,447,834
Accounts receivable	-	-	376,672	2,093,882
Oil inventories	-	-	59,325	329,782
Inventory of consumables	-	-	132,661	737,449
Financial instruments	-	-	4,214	23,424
Recoverable taxes	371	2,060	111,318	618,807
Advances to suppliers	-	-	49,127	273,093
Advances to partners	-	-	348	1,936
Prepaid expenses	9	49	3,932	21,857
Other receivables	-	-	296	1,645
Current assets	2,162	12,017	1,897,805	10,549,709
Advances to suppliers	-	-	46	258
Deposits and pledges	-	-	5,384	29,930
Recoverable taxes	-	-	2,147	11,935
Deferred taxes	3,353	18,638	-	-
Related parties	2,219	12,335	-	-
Right-of-use (Lease CPC 06.R2/IFRS 16)	-	-	467,673	2,599,750
Investments	3,307,713	18,387,245	-	-
Property, plant and equipment	34	190	2,217,520	12,326,971
Intangible assets	-	-	2,118,293	11,775,377
Non-current assets	3,313,319	18,418,408	4,811,063	26,744,221
Total assets	3,315,481	18,430,425	6,708,868	37,293,930

Notes to the quarterly information

June 30, 2024

(In thousands of reais—R\$, unless otherwise indicated)

Balance sheet	June 30, 2024			
	Parent company		Consolidated	
	US\$	R\$	US\$	R\$
Liabilities and shareholders' equity				
Suppliers	363	2,018	202,149	1,123,726
Labor obligations	1,551	8,621	35,266	196,040
Taxes and social contributions	103	573	125,696	698,730
Local debentures (includes conversion swaps)	-	-	18,224	101,304
Loans and financing	-	-	217,726	1,210,318
Contractual charges (Leases - IFRS 16)	-	-	51,061	283,841
Accounts payable - earn out Albacora Leste	-	-	168,291	935,511
Current liabilities	2,017	11,212	818,413	4,549,470
Loans and financing	-	-	647,703	3,600,518
Mark-to-market of debenture swaps	-	-	114,086	634,194
Local debentures (includes conversion swaps)	-	-	1,016,489	5,650,563
Provision for abandonment (ARO)	-	-	245,547	1,364,973
Provision for contingencies	72	400	126,036	700,621
Deferred taxes	-	-	103,066	572,935
Related parties	117,262	651,848	-	-
Contractual charges (Leases - IFRS 16)	-	-	433,774	2,411,307
Other liabilities	32	183	7,656	42,567
Non-current liabilities	117,366	652,431	2,694,357	14,977,678
Realized share capital	1,425,545	7,611,387	1,425,545	7,611,387
Capital reserves	(71,641)	(326,651)	(71,641)	(326,651)
Profit reserves	1,355,022	6,601,741	1,355,022	6,601,741
Accumulated translation adjustment	117,001	2,048,937	117,001	2,048,937
Equity valuation adjustments	(114,086)	(634,194)	(114,086)	(634,194)
Income (loss) for the period	484,257	2,465,562	484,257	2,465,562
Shareholders' equity	3,196,098	17,766,782	3,196,098	17,766,782
Total liabilities and shareholders' equity	3,315,481	18,430,425	6,708,868	37,293,930

Consolidated statement of income	June 30, 2024			
	Parent company		Consolidated	
	US\$	R\$	US\$	R\$
Net revenue	-	-	1,484,619	7,795,227
Costs of products	-	-	(661,134)	(3,578,220)
Gross revenue	-	-	823,485	4,217,007
Geology and geophysics expenses	-	-	(907)	(4,988)
Personnel expenses	(9,244)	(46,839)	(20,474)	(106,645)
General and administrative expenses	(11)	(59)	(10,881)	(54,005)
Expenses with Outsourced Services	(1,098)	(5,685)	(13,467)	(65,995)
Taxes and rates	(326)	(1,665)	(4,927)	(24,918)
Depreciation and amortization expenses	(12)	(67)	(10,700)	(55,880)
Equity in net income of subsidiaries	486,787	2,480,796	-	-
Other operating revenues (expenses), net	(29)	(141)	61,568	339,257
Operating income (loss) before financial income (loss)	476,067	2,426,340	823,697	4,243,833
Financial revenues	82	415	70,116	386,061
Financial expenses	(3,689)	(23,993)	(127,587)	(664,194)
Net exchange-rate changes	10,162	53,978	3,858	23,584
Income before income tax and social contribution	482,622	2,456,740	770,084	3,989,284
Current income tax and social contribution	-	-	(82,225)	(425,786)
Deferred income tax and social contribution	1,635	8,822	(203,602)	(1,097,936)
Income for the period	484,257	2,465,562	484,257	2,465,562

Notes to the quarterly information June 30, 2024

(In thousands of reais—R\$, unless otherwise indicated)

Statement of cash flow	June 30, 2024			
	Parent Company		Consolidated	
	US\$	R\$	US\$	R\$
Cash flows from operating activities				
Income (loss) for the year (before taxes)	482,622	2,456,740	770,084	3,989,284
Depreciation and amortization	12	67	252,447	1,306,611
Financial revenue	(21,673)	(128,113)	(427,319)	(2,028,310)
Financial expenses	17,150	96,831	361,260	1,126,024
Share-based compensation	4,157	21,361	4,157	21,361
Equity in net income of subsidiaries	(486,787)	(2,480,796)	-	-
Provision for contingencies/losses/R&D	-	57	(65,251)	(146,937)
Amendment of the provision for abandonment/IFRS 16 Contracts	-	-	(1,756)	(16,681)
	(4,519)	(33,853)	893,622	4,251,352
(Increase) decrease in assets				
Accounts receivable	-	-	(16,608)	(350,729)
Recoverable taxes	145	(1,126)	208,695	(109,548)
Prepaid expenses	(45)	32	(255)	4,744
Advances to suppliers	-	34	(28,424)	(172,897)
Oil inventories	-	-	(2,860)	(56,485)
Inventory of consumables	-	-	(50,592)	(340,128)
Related parties	(287)	111,712	-	-
Advance to partners in oil and gas operations	-	-	7,476	100,803
Deposits and pledges	-	-	592	(3,833)
Other receivables	(6)	(10)	(49,960)	868
Increase (decrease) in liabilities				
Suppliers	(442)	(2,026)	72,148	516,308
Labor obligations	(711)	6,268	(22,051)	(32,984)
Taxes and social contributions	(935)	(4,729)	(133,719)	(623,535)
Related parties	11,446	(50,294)	-	-
Other liabilities	(5)	(2)	(11,083)	39,413
Net cash (invested in) from operating activities	4,641	26,006	866,981	3,223,349
Non-current assets held for sale	-	-	(848)	(4,104)
(Purchase) sale of property, plant and equipment	-	-	(372,395)	(1,875,967)
(Acquisition) of oil and gas assets	-	-	(59,939)	(295,054)
Net cash (invested in) from investment activities	-	-	(433,182)	(2,175,125)
Repayment of principal on loans	-	-	(271,000)	(1,359,754)
Interest paid on loans	-	-	(40,141)	(211,546)
Contractual charges - Leases IFRS 16 - Principal	-	-	(7,362)	(35,989)
Contractual charges (Leases - IFRS 16) - Interest	-	-	(19,212)	(99,099)
Funding of debentures	-	-	630,691	3,178,048
Interest paid on debentures	-	-	(13,962)	(69,409)
Derivative transactions	-	-	(6,385)	(36,052)
Own Company's shares (held in treasury)	(18,356)	(91,794)	(35,795)	(186,433)
(Decrease) Paid-up capital	11,728	58,595	11,728	58,595
Net cash (invested in) from financing activities	(6,628)	(33,199)	248,562	1,238,361
Translation adjustment	-	(1,147)	(4,841)	1,825,846
Net increase (decrease) in cash and cash equivalents	(1,987)	(8,340)	677,520	4,112,431
Cash and cash equivalents at the beginning of the period	3,769	18,248	482,392	2,335,403
Cash and cash equivalents at the end of the period	1,782	9,908	1,159,912	6,447,834
Net increase (decrease) in cash and cash equivalents	(1,987)	(8,340)	677,520	4,112,431

Notes to the quarterly information

June 30, 2024

(In thousands of reais—R\$, unless otherwise indicated)

2.6 Standards and new and reviewed interpretations already issued

In the preparation of quarterly information, the Company's Management considers, when applicable, new reviews and interpretations of IFRS and technical pronouncements, issued by IASB and CPC. No changes affecting the Company's quarterly information for the six-month accounting period ended June 30, 2024 were identified.

2.7 Completion of quarterly information

The Company's management authorized the presentation of this quarterly information on August 6, 2024.

3. Cash and cash equivalents

	Parent company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Cash	-	-	142	98
Banks	9,908	18,248	6,447,692	2,335,305
	<u>9,908</u>	<u>18,248</u>	<u>6,447,834</u>	<u>2,335,403</u>
National	8,520	16,190	2,322,793	388,434
Abroad	1,389	2,058	4,125,041	1,946,969

The balance of cash and cash equivalents consists of funds for the purpose of working capital, applied by period that range from one day to three months, depending on the Group's immediate cash needs in highly liquid instruments in Brazil (committed, Bank Deposit Certificates and Investment fund) and abroad (remunerated current account deposits), without risk of significant change of the principal, and yields upon redemption.

4. Accounts receivable

	Consolidated	
	06/30/2024	12/31/2023
Repsol (i)	949,570	-
Chevron (ii)	475,169	-
Saras SPA (iii)	234,989	21,063
Trafigura (iv)	223,562	137,318
Cnooc (v)	65,685	-
Exxon Mobil (vi)	53,076	-
Phillips 66 (vii)	49,120	389,177
CMM Cyprus (viii)	21,774	-
Navig8 (ix)	13,963	-
Petrobras (x)	5,197	29,899
Valero (xi)	1,546	393,575
Shell	-	770,809
Other	231	1,650
Total	<u>2,093,882</u>	<u>1,743,491</u>
Total local currency	5,328	31,549
Total foreign currency	2,088,554	1,711,942

Notes to the quarterly information

June 30, 2024

(In thousands of reais—R\$, unless otherwise indicated)

- (i) Balance receivable referring to the sales of oil from Frade and Albacora Leste Fields, made in June 2024 and partially received in the amount of R\$ 809,322 in July 2024.
- (ii) Balance receivable referring to the sale of oil from Frade Field, made in June 2024.
- (iii) Balance receivable related to the repurchase of oil from third parties, made in June 2024 and partially received in the amount of R\$ 210,047 in July 2024.
- (iv) Balance receivable referring to the sales of oil from Polvo and Tubarão Martelo Fields, made in June 2024 and partially received in the amount of R\$ 190,097 in July 2024.
- (v) Balance receivable referring to the sales of oil from Polvo, Tubarão Martelo, Frade and Albacora Leste Fields, made in June 2024 and fully received in July 2024.
- (vi) Balance receivable related to sales of oil from the Polvo, Tubarão Martelo, and Albacora Leste Fields, carried out in June 2024 and partially received in the amount of R\$ 47,845 in July 2024.
- (vii) Balance receivable relating to sales of oil from the Frade Field and repurchases from third parties, carried out in June 2024 and received in full in July 2024.
- (viii) Balance receivable related to the lease of the Genesis vessel, whose operation has no effect on the result.
- (ix) Balance receivable related to the sublease of the vessel Brasil Knutsen, whose operation has no effect on the result and fully received in July 2024.
- (x) Balance receivable related to the sales of gas and condensate oil from Frade Field and partially received in the amount of R\$ 2,843 in July 2024.
- (xi) Balance receivable related to the reimbursement of off-take related services.

Historically, the Company's accounts receivable do not have credit risk. Thus, the Management does not identify the need to form the allowance for doubtful accounts.

5. Recoverable taxes

	Parent company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Income tax and social contribution (i)	2,060	1,954	450,957	227,965
PIS and COFINS (ii)	-	-	125,119	94,964
ICMS (iii)	-	-	44,823	25,867
Tax abroad	-	-	2,666	2,504
Other	-	-	7,177	583
Total	2,060	1,954	630,742	351,883
Current assets	2,060	1,954	618,807	347,658
Non-current assets	-	-	11,935	4,225

- (i) Primarily refers to balance of IRPJ/CSLL (Corporate Income Tax / Social Contribution on Net Revenue) from advances in a greater amount in the amounting of R\$ 68,713, advances of IRPJ/CSLL for the current year in the amount of R\$ 175,280 and withholding income tax on interest earning bank deposits and interest on equity between related parties in the amount of R\$ 206,964.
- (ii) PIS/COFINS credits on inputs used in operation.
- (iii) ICMS recoverable referring to oil loans between Frade Field partners and movement of materials upon acquisition of Polvo.



Notes to the quarterly information

June 30, 2024

(In thousands of reais—R\$, unless otherwise indicated)

6. Investments

On June 30, 2024, the Company presented the following main interest held in direct subsidiaries:

- **Prio Comercializadora Ltda. – formerly known as 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.

- **Prio 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 in and outside of Brazil, except for PrioOG and Prioenergia, 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 sells the oil produced by the companies; (ii) Petro Rio Jaguar, owner of the Frade, Albacora Leste, Wahoo, and Itaipu Fields; and (iii) Prio Bravo, owner of the Polvo and Tubarão Martelo Fields. Lux Trading, which sold oil produced in the fields of the Group’s companies, was taken over by Lux Holding in October 2023. Lux Holding owns the fixed platform, “Polvo A”. Also under this corporate structure are subsidiaries located in the Republic of Namibia and are under settlement and have no balances in their balance sheets.

Notes to the quarterly information

June 30, 2024

(In thousands of reais—R\$, unless otherwise indicated)

Portfolio of concessions

On June 30, 2024 the Company's subsidiaries were participants in the following concessions in Brazilian basins:

Country	Basin	Block	Field	Concessionaire	%	JOA (**)	Status	Phase	PEM (*)
Brazil	Campos	BM-C-8	Polvo	Bravo	100%	No	Operator	Production	-
Brazil	Campos	Frade	Frade	Jaguar	100%	No	Operator	Production	-
Brazil	Campos	C-M-466	Tubarão Martelo	Bravo	100%	No	Operator	Production	-
Brazil	Campos	Albacora Leste	Albacora Leste	Jaguar	90%	Yes	Operator	Production	-
Brazil	Campos	BM-C-30	Wahoo	Jaguar	64%	Yes	Operator	Exploration	-
Brazil	Campos	BM-C-32	Itaipu	Jaguar	100%	No	Operator	Exploration	-
Brazil	Foz do Amazonas	FZA-M-254	-	Coral	100%	No	Operator	Exploration	R\$ 587
Brazil	Foz do Amazonas	FZA-M-539	Pirapema	Coral	100%	No	Operator	Exploration	R\$ 10,564

(*) Minimum exploratory program remaining.

(**) Joint Operating Agreement.

The acquisition of Forte shares, according to CPC 15 (R1) – Business Combination, 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.

Also in the first quarter of 2023, the acquisition of Albacora Leste, with a 90% interest of the Albacora Leste field (the remaining 10% being owned by Repsol Sinopec Brasil), and the acquisition of remaining 40% of the Itaipu Field took place, completing the 100% interest of the Field.

a) Relevant information on investees as of June 30, 2024

	<u>PrioOG</u>	<u>PrioIntl</u>
Direct interest	100.00%	0.62%
Indirect interest	-	99.38%
Shareholders' equity	18,279,134	17,554,058
Income (loss) for the period	2,465,273	2,520,424
Total assets	17,511,078	17,554,073

b) Breakdown of investments

	<u>Parent company</u>	
	<u>06/30/2024</u>	<u>12/31/2023</u>
PrioOG	18,279,134	14,318,611
PrioIntl	108,111	84,790
	<u>18,387,245</u>	<u>14,403,401</u>

Notes to the quarterly information June 30, 2024

(In thousands of reais—R\$, unless otherwise indicated)

c) Changes in investment

	PrioOG	PrioIntl	Total
Balance at December 31, 2022	9,939,915	65,284	10,005,199
Distribution of dividends	(60,617)	-	(60,617)
Equity in net income of subsidiaries	5,181,586	43,604	5,225,190
Conversion adjustments	(784,098)	(24,570)	(808,668)
Capital reserve - reflex	(126,553)	(744)	(127,297)
Equity evaluation adjustments	168,378	1,216	169,594
Balance at December 31, 2023	14,318,611	84,790	14,403,401
Equity in net income of subsidiaries	2,465,273	15,523	2,480,796
Conversion adjustments	2,299,387	12,778	2,312,165
Treasury shares - reflex	(94,065)	(574)	(94,639)
Equity evaluation adjustments	(710,072)	(4,406)	(714,478)
Balance at June 30, 2024	18,279,134	108,111	18,387,245

7. Property, plant and equipment (Consolidated)

a) Breakdown of the balance

	Depreciation rate %	Cost	Depreciation	Translation adjustment	Balance at June 30, 2024	Balance at 12/31/2023
In operation						
Platform and Drilling rig - Polvo A	UOP (i)	101,740	(94,828)	9,164	16,076	15,305
FPSO Valente - Frade	UOP (i)	1,769,898	(822,137)	15,226	962,987	911,143
FPSO Bravo - Tubarão Martelo	UOP (i)	814,774	(374,829)	1,776	441,721	431,643
FPSO Forte - Albacora Leste	UOP (i)	1,776,225	(307,770)	133,671	1,602,126	1,506,510
Sonda Hunter Queen	UOP (i)	676,186	(19,279)	58,920	715,827	544,015
Oil & gas assets - Frade	UOP (i)	2,652,187	(706,439)	150,617	2,096,365	1,540,371
Oil and Gas Assets - Polvo & TBMT	UOP (i)	969,566	(527,761)	(306)	441,499	409,163
Well workover	3	503,971	(284,166)	16,583	236,388	266,651
Genesis I vessel (ii)	25	180,435	(31)	21,570	201,974	-
Machinery and equipment	10	8,009	(8,007)	(2)	-	1
Furniture and fixtures	10	2,361	(1,600)	(3)	758	731
Communication equipment	20	1,173	(675)	19	517	446
IT equipment	20	15,636	(8,812)	508	7,332	4,782
Leasehold improvements	4	15,160	(1,300)	1,048	14,908	5,083
In progress						
Construction in progress (iii)		31,120	-	3,043	34,163	23,747
Well workover (iv)		88,151	-	5,441	93,592	344
Development expenditure (v)		3,472,773	-	436,984	3,909,757	2,769,706
Spare parts		9,496	-	4,280	13,776	11,997
Genesis I vessel (ii)		17,402	-	2,742	20,144	-
Material for wells (vi)		1,397,055	-	120,006	1,517,061	983,478
Total		14,503,318	(3,157,634)	981,287	12,326,971	9,425,118

Cost and depreciation are presented translated at their respective historical rates.

(i) UOP - Units of Production (Unit-of-production depreciation method).

(ii) Vessel acquired to launch Wahoo lines and subsequent support in operating the fields. It started operating, but there are still costs involved in revitalizing the vessel.

(iii) Construction in progress refers basically to expenditure with administrative facilities.

(iv) Well Workover for the resumption and/or improvement of wells;

(v) Expenditure on development mainly in the Wahoo Field, which is currently awaiting a license to begin development.

(vi) Materials acquired for drilling and revitalization of wells.

Notes to the quarterly information June 30, 2024

(In thousands of reais—R\$, unless otherwise indicated)

b) Changes in balance

	Balance at 01/01/2024	Additions	Depreciation	Transfers	Translation adjustment	Balance at 06/30/2024
In operation						
Platform and Drilling rig - Polvo A	15,306	-	(1,385)	-	2,155	16,076
FPSO Valente - Frade	911,143	-	(85,428)	-	137,272	962,987
FPSO Bravo - Tubarão Martelo	431,645	-	(41,098)	(12,728)	63,902	441,721
FPSO Forte – Albacora Leste	1,506,510	-	(117,032)	-	212,648	1,602,126
Sonda Hunter Queen	544,015	20,020	(16,823)	77,827	90,788	715,827
Oil & gas assets - Frade	1,540,371	-	(168,274)	451,599	272,669	2,096,365
Oil and Gas Assets - Polvo & TBMT	409,162	-	(40,989)	12,728	60,598	441,499
Well workover	266,652	-	(65,068)	-	34,804	236,388
Genesis I vessel	-	172,991	(31)	7,444	21,570	201,974
Machinery and equipment	-	-	-	-	-	-
Furniture and fixtures	731	-	(82)	-	109	758
Communication equipment	446	41	(43)	-	73	517
IT equipment	4,783	2,523	(887)	-	913	7,332
Leasehold improvements	5,082	-	(166)	8,163	1,829	14,908
In progress						
Constructions in progress	23,747	13,951	-	(8,163)	4,628	34,163
Well workover	343	87,806	-	-	5,443	93,592
Development expenditure	2,769,706	947,460	-	(336,582)	501,723	3,909,757
Spare parts	11,997	-	-	-	1,779	13,776
Genesis I vessel	-	46,888	-	(7,444)	2,742	20,144
Material for wells	983,479	869,813	-	(483,778)	147,547	1,517,061
Total	9,425,118	2,161,493	(537,306)	(290,934)	1,563,192	12,326,971

The transfers did not come to zero because the amount R\$ 290,934 relating to property, plant and equipment was transferred to the inventory of materials used in the operation.

The development expenses added in the first semester of 2024 are related to activities in Wahoo Field, in the amount of R\$ 424,392, Frade Field, R\$ 199,061, Albacora Leste Field, R\$ 247,965, and in the Polvo and TBMT Cluster, R\$ 76,042.

Phase 2 of the Frade Field redevelopment was completed in 2023. At this stage, three production wells and one injection well have been drilled.

Furthermore, the Company started production from the POL-Q well in the Polvo Field in September 2023, 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.



Notes to the quarterly information

June 30, 2024

(In thousands of reais—R\$, unless otherwise indicated)

	Balance at 01/01/2023	Acquisition	Additions	Write- offs	Depreciation	Transfers	Translation adjustment	Balance at 12/31/2023
In operation								
Platform and Drilling rig - Polvo A	19,364	-	-	-	(3,069)	-	(989)	15,306
FPSO Valente - Frade	1,106,589	-	-	-	(143,637)	-	(51,809)	911,143
FPSO Bravo - Tubarão Martelo	501,506	-	31,889	-	(99,948)	-	(1,802)	431,645
FPSO Forte - Albacora Leste	-	1,776,225	-	-	(190,738)	-	(78,977)	1,506,510
Sonda Hunter Queen	-	-	-	-	(2,456)	578,339	(31,868)	544,015
Oil & gas assets - Frade	1,050,306	-	-	-	(252,855)	852,274	(109,354)	1,540,371
Oil and Gas Assets - Polvo & TBMT	521,542	18,896	-	-	(74,019)	(7,162)	(50,095)	409,162
Well workover	119,454	-	-	-	(113,406)	272,035	(11,431)	266,652
Machinery and equipment	-	-	-	-	-	-	-	-
Furniture and fixtures	936	-	9	-	(165)	-	(49)	731
Communication equipment	477	-	78	-	(80)	-	(29)	446
IT equipment	2,570	649	3,099	-	(1,340)	-	(195)	4,783
Leasehold improvements	5,745	-	-	-	(280)	-	(383)	5,082
In progress								
Constructions in progress	2,413	-	22,489	-	-	-	(1,155)	23,747
Well workover	34,993	-	237,321	-	-	(272,035)	64	343
Development expenditure	741,441	-	2,673,186	-	-	(558,836)	(86,085)	2,769,706
Spare parts	55,591	-	-	-	-	(45,628)	2,034	11,997
Sonda Hunter Queen	218,330	-	316,190	-	-	(578,338)	43,818	-
Material for well revitalization/re-entry - Frade	283,949	-	1,249,578	(88,723)	-	(438,650)	(22,675)	983,479
Total	4,665,206	1,795,770	4,533,839	(88,723)	(881,993)	(198,001)	(400,980)	9,425,118

The transfers did not come to zero because R\$ 198,001 relating to property, plant and equipment was used in the operation.

The development expenses added in the year are related to activities in Wahoo Field, in the amount of R\$ 1,242,548, Frade Field, R\$ 1,209,793, Albacora Leste Field, R\$ 149,165, and in the Polvo and TBMT Cluster, R\$ 71,680.

On July 22, 2022, the Company concluded the acquisition of the Hunter Queen drilling rig (former West Capricorn), 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, after some adaptations, began its operational activities starting in December 2023.

Notes to the quarterly information

June 30, 2024

(In thousands of reais—R\$, unless otherwise indicated)

8. Intangible assets (Consolidated)

a) Breakdown of the balance

	Amortization rate (%)	Consolidated				
		Cost	Amortization	Translation adjustment	06/30/2024	12/31/2023
Oil & gas assets - Frade	(i)	787,956	(485,234)	47,537	350,259	331,805
Oil & gas assets - Albacora Leste	(i)	9,623,201	(1,667,430)	720,897	8,676,668	8,158,835
Oil and Gas Assets - Polvo & TBMT	(i)	817,887	(474,111)	9,982	353,758	336,810
Oil & gas assets - Wahoo	(i)	845,781	-	(3,268)	842,513	733,749
Oil & gas assets - Itaipu	(i)	395	-	40	435	379
Subscription bonus - FZA-M-254	(i)	6,075	-	-	6,075	6,075
Subscription bonus - FZA-Z-539	(i)	8,165	-	-	8,165	8,165
Software and others	20	278	(5)	-	273	271
Goodwill on the acquisition of equity control of Forte	(ii)	1,461,626	-	75,605	1,537,231	1,338,789
		13,551,364	(2,626,780)	850,793	11,775,377	10,914,878

(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) Goodwill and surplus related to the acquisition of shares and control of Forte.

b) Changes in balance

	Balance at 01/01/2024	Amortization	Translation adjustment	Balance at June 30, 2024
Oil & gas assets - Frade	331,805	(30,203)	48,657	350,259
Oil & gas assets - Albacora Leste	8,158,835	(634,054)	1,151,887	8,676,668
Oil and Gas Assets - Polvo & TBMT	336,810	(32,045)	48,993	353,758
Oil & gas assets - Wahoo	733,749	-	108,764	842,513
Oil & gas assets - Itaipu	379	-	56	435
Subscription bonus - FZA-M-254	6,075	-	-	6,075
Subscription bonus - FZA-Z-539	8,165	-	-	8,165
Software and others	271	-	2	273
Goodwill on the acquisition of equity control of Forte	1,338,789	-	198,442	1,537,231
	10,914,878	(696,302)	1,556,801	11,775,377

	Balance at 01/01/2023	Acquisition	Additions	Write-offs	Amortization	Transfer	Translation adjustment	Balance at 12/31/2023
Oil & gas assets - Frade	388,024	-	-	-	(38,715)	-	(17,504)	331,805
Oil & gas assets - Albacora Leste	-	9,679,911	-	(56,710)	(1,033,376)	-	(430,990)	8,158,835
Oil and Gas Assets - Polvo & TBMT	127,902	308,733	-	-	(69,708)	-	(30,117)	336,810
Oil & gas assets - Wahoo	790,796	-	-	-	-	-	(57,047)	733,749
Oil & gas assets - Itaipu	-	-	395	-	-	-	(16)	379
Subscription bonus - FZA-M-254	-	-	-	-	-	6,075	-	6,075
Subscription bonus - FZA-Z-539	-	-	-	-	-	8,165	-	8,165
Software and others	274	-	-	-	-	-	(3)	271
Goodwill on the acquisition of control of Forte*	-	1,461,626	-	-	-	-	(122,837)	1,338,789
Advance for the acquisition of Albacora Leste	1,526,959	(1,453,475)	-	-	-	-	(73,484)	-
	2,833,955	9,996,795	395	(56,710)	(1,141,799)	14,240	(731,998)	10,914,878

*Value on the transaction date, referring to the acquisition of Forte, per Note 8.d.

Notes to the quarterly information

June 30, 2024

(In thousands of reais—R\$, unless otherwise indicated)

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 R\$ 395 (US\$ 75 thousand).

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 operational context, on January 26, 2023, Jaguar concluded the acquisition of a 90% stake in the Albacora Leste Field with Petrobras, and became the operator of the field.

The transaction price was established in US Dollars and totaled US\$ 1,935 million (R\$ 9,860,204 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.

Additionally, according to oil price projections on the closing date, there is an expected payment of US\$ 205,000 thousand of the total of US\$ 250,000 thousand (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 (loss).

The updated balance on June 30, 2024 based on Libor/SOFR is US\$ 168,291 thousand (R\$ 935,511). This amount is already net of the installment referring to 2023, which was paid in January 2024, of US\$ 55,000 thousand (R\$ 295,054) since the conditions for payment were met (Brent average above US\$ 80).

The installment referring to 2024, once the conditions are met, is expected to be paid in January 2025.

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

Notes to the quarterly information

June 30, 2024

(In thousands of reais—R\$, 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		
Property, plant and equipment – Concession	9,679,911	1,899,711
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	(840,568)	(164,840)

d) Business combination – Acquisition of shares and control of 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 of R\$ 879,139 and subscription warrants of R\$ 10,831, valued at the total of 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 R\$ 1,035,337 (US\$ 204,023 thousand), of which R\$ 133,895 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., Óleo e Gás 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; thus, determined the gain in the remeasurement of previous interest of R\$ 117,070, which was fully realized upon the transfer of JOA and control of Forte’s activities for the subsidiary, Bravo, on March 29, 2023. Therefore, there is no effect on the income (loss) for the year regarding the transaction.

Notes to the quarterly information

June 30, 2024

(In thousands of reais—R\$, unless otherwise indicated)

On the control acquisition date, net assets and liabilities amounted to a liability of R\$ 431,355, mainly consisting of provision for probable contingencies recognized in the balance sheet in the 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.

On the date of these financial statements, as provided for by CPC 15, Management completed 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 definitive 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	62,480
Deferred tax on surplus	72,277	13,675
Contingent liabilities assumed	(542,819)	(102,700)
Goodwill generated in business combination	1,461,626	276,535

The goodwill generated is based on the expected realization of tax loss credits from the acquiree, with the increase in production and the consequent increase in taxable income.

Moreover, for the purposes of defining fair value, the amounts of “possible” and “remote” contingencies were considered, which were not accounted for on Forte’s balance sheet, on the date of acquisition of control, following the guidelines of CPC 25, and considering a probability percentage of 25% for “possible” contingencies and 5% for “remote” contingencies, thus adding an amount of R\$ 542,819 in fair value to the contingent liability.

9. Suppliers

	Parent company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Domestic suppliers	313	596	623,586	678,426
Foreign suppliers	1,705	48	500,140	156,352
	<u>2,018</u>	<u>644</u>	<u>1,123,726</u>	<u>834,778</u>
Total current liabilities	2,018	644	1,123,726	834,778

10. Labor obligations

	Parent company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Salary	-	-	-	17,265
Provision for bonus	8,211	14,907	176,130	214,463
Charges	281	98	11,211	25,050
Vacation / 13 th salary	129	78	8,700	10,115
	<u>8,621</u>	<u>15,083</u>	<u>196,040</u>	<u>266,893</u>

Notes to the quarterly information

June 30, 2024

(In thousands of reais—R\$, unless otherwise indicated)

11. Taxes and social contributions payable

	Parent company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
IRPJ and CSLL payable	-	-	368,131	335,726
IRRF on services	571	648	104,132	60,903
PIS/COFINS/CSLL	2	8	59,570	5,566
IRRF on interest on own capital	-	-	58,646	68,600
ICMS	-	-	10,083	7,280
INSS	-	-	8,748	3,856
Taxes on Equity	-	-	231	72
Royalties and special interest	-	-	89,186	108,194
Other	-	20	3	2,810
	573	676	698,730	593,007

12. Loans and financing

		12/31/2023	Additions		Payments		Allocation	Translation adjustment	06/30/2024
			Interest	Principal	Interest				
Citibank	(i)	733,932	23,071	-	(21,985)	-	-	107,639	842,657
CCB	(ii)	146,016	1,524	(139,350)	(11,984)	-	-	3,794	-
ABC	(iv)	156,282	1,463	(149,547)	(12,507)	-	-	4,309	-
Itaú	(v)	489,695	6,424	(507,240)	(11,990)	-	-	23,111	-
Safra (bank)	(vi)	182,576	3,472	(180,877)	(16,602)	-	-	11,431	-
Santander	(vii)	489,797	13,115	-	(12,502)	-	-	71,762	562,172
Bank of China	(viii)	72,659	2,034	-	(2,005)	-	-	10,762	83,450
ICBC	(ix)	248,759	3,004	(246,820)	(9,698)	-	-	4,755	-
HSBC	(x)	145,321	365	(135,920)	(10,128)	-	-	362	-
Subtotal		2,665,037	54,472	(1,359,754)	(109,401)	-	-	237,925	1,488,279
BOND	(xi)	2,915,161	102,139	-	(102,145)	-	-	432,105	3,347,260
Fundraising expenses - Bond	**	(26,712)	-	-	-	5,965	-	(3,956)	(24,703)
Total		5,553,486	156,611	(1,359,754)	(211,546)	5,965	-	666,074	4,810,836
Current		1,212,632							1,210,318
Non-current		4,340,854							3,600,518
Total		5,553,486							4,810,836

* Costs with banks, lawyers, and consultants for issuing the BOND, appropriated by the effective date of instruments.

(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., twice-yearly 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. This contract was settled in December 2023.

In December 2023, Petro Rio Jaguar contracted an “Export Credit Note” (NCE) from Banco Citibank in the amount of US\$ 50 million, with a maturity of three years and annual amortization starting from the second year, TERM SOFR rate+2.30% p.a., with quarterly interest payments and final maturity in 36 months.



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(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. This contract was settled in March 2024.

(iii) 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. These contracts were settled in February 2024 and March 2024, respectively.

(iv) 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., twice-yearly interest payments and final maturity in 24 months. This contract was settled in April 2024.

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., twice-yearly interest payments and final maturity in 12 months. This contract was settled in November 2023.

(v) 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. This contract was settled in April 2024.

(vi) 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. This contract was settled in November 2023.

(vii) 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., twice-yearly interest payments and final maturity in December 2024.

(viii) 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., twice-yearly interest payments and final maturity in 24 months. This contract was settled in March 2024.

(ix) 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. This contract was settled in January 2024.

(x) On June 09, 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 buyback option as of the 3rd year. The principal will be repaid on maturity, June 09, 2026, while interest

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will be repaid twice-yearly, and the first amortization took place in December 2021. Additionally, this contract has non-financial obligations disclosed in the prospect that are monitored quarterly and are fully met.

The contracts signed with Citibank (i), Santander (vi), and the debt issued in the international capital market (x) 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 June 30, 2024, the calculated indicator was below the established limit, complying with the contract clauses.

13. 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 twice-yearly 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.

On February 29, 2024, the second issue of simple debentures, not convertible into shares, in two series, unsecured, with additional personal guarantee from Jaguar, in the total amount of R\$ 2,000,000 on the issue date, was settled, with 800,000 (eight hundred thousand) Debentures having been issued in the First Series, maturing on February 15, 2029; and 1,200,000 (one million, two hundred thousand) Debentures in the Second Series, maturing on February 15, 2034.

The First-Series Debentures will be remunerated based on fixed interest corresponding to 11.1155% p.a., and the Second-Series Debentures will be updated according to the change in the IPCA price index and remunerated based on fixed interest corresponding to 6.4662% p.a.

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On the same date, Jaguar contracted derivative instruments (swap contracts) with the aim of dollarizing the issue of debentures. Therefore, the Issue together with derivative instruments will result in an average dollarized cost of 6.14% p.a.

On April 15, 2024, the Company settled the third issue of simple debentures, not convertible into shares, in two series, unsecured, with an additional personal guarantee from Jaguar, in the total amount of R\$ 1,300,000 on the issue date, with 520,000 (five hundred twenty thousand) Debentures being issued in the First Series, maturing on April 15, 2029 and remunerated based on fixed interest corresponding to 11.0121% p.a.; and 780,000 (seven hundred eighty thousand) Debentures in the Second Series, maturing on April 15, 2034, adjusted according to the change in the IPCA price index and remunerated based on fixed interest corresponding to 6.5102% p.a. The derivative instruments contracted to protect these debentures follow the same characteristics as the second issue resulting in an average dollarized cost of 6.14% p.a.

The Company designated the debentures as hedged items, and the swap contracts as 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. Up to June 2024, the amount recorded in Shareholders' Equity totals R\$ 634,194 (US\$ 114,086 thousand), as a contra entry to the mark-to-market liability, with R\$ 714,478 referring to the change in market value in the first semester of 2024.

Additionally, the expenses for issuing the debentures were capitalized, and will be allocated to income according to the maturity date of the debentures. The balance at June 30, 2024 is R\$ 163,466 (US\$ 32,863 thousand).

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

	12/31/2023	Additions		Payments	Allocation	Translation adjustment	06/30/2024	Mark-to-market	06/30/2024
		Principal	Interest	Interest					
Debentures	2,149,437	3,300,000	234,615	(91,651)	-	-	5,592,401		5,592,401
Swap contracts - Assets	(2,149,437)	(3,300,000)	(234,615)	91,651	-	-	(5,592,401)	(328,574)	(5,920,975)
Swap contracts - Liabilities	1,900,621	3,300,000	138,516	(69,409)	-	645,606	5,915,334	962,768	6,878,102
Funding costs	(60,943)	(121,952)	-	-	19,428	-	(163,467)		(163,467)
Total	1,839,678	3,178,048	138,516	(69,409)	19,428	645,606	5,751,867	634,194	6,386,061
Current	39,430						101,304	-	
Non-current	1,800,248						5,650,563	634,194	

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.

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The measurement of this ratio will be carried out quarterly, and on June 30, 2024, the calculated indicator was below the established limit, complying with the contract clause. Additionally, these contracts have non-financial obligations disclosed in the prospect that are monitored quarterly and are fully met.

14. Lease operations

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

Right-of-use assets	Cost	Amortization	CTA	Balance
Support Vessels	1,775,032	(213,927)	224,474	1,785,579
Helicopters	434,272	(54,402)	59,387	439,257
Buildings/Support Bases	255,788	(57,249)	27,233	225,772
Equipment	176,080	(45,846)	18,908	149,142
Total	2,641,172	(371,424)	330,002	2,599,750

To calculate the cost, the terms in which the assets will be needed for the operation, which ranges from 2031 and 2041, and the incremental rate on the loans in force at the time of contracting the equipment lease were considered. This rate is maintained until the end of the contracts unless there is a change in their duration.

As disclosed in Note 2 in the Financial Statements of December 31, 2023, accounting policies material to quarterly information, there was an extension of the useful life of the Frade, Polvo, and Tubarão Martelo Fields, and consequently the review of discount rates.

On December 31, 2023, the rate of 12.44% p.a. is being considered for contracts in Reais. (CDI+2.05% p.a.) and for contracts in USD, 11.87% p.a. for Frade and 11.55% for the Cluster. As Albacora Leste did not change its useful life, there was no update to the discount rates, remaining at 14% p.a. for contracts in Reais and 7.14% p.a. for contracts in USD.

In the second quarter of 2024, a helicopter was included to serve the Frade and Albacora Leste fields, discounted at the rate of 11.01% p.a. for the installment in Reais and 6.14% p.a. for the installment in US Dollars.

As a result of the inclusion of the new contract mentioned earlier, the readjustment of the vessel, building, and support base contracts, as well as the contracts terminated in the period, assets and liabilities increased R\$ 485,689.

The effects presented in the period were:

	Assets	Liabilities
Balance at December 31, 20223	2,044,361	(2,161,238)
Additions	485,689	(485,689)
Reversals - contracts terminated early	(168,356)	185,037
Currency adjustment	-	92,778
Price-level restatement	-	(99,099)
Payments made	-	135,088
Amortization	(91,946)	-
Translation adjustment	330,002	(362,025)
Balance at June 30, 2024	2,599,750	(2,695,148)
Current	-	(283,841)
Non-current	2,599,750	(2,411,307)

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Contract maturity	PIS/COFINS	
Maturity of installments	Amount (R\$)	Amount (R\$)
2025	(473,597)	43,807
2026	(313,676)	29,015
2027	(313,676)	29,015
2028	(314,350)	29,077
2029	(313,676)	29,015
2030	(313,676)	29,015
2031	(313,676)	29,015
2032	(246,562)	22,807
2033–2041	(2,244,021)	207,570
Undiscounted amounts	(4,846,910)	448,336
Embedded interest	2,151,762	
Lease liability balance	<u>(2,695,148)</u>	

15. Current and deferred income tax and social contribution

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

Companies	Tax loss		Tax credit	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Prio S.A.	263,391	209,718	89,553	71,304
PrioIntl	10,993	11,571	3,738	3,934
PrioOG	429,225	434,099	145,937	147,594
Jaguar	212,569	597,814	72,273	203,257
Bravo	387,083	517,509	131,608	175,953
Brasoil Group (Coral, OPCO and Energia)	52,570	59,612	17,874	20,268
Grupo Forte (*)	21,409,255	19,686,224	7,279,147	6,693,316
Subtotal in Brazil	22,765,086	21,516,547	7,740,130	7,315,626
Lux Holding (*)	3,040,398	3,040,398	758,275	758,275
Subtotal in Luxembourg	3,040,398	3,040,398	758,275	758,275
PrioOGIntl (*)	33,113	33,113	8,278	8,278
PrioAustria (*)	336,874	336,874	84,219	84,218
Subtotal in Austria	369,987	369,987	92,497	92,496
Ned Holding (*)	778,561	778,561	194,640	194,640
Subtotal in Netherlands	778,561	778,561	194,640	194,640
Total	26,954,032	25,705,493	8,785,542	8,361,037

(*) As of June 30, 2024, 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.

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The Pillar 2 legislation issued by the Organization for Economic Cooperation and Development (OECD) was enacted or substantially enacted in several countries where there are companies controlled by Prio – in this case, Luxembourg, Austria and the Netherlands –, although Brazil is still uncertain if and when these standards will be internalized. The potential income tax exposure for the period ending June 30, 2024 is not reasonably estimable at this time. The Company is making every effort to complete this survey, and expects to be in a position to report potential exposure during FY 2024.

Following paragraph 88A of IAS 12, we affirm that all PRIO Group companies, in their respective jurisdictions, apply the exemption from deferred tax accounting in relation to the new Pillar Two tax legislation. It should also be noted that the PRIO Group is evaluating all the implications of Pillar Two in detail, so as to avoid inconsistent interpretations of IAS 12, which could result in inconsistent application of the standard.

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

	Parent company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Negative goodwill/surplus in business combination	-	-	200,345	185,535
Temporary differences	(18,638)	(10,191)	5,672	374,106
Temporary differences - Translation adjustments *	-	-	686,209	(449,596)
Tax losses	-	-	(319,291)	(626,627)
Net balance of (Assets)/Liabilities	(18,638)	(10,191)	572,935	(516,582)

Realization estimate	Consolidated									
	2025	2026	2027	2028	2029	2030	2031	2032	2033-2041	Total
Negative goodwill/surplus in business combination	103,880	9,513	8,600	7,921	7,310	6,800	6,411	6,112	43,798	200,345
Temporary differences	5,672	-	-	-	-	-	-	-	-	5,672
Tax losses	(86,820)	(32,015)	(27,640)	(24,366)	(21,434)	(18,972)	(17,067)	(15,942)	(75,035)	(319,291)

* 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.

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16. Provision for abandonment (ARO)

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

	Polvo	Manati	Tubarão Martelo	Frade	Albacora Leste	Tubarão Azul	Total
Balance at December 31, 2022	(36,657)	-	150,736	157,552	-	-	271,631
Acquisition - Albacora Leste	-	-	-	-	840,568	-	840,568
Incorporation of Tubarão Azul	-	-	-	-	-	86,092	86,092
Write-off of provision for the sale of the Field	-	(53,736)	-	-	-	-	(53,736)
Increase / Decrease	(18,887)	5	(21,508)	(20,465)	(37,285)	-	(98,140)
Currency adjustment	-	2,820	-	-	-	-	2,820
Price-level restatement	6,812	2,828	15,558	19,894	79,180	-	124,272
Translation adjustment	(10,566)	-	(11,312)	(14,291)	(63,776)	(6,211)	(106,156)
Transfer of assets held for sale	-	48,083	-	-	-	-	48,083
Inflation adjustment of the Abandonment Fund	5,995	-	-	-	-	-	5,995
Balance at December 31, 2023	(53,303)	-	133,474	142,690	818,687	79,881	1,121,429
Price-level restatement	7,274	-	7,982	8,746	51,519	-	75,521
Translation adjustment	18,452	-	20,411	21,855	125,613	11,841	198,172
Inflation adjustment of the Abandonment Fund	(30,149)	-	-	-	-	-	(30,149)
Balance at June 30, 2024	(57,726)	-	161,867	173,291	995,819	91,722	1,364,973

With the acquisition of Albacora Leste Field, a provision for abandonment of the field of R\$ 840,568 was recorded, as Note 8.2.c.

With the acquisition of Forte's shares, the Company started consolidating the values for the conclusion of the abandonment foreseen for Tubarão Azul Field, totaling 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 R\$ 32,735 that directly affected the income (loss).

Polvo and Tubarão Martelo fields, with abandonment forecast extended to 2033, discount the abandonment estimates, both in dollars, at the present value at the rate of 11.55% per annum. The Frade Field, with the abandonment forecast extended to 2041 and estimated in dollars, uses the rate of 11.87% per annum. And Albacora Leste, expected to be abandoned in 2031 (field concession deadline) and estimated in USD, uses a rate of 11.55%. The inflation rates used, when necessary, are an average of 2.0% per annum for amounts in dollars.

17. 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.

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Regardless of the current scenario in the oil market, and the increase in production in the Fields, the Company carries out calculations to verify the recoverable value of assets compared to the amounts recorded in the year. Additionally, starting in 2023, goodwill was recorded on the acquisition of Forte, which needs to be tested annually.

For this calculation, estimates of proven reserves (1P) of the fields in operation calculated by D&M were used, on an individual basis, i.e., one test for Frade, one for Albacora Leste, and one for the Polvo and Tubarão Martelo Cluster, as well as Brent futures prices in the discounted market at a rate of 10.8% p.a.

The calculations showed a present value much higher than the assets recorded on December 31, 2023, and there is no event in the first semester of 2024 that requires the need to review the tests, record a provision for impairment, or write-off the goodwill.

18. Shareholders' equity

18.1. Share capital

On June 30, 2024, the Company's subscribed and paid-in capital totaling R\$ 7,834,752 is composed of 892,059,934 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 R\$ 7,611,387.

Shareholder	Number of common shares *	% of Interest
Other shareholders	892,059,934	100%

*According to information disclosed in reference form.

The Company's Share Capital underwent changes in January 2024, with an increase of R\$ 58,595 through the issue of shares upon the exercise of stock options granted to employees.

Moreover, on February 21, 2024 and March 15, 2024, the Company carried out an increase in share capital in the amount of R\$ 2,000,000 and R\$ 200,000, respectively, through the capitalization of resources allocated to the statutory profit reserve called "Investment Reserve."

On June 30, 2024, the Company maintains the balance of 56,912,942 common shares of Prio S.A. in Treasury Shares account, rectifying Shareholders' Equity, at the transaction cost of R\$ 732,278 (52,700,738 shares at the cost of R\$ 545,845 on December 31, 2023).

18.2. 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. To define the expected volatility, past share prices were observed for the same period as the vesting periods of the subscription options granted.

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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 grant 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 grant 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\$ 428,138, and the counterparty is in the statement of income as personnel cost since the grant, out of this amount, the amount of R\$ 21,361 is for the period ended June 30, 2024 (R\$ 43,075 in 2023).

Out of the options granted, 4,830,787 options were exercised on January 2, 2024, with the full payment of R\$ 58,595 in the Company's share capital.

18.3. 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	04/01/2024– 06/30/2024	04/01/2023– 06/30/2023	01/01/2024– 06/30/2024	01/01/2023– 06/30/2023
Numerator (R\$'000)				
Income (loss) for the period attributable to Group's shareholders	1,420,009	840,969	2,465,562	2,003,034
Denominator (in thousands of shares)				
Weighted average of number of common shares for basic earnings per share *	837,203	841,707	837,633	844,631
Basic earnings per share	1,696	0,999	2,943	2,371
Diluted earnings per share	1,688	0,992	2,930	2,355
Potentially dilutive shares in future periods with profit	4,008	5,870	3,984	6,032

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

Notes to the quarterly information

June 30, 2024

(In thousands of reais—R\$, unless otherwise indicated)

19. Related party transactions (Parent company)

	Parent company	
	06/30/2024	12/31/2023
Accounts receivable - Prio S.A x Petrorio O&G (i)	186,310	164,528
Accounts receivable Prio S.A. x Petrorio Jaguar (i)	85,126	33,982
Apportionment of Frade's administrative expenses (ii)	(173,400)	(116,903)
Apportionment of Bravo's administrative expenses (ii)	(90,351)	(72,514)
Loan payable Prio S.A. x Bravo (v)	-	(149,656)
Loan payable Petrorio Luxembourg Sarl x Prio S.A. (iii)	(235,017)	(203,048)
Loan payable - Prio S.A vs. Coral (iv)	(17,318)	(84,120)
Loan payable Prio S.A. x O&G (vi)	-	(111,128)
Passive intergroup loan Prio S.A. x Jaguar (vii)	(394,864)	-
	<u>(639,513)</u>	<u>(538,859)</u>
Total non-current assets	12,335	9,355
Total (non-current liabilities)	(651,848)	(548,214)

- (i) Balance of share-based remuneration plan of the Company with Prio 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 of R\$ 150,000 signed in March 2023 between Prio and Prio 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. In February 2024, a new intergroup loan agreement was signed in the amount of up to R\$ 150,000, with the same conditions of duration and interest rate as the previous one.
- (v) Balance referring to a loan agreement of R\$ 150,000 signed in April 2023 between Prio and Prio 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. This contract was settled in May 2024.
- (vi) Balance referring to a loan agreement in the amount of R\$ 150,000 signed in June 2023 between Prio and Prio O&G, with an indefinite term and no interest that will be used for the cash composition. This contract was settled in March 2024.
- (vii) Balance referring to a loan agreement up to R\$ 500,000 signed in March 2024 between Prio and Petro Rio Jaguar, with an indefinite term and an interest rate of 6.125% p.a. that will be used for the cash composition.

Management remuneration

The Company's management remuneration in the period ended June 30, 2024 was R\$ 14,744 (R\$ 26,280 on June 30, 2023), as detailed below:

Management remuneration	06/30/2024	06/30/2023
Short-term employee benefits	2,100	2,100
Share-based payment	12,644	24,180
Total	14,744	26,280

Notes to the quarterly information June 30, 2024

(In thousands of reais—R\$, unless otherwise indicated)

20. Net revenue

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

	01/01/2024–06/30/2024					
	Sale of produced oil				Trading (**)	Total
	Polvo/TBMT	Frade	Albacora Leste			
Gross revenue	1,128,937	3,661,981	2,349,009	1,149,691	8,289,618	
Deductions	-	-	-	-	-	
Subtotal	1,128,937	3,661,981	2,349,009	1,149,691	8,289,618	
Sales expenses	(110,198)	(204,022)	(148,905)	(31,266)	(494,391)	
Net revenue	1,018,739	3,457,959	2,200,104	1,118,425	7,795,227	

	04/01/2024–06/30/2024					
	Sale of produced oil				Trading (**)	Total
	Polvo/TBMT	Frade	Albacora Leste			
Gross revenue	701,731	1,878,798	1,372,803	940,850	4,894,182	
Deductions	-	-	-	-	-	
Subtotal	701,731	1,878,798	1,372,803	940,850	4,894,182	
Sales expenses	(49,445)	(117,897)	(113,727)	(18,072)	(299,141)	
Net revenue	652,286	1,760,901	1,259,076	922,778	4,595,041	

	01/01/2023–06/30/2023				
	Sale of produced oil				Total
	Polvo/TBMT	Manati	Frade	Albacora Leste	
Gross revenue	1,135,351	44,975	3,211,577	1,079,722	5,471,625
Deduction (*)	(47,083)	(7,516)	(206,184)	(84,681)	(345,464)
Subtotal	1,088,268	37,459	3,005,393	995,041	5,126,161
Sales expenses	(30,380)	-	(198,770)	(32,658)	(261,808)
Net revenue	1,057,888	37,459	2,806,623	962,383	4,864,353

	04/01/2023–06/30/2023				
	Sale of produced oil				Total
	Polvo/TBMT	Manati	Frade	Albacora Leste	
Gross revenue	523,141	24,565	1,482,438	515,712	2,545,856
Deduction (*)	(47,083)	(4,092)	(140,983)	(42,492)	(234,650)
Subtotal	476,058	20,473	1,341,455	473,220	2,311,206
Sales expenses	7,055	-	(139,563)	(32,658)	(165,166)
Net revenue	483,113	20,473	1,201,892	440,562	2,146,040

(*) It includes the amount of R\$ 274,727 referring to export tax on sales from April to June 2023 of Polvo/TBMT, Frade and Albacora Leste, as well as taxes on sales in the domestic market.

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 period ended June 30, 2024, the Company recorded the sales expense of R\$ 494,391 (R\$ 261,808 in 2023).

(**) In the second quarter of 2024, the trading department carried out two purchase and sale operations of oil from third parties, with the acquisition of approximately 971 thousand barrels of oil from Perenco Petróleo e Gas Brasil Ltda. and resale to Phillips 66 Company and Saras SPA Raffinarie Sarde.

Notes to the quarterly information

June 30, 2024

(In thousands of reais—R\$, unless otherwise indicated)

21. Costs of products sold

	Consolidated			
	04/01/2024– 06/0/2024	04/01/2023– 06/0/2023	01/01/2024– 06/0/2024	01/01/2023– 06/0/2023
Logistics	24,504	24,666	40,089	40,285
Consumables	128,548	61,407	254,673	176,734
Operation and maintenance	76,619	12,954	131,479	121,876
Personnel	67,582	67,340	124,560	132,291
Purchase of oil for resale (*)	813,562	(17,407)	993,887	38,958
Other costs	125,520	(10,526)	175,997	47,644
Royalties and special interest	315,157	225,599	606,804	463,850
Amortization - CPC 06 (R2)	48,425	21,441	89,017	59,719
Depreciation and amortization	590,664	457,598	1,161,714	743,601
Total	2,190,581	843,072	3,578,220	1,824,958

(*) In the second quarter of 2024, the trading department carried out two purchase and sale operations of oil from third parties, with the acquisition of approximately 971 thousand barrels of oil from Perenco Petróleo e Gas Brasil Ltda. and resale to Phillips 66 Company and Saras SPA Raffinarie Sarde.

Oil inventory

	06/30/2024		12/31/2023	
	Amount	Quantity	Amount	Quantity
Polvo	-	-	10,646	85
Tubarão Martelo	156,477	812	64,749	342
Forte	18,617	130	13,763	125
Frade	80,870	856	61,734	794
Albacora Leste	73,818	305	103,438	489
Total	329,782	2,103	254,330	1,835

22. Other revenues and expenses

	Parent company			
	04/01/2024– 06/30/2024	04/01/2023– 06/30/2023	01/01/2024– 06/30/2024	01/01/2023– 06/30/2023
Expense supplement on employee/director bonuses	-	(6,910)	(55)	(12,228)
Other revenues (expenses)	(71)	(16)	(86)	(130)
Total	(71)	(6,926)	(141)	(12,358)

Consolidated			
04/01/2024– 06/30/2024	04/01/2023– 06/30/2023	01/01/2024– 06/30/2024	01/01/2023– 06/30/2023

Notes to the quarterly information

June 30, 2024

(In thousands of reais—R\$, unless otherwise indicated)

Increase/decrease in the provision for abandonment (rate/curve change)	-	-	-	(32,735)
Reversal (Provision) for labor contingencies	(922)	1,277	(1,841)	(4,866)
Reversal (Provision) for tax contingencies	(1,235)	(1,907)	(2,525)	(3,417)
Reversal (Provision) for civil contingencies	295,663	(29,739)	294,093	(52,322)
Acquisition of Albacora Leste	-	(27,753)	-	(11,075)
Expense supplement on employee/director bonuses	-	3,373	(493)	(72,100)
Credit for untimely taxes (PIS&COFINS/INSS/ICMS)	44,672	60,090	49,687	65,712
Expense with income tax on interest on own capital	(47,446)	-	(47,446)	-
Indirect overhead - Partnerships	(1,883)	(247)	(9,236)	(210)
Tieback - BW Demobilization	-	(7,450)	-	(7,450)
Acquisition of Hunter Queen drilling rig	-	(8)	-	(19,102)
IBV arbitration refund	-	-	40,567	-
Other revenues (expenses)	20,385	(14,914)	16,451	(12,663)
Total	309,234	(17,278)	339,257	(150,228)

23. Financial income (loss)

	Parent company			
	04/01/2024– 06/0/2024	04/01/2023– 06/0/2023	01/01/2024– 06/0/2024	01/01/2023– 06/0/2023
Financial revenues	207	264	415	692
Revenue from realized financial investment	171	219	342	337
Other financial revenues	36	45	73	355
Financial expenses	(15,432)	(3,418)	(23,993)	(4,515)
Other financial expenses	(15,432)	(3,418)	(23,993)	(4,515)
Net exchange rate changes	46,095	(4,919)	53,978	(4,646)
Revenue from exchange-rate change	132,171	8,903	143,969	13,528
Expense on foreign exchange rate (*)	(86,076)	(13,822)	(89,991)	(18,174)

	Consolidated			
	04/01/2024– 06/0/2024	04/01/2023– 06/0/2023	06/30/2024	06/30/2023
Financial revenues	332,246	(5,940)	386,061	20,870
Revenue from realized financial investment	315,068	20,106	365,174	2,388
Marked at fair value of derivatives	11,780	(40,237)	11,593	597
Gain in realization of derivatives	-	16,986	-	16,986
Other financial revenues	5,398	(2,795)	9,294	899
Financial expenses	(375,160)	(273,510)	(664,194)	(505,142)
Loss on realized financial investment	(942)	(12,550)	(4,406)	(25,784)
Interest on loans	(173,330)	(129,498)	(304,482)	(263,378)
Commission on bank guarantees	(5)	(73)	(161)	(73)
Marked at fair value - Derivatives	(13,640)	(43,650)	(13,640)	(43,650)
Loss in realization of derivatives	(10,002)	-	(64,601)	-
Expenses with interest on leases	(54,357)	(31,566)	(99,057)	(61,052)
Fair value loss - ARO	(38,498)	(49,515)	(75,522)	(85,285)
Restatement of liability - Earn-out (**)	(15,065)	-	(31,717)	-
Other financial expenses	(69,321)	(6,658)	(70,608)	(25,920)
Net exchange rate changes	(12,956)	(61,604)	23,584	(121,072)
Revenue from exchange-rate change	1,961,147	776,638	2,309,526	1,041,834
Expense on foreign exchange rate (*)	(1,974,103)	(838,242)	(2,285,942)	(1,162,906)

(*) 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.

(**) Per Note 8

Notes to the quarterly information June 30, 2024

(In thousands of reais—R\$, unless otherwise indicated)

24. 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			
	04/01/2024– 06/0/2024	04/01/2023– 06/0/2023	01/01/2024– 06/0/2024	01/01/2023– 06/0/2023
Income before income tax and social contribution	1,413,570	843,930	2,456,740	2,007,779
Tax rate according to the current legislation	34%	34%	34%	34%
Income tax and social contribution based on the current rate	480,614	286,936	835,292	682,645
Non-deductible expenses/non-taxable revenue, net:				
Permanent differences	(359,698)	3,325	(357,497)	5,220
Temporary differences	309	(2,961)	2,729	(4,745)
Equity in net income of subsidiaries	(480,114)	(292,558)	(843,471)	(691,144)
(Use of) tax loss	(1,179)	(1,556)	(4,897)	(2,864)
Difference in tax base – Functional Currency	353,629	9,775	359,022	15,633
Total	(6,439)	2,961	(8,822)	4,745
Income tax and social contribution	-	2,961	-	4,745
Deferred income tax	(6,439)	-	(8,822)	-
Expense (revenue) from income tax and social contribution in income (loss)	(6,439)	2,961	(8,822)	4,745
Effective rate on pre-tax profit	-0.46%	0.35%	-0.36%	0.24%

	Consolidated			
	04/01/2024– 06/0/2024	04/01/2023– 06/0/2023	01/01/2024– 06/0/2024	01/01/2023– 06/0/2023
Income before income tax and social contribution	2,464,207	840,135	3,989,284	2,095,688
Tax rate according to the current legislation	34%	34%	34%	34%
Income tax and social contribution based on the current rate	837,830	285,646	1,356,357	712,534
Non-deductible expenses/non-taxable revenue, net:				
Permanent differences	(451,312)	(39,375)	(431,292)	(10,884)
Temporary differences	388,974	(383,701)	436,161	(413,479)
Deduction / Tax benefits	(6,735)	(459)	(9,201)	(1,772)
(Use of) tax loss	(212,194)	68,844	(448,349)	(301,602)
Effect of reduced tax rates in the USA and Luxembourg	(131,942)	(70,157)	(230,374)	(156,550)
Difference in tax base – Functional Currency	619,577	138,368	850,420	264,407
Total	1,044,198	(834)	1,523,722	92,654
Income tax and social contribution	244,863	108,927	425,786	233,000
Deferred income tax	799,335	(109,761)	1,097,936	(140,346)
Expense (revenue) from income tax and social contribution in income (loss)	1,044,198	(834)	1,523,722	92,654
Effective rate on pre-tax profit	42.37%	-0.10%	38.20%	4.42%

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June 30, 2024

(In thousands of reais—R\$, unless otherwise indicated)

25. Segment reporting (Consolidated)

The technical pronouncement CPC 22 - Segment Reporting requires that operations by segment be identified based on internal reports, regularly reviewed by decision makers to allocate funds to segments and assess their performance. The Company, through its subsidiaries, operates only in the oil and gas exploration and production (E&P) segment in Brazil and abroad, therefore representing a single operating segment.

Segment reporting for continued operations:

	<u>06/30/2024</u>	<u>12/31/2023</u>
Current assets		
Brazil	4,092,146	1,409,669
Abroad	6,457,563	3,885,205
Non-current assets		
Brazil	26,189,137	22,701,561
Abroad	555,084	314,497
Revenue	<u>06/30/2024</u>	<u>06/30/2023</u>
Brazil	-	37,459
Abroad	7,795,227	4,826,894

26. 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.

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

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.

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(In thousands of reais—R\$, unless otherwise indicated)

Derivative financial instruments – Hedge

The Company, through its subsidiaries, contracted derivatives aimed at hedging against the risk of volatility in oil prices for sales which will be priced in July 2024. Basically, the transactions protect the Company, which obtained minimum price (floor) per barrel.

On April 25, 2024, PRIO contracted a derivative for 500,000 bbl (barrels of oil) in which it will receive the average of the dated Brent prices from June 1, 2024 to June 30, 2024, and will pay the average of dated Brent from July 1, 2024 to July 31, 2024 plus USD 0.82. Accordingly, the Company will have a cost of USD 0.82 per bbl of oil and will not run the risk of the July 2024 dated Brent price being lower than the January 2024 price in the repurchase transaction of oil from third parties.

Changes in hedge operations for the period are presented below:

Oil sales hedging operation:

Institution	Contract	Operation	Type	Maturity	Settlement	Strike	Quantity	Price		Price	MTM	Position		Result	
								Engagement	Premium			US\$	R\$	US\$	R\$
Citibank	Brent-Ice	Sale	PUT	31/03/24	31/03/24	83.15	2,000	0,615	1,230	-	-	-	-	(1,230)	(6,361)
Citibank	Brent-Ice	Sale	PUT	31/03/24	31/03/24	84.28	2,000	0,605	1,210	-	-	-	-	(1,210)	(6,258)
Citibank	Brent-Ice	Sale	PUT	30/04/24	30/04/24	85.90	1,900	2,325	4,418	-	-	-	-	(4,418)	(22,846)
Total	Brent-Ice	Sale	PUT	31/03/24	31/03/24	83.20	2,000	1,450	2,900	-	-	-	-	(2,900)	(14,998)
Citibank	Brent-Ice	Sale	PUT	31/07/24	-	85.15	1,000	1,620	1,620	1,527	(93)	1,527	8,491	(93)	(517)
Morgan Stanley	Brent-Ice	Sale	PUT	31/07/24	-	85.20	1,000	1,650	1,650	1,550	(101)	1,550	8,614	(101)	(559)
Morgan Stanley	Brent-Ice	Sale	PUT	31/07/24	-	85.40	1,000	1,591	1,591	1,659	69	1,659	9,224	69	382
							3,000		4,861		(125)	4,736	26,328	(9,882)	(51,158)

Hedging operation - DFL:

Institution	Contract	Operation	Type	Maturity	Quantity	Price		Price	Position		Result		
						Engagement	-		US\$'000	In thousands of reais	US\$'000	In thousands of reais	
Citibank	DFL	Sale	Forward	30/06/24	1,950	0.75	-	0.32	2,084		11,584	2,084	11,584
					1,950				2,084		11,584	2,084	11,584

Structured transaction hedge operation

Institution	Contract	Operation	Type	Maturity	Settlement	Quantity	Price			Position		Result	
							Assets	Liabilities	Discount	US\$	R\$	US\$	R\$
Morgan Stanley	Brent-Ice	Purchase	Swap	31/01/24	31/03/24	500	79.15	79.31		-	-	(80)	(414)
Morgan Stanley	Brent-Ice	Sale	Swap	27/03/24	31/03/24	(500)	79.21	84.52		-	-	(2,654)	(13,723)
Morgan Stanley	Dated-Brent	Purchase	Swap	31/05/24	-	500	82.05	85.40	99.85%	(1,673)	(9,303)	(1,673)	(9,303)
Morgan Stanley	Dated-Brent	Sale	Swap	30/06/24	-	(500)	84.65	82.58	99.85%	1,034	5,745	1,034	5,745
Morgan Stanley	Dated-Brent	Purchase	Swap	30/06/24	-	500	82.58	86.75	99.41%	(2,073)	(11,522)	(2,073)	(11,522)
Morgan Stanley	Dated-Brent	Sale	Swap	31/07/24	-	(500)	85.93	85.72	99.41%	106	591	106	591
						-				(2,606)	(14,489)	(5,340)	(28,626)

In the period ended June 30, 2024, the Company recorded a loss with the realization of hedge transactions in the amount of R\$ 64,601 and a loss with the mark-to-market in the amount of R\$ 3,599.

The Company designated the debentures issued in August 2022, February and April 2024 (Note 13) as hedged items, and the swap contracts as 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, the operation is fully effective, with no risk of mismatching as to the amounts practiced in the settlement of each interest or principal installment.

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(In thousands of reais—R\$, unless otherwise indicated)

The contracts have the function of exchanging the debenture rates and the BRL currency in a debt in USD with a fixed rate of 6.79% p.a. for the first issue and 6.14 p.a. for the second and third issue.

On June 30, 2024, the mark-to-market of swap contracts totaled R\$ 634,194.

Interest rate risk

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

Interest rate sensitivity

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

Operation	Risk	Probable scenario	Scenario (I) 25%	Scenario (II) 50%
Impact on the securities	CDI decrease	9	(350)	(710)

For the earnings from financial investments and securities the CDI projections disclosed by BM&FBOVESPA for the period ended June 30, 2024 were taken into account under the probable scenario (CDI 10.55%), 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.

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 period ended June 30, 2024, oil net sales were decentralized, with sales to clients that do not 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.



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(In thousands of reais—R\$, unless otherwise indicated)

Consolidated

Period ended June 30, 2024	≤12 months	01–05 years	Total
Liabilities			
Loans and financing	(1,210,318)	(3,600,518)	(4,810,836)
Suppliers	(1,123,726)	-	(1,123,736)
Labor obligations	(196,040)	-	(196,040)
Taxes and social contributions	(698,730)	(572,935)	(1,271,665)
Local debentures (includes conversion swaps)	(101,304)	(5,650,563)	(5,751,867)
Provision for abandonment	-	(1,364,973)	(1,364,973)
Provision for contingencies	-	(700,621)	(700,621)
Mark-to-market of debenture swaps	-	(634,194)	(634,194)
Other liabilities	(935,511)	(42,567)	(978,078)
	(4,265,629)	(12,566,371)	(16,832,000)

Year ended December 31, 2023	≤12 months	01–05 years	Total
Liabilities			
Loans and financing	(1,212,632)	(4,340,854)	(5,553,486)
Suppliers	(834,778)	-	(834,778)
Labor obligations	(266,893)	-	(266,893)
Taxes and social contributions	(593,007)	-	(593,007)
Local debentures (includes conversion swaps)	(39,430)	(1,800,248)	(1,839,678)
Provision for abandonment	-	(1,121,429)	(1,121,429)
Provision for contingencies	-	(946,101)	(946,101)
Other liabilities	(292,569)	(823,473)	(1,116,042)
	(3,239,309)	(9,032,105)	(12,271,414)

Parent company

Period ended June 30, 2024	≤12 months	01–05 years	Total
Liabilities			
Suppliers and other	(2,018)	-	(2,018)
Labor obligations	(8,621)	-	(8,621)
Taxes and social contributions	(573)	-	(573)
Provision for contingencies	-	(400)	(400)
Other liabilities	-	(183)	(182)
	(11,212)	(583)	(11,795)

Year ended December 31, 2023	≤12 months	01–05 years	Total
Liabilities			
Suppliers and other	(644)	-	(644)
Labor obligations	(15,083)	-	(15,083)
Taxes and social contributions	(676)	-	(676)
Provision for contingencies	-	(400)	(400)
Other liabilities	-	(185)	(185)
	(16,403)	(585)	(16,988)

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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 period ended June 30, 2024.

	06/30/2024				12/31/2023			
	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)	-	-	2,093,882	2,093,882	-	-	1,743,491	1,743,491
Related parties	12,335	12,335	-	-	9,355	9,355	-	-
Fair value through profit or loss								
Cash and cash equivalents (ii)	9,908	9,908	6,447,834	6,447,834	18,248	18,248	2,335,403	2,335,403
Financial liabilities								
Amortized cost:								
Suppliers (i)	2,018	2,018	1,123,726	1,123,726	644	644	834,778	834,778
Loans and financing	-	-	4,810,836	4,810,836	-	-	5,553,486	5,553,486
Debentures and Swap	-	-	5,751,867	6,386,061	-	-	1,839,678	1,758,980
Contractual charges (Leases - IFRS 16)	-	-	2,695,148	2,695,148	-	-	2,161,238	2,161,238
Accounts payable on obligations associated with assets held for sale	-	-	-	-	-	-	4,104	4,104
Accounts payable earn-out of Albacora Leste	-	-	935,511	935,511	-	-	1,075,188	1,075,188

(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).

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June 30, 2024

(In thousands of reais—R\$, unless otherwise indicated)

27. 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, Genesis 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, 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 at June 30, 2024 cover the insured amount of R\$ 44,625,464.

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

<u>Insurance/Modality</u>	<u>Amount insured</u>
Physical damages (Oil inventories)	1,028,396
Fixed Platform	1,011,720
FPSO Frade	4,118,589
Subsea Equipment	1,667,670
Equipment/ Work	20,681
Offshore property (Pipeline)	157,317
OEE production (Well control)	483,624
OEE Production and Development	583,685
Offshore Civil Liability + Surplus	3,335,340
Transportation	7,111,067
D&O	40,000
P&I	15,564,920
General liability	5,000
Equity	17,200
Legal guarantee	248,014
Guarantee insurance	64,698
Travel Insurance Travel Guard	1,529
FPSO OSX-3 Hull and Machine	3,780,052
Drilling rig	667,068
FPSO Forte	4,718,894
Total insured	<u>44,625,464</u>

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June 30, 2024

(In thousands of reais—R\$, unless otherwise indicated)

28. 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 of R\$ 700,621 and R\$ 946,101 recorded in the balance sheet on June 30, 2024 and December 31, 2023, 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., acquired in January 2023. The Company also has judicial deposits related to ongoing lawsuits recorded in non-current assets totaling R\$ 29,930 (R\$ 29,971 as of December 31, 2023), 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 R\$ 19,247, tax claims of R\$ 83,873, civil, regulatory claims of R\$ 345,078 (as of December 31, 2023, R\$ 17,407, R\$ 81,357 and R\$ 350,137, respectively). Among the probable causes, the most relevant are a regulatory one by Prio Forte totaling R\$ 214,240, referring to fines on local content and a fiscal one, also by Prio Forte of R\$ 82,815, referring to the requirement of collecting withholding income tax on remittances made in 2013 for settlement of financial intermediation contracts.

Additionally, the fair value of R\$ 542,819 was recognized referring to the contingent liability assumed, measured on possible and remote provision in the acquisition of Forte. In June 2024, this amount was updated to R\$ 252,423 due to write-offs of proceedings that ended with a positive outcome for the Company, with the most relevant causes being:

- (1) Federal Revenue Service, regarding the final judgment of the PPE, confirming that the amounts sent to Austria for the payment of interest should be taxed at a 15% rate by international treaty, and that the interest accounted for and not paid that was not sent abroad should be excluded from the tax requirement in the amount of R\$ 113,170; and
- (2) Federal Revenue Service, regarding the tax assessment notice for the reduction of tax loss and negative CSLL base, which has no cash/accounting effect in case of loss of the lawsuit, as the loss is not recorded in the amount of R\$ 148,419.

Other lawsuits with possible loss

According to the Group's legal advisors, the risk of loss in other lawsuits is classified as "possible" totaling R\$ 3,605,507 (R\$ 4,760,645 as of December 31, 2023), of which R\$ 1,339,659 refers to tax claims, R\$ 2,236,563 is related to civil claims and R\$ 29,285 to labor claims (R\$ 2,586,990, R\$ 2,155,232 and R\$ 18,424, respectively, as of December 31, 2023). The lawsuits with the most relevant values are:

- (1) Brazilian Federal Revenue Service totaling R\$ 314,375, 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;



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(In thousands of reais—R\$, unless otherwise indicated)

- (2) National Treasury, totaling R\$ 90,712, referring to the Ordinary Action filed with the objective of deconstituting Forte's IRRF tax credit;
- (3) Federal Revenue Service in the amount of R\$ 159,662, referring to the non-recognition of early reimbursement in the amount of 50% of the total PIS and Cofins credit;
- (4) National Treasury, in the amount of R\$ 98,089, referring to the advance payment requirement of the historic amount of R\$ 76,223, arising from PIS and Cofins credits advanced by the Brazilian Federal Revenue Service;
- (5) Federação dos Pescadores do Rio de Janeiro ("FEPERJ"), totaling R\$ 431,296, 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;
- (6) from the Attorney General's Office of the National Treasury totaling R\$ 222,368, 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;
- (7) Arbitration decision handed down by Tuscany, totaling R\$ 91,574, referring to the reimbursement due to the early termination of the lease and operating agreements for helitransportable drilling rigs for O&G;
- (8) National Agency of Petroleum, Natural Gas and Biofuels ("ANP") of R\$ 57,894 charging a fine on Jaguar's special interest when it was still operated by Chevron; and
- (9) National Confederation of Fishermen and Farmers, totaling R\$ 1,239,896, requesting the payment of material and moral damages for losses caused to fishermen in municipalities in the states of Rio de Janeiro and Espírito Santo, due to the creation of a zone of fishing exclusion for the gas and oil exploration platform, in the Frade Field.