



EARNINGS RELEASE

4Q21 & 2021



4Q21 & 2021 Conference Call

February 16, 2022

Portuguese

3 pm (BRA)

English

1 pm (NYC)

Webinar: [click here](#)

The link for the Webinar is also available
on the Investor Relations website:
[**ri.petroriosa.com.br/en/**](http://ri.petroriosa.com.br/en/)

The conference call will be held
in Portuguese with simultaneous
translation to English.



Investor Relations

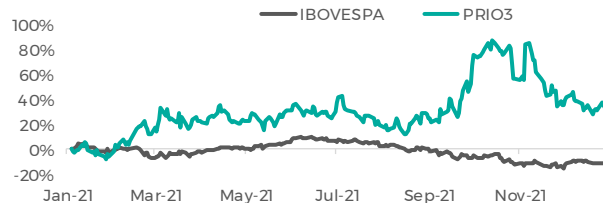
www.petroriosa.com.br/en/
[**ri@petroriosa.com.br**](mailto:ri@petroriosa.com.br)
+55 21 3721-2129

Rio de Janeiro, February 15, 2022 – Petro Rio S.A. ("PetroRio" or "Company") (B3: PRIO3) presents its results for the second quarter of 2021 ("4Q21") and to the year of 2021. The financial and operating information described below, except where otherwise indicated, is presented on a consolidated basis and in Reais (R\$) in accordance with the international financial reporting standards (IFRS), and includes the Company's direct subsidiaries: Petro Rio O&G Exploração and Production de Petróleo Ltda., Petro Rio Internacional SA, PetroRioUSA Inc., and their respective subsidiaries and affiliates.

Stock Information

Ticker (B3)	PRIO3
# Shares issued ex-Treasury	839.159.130
Market Cap (12/31/2021) ex-Treasury stocks	R\$ 17.34.541.217
Last Price (12/31/2021)	R\$ 20,67
12-month Low - High	47%
90-day average trading volume	R\$ 527.046.634

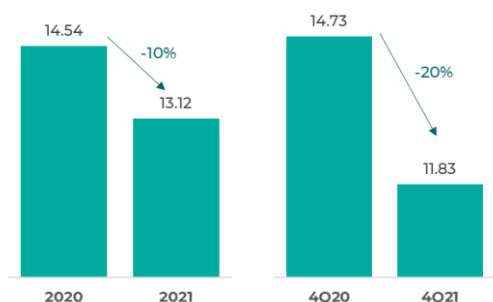
12M Stock Price: PRIO3 x Ibovespa



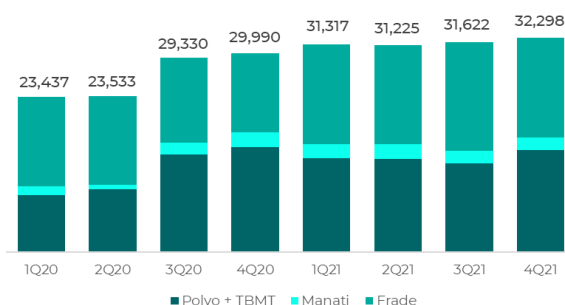
HIGHLIGHTS OF THE YEAR

- Net revenue of R\$ 4.4 billion, the highest ever recorded by the Company (+ 128% vs. 2020)
- Net income (ex-IFRS 16) of R\$ 1.3 billion, an increase of 152% vs.
- Adjusted EBITDA (ex-IFRS 16) of R\$ 2.9 billion (vs. R\$ 877 million in 2020)
- Approximately 11 million barrels sold and production record of 31.6 Mboepd
- Lifting cost of US\$ 11.8 in the 4Q21, the lowest ever recorded
- TBMT-10H well first oil in October
- Conclusion of the tieback between Polvo and Tubarão
- Declaration of Commerciality of Wahoo
- R\$ 2 billion follow-on in January and issuance of bonds of US\$ 600 million in June

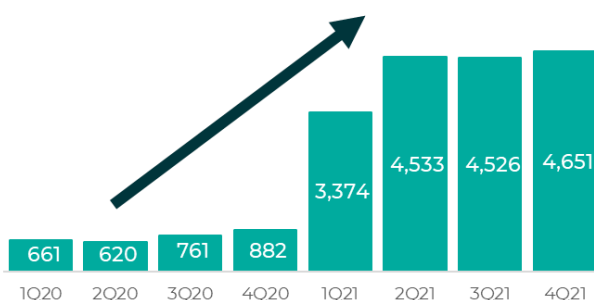
Lifting Cost (US\$/bbl)



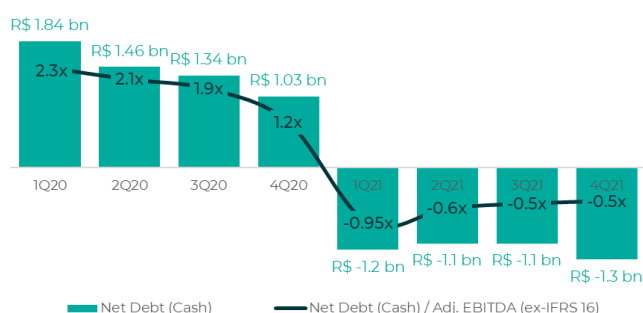
Production (boe/d)



Cash Position (R\$ MM)



Net Debt (Cash) / Adjusted EBITDA



MESSAGE FROM THE MANAGEMENT

"We would like to thank all employees for their dedication this year, with important operational achievements such as the tieback between the Polvo and Tubarão Martelo fields, especially during the COVID-19 pandemic. They overcame various challenges and were responsible for the Company's success.

2021 was a year marked by many achievements and prepared us for the next growth cycle. Concurrently, we saw the world continue to recover from the COVID-19 pandemic, with extensive vaccination efforts, drastically reducing the disease's mortality rate, and gradually reopening economies.

PetroRio's major operational achievement in the year was the tieback conclusion between Polvo and Tubarão Martelo Fields. The project cost US\$45 million, and generated savings of US\$50 million per year for the cluster, in line with the Company's culture of financial discipline. Combined with the financial benefits, the investment also brings an environmental contribution, with the reduction of the emissions from the fields due to one less platform operating after the decommissioning of the Polvo FPSO. Accordingly, we managed to reduce the Company's lifting cost to US\$ 11.8/bbl in the fourth quarter of the year, and we expect to continue to deliver gradual improvements in this indicator. The project's execution, within the expected timeline and under the initial budget, also shows our readiness for new initiatives such as the Frade Drilling Campaign and the development of Wahoo.

On this front, we hired the NORBE VI rig to drill the Frade wells, whose redevelopment plan will start in the first quarter of 2022 with the drilling of the first production well and other two injection wells in the first phase of the redevelopment. At the end of 2021, we filed with the ANP, the Declaration of Commerciality for Wahoo and presented the Development Plan, beginning the process to develop the asset, so that soon after the drillings in the Frade Field, we can begin to drill four production wells, two injection wells and begin the connection with Frade FPSO at a distance of 30km, bringing a significant production increase to the Company with a marginal increase of costs. The effect of these initiatives will be another relevant reduction in the PetroRio's lifting cost, combined with another material reduction in CO2 emissions per produced barrel, reinforcing our commitment with all forms of efficiency.

This year, we were involved in the divestment process of the Albacora and Albacora Leste fields, currently owned by Petrobras. In November, we were selected to begin exclusive negotiations of the acquisition for both assets, and we are focused on completing the transaction, as we see a relevant potential for value generation for our shareholders.

2021 was also the year in which we established our access to capital markets, for equity in January, and international fixed income in June. In the stock market, we conducted a follow-on equity offering of approximately US\$ 400 million, with a 4x oversubscribed book, reducing leverage and preparing the Company for the debt issuance. In June, we issued bonds of US\$ 600 million, reinforcing PetroRio's cash position, with the prepayment of former short-term debts using the five-year maturity bond, aligning our debt profile with our investment activities. Accordingly, we believe that we are prepared and confident that we will continue to be able to access these sources of capital as necessary.

Another reason to be proud is our focus on the well-being, health and safety of our employees, as well as of the Company's operations and society as a whole. We had another year without accidents or

environmental incidents, breaking records of accident-free days on our platforms and completing 10 years without accidents at the Frade FPSO. Our employees were also able to benefit from the initiatives of physical and mental health, with meditation and yoga classes, shiatsu and psychologists. We also still apply COVID protocols designed to protect people working in our platforms and office.

Finally, in line with our culture of giving back to society, in 2021 we invested R\$ 9.3 million in projects to support sports and culture, such as Instituto Reação, Teatro Casa Grande, Porsche Cup and the Gol de Ouro NGO. These projects have already brought important contributions to society: (i) Instituto Reação, supported by PetroRio since 2016, has had a positive impact on the life of more than 2 thousand children and adolescents in nine centers distributed across the country; (ii) Teatro Casa Grande, an important cultural icon of Rio de Janeiro, part of the life of Rio de Janeiro's citizens for more than 50 years, was reopened in 2021 after its closure due to the pandemic; (iii) Porsche Cup, another important initiative to foster the Brazilian car racing scene; and (iv) the Gol de Ouro NGO, focused on bringing soccer access to children and adolescents in vulnerable conditions. These investments reinforce PetroRio's commitment with the promotion of sports and culture.

We conclude by wishing good health to everyone, and we would like to thank once again all of our employees, who make a difference, and for the trust in our Company, which allows us to continue to execute the strategy that has brought us here."

OPERATING PERFORMANCE

	4Q20	2020	1Q21	2Q21	3Q21	4Q21	2021	2021 x 2020	4Q21 X 4Q20	4Q21 X 3Q21
Avg. Brent	\$ 45.26	\$ 43.21	\$ 61.32	\$ 69.08	\$ 73.23	\$ 79.66	\$ 70.95	64.2%	76.0%	8.8%
Avg. Sales Price	\$ 46.26	\$ 41.69	\$ 62.19	\$ 66.85	\$ 74.41	\$ 83.19	\$ 74.19	78.0%	79.8%	11.8%
Avg. Exchange Rate	5.40	5.16	5.48	5.29	5.23	5.59	5.40	4.6%	3.5%	6.8%
Final Exchange Rate	5.19	5.19	5.70	5.00	5.44	5.58	5.58	7.5%	7.5%	2.6%
Offtakes (kbbl)										
Frade Field (70%)	1,943	4,867	1,021	1,530	986	2,000	5,537	13.8%	3.0%	102.9%
Polvo + TBMT Cluster (95%) ²	1,782	4,103	907	1,307	1,498	1,827	5,539	35.0%	2.5%	21.9%
Total PetroRio	3,724	8,970	1,928	2,837	2,485	3,827	11,076	23.5%	2.8%	54.0%
Production (boepd)										
Frade Field (100%) ¹	11,928	12,926	15,086	14,941	16,398	15,028	15,363	18.9%	26.0%	-8.4%
Polvo + TBMT Cluster (95%) ²	15,777	12,145	14,147	14,093	13,356	15,347	14,236	17.2%	-2.7%	14.9%
Manati Field (10%)	2,285	1,498	2,084	2,191	1,868	1,924	2,017	34.6%	-15.8%	3.0%
Total PetroRio	29,990	26,569	31,317	31,225	31,622	32,299	31,616	19.0%	7.7%	2.1%
Lifting Cost (US\$/bbl)										
PetroRio	14.7	14.5	14.3	14.2	12.3	11.8	13.1	-9.7%	-19.7%	-3.7%

¹ As of February 5, 2021, PetroRio held 70% of the Operation in the Field. After the completion of the acquisition of a 30% stake in Petrobras in 1Q21, this percentage increased to 100%.

² With the completion of the tieback, on July 2021, PetroRio is entitled to 95% of the oil produced by Polvo and Tubarão Martelo together.

The main highlights of the year include (i) lifting cost, which reached the lowest level ever recorded, with a 10% reduction when compared to 2020, and a reduction of 20% in comparison with 4Q20; (ii) a 19% increase of production, when compared to 2020; (iii) the number of offtakes in the year, which accounted for 11 million barrels sold, the highest volume ever recorded in one year and 24% higher than in 2020; and (iv) the completion of the tieback which not only represented overcoming the operational challenge in the execution of the project, but also marked 2021 as transformational for the Company, which resulted in cost reductions for the **Polvo** and **Tubarão Martelo** fields.

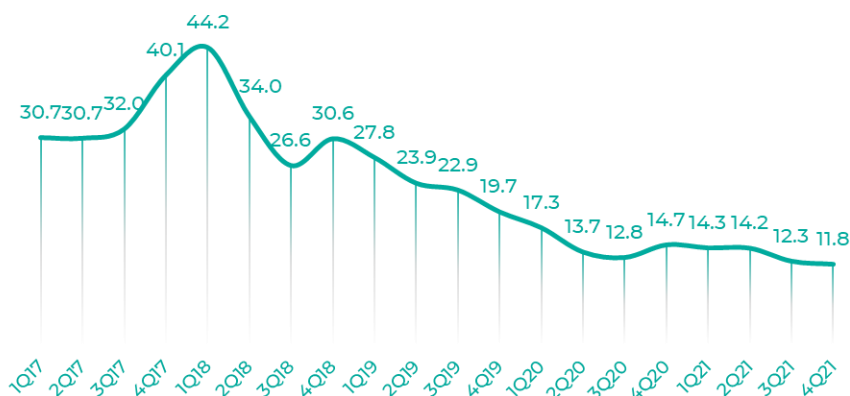
In the year, the Company sold approximately 11 million barrels, with **Frade** and the **Polvo/TBMT** cluster each being responsible for approximately half of those sales, at an average gross sales price of US\$ 74.19. In the last quarter of the year, PetroRio sold 3.8 million barrels in four offtakes, two in October and two in December, of which 2 million barrels from **Frade** and 1.8 million barrels from the **Polvo/TBMT** cluster, with an average gross sales price of US\$ 83.19, an increase of 54% in volume when compared to 3Q21.

Oil produced in the **Polvo/TBMT** cluster was 17% higher than in 2020, due to the incorporation of **TBMT** in August 2020. In the 4Q21, production was 15% higher, due to the TBMT-10H well start of production in October and the resumption of production of the TBMT-8H and TBMT-2H wells in mid-November.

In the **Frade** Field, 2021 production was 19% higher than in 2020, due to the increase in interest from 70% to 100% in February 2021, which also resulted in the increase of 26% in the 4Q21. The 8% reduction when compared to 3Q21 is due to the 3-day production stoppage in November, due to the a failure in the automation system.

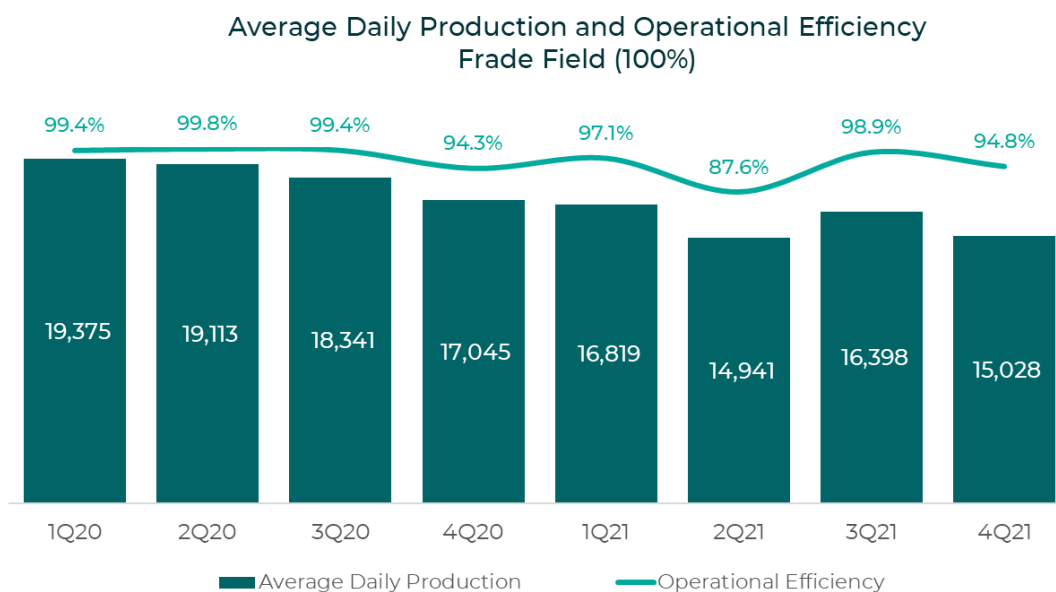
Since the beginning of the Company's turnaround, which consolidated its growth strategy through the acquisition and development of producing assets, PetroRio has worked to increase its levels of production and rationalize its costs, always maintaining high levels of excellence in environmental responsibility, safety and operational efficiency. PetroRio believes that the best protection against oil price volatility is the reduction of its lifting cost and this will continue to be a pillar of current and future projects. The Company presents below the evolution of its lifting cost since the beginning of 2017.

Lifting Cost PetroRio (US\$/bbl)



Lifting cost in the 4Q21 was the lowest ever recorded by the Company, presenting a decrease of approximately 20% when compared to the same quarter of the previous year and a reduction of 10% in 2021 against 2020. In the quarter, lifting cost was positively affected by the (i) completion of the tieback between **Polvo** and **TBMT**, which led to a reduction of operating costs ("OPEX") of US\$ 50 million per year due to the Polvo FPSO decommissioning, which was chartered to the field; (ii) start of TBMT-10H well production in the fourth quarter, which aggregated a daily production of approximately 3 kbb/d; and (iii) resumption of production of the TBMT-8H and TBMT-2H wells, which joined added 2.6 kbb/d of production.

Operational efficiency in the quarter was 94.8%, impacted by two shutdowns in November, which stopped production for three days and were caused by a failure in the automation system of **Frade** FPSO. In the year, the field's efficiency recorded 94.6%, impacted by the scheduled maintenance shutdown between April and May, and by the shutdowns mentioned above. The field's production, under PetroRio's management for over 2 years, shows the effects of the natural depletion of mature fields and averaged 15.4 kbb/d over the year the year . The chart below shows the average daily production and the operational efficiency of the last quarters:



PetroRio maintains in its project portfolio the **Frade** Field's Revitalization Plan, which seeks to increase the asset's recovery factor and meet ANP conditions for the extension of the concession until 2041, as stated in the Field's Development Plan approved by ANP. The global project encompasses the drilling of four production wells and three injection wells, which were selected for the optimization of the field's recovery factor.

The first phase of the **Frade** Field's Revitalization Plan includes the drilling of one producer well and two horizontal injection wells, expected to start in March 2022, and to be carried out by the NORBE VI rig.

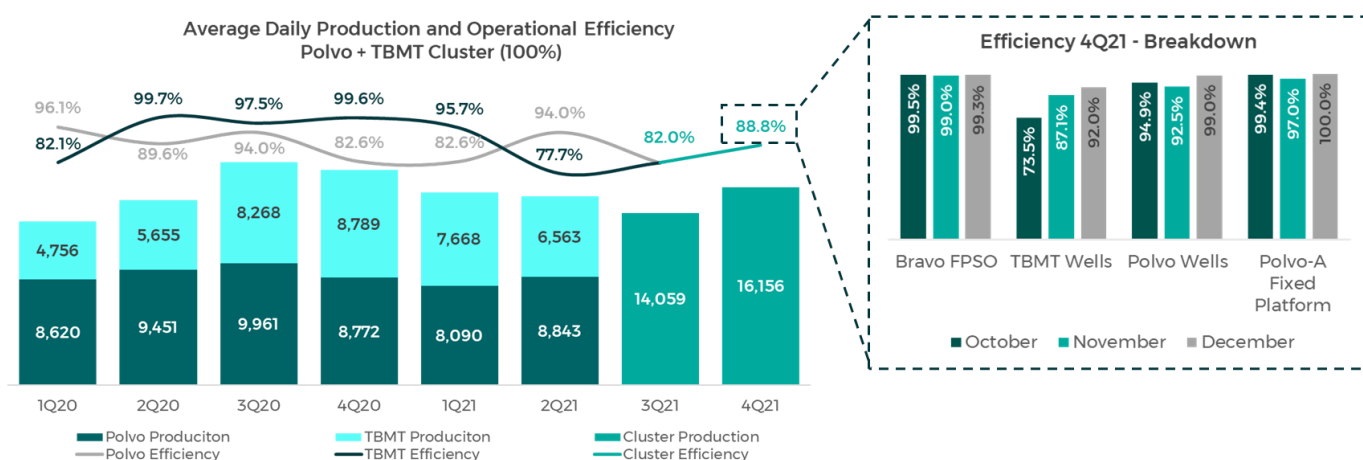
PetroRio sponsors Teatro Casa Grande, in Rio de Janeiro



POLVO AND TBMT CLUSTER

In the 4Q21, the **Polvo/TBMT** cluster presented average daily production 15% higher than in the 3Q21, positively impacted by the resumption of production of the TBMT-8H and TBMT-2H wells in November, and the TBMT-10H well start of production in late-October, with average production of 3 kbb/d, which offset the loss of 1.4 kbb/d caused by the stoppage of the OGX-44HP well due to failure in the electric submersible pump (BCS) in December, whose resumed production in January 2022. In the annual comparison, the cluster's production, net to PetroRio, was 17% higher, due to the incorporation of the **Tubarão Martelo** field production in August 2020.

The cluster's average operational efficiency in the quarter was approximately 89% and, in the year, 87%, impacted by scheduled maintenance shutdowns over the year in both assets, for the tieback's completion; and by the workover of the TBMT-8H well, from March to November; the TBMT-2H well from September to November; and the OGX-44HP well in December, for the replacement of the ESPs (electric submersible pump). The graph below shows the production and efficiency of the fields since 2020:



With the tieback's conclusion in July 2021, the Company now holds the right to 95% of the oil produced in the **Polvo** and **Tubarão Martelo** cluster.

PetroRio sponsors the pilot Nicolas Costa in the Porsche Cup



WAHOO FIELD

On June 17, and July 8, 2021, PetroRio announced the completion of the acquisition of 35.7% and 28.6% interests, respectively, in the **Wahoo** Field.

After this transaction, PetroRio now holds 64.3% of the Field, and aims to create a second production cluster with the tieback of **Wahoo** and **Frade**, continuing the strategy of operational optimization of its assets. Wahoo's first oil is expected in early 2024.

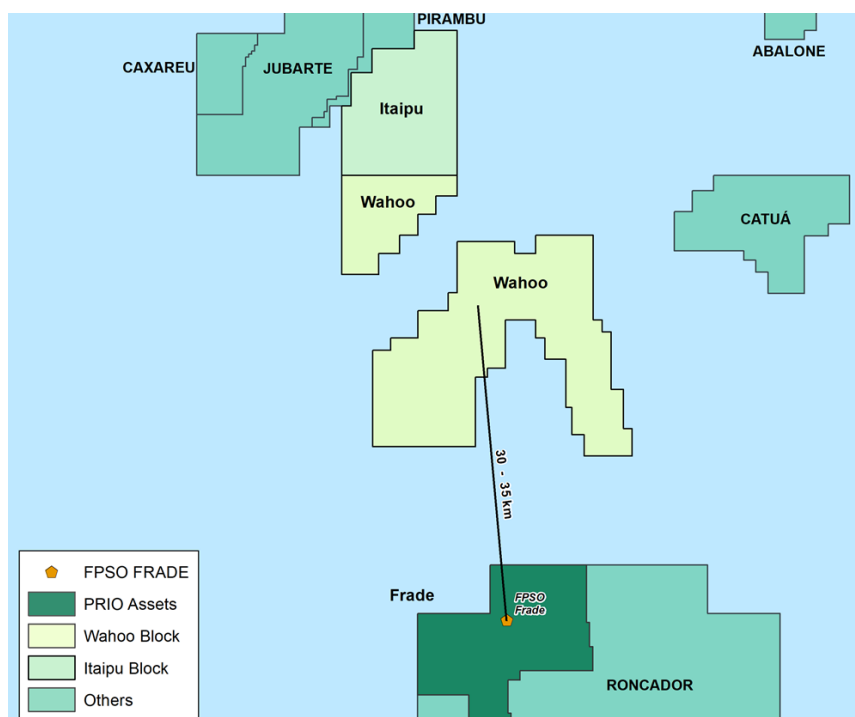
Wahoo, with oil discovery in 2008 and formation test conducted in 2010, has the potential to produce approximately 125 million 1C barrels (100% of the field), according to the DeGolyer & MacNaughton reserve certification report ("D&M"). The Company estimates an initial average productivity of more than 10,000 barrels per day per well and a total production that will reach 40,000 barrels per day, based on the results of the formation test carried out in an exploratory well.

Wahoo's base project includes the drilling of four production wells and two injection wells, as well as the connection between the wells and the **Frade** FPSO. The initial estimated CAPEX for the project is divided into US\$ 300 million for tieback, US\$ 360 million for drilling wells, US\$ 100 million for subsea equipment and US\$ 40 million for adjustments to the **Frade** FPSO and other items.

On December 22, 2021, PetroRio filed with ANP the Declaration of Commerciality for the **Wahoo** discovery (located at the Block C-M-101) and the Development Plan under exclusive operation, which are currently under analysis.

Lastly, the next steps in the development of Wahoo are:

- 1) Development Plan approval;
- 2) Beginning of the drilling and interconnection project;
- 3) **Wahoo** first oil.





MANATI NATURAL GAS FIELD

The volume of gas sold in 2021 was 2,017 boepd, 35% higher than 2020. In the quarterly comparison, volume was 1,924 boepd, 3% higher than in the previous quarter and 15% higher than in the same quarter of 2020.

The cost of operation, which consists of direct costs, excluding depreciation, was R\$ 27 million in 2021, 30% higher than in 2020. In the quarterly comparison, 4Q21 presented an increase of 28% (from R\$ 6.8 million in 2020 to R\$ 8.7 million in 2021) in costs, when compared to 4Q20. Another R\$ 9 million was paid as royalties and special participation.

The acquisition of **Manati**, carried out in 2017 for approximately R\$ 116 million (US\$ 37 million at the time), had a payback of 2 years. On November 5, 2020, the Company announced the sale of its 10% interest in the **Manati** field for R\$ 144.4 million; however, due to a longer than expected negotiation for Gas Bridge to assume the field's operation, a few contractual adjustments will be required. The Company maintains the focus on carrying on the divestment of the asset and will inform the market as soon as there are relevant updates.

This movement is part of the Company's value generation strategy through dynamic management of its asset portfolio and part of PetroRio's focus on the operated assets that make up the core of its business.



FINANCIAL PERFORMANCE

PetroRio presents below the financial performance with and without the impact of changes in IFRS 16, and statements of non-cash and non-recurring accounting entries and their impacts on the statements when shown in Reais.

In the year, important factors that affected financial performance were (i) the increase of revenue, as a result of the increase in sales and rise in Brent prices, which reached US\$ 86.40 per barrel in October, the highest level of the last seven years, and (ii) the reduction of operating costs, due to the tieback of **Polvo** and **TBMT**.

Therefore, in 2021 PetroRio registered the highest net revenue ever recorded, of R\$ 4,396 million, an annual increase of 131% and an Adjusted EBITDA (ex-IFRS 16) of R\$ 2,854 million, an increase of 226%, representing the Company's consistent commitment with operational excellence, also shown in production growth and offtakes.

Results for the Period (in thousands of R\$)

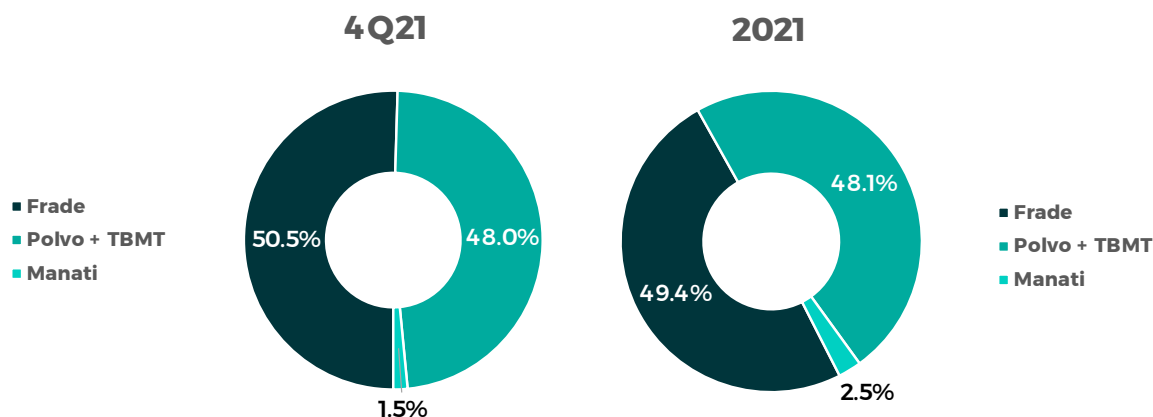
	Ex IFRS-16			Accrued - Ex IFRS-16			Accrued - Inclui IFRS-16		
	4Q20	4Q21	Δ	2020	2021	Δ	2020	2021	Δ
Net Revenue	880,035	1,778,315	102%	1,904,185	4,396,003	131%	1,904,185	4,396,003	131%
Cost of goods sold	(295,836)	(348,642)	18%	(724,924)	(1,010,893)	39%	(513,009)	(802,103)	56%
Royalties	(74,819)	(127,073)	70%	(152,552)	(321,093)	110%	(152,552)	(321,093)	110%
Operating Income	509,379	1,302,600	156%	1,026,709	3,064,017	198%	1,238,624	3,272,807	164%
General and administrative expenses	(44,291)	(66,942)	51%	(150,020)	(210,423)	40%	(144,430)	(204,667)	42%
Other operating income (expenses)	430,222	(8,899)	n/a	692,354	(65,377)	n/a	692,354	(65,377)	n/a
EBITDA	895,310	1,226,759	37%	1,569,044	2,788,217	78%	1,786,549	3,002,762	68%
EBITDA margin	102%	69%	-33 p.p.	82%	63%	-19 p.p.	94%	68%	-26 p.p.
Depreciation and amortization	(243,489)	(271,721)	12%	(702,088)	(733,472)	4%	(843,801)	(881,319)	4%
Financial Results	32,787	(126,447)	n/a	(307,692)	(559,290)	82%	(458,668)	(622,322)	36%
Financial Income	434,308	155,775	-64%	1,469,151	949,843	-35%	1,469,151	887,397	-40%
Financial Expenses	(401,521)	(282,222)	-30%	(1,776,843)	(1,509,133)	-15%	(1,927,820)	(1,509,720)	-22%
Income and social contribution taxes	(8,789)	65,698	n/a	(31,167)	(166,075)	433%	(31,167)	(166,075)	433%
Income (loss) for the period	675,820	894,289	32%	528,097	1,329,380	152%	452,913	1,333,046	194%
Adjusted* EBITDA	465,088	1,235,657	166%	876,689	2,853,594	225%	1,094,194	3,068,140	180%
Adjusted EBITDA margin	53%	69%	+17 p.p.	46%	65%	+19 p.p.	57%	70%	+12 p.p.

* Adjusted EBITDA is calculated similarly to EBITDA, excluding the line of nonrecurring effects "Other Revenues and Expenses".

PetroRio's Revenue	4Q20	2020	3Q21	4Q21	2021	2021 x 2020	4Q21 x 4Q20	4Q21 x 3Q21
Avg. Sales Price	\$ 46.26	\$ 41.69	\$ 74.41	\$ 83.19	\$ 74.40	78.5%	79.8%	11.8%
Production (boepd)	29,990	26,569	31,622	32,299	31,616	19.0%	7.7%	2.1%
Offtakes (kbbl)	3,724	8,970	2,485	3,827	11,076	23.5%	2.8%	54.0%

Analyzing annual revenues, the **Frade** field and **Polvo/TBMT** cluster accounted for 49.4% and 48.1% of the Company's total revenue, respectively, and **Manati** natural gas field, accounted for 2.5% of total revenues. The graph below shows the share of each asset in the Company's total net revenue:

Revenue per Asset



Costs of Goods Sold increased by 39% in 2021 compared to 2020 (ex-IFRS 16), mainly due to the increase in production and sales during the year, partially offset by the effects of the tieback between the **Polvo** and **TBMT** fields, concluded in July 2021.

The Company recorded Operating Income (ex-IFRS 16) of R\$ 3.064 million in 2021, an increase of 198% when compared to the previous year, as a result of an increase in the revenues recognized by **Frade** and **Polvo/TBMT**, due to higher Brent prices and production and the incorporation of **Frade's** 30% interest in 2021.

General and administrative expenses include expenses with M&A, personnel, projects, geology and geophysics, which amounted to R\$210 million in the year. The 40% increase in this item is mainly due to the (i) increase of legal counsel expenses and contracting/renewal of systems and software and (ii) personnel expenses, with provisioning of 2021 annual bonuses.

Adjusted EBITDA (ex-IFRS 16) of R\$ 2,854 million, 225% higher compared to the last year, was driven by the increase in Operating Income.

In other operational revenues/expenses, the larger 2021 impacts were the non-cash effects of the change in abandonment provision due to the economic life extension of the **Polvo/TBMT** cluster, Tubarão Azul abandonment and contingencies provisions.

The Company's financial result (ex-IFRS 16) was negative by R\$ 559 million, against a negative R\$ 308 million in 2020, impacted by exchange rate fluctuations (non-cash effect) on balance sheet items denominated in dollars, such as abandonment provisions, intercompany loan agreements and the bond.

Net income (ex-IFRS 16) for the period R\$ 1,329 million, 152% higher than the R\$ 528 million recorded in 2020. The result was driven by the significant increase in operating figures.

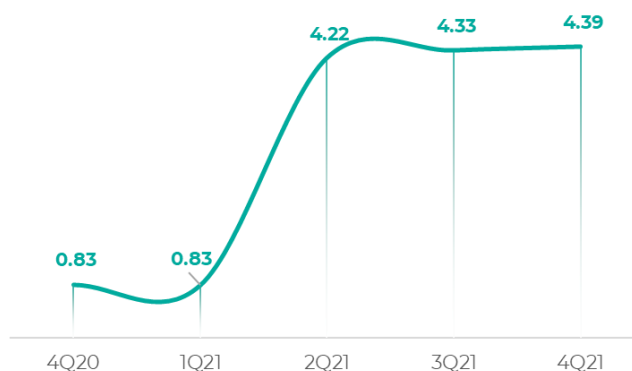


CASH, DEBT AND FINANCING

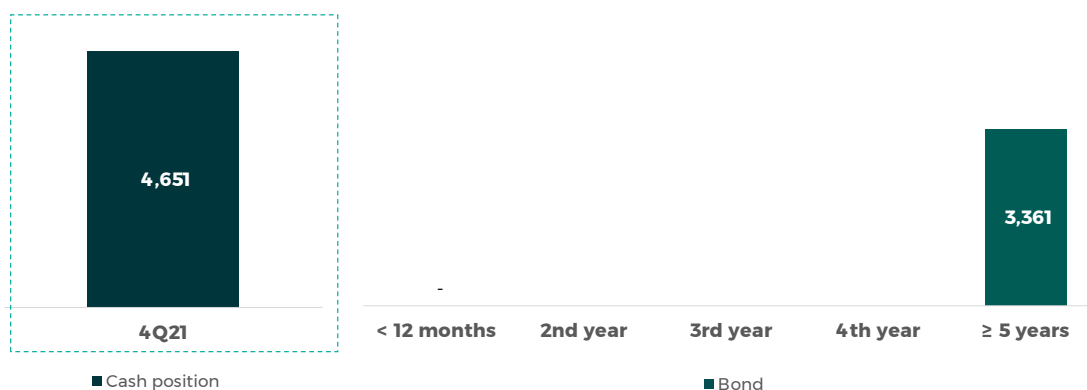
PetroRio has been consistently monitoring its liquidity and leverage level. After the US\$ 600 million bond issuance in June 2021, the Company prepaid all other debts over the second half of 2021, making the bond the only remaining debt.

The Company's debt duration is a result of the longer-term capital structure sought by PetroRio, which improves financial planning and prepares the Company to address continue inorganic growth.

Debt Duration (in years)



Amortization schedule (in R\$ MM)

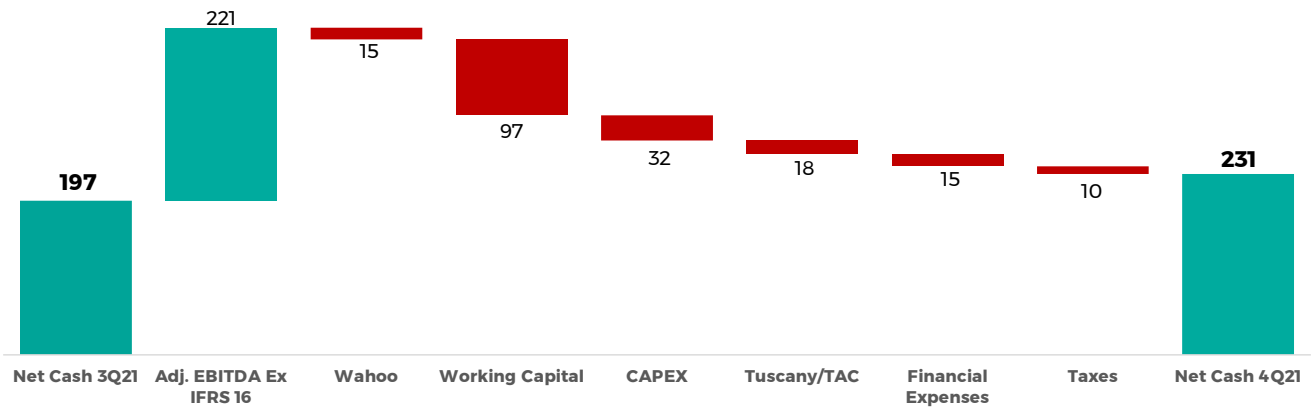


NET CASH AND LEVERAGE

In the fourth quarter of 2021, net cash position increased US\$ 34 million (R\$ 230 million), as a result of:

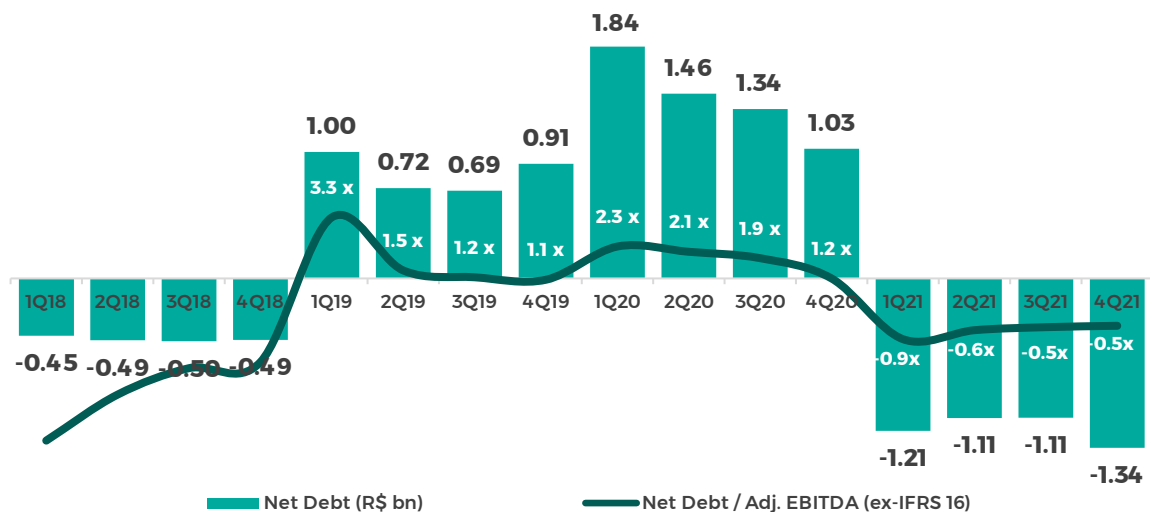
- **Wahoo:** payments to BP relating to the acquisition of **Wahoo**;
- Working Capital: increase of accounts receivable due to a concentration of sales at the end of the quarter;
- CAPEX: expenses related to the TBMT-10H well completion and the **Polvo** FPSO decommissioning;
- Tuscany/TAC: payment of Tuscany process and settlement of **Frade's** TAC;
- Financial Expenses: expenses related to interests and hedge premiums, contracted in October.

Net Cash Variation (US\$ MM)



PetroRio works diligently to control its leverage and maintains a net cash position. Due to the stable level of debt, the net cash increase detailed above, and mainly due to the consistent growth of Adjusted EBITDA over the last 12 months, Net Debt (Cash)/Adjusted EBITDA remained stable at -0.5x.

Net Debt (Cash) / Adjusted EBITDA (ex-IFRS 16) (in R\$ billion)



ANNEX 1:

IFRS 16

On January 01, 2019, the Company incorporated IFRS 16 rule change. The change unifies the treatment of operating and financial leases, significantly impacting the Company's balance sheet, mainly through the lease of support vessels used in the operations, which represents the largest lease agreement:

Right-of-use assets	Balance
FPSO Polvo	-
Support Vessels	203,568
Helicopters	51,904
Buildings/Support Bases	86,531
Equipment	83,864
Total	425,867

As announced on February 2, 2020, the Company acquired **Bravo** FPSO, which is used in the production system of fields **Polvo** and **Tubarão Martelo**, instead of the FPSO, which was pledged and used before the tieback project between both fields. Such project also improved the useful life of both fields for 2033. Therefore, the rates were recalculated and defined at 5.903% p.a. for the agreements denominated in US dollars. The rate of 10% p.a. was maintained for the agreements denominated in Brazilian reais.

	Assets	Liability
Balance in January 01, 2020	452,067	(612,482)
Addition/Reversals	74,633	(86,025)
Currency Adjustment	-	(126,294)
Price-level restatement	-	(45,473)
Payments made	-	244,174
Depreciation	(156,864)	-
Balances as of 31 December 2020	369,836	(626,100)
Addition/Reversals	181,835	(81,543)
Currency Adjustment	-	(35,464)
Price-level restatement	-	(45,000)
Payments made	-	194,735
Depreciation	(125,804)	-
Balances as of 31 December 2021	425,867	(593,372)
Current	-	(105,905)
Non-current	425,867	(487,467)

For further information, see note 17 to the Financial Statements for year 2021.

BALANCE SHEET

(in thousands of R\$)

ASSETS	2020	2021
Cash and cash equivalents	809,273	970,681
Securities	22,793	3,680,185
Restricted cash	49,996	-
Accounts receivable	386,165	915,033
Oil inventories	186,160	189,477
Consumable inventories	8,506	28,059
Derivative Financial Instruments	14,926	35,011
Recoverable taxes	124,321	85,839
Advances to suppliers	58,245	84,013
Advances to partners	86,997	33,216
Prepaid expenses	25,594	9,760
Other receivables	-	513
Total Current assets	1,772,976	6,031,787
Non-current assets available for sale	68,439	74,508
	1,841,415	6,106,295
Advances to suppliers	12,596	-
Deposits and pledges	20,317	10,645
Recoverable taxes	32,848	8,559
Deferred taxes	199,942	378,679
Right-of-use (Lease CPC 06.R2 IFRS)	369,836	425,867
Property, plant and equipment	3,359,013	3,549,045
Intangible assets	956,866	1,742,326
Total non-current assets	4,951,418	6,115,121
Total Assets	6,792,833	12,221,416

LIABILITIES	2020	2021
Suppliers	236,889	292,204
Labor obligations	54,857	131,475
Taxes and social contributions	87,741	183,678
Loans and financing	1,519,966	553
Debentures	-	-
Advances from partners	-	-
Contractual Charges (Lease IFRS 16)	252,645	105,905
Other liabilities	-	376,684
Total current liabilities	2,152,098	1,090,499
Liabilities kept for sale	(2,649)	(4,502)
	2,149,449	1,085,997
Suppliers	13,640	400
Loans and financing	389,753	3,307,368
Debentures	-	-
Provision for abandonment (ARO)	638,504	692,289
Provision for contingencies	75,809	27,284
Deferred taxes and social contributions	-	-
Contractual Charges (Lease IFRS 16)	373,455	487,467
Other liabilities	960	362
Total non-current liabilities	1,492,121	4,515,170
Minority Interest	-	-
Realized capital	3,326,900	5,303,644
Capital reserves	321,359	348,886
Other comprehensive income	579,820	255,381
Accumulated losses	(1,530,431)	712,338
Income (loss) for the period	452,766	-
Income (loss) for the period	849	-
Total shareholders' equity	3,151,263	6,620,249
Total liabilities and shareholders' equity	6,792,833	12,221,416

INCOME STATEMENT (in thousands of R\$)

	2020	2021
Net Revenue	1,904,185	4,396,003
Cost of goods sold	(513,009)	(802,103)
Depreciation and amortization	(843,801)	(881,319)
Royalties	(152,552)	(321,093)
Gross Profit	394,824	2,391,487
Operating income (expenses)	547,924	(270,044)
Geology and geophysics expenses	(471)	(10,262)
Personnel expenses	(37,853)	(114,845)
General and administrative expenses	(43,487)	(25,152)
Expenses with third party services	(46,242)	(47,713)
Taxes and fees	(16,378)	(6,695)
Other operating income (expenses)	692,354	(65,377)
Financial Results	(458,668)	(622,322)
Income before income and social contribution taxes	484,080	1,499,121
Income (loss) for the period	452,913	1,333,046

CASH FLOW STATEMENT

(in thousands of R\$)

	2020	2021
Cash flows from operating activities		
Income (loss) for the period (before taxes)	484,080	1,499,121
Depreciation and amortization	843,800	881,271
Financial income	(1,170,919)	(323,051)
Financial expenses	1,841,303	856,868
Share-based compensation	7,545	27,527
Equity equivalence result	-	-
Provision for contingencies/losses/P&D	(13,621)	88,418
Reduction of provision for abandonment	(602,310)	(153,195)
Provision for impairment	-	-
	1,389,878	2,876,959
(Increase) decrease in assets		
Accounts receivable	31,557	(503,581)
Recoverable taxes	8,571	(8,616)
Prepaid expenses	(17,078)	16,174
Advances to suppliers	885	(36,849)
Oil inventories	(28,212)	(30,119)
Consumables inventory	(3,133)	(20,914)
Related parties	-	-
Advance to partners in oil and gas operations	233,630	44,724
Deposits and pledges	(16,786)	9,680
Other receivables	139	(513)
Increase (decrease) in liabilities		
Suppliers	80,863	63,670
Labor obligations	15,912	76,468
Taxes and social contributions	(82,564)	(196,901)
Related parties	-	-
Contingencies	16,218	(105,848)
Advance to partners in oil and gas operations	4	-
Other obligations	(12,338)	(598)
Net cash from operating activities	1,617,546	2,183,736
Cash flow from investing activities		
(Investment) Redemption of securities	206,491	(3,461,400)
(Investment) Restricted cash redemption	65,950	33,476
(Investment) Redemption in abandonment fund	(1)	(2,782)
Non-current assets available for sale	-	(2)
(Acquisition) of Property, plant and equipment	(163,123)	(632,296)
(Acquisition) of intangible assets	(90,967)	(368,950)
(Increase) decrease in investments	-	-
(Acquisition) of oil and gas asset	(603,492)	(311,366)
Net cash from investing activities	(585,142)	(4,743,320)
Cash flows from financing activities		
Loans and financing	1,250,509	4,191,053
Payment of principal on loans	(1,581,802)	(2,973,134)
Interest paid on loans	(78,144)	(267,565)
Contractual charges (Lease IFRS 16 - Principal)	(198,701)	(138,922)
Contractual charges (Lease IFRS 16 - Interest)	(4,5473)	(4,5000)
Derivative transactions	(155,960)	(115,081)
(Purchase) Sale of shares of the Company (held in treasury)	85,787	-
(Decrease) Paid-up capital	10,489	1,976,744
Minority interest	-	(666)
Net cash (invested in) from financing activities	(713,295)	2,627,429
Translation adjustment	30,767	93,563
Net increase (decrease) in cash and cash equivalents	349,876	161,408
Cash and cash equivalents at the beginning of the period	459,397	809,273
Cash and cash equivalents at the end of the period	809,273	970,681
Net increase (decrease) in cash and cash equivalents	349,876	161,408

A GENTE ENXERGA
O RIO EM TODO
SEU POTENCIAL.



PATROCINADORA
DO INSTITUTO REAÇÃO.



About PetroRio

PetroRio is the largest independent oil and natural gas company in Brazil. The Company's corporate culture seeks to increase production through the acquisition of new assets in production, new development, greater operational efficiency and reduction of production costs and corporate expenses. Its main goal is to create value for its shareholders with high financial discipline and preservation of its liquidity, with total respect for safety and the environment. For further information, please visit the website: www.petroriososa.com.br

Cautionary Statement

All statements other than statements of historical fact contained in this news release are forward-looking statements, including, without limitation, statements regarding our drilling and seismic plans, operating costs, acquisition of equipment, expectations of finding oil, the quality of oil we expect to produce and our other plans and objectives. Readers can identify many of these statements by looking for words such as "expects", "believe", "hope" and "will" and similar words or the negative thereof. Although management believes that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. By their nature, forward-looking statements require us to make assumptions and, accordingly, forward looking statements are subject to inherent risks and uncertainties. We warn readers of this document not to place undue reliance on our statements of future events considering that certain factors may cause results, conditions, actions or events that may differ significantly from the plans, expectations, estimates or intentions expressed in the forward-looking statements and the assumptions that support them. The forward-looking statements included here are based on the premise that our plans and operation will not be affected by such risks, but that, if our plans and operation are affected by such risks, the forward-looking statements may become inaccurate. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this news release are made as of the date of this news release. Except as required by applicable securities laws, we do not undertake to update such forward-looking statements.