

PRIO

EARNINGS RELEASE

3Q 23

Conference Call 2T23 November 01, 2023

Portuguese 3 pm (BRA)

English 2 pm (NYC)

Webinar: [Click here](#)

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



FRADE



WAHOO



TBMT



ALBACORA
LESTE



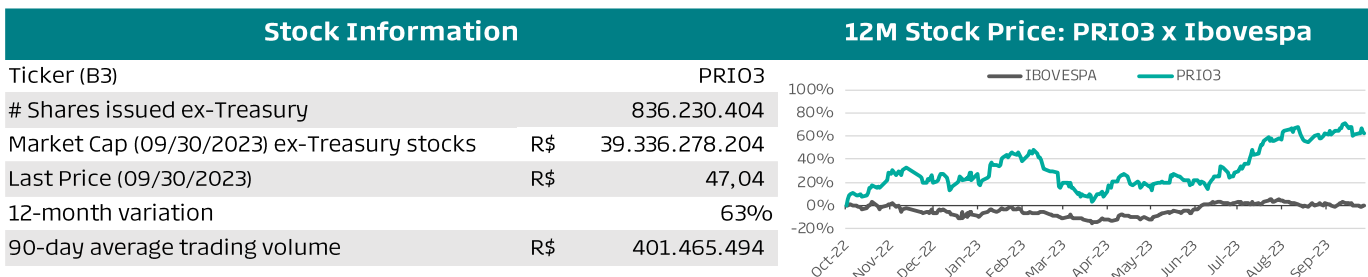
POLVO



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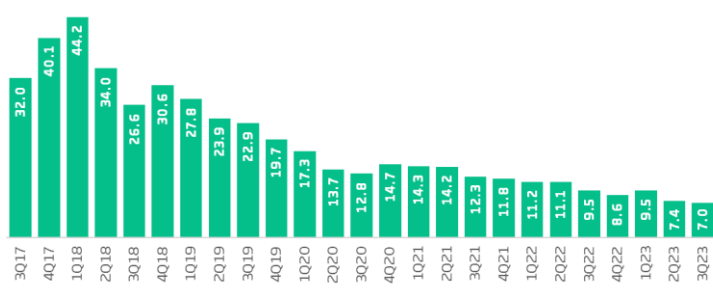
Rio de Janeiro, October 31, 2023 – PRIO S.A. (“PRIO” or “Company”) (B3: PRIO3) presents its results for the third quarter of 2023 (“3Q23”). The financial and operating information described below, unless otherwise stated, is presented on a consolidated basis and in US dollars (US\$), in accordance with International Financial Reporting Standards (IFRS), and includes the Company’s direct subsidiaries: Petro Rio O&G Exploração e Produção de Petróleo Ltda., Petro Rio Internacional S.A., and their respective subsidiaries and branches.



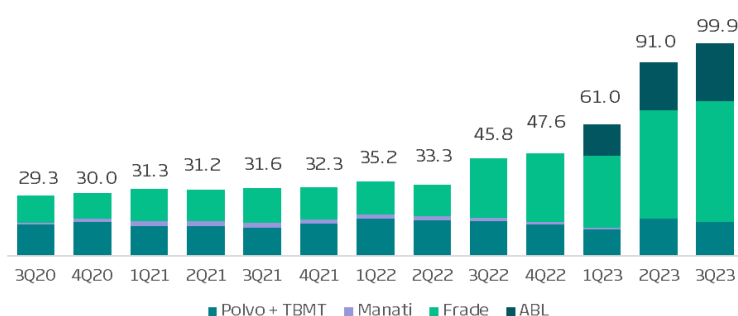
HIGHLIGHTS OF THE QUARTER

- Record average daily production, surpassing 100,000 barrels of oil per day
- Record lifting costs of US\$7.0/barrel
- Operational efficiency of 80% at Albacora Leste
- Average carbon intensity of 19 kgCO₂e/boe
- Record net revenue of US\$ 835 million (121% increase over 3Q22)
- Record adjusted EBITDA (ex-IFRS 16) of US\$ 633 million (121% increase over 3Q22)
- Record net income (ex-IFRS 16) of US\$ 348 million (126% increase over 3Q22)

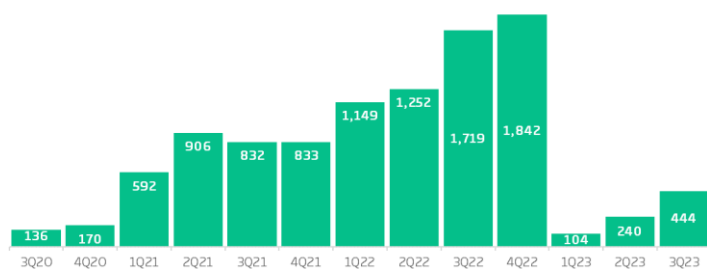
Lifting Cost (US\$/bbl)



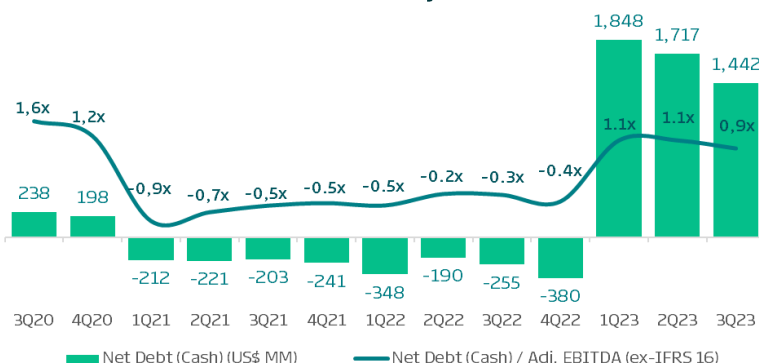
Production (kbpd)



Cash Position (US\$ MM)



Net Debt (Cash) / Adjusted EBITDA



MESSAGE FROM MANAGEMENT

We ended the third quarter of 2023 with solid results in practically every aspect, with an emphasis on PRIO's execution capacity and our commitment to the highest levels of safety, sustainability and social and environmental responsibility. We reached an average production of 99,900 barrels per day in the quarter and exceeded 100,000 barrels per day in September, achieving a lifting cost of US\$7.0 per barrel, our main tool against the high volatility of the oil market, and a carbon footprint of 19 kgCO₂e/boe. These marks are a direct reflection of increasingly efficient and safe production of the successful Frade revitalization campaign, the operational stability of the Polvo/Tubarão Martelo Cluster and the start of the Albacora Leste turnaround.

Throughout the third quarter, it was possible to see the first fruits of the efforts made to improve the safety and integrity conditions of the Forte FPSO, with a primary focus on the power generation, water injection and gas compression systems, as well as working conditions. Although we still have a long way to go before we reach the operational efficiency levels of the company's other assets, we exceeded 80% operational efficiency in the field, which allowed us to reopen the ABL-78 well in September and the ABL-44 well in early October. The field is currently producing approximately 31,000 barrels per day (PRIO share). This shows that we are moving in the right direction and makes us excited for the next steps.

In view of the significant increase in production, this quarter we reached our highest level of offtakes, 9.7 million barrels sold at increasingly competitive discounts thanks to our recently created trading arm, which makes it possible to execute sales in the "delivered to customer" mode, using larger vessels and optimizing our logistics.

As a result, we ended the quarter with significant cash generation, reducing our leverage to 0.9x net debt/EBITDA and with a healthy capital structure. We also had our global corporate rating upgraded to BB by Fitch, the rating agency, which puts us in a favorable position for future operations.

We believe that a company's success goes beyond operating and financial results and that we must act responsibly and sustainably. For this reason, we are always focused on a close alignment between reducing our carbon footprint, linked to increasing efficiency, consolidating assets and extending the life of our fields, achieving a reduction in our emissions by 2023, with an average of 19 kgCO₂e/boe in 3Q23.

On the social front, we are pleased to announce, among other things, the second edition of one of the projects we are most proud of, Reação Offshore. With 1,700 registrations, we started the program established by Instituto Reação and Instituto Todos na Luta to train technicians and high school graduates to work in the offshore market.

Internally, we continue to encourage and engage our employees in issues related to the environment, safety and social responsibility. We organized the Internal Week for the Prevention of Accidents at Work (SIPAT), which included lectures and an interactive game, the Safety Escape Game, as a way of learning for our employees in terms of planning activities, time management and teamwork.

We also continued with our renowned health and wellness program, which celebrated its fifth anniversary in September. At PRIO, we know the importance of physical well-being, but also mental well-being. We therefore held the Yellow September Campaign as a way of raising awareness of mental health care and to reinforce the activities offered by PRIO to its employees. At the company, we believe that investing in the development of our employees in line with our culture is an important part of our business. That's why, throughout the quarter, we carried out several training sessions aimed mainly at leadership training and the integration of new employees.

In the third quarter, we further strengthened our presence in music sponsorships, plays and social projects, in order to support and benefit the communities in which we operate. We are happy to announce the Company's new sponsorship, I ♥ PRIO Theater.

Finally, we would like to thank all our employees for their dedication, our shareholders and society in general for their continued support. We remain enthusiastic and ready to drive PRIO's success.



P – *Pessoas* (People)
R – *Resultados* (Results)
I – *Inconformismo* (Nonconformism)
O – *Ousadia* (Boldness)

OPERATING PERFORMANCE

	3Q22	4Q22	1Q23	2Q23	3Q23	3Q23 X 3Q22	3Q23 X 2Q23
Avg. Brent	\$ 97.70	\$ 88.63	\$ 82.16	\$ 77.73	\$ 85.92	-12.1%	10.5%
Avg. Sales Price	\$ 94.36	\$ 85.32	\$ 82.93	\$ 77.67	\$ 86.48	-8.4%	11.3%
Avg. Exchange Rate	5.25	5.26	5.19	4.94	4.88	-6.9%	-1.2%
Final Exchange Rate	5.41	5.29	5.06	4.79	5.03	-7.0%	5.1%
Offtakes (kbbbl)							
Frade Field (100%)	2,252	1,495	4,334	4,126	5,278	134.4%	27.9%
Albacora Leste Field (90%)	n/a	n/a	1,409	1,428	3,028	n/a	112.1%
Polvo + TBMT Cluster (100%)	1,595	798	1,547	1,602	1,466	-8.1%	-8.5%
Total PRIO	3,847	2,293	7,290	7,156	9,773	154.0%	36.6%
Produção (boepd)							
Frade Field (100%)	28,006	32,254	33,833	50,825	56,643	102.3%	11.4%
Albacora Leste Field (90%)	n/a	n/a	14,731	22,651	27,113	n/a	19.7%
Polvo + TBMT Cluster (100%)	16,302	14,634	12,475	17,617	16,154	-0.9%	-8.3%
Manati Field (10%)	1,458	733	n/a	n/a	n/a	n/a	n/a
Total PRIO	45,766	47,621	61,039	91,094	99,910	118.3%	9.7%
Lifting cost (US\$/bbl)							
PRIO	9.5	8.6	9.5	7.4	7.0	-26.5%	-5.4%

The main operational highlights of the quarter are: (i) lifting cost, which once again reached the lowest level ever recorded, showing a reduction of approximately 5% and 26% when compared to 2Q23 and 3Q22, respectively. (ii) the Company's average production, which exceeded 99.9 kbpd, an increase of 118% compared to the same quarter last year; and (iii) the volume of offtakes carried out in the quarter, representing an increase of 154% compared to 3Q22 and 37% compared to the previous quarter, which combined with the increase in the price of Brent, contributed positively to the Company's revenue in the quarter.

The volume produced in **Frade** increased 102% over 3Q22 and 11% compared to the previous quarter. The increase is mainly explained by the start of production at the ODP5 well, which came on stream in July as a result of the **Frade** Revitalization Plan.

In the **Polvo and TBMT** cluster, the volume produced in the quarter was 8% lower than in the previous quarter due to the interruption of production in September at the POL-W well in the **Polvo** field, and in line with the production presented in 3Q22.

In the **Albacora Leste** field, the volume produced in the quarter has increased by 20% compared to the previous quarter. This increase is the result of significant improvements in the reliability, integrity, and operational efficiency of the asset. Thanks to these enhancements, it was possible to successfully reopen well ABL-78 in September.

In the quarter, PRIO sold 9.7 million barrels, of which 5.3 million from the **Frade** Field, 1.4 million from **Polvo and TBMT** cluster, and 3.0 million from **Albacora Leste** Field. The average gross sales price was US\$ 86.48, an increase of 11% on the figure recorded in 2Q23, mainly due to the increase in Brent prices.

Since the beginning of the Company's operations, which consolidated its growth strategy through the acquisition and development of production assets, PRIO has been working to increase its production levels and rationalize its costs, always maintaining excellence levels in environmental responsibility, safety and operation efficiency. PRIO believes that the best protection against Brent volatility is the reduction of its lifting cost, and this will continue to be a pillar for current and future projects. The Company presents the evolution of its lifting cost since 3Q17 below.

Lifting Cost PRIO

(US\$/bbl)



The 3Q23 lifting cost, again the lowest ever recorded by the company, represents a reduction of approximately 26% compared to the same quarter last year and 5% compared to 2Q23. This reduction is due to: (i) increased production in the **Frade** field; (ii) increased production and reduced costs in the **Albacora Leste** field.



TRADING

In 3Q23, PRIO sold 9.7 million barrels, the highest level ever achieved by the company, which represents an increase of 154% compared to sales in 3Q22 and 37% compared to 2Q23.

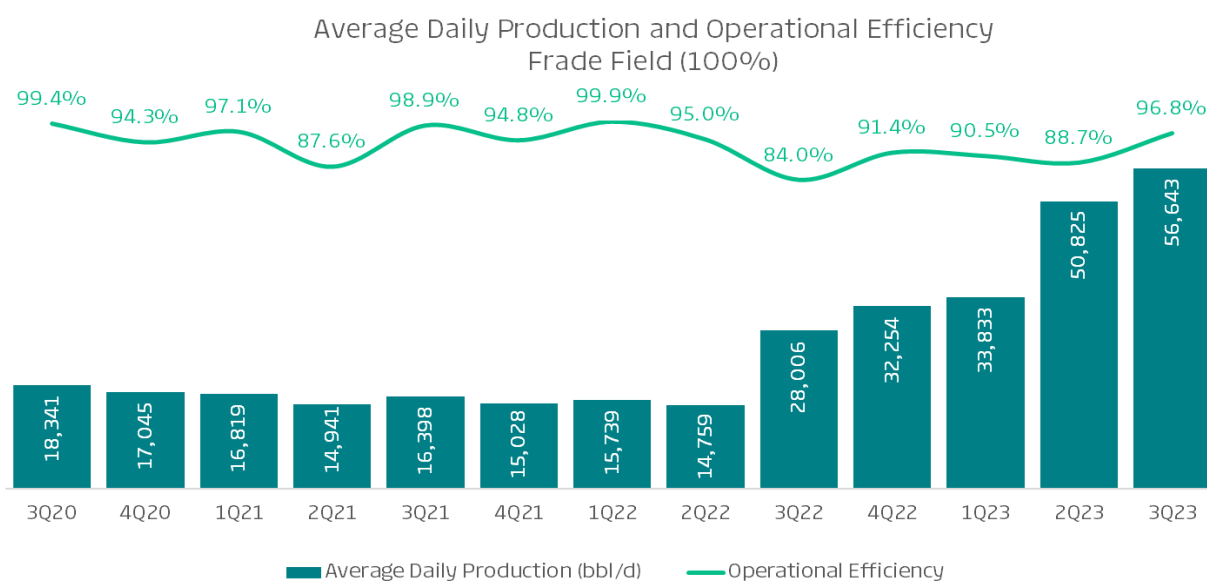
Considering the significant increase in the Company's production, PRIO is looking for different alternatives for selling oil and obtaining better conditions, showing a growing improvement in the discounts practiced. As a result, almost half of the sales were made in the "delivery to customer" mode (4.7 million barrels), with a view to expanding the universe of customers.



GRADE FIELD

The field's average production in the quarter was 56.6 kbpd, an increase of about 11% over the previous quarter. This increase is due to the fifth producing well in the **Grade** Revitalization Plan, well ODP5 (F23P3), which started up in July, adding 8 kbpd to the field's production.

The asset's operating efficiency in this quarter was 96.8%, the highest figure since the start of the **Grade** Revitalization Campaign. In this quarter, the asset's operating efficiency was impacted by: (i) the MUP3A well, which is carrying out workover, but has not yet been completed; and (ii) the temporary interruption of production in the ODP5 and OUP2 wells in August to commission the gas lift (artificial lift method).

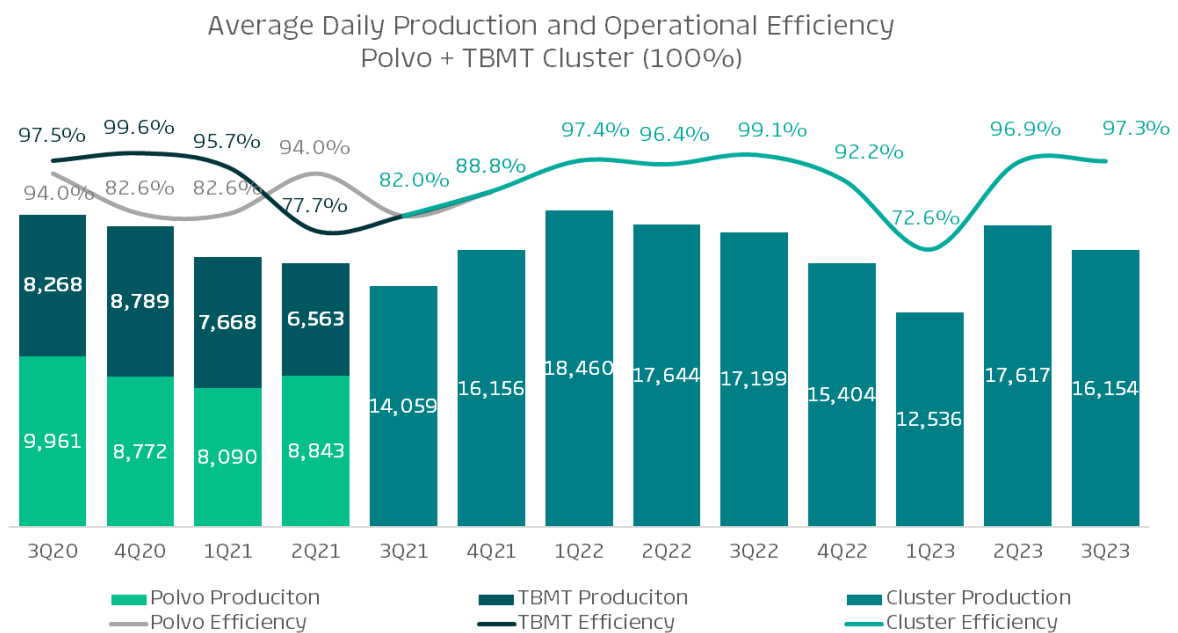




POLVO AND TBMT CLUSTER

In 3Q23, the POL-Q well in the Polvo field start of production with stabilized production at approximately 1kbpd. However, in the quarter, the **Polvo and TBMT** cluster showed average daily production 8% lower than in the previous quarter. This reduction is due to: (i) the resumption of production from the TBMT-4H and TBMT-8H wells in April, which returned to production at a higher pressure due to the interruption in the operation of the wells, positively impacting the average daily production presented in 2Q23 and (ii) the temporary stoppage of production from the POL-W well in September, which resumed production in October.

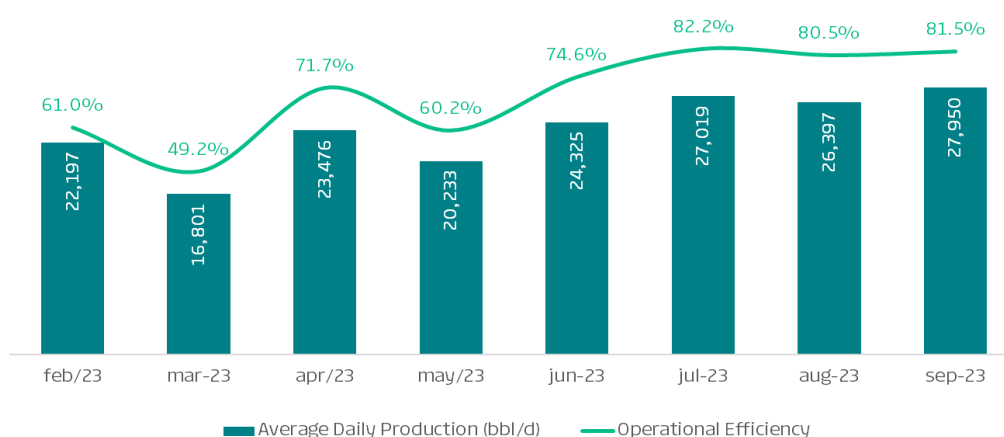
The cluster's operating efficiency in the quarter was 97.3%. The graph below illustrates the production and efficiency of the fields since 3Q20:



In the quarter, the **Albacora Leste** Field had an average daily production of approximately 27,000 barrels per day (net PRIO) and an operating efficiency of 81.4% vs. 68.8% in 2Q23. The significant month-on-month improvement can be explained by the corrective maintenance and replacement of equipment at the operating unit, improving the asset's reliability. As a result, in September, one of the wells that had been closed was reopened, the ABL-78 well, reaching production at the end of the month of 30,000 barrels per day in PRIO's share. At the beginning of October, the ABL-44 well was reopened.

The company continues to focus on replacing equipment and improving the reliability, integrity and operational efficiency of the asset in order to reach the levels of the other PRIO assets.

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



WAHOO FIELD

In the third quarter of 2023, PRIO remained focused on finalizing the acquisition of equipment needed for the project, strengthening the diligence of the manufacturing, import and delivery processes, deepening the technical reviews of the flow analyses and tieback specifications, as well as freezing the project assumptions for the well, topside and subsea scopes, in order to meet the schedule for **Wahoo's** first oil in the first half of 2024.

Throughout September, the company organized the DWOP (Drill Well on Paper) event, with the aim of detailing the process of drilling the **Wahoo** producing well in the Pre-Salt. During the event, essential topics were covered, such as equipment, human resources, risk assessment, contingency plans and possible improvements. Approximately 250 people took part, including members of the wells, geology, rigs and technical partners teams.

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

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





ENVIRONMENT AND SOCIAL

Believing that reducing its carbon footprint is in line with its operational strategy, focused on improving efficiency and extending the life of its fields, PRIO continues to make efforts to reduce its emissions¹. In 3Q23², the company achieved average relative emissions of 19 kgCO₂e/boe, compared to 21 kgCO₂e/boe in 2Q23². This reduction is the result of a series of improvements that the Company has been implementing in its assets to improve the efficiency of its facilities.

In the social front, PRIO presented the Frade TAC projects at the III Seminar on the Socioeconomics of Federal Environmental Licensing for Oil and Gas, held by IBAMA. In addition, as part of the TAC Frade initiatives, PRIO realized a visit to the Guapimirim APA (Environmental Protection Area), in the mangrove region of Guanabara Bay, in the Quilombo do Feital, in Magé (RJ). The Company also supported collaborative management and financial education workshops in 22 fishing communities in the state of Rio de Janeiro and took part in the graduation of young environmental monitors in the Community-Based Tourism project in the Cairuçu APA, an area with a strong tourist appeal.

During this quarter, the Company launched the second edition of Reação Offshore, with the Reação Institute and Todos na Luta, in partnership with SENAI, an educational program that aims to change the lives and pave a successful path for young participants in the oil and gas industry. This program reinforces PRIO's belief in the transformational power of education and sport in training future professionals.

The Company believes that greater safety results in greater efficiency and therefore promotes initiatives to strengthen this pillar. In the third quarter, PRIO held several training sessions for employees involved in critical activities and for offshore leadership, covering topics such as gas detection and monitoring, classified areas and ventilation in confined spaces.

In September, PRIO organized the Internal Week for the Prevention of Accidents at Work (SIPAT), which included lectures and an interactive game, the Safety Escape Game, covering concepts related to planning activities, time management and teamwork. During SIPAT, the company also made a team of doctors available in the office to carry out health assessments on employees.



Safety Escape Game



SIPAT Lecture



Reação Offshore Selection Dynamics



Reação Offshore Lessons

¹ Scope 1 and 2 emissions

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



On the subject of Health and Wellness, in 3Q23 the company further expanded the activities on offer, such as PRIO Trekking (group hikes on the trails of Rio de Janeiro), training for races, sponsorship of the SK21 and Circuito das Estações races, squash championships and others, constantly encouraging employees to take part. In September, the company's Wellness program celebrated its fifth anniversary, and to celebrate, PRIO held Wellness Week, offering special classes such as functional training, boxing and running. PRIO also values mental and nutritional health, providing online telenutrition and psychology services. In September, the Company promoted the Yellow September Campaign, reinforcing the importance of mental health care and publicizing the support fronts available to its employees. All of this reflects PRIO's commitment to its team.

The Company understands the importance of valuing not only well-being, but also investing in its employees. Throughout the third quarter, PRIO carried out training focused on leadership development, including PRIO OPS and the Leadership Dojo, as well as Onboarding to familiarize new employees with the Company's areas and culture as soon as they join. Operations-oriented training was also carried out, such as turbine training.

PRIO also supports projects through tax incentives or direct investments. In the third quarter of 2023, PRIO sponsored one of Rio de Janeiro's main music festivals, I ♥ PRIO Winter Festival, which featured renowned artists. The Company also sponsored the Meca - Music Festival at Inhotim, a festival in the middle of the largest open-air museum in the world. Seeking to generate value and leave a legacy, in September PRIO inaugurated the I ♥ PRIO theater, which will host big names in theater, comedy and music.

During the quarter, the Company also sponsored the ArtRio event, recognized as one of the main art events in Latin America, as well as other exhibitions (Banksy and Frida Kahlo), musicals and plays (Mamma Mia, Bárbara, Turma da Mônica Circus) and conferences (Frontiers of Thought). PRIO is also a sponsor of the Paralympic Team.

The Company remains committed to leading the way to a better future, maintaining a continuous commitment to society and the environment.

Circuito das Estações



PRIO Trekking



PRIO OPS

Winter Festival



Winter Festival



I ♥ PRIO Theater



FINANCIAL PERFORMANCE

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

Income (loss) for period

(in thousands of US\$)

	Ex-IFRS 16			Accumulated - Ex-IFRS16			Includes IFRS 16		
	3Q22	3Q23	Δ	9M22	9M23	Δ	3Q22	3Q23	Δ
Net Revenue	378,155	835,253	121%	1,065,167	1,932,459	81%	378,155	835,253	121%
Export and domestic sales taxes	-	(11,161)	n/a	-	(80,347)	n/a	-	(11,161)	n/a
Commercialization Expenses	-	(32,303)	n/a	-	(84,912)	n/a	-	(32,303)	n/a
Net Revenue - FOB	378,155	791,788	109%	1,065,167	1,767,200	66%	378,155	791,789	109%
Cost of goods sold	(52,596)	(72,584)	38%	(160,949)	(215,335)	34%	(44,736)	(62,922)	41%
Royalties	(27,018)	(63,993)	137%	(82,090)	(154,597)	88%	(27,018)	(63,993)	137%
Operating Income	298,540	655,211	119%	822,129	1,397,268	70%	306,400	664,874	117%
General and administrative expenses	(12,235)	(22,332)	83%	(38,685)	(51,680)	34%	(11,713)	(21,949)	87%
Other operating income (expenses)	(988)	(13,243)	1240%	(25,000)	(41,972)	68%	(988)	(13,243)	1240%
EBITDA	285,317	619,636	117%	758,444	1,303,616	72%	293,699	629,681	114%
EBITDA margin	75%	78%	+ 3 p.p.	71%	74%	+ 3 p.p.	78%	80%	+ 2 p.p.
Depreciation and amortization	(44,171)	(155,744)	253%	(104,726)	(300,141)	187%	(47,974)	(162,724)	239%
Financial Results	(1,720)	(17,216)	901%	(38,595)	(122,961)	219%	(5,184)	(23,091)	345%
Financial Income	141,056	(53,671)	-138%	183,475	164,257	-10%	141,056	(53,671)	-138%
Financial Expenses	(142,777)	36,456	-126%	(222,070)	(287,219)	29%	(146,241)	30,580	-121%
Income and social contribution taxes	(85,691)	(98,628)	15%	(93,401)	(116,565)	25%	(85,691)	(98,628)	15%
Income (loss) for the period	153,735	348,049	126%	521,722	763,949	46%	154,850	345,238	123%

	3Q22	3Q23	Δ	9M22	9M23	Δ	3Q22	3Q23	Δ
Adjusted* EBITDA	286,305	632,879	121%	783,444	1,345,588	72%	294,687	642,924	118%
Adjusted EBITDA margin	76%	80%	+ 4 p.p.	74%	76%	+ 2 p.p.	78%	81%	+ 3 p.p.

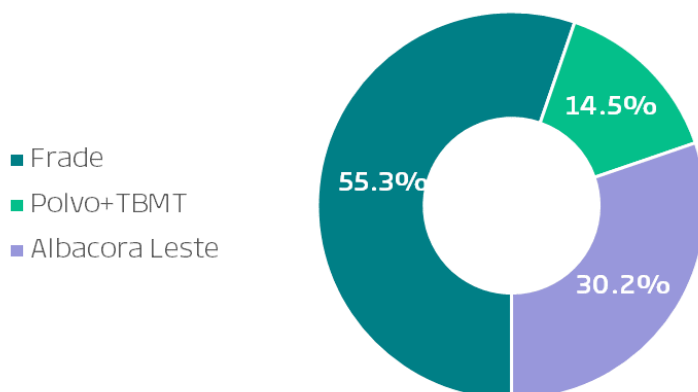
* Adjusted EBITDA is calculated similarly to EBITDA, excluding the line with non-recurring effects "Other Revenues and Expenses".

Oil Stock	3Q22	2Q23	3Q23	3Q23 X 3Q22	3Q23 X 2Q23
Balance (barrels)	1,156	2,274	1,527	32.1%	-32.8%
Frade Field	564	866	599	6.2%	-30.8%
Albacora Leste	-	494	-	n/a	n/a
Polvo and TBMT cluster	592	864	878	48.3%	1.6%
Storage in US Virgin Islands	-	50	50	n/a	n/a
Stock cost (US\$ thousand)	31,784	75,365	51,658	62.5%	-31.5%
Frade Field	13,587	29,543	19,804	45.8%	-33.0%
Albacora Leste	-	23,780	-	n/a	n/a
Polvo and TBMT cluster	18,197	19,233	29,356	61.3%	52.6%
Storage in US Virgin Islands	-	2,809	2,498	n/a	-11.1%

In 3Q23, PRIO reported net revenue of \$835 million, representing an increase of 121% vs 3Q22, and Adjusted EBITDA (ex-IFRS-16) of \$633 million, an increase of 121% when compared to 3Q22. This growth reflects the increase in production and sales, which grew 118% and 154%, respectively, compared to the same quarter of the previous year.

Analyzing the quarterly revenue, the **Frade** field accounted for 55.3% of total revenue, since it is currently the Company's largest producing field. The **Albacora Leste** field, was responsible for 30.2% of revenues and The **Polvo + TBMT** cluster was responsible for 14.5% of revenues. The chart below shows the representativeness of each asset in the Company's total net revenue:

Revenue per asset 3Q23



In the quarter, the result was affected by commercialization expenses, corresponding to freight, storage, and shuttle tanker costs, and domestic sales taxes, due to sales made to the domestic market.

The Cost of Goods Sold ("COGS") totaled \$73 million in the quarter, 38% higher than in the same period last year, but the number of barrels sold in the quarter was 154% higher, showing a reduction in the unit cost per product sold.

The Company recognized an Operating Income (ex-IFRS 16) of \$655 million, 119% higher than that recorded in 3Q22, due to the higher revenues generated by higher production in the quarter.

General and administrative expenses, including M&A expenses, personnel, projects, geology, and geophysics, totaled \$22 million in the period, 83% higher than that recorded in 3Q22. This growth is mainly due to the increase in personnel expenses and third-party services.

Other operating income and expenses totaled negative US\$ 13 million in the quarter, referring to the accounting adjustment (non-cash effect) of the capital gain on materials acquired in the purchase of the 30% stake in the **Frade** Field.

PRIO recorded adjusted EBITDA (ex-IFRS 16) of US\$ 633 million, 121% higher than in 3Q22, driven by the significant growth in operating income. The EBITDA margin was 80%.

In 3Q23, depreciation and amortization amounted to a negative US\$ 156 million, an increase of 253% compared to 3Q22, mainly due to the increase in production at the **Albacora Leste** and **Frade** fields.

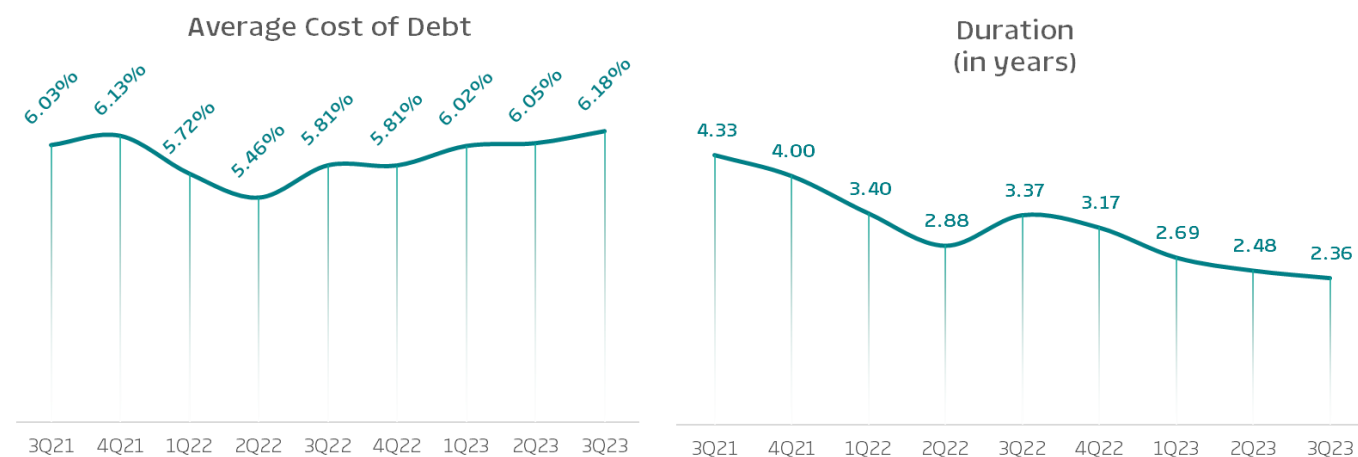
The Company's financial result (ex-IFRS 16) was negative US\$ 17 million vs. negative US\$ 1.7 million recorded in 3Q22, negatively impacted by interest on loans and financing considering the higher debt position in 3Q23, reduction in financial income as a result of the lower cash position when compared to same period of the previous year and premium payments due to the contracting of Brent hedges.

Net income (ex-IFRS 16) for the period was positive by US\$ 348 million, 126% higher than 3Q22.



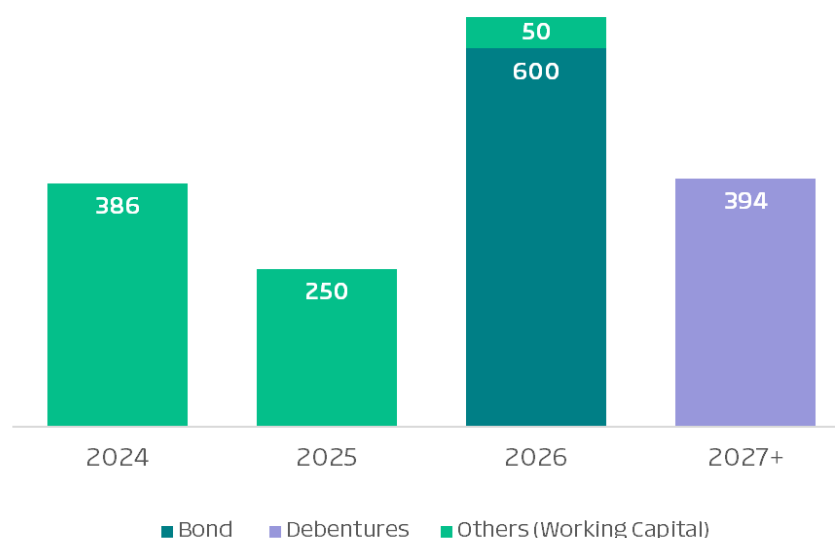
CASH, DEBT AND FINANCING

No new debt was issued in the third quarter of 2023. As a result, the average cost of the company's debt in the quarter was 6.18% with a duration of 2.36 years. PRIO maintains the cost and duration of its debts at levels considered adequate by the company and continues to monitor the domestic and international markets in search of opportunities in order to maintain its robust capital structure. A debt line in the amount of US\$ 70 million matures in August 2023 and due to the current strong cash generation, the Company has chosen not to roll over the financing.



Amortization schedule

(US\$ million)





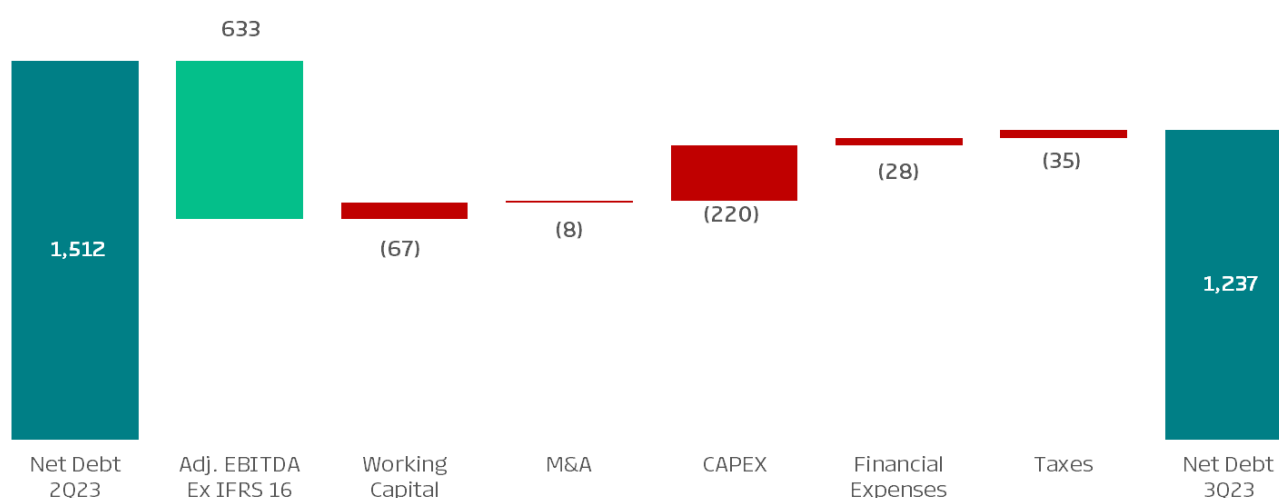
CASH VARIATIONS

In the third quarter of 2023, PRIO's net debt decreased by approximately US\$ 275 million compared to 2Q23, explained by the following changes:

- **Working Capital:** mainly due to the increase of Accounts receivable in 3Q23
- **CAPEX:** mostly disbursements for Wahoo's development, followed by Frade and Albacora Leste's integrity expenditures

Changes in Net Debt

(US\$ MM)





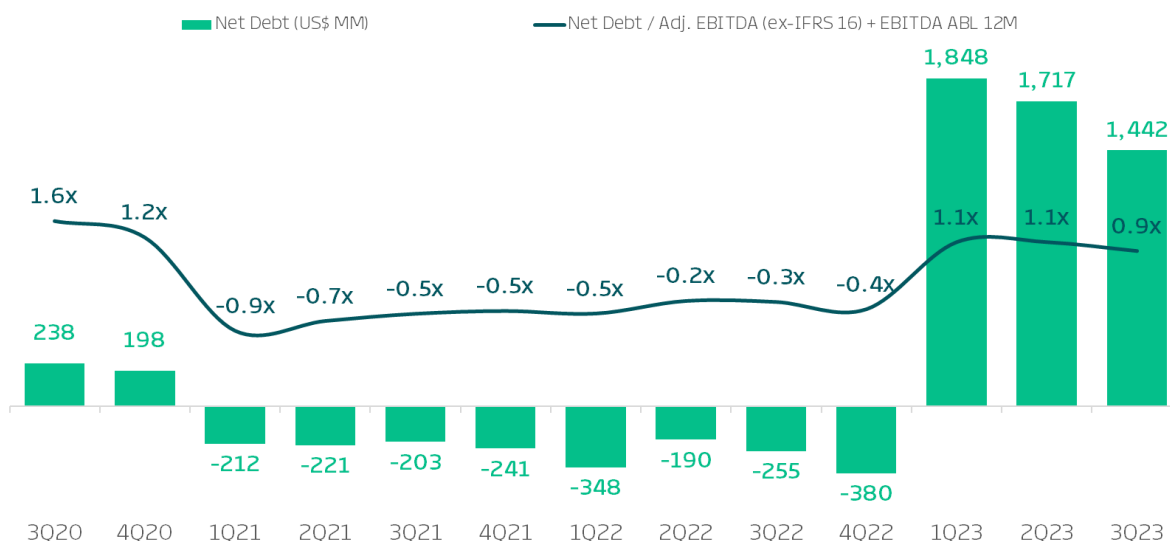
LEVERAGE

In 3Q23, the Company accelerated the CAPEX, mainly for the Wahoo field. As a result, the Company ended the third quarter of 2023 in a net debt position, as shown in the chart below.

The leverage ratio was calculated in accordance with the covenants established within the scope of the issuance of debt notes ("bonds") and the issuance of debentures, that is, a possible additional payment related to the acquisition of Albacora Leste ("earn-outs") was considered and an estimate of the adjusted EBITDA generated by the asset from October 1, 2022 to January 26, 2023 was included, in order to consider the adjusted EBITDA generated by the asset in the last 12 months.

Net Debt / Adjusted EBITDA (ex-IFRS 16)

(em US\$ MM)



IFRS 16

The Company incorporated the rule change provided for in IFRS 16 on January 1, 2019. The change unifies the treatment of operating and finance leases, significantly impacting the Company's balance sheet, mainly through the chartering of support vessels used in operations, which represents the largest lease agreement:

Right-of-use assets	Balance
Support Vessels	1,535,820
Helicopters	201,936
Buildings/Support Bases	116,512
Equipment	158,950
Total	2,013,218

As announced on February 2, 2020, the Company acquired the FPSO Bravo, which is used in the production system of the Polvo and Tubarão Martelo fields, in place of the FPSO that was chartered and used before the tieback project between the two fields was completed. The dollar-denominated contracts in force since the beginning were discounted at rates of 5.63% p.a., recalculated to 5.90% p.a. when the economic life of the Polvo Field was increased. The contracts in reais are discounted at the rate of 10% p.a.. In the vessel contract that entered in 2020, in dollars, the discount rate used was 8.95% p.a., and in two contracts that entered in the first quarter of 2022, the dollar portion used the rate of 4.45% p.a., and the real portion, CDI+2.05% p.a., average of the loans contracted in the period. Additionally, a new contract in dollars was included for aircraft chartering using the rate of 6.93% p.a.

As disclosed in the explanatory note Basis of preparation and presentation of the quarterly information, the new reserve estimate for the Frade Field, with the lengthening of the production curve, changed the lease discount rates to CDI+2.05% p.a. for contracts in reais and 7.14% p.a. for contracts in dollars, the same rates used for the Albacora Leste contracts.

In the first quarter of 2023, with the entry of Albacora Leste, there was the inclusion of an operation support vessel (R\$ 222,027) and freshwater production equipment in a stationary production unit (R\$ 3,241).

In addition, in the second quarter of 2023 there was the replacement of a dollar contract for an operation support vessel, discounted at 7.14% p.a.

In the third quarter of 2023, an operational support vessel contract was replaced and discounted at 7.14% p.a. for the dollar portion and 14% for the Brazilian real portion.

As a result of the new contracts included in the period and the updating of the estimate of the Frade and Albacora Leste reserves, assets increased by R\$595,703, liabilities increased by R\$676,494 and the difference was recorded in the income statement, under other operating income and expenses.

The effects presented in the period were:

	Assets	Liabilities
Balance at December 31, 2022	1,470,973	(1,501,358)
Additions/Reversals**	595,703	(676,494)
Currency adjustment	-	2,808
Price-level restatement	-	(101,416)
Payments made	-	137,380
Amortization	(80,207)	-
Translation adjustment	(26,749)	37,914
Balance at March 31, 2023	2,013,218	(2,101,166)
Current	-	(207,118)
Non-current	2,013,218	(1,894,048)

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

** Reversals refer to contracts terminated early and other changes to existing contracts.

More details can be found in Explanatory Notes 15 of the 3Q23 Quarterly Information.

BALANCE SHEET

(In thousands of US\$)

ASSETS	Dec/22	Sep/23
Cash and cash equivalents	1,842,375	444,376
Securities	-	-
Accounts receivable	31,873	322,264
Oil inventories	66,069	51,658
Consumable inventories	20,833	80,634
Derivative Financial Instruments	-	5,557
Recoverable taxes	14,568	52,413
Advances to suppliers	35,722	35,983
Advances to partners	6,235	682
Prepaid expenses	2,072	6,203
Other receivables	60	(392)
Total Current assets	2,019,807	999,378

Non-current assets available for sale	12,291	16,019
	2,032,098	1,015,397

Advance to suppliers	-	-
Deposits and pledges	2,016	6,321
Recoverable taxes	5,160	955
Deferred taxes	132,640	84,998
Right-of-use (Lease CPC 06.R2 IFRS)	281,920	402,033
Property, plant and equipment	894,111	1,725,392
Intangible assets	543,141	2,438,922
Total non-current assets	1,858,988	4,658,622

Total Assets	3,891,086	5,674,018
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LIABILITIES	Dec/22	Sep/23
Suppliers	108,463	127,414
Labor obligations	26,449	39,733
Taxes and Social Contribution	30,418	100,699
Derivative financial instruments	-	-
Debentures with swap	7,765	1,606
Loans and financing	75,370	395,125
Contractual charges (Lease IFRS 16)	12,371	41,361
Accounts payable - Acquisition of assets	-	55,001
Other liabilities	8,324	11,160
Total current liabilities	269,160	772,099

Liabilities kept for sale	(2,519)	(3,448)
	266,641	768,650

Suppliers	288	-
Loans and financing	1,005,828	911,100
Debentures with swap	373,768	373,723
Mark-to-market - Swap	17,117	(19,134)
Provision for abandonment (ARO)	51,367	326,748
Provision for contingencies	4,475	202,695
Contractual Charges (Lease IFRS 16)	275,372	378,235
Accounts payable - Acquisition of assets	-	150,000
Other liabilities	373	5,697
Total non-current liabilities	1,728,588	2,329,063

Minority Interest	-	-
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Realized capital	953,380	959,899
Capital reserves	68,214	52,009
Profit Reserves	45,763	676,372
Other comprehensive income	112,243	144,217
Income (loss) for the period	716,257	743,809
Total shareholders' equity	1,895,857	2,576,305

Total liabilities and shareholders' equity	3,891,086	5,674,018
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INCOME STATEMENT
(In thousands of US\$)

	3Q22	3Q23
Net Revenue	378,155	824,092
Cost of goods sold	(44,736)	(62,922)
Depreciation and amortization	(47,974)	(162,724)
Royalties	(27,018)	(63,993)
Gross Profit	258,426	534,452
Operating income (expenses)	(12,701)	(67,495)
Commercialization expenses	-	(32,303)
Geology and geophysics expenses	(47)	(259)
Personnel expenses	(4,906)	(10,769)
General and administrative expenses	(2,174)	(3,966)
Expenses with third party services	(4,153)	(4,876)
Taxes and fees	(433)	(2,079)
Other operating income (expenses)	(988)	(13,243)
Financial Results	(5,184)	(23,091)
<i>Financial income</i>	141,056	(53,671)
<i>Financial expenses</i>	(146,241)	30,580
Income before income and social contribution taxes	240,540	443,866
<i>Income and social contribution taxes - Current</i>	(47,256)	(37,409)
<i>Income and social contribution taxes - Deferred</i>	(38,435)	(61,219)
Income (loss) for the period	154,850	345,238

CASH FLOW STATEMENT

(In thousands of US\$)

	3Q22	3Q23
Cash flows from operating activities		
Income (loss) for the period (before taxes)	240,541	443,865
Depreciation and amortization	47,519	162,494
Financial income	(79,311)	20,604
Financial expenses	86,908	23,847
Share-based compensation	2,126	4,662
Provision for contingencies/losses/P&D	(12,483)	23,445
Reduction of provision for abandonment	2,314	6,352
Provision for impairment	(5,619)	-
	281,995	685,269
(Increase) decrease in assets	-	
Accounts receivable	(29,683)	(40,821)
Recoverable taxes	9,894	(37,928)
Prepaid expenses	1,622	(3,436)
Advances to suppliers	(32,094)	(7,380)
Oil inventories	1,215	12,233
Consumables inventory	(5,936)	(4,688)
Advance to partners in oil and gas operations	2,841	10,967
Deposits and pledges	(662)	53
Other receivables	(358)	282
Increase (decrease) in liabilities	-	
Suppliers	10,180	(37,075)
Labor obligations	(3,827)	3,890
Taxes and social contributions	(49,619)	(21,729)
Other obligations	(281)	4,728
Net cash from operating activities	185,287	564,365
Cash flow from investing activities		
(Investment) Redemption of securities	467,673	-
(Investment) Redemption in abandonment fund	2,170	(3,142)
(Acquisition) Sale of Property, plant and equipment	(106,886)	(213,125)
(Acquisition) Sale of intangible assets	292,650	8,629
(Acquisition) of oil and gas asset	(292,650)	(18,285)
Net cash from investing activities	362,957	(225,923)
Cash flows from financing activities		
Loans and financing	15,000	-
Payment of principal on loans	-	(70,000)
Interest paid on loans	(5,090)	(12,415)
Contractual charges (Lease IFRS 16 - Principal)	30,249	(14,137)
Contractual charges (Lease IFRS 16 - Interest)	(39,007)	-
Debentures Issuance	377,908	-
Interest paid on debentures	-	(24,227)
Derivative transactions	10,739	(8,413)
(Decrease) Paid-up capital	(105)	-
Net cash (invested in) from financing activities	389,694	(129,192)
Translation adjustment	(836)	(22)
Net increase (decrease) in cash and cash equivalents	937,102	209,228
Cash and cash equivalents at the beginning of the period	609,657	-
Cash and cash equivalents at the end of the period	1,546,759	204,657
Net increase (decrease) in cash and cash equivalents	937,102	204,657



About PRIO

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

Legal Notice

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