

(Convenience Translation into English from the  
Original Previously Issued in Portuguese)

## **PetroRecôncavo S.A.**

Report on Review of Interim  
Financial Information for the  
Nine-month Period Ended  
September 30, 2022

Deloitte Touche Tohmatsu Auditores Independentes Ltda.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders and Management of  
PetroRecôncavo S.A.

### **Introduction**

We have reviewed the accompanying individual and consolidated interim financial information of PetroRecôncavo S.A. ("Company"), included in the Interim Financial Information Form (ITR), for the quarter ended September 30, 2022, which comprises the balance sheet as at September 30, 2022 and the related statements of profit and loss and of comprehensive income for the three- and nine-month periods then ended, and of changes in equity and of cash flows for the nine-month period then ended, including the explanatory notes.

Company's Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Interim Financial Information (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 of Interim Financial Information (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 the standards on auditing 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 ITR referred to above was not prepared, in all material respects, in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34, applicable to the preparation of ITR, and presented in accordance with the standards issued by the CVM.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organization"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our global network of member firms and related entities in more than 150 countries and territories (collectively, the "Deloitte organization") serves four out of five Fortune Global 500® companies. Learn how Deloitte's approximately 345,000 people make an impact that matters at [www.deloitte.com](http://www.deloitte.com).

## Emphasis of matter

Without modifying our conclusion, we draw attention to note 20.3 b) to the individual and consolidated interim financial information, which states that the Company's and its subsidiaries' petroleum sales revenue derives from one single customer, Petróleo Brasileiro S.A. - Petrobras. Consequently, any interpretation or analysis of this individual and consolidated interim financial information must take these circumstances into consideration.

## Other matters

### *Statements of value added*

The interim financial information referred to above includes the individual and consolidated statements of value added ("DVA") for the nine-month period ended September 30, 2022, prepared under the responsibility of the Company's Management and presented as supplemental information for international standard IAS 34 purposes. These statements were subject to the review procedures performed together with the review of the ITR to reach a conclusion on whether they are reconciled with the interim financial information and the accounting records, as applicable, and if their form and content are consistent with the criteria set forth in technical pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added were not prepared, in all material respects, in accordance with this technical pronouncement and consistently with the individual and consolidated interim financial information taken as a whole.

### *Convenience translation*

The accompanying individual and consolidated interim financial information has been translated into English for the convenience of readers outside Brazil.

Salvador, November 10, 2022



DELOITTE TOUCHE TOHMATSU  
Auditores Independentes Ltda.



Jônatas José Medeiros de Barcelos  
Engagement Partner



BALANCE SHEET AS AT SEPTEMBER 30, 2022  
(In thousands of Brazilian reais - R\$)

ASSETS	Notes	Company		Consolidated		LIABILITIES AND NET EQUITY	Notes	Company		Consolidated	
		09/30/2022	12/31/2021	09/30/2022	12/31/2021			09/30/2022	12/31/2021	09/30/2022	12/31/2021
<b>CURRENT ASSETS</b>						<b>CURRENT LIABILITIES</b>					
Cash and cash equivalents	3	299,300	172,288	504,667	217,159	Suppliers	7	93,590	58,200	273,068	98,708
Short-term investments	3	1,372,078	531,863	1,388,589	585,655	Payroll and related charges		30,754	22,526	51,180	30,563
Trade receivables	4	55,670	34,398	397,043	169,847	Taxes payable		8,794	5,671	146,004	66,995
Inventory		3,984	5,709	6,840	6,552	Loans and financing	8	2,205	1,211	2,205	281,762
Dividends receivable	15	4,015	4,015	-	-	Lease amounts payable		2,313	7,063	10,740	10,486
Recoverable taxes		19,135	20,221	70,151	41,825	Derivative financial instruments	13	-	-	277,828	231,125
Other assets		102,917	12,906	55,970	11,769	Dividends payable	14 e 15	8	40,566	8	40,566
Total current assets		1,857,099	781,400	2,423,260	1,032,807	Amounts payable for acquisitions	10	28,623	27,903	502,377	453,318
						Provision for well abandonment	12	-	-	419	419
<b>NONCURRENT ASSETS</b>						Other accounts payable		7,450	2,220	66,866	30,588
Short-term investments	3	-	-	-	69,989	Total current liabilities		173,737	165,360	1,330,695	1,244,530
Trade receivables	4	105	-	27,306	-	<b>NONCURRENT LIABILITIES</b>					
Recoverable taxes		479	479	15,202	13,374	Loans and financing	8	665,134	300	665,134	459,529
Judicial deposits		2,678	2,445	2,678	2,445	Lease amounts payable		1,900	1,929	3,423	2,421
Other assets		524	394	1,442	483	Taxes payable		3,290	-	3,290	-
Deferred taxes	9	15,171	20,692	166,836	222,941	Derivative financial instruments	13	-	-	119,329	233,559
Investments	5	2,003,826	740,117	-	-	Deferred taxes	9	-	-	2,340	5,672
PP&E and intangible assets	6	673,876	523,790	3,880,955	3,360,865	Amounts payable for acquisitions	10	-	-	639,429	809,731
Lease right-of-use assets		4,937	9,448	14,372	12,489	Provision for tax, civil and labor contingency risks	11	3,423	3,443	3,758	3,443
Total noncurrent assets		2,701,596	1,297,365	4,108,791	3,682,586	Provision for well abandonment	12	39,350	35,920	92,792	84,695
						Total noncurrent liabilities		713,097	41,592	1,529,495	1,599,050
						<b>NET EQUITY</b>					
						Share capital	14	2,824,282	1,813,936	2,824,282	1,813,936
						Treasury shares		(6,793)	(2,292)	(6,793)	(2,292)
						Capital reserve		39,743	35,176	39,743	35,176
						Profit reserve		297,202	297,202	297,202	297,202
						Retained earnings		745,069	-	745,069	-
						Equity valuation adjustment		(262,123)	(306,690)	(262,123)	(306,690)
						Capital transaction		34,481	34,481	34,481	34,481
						Net equity		3,671,861	1,871,813	3,671,861	1,871,813
<b>TOTAL DO ATIVO</b>		<b>4,558,695</b>	<b>2,078,765</b>	<b>6,532,051</b>	<b>4,715,393</b>	<b>TOTAL LIABILITIES AND NET EQUITY</b>		<b>4,558,695</b>	<b>2,078,765</b>	<b>6,532,051</b>	<b>4,715,393</b>

The accompanying notes are an integral part of the interim financial statements.



STATEMENT OF PROFIT AND LOSS FOR THE THREE AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022  
(In thousands of Brazilian reais - R\$, unless otherwise stated)

	Notes	Company		Consolidated		Company		Consolidated	
		07/01/2022 to 09/30/2022	07/01/2021 to 09/30/2021	07/01/2022 to 09/30/2022	07/01/2021 to 09/30/2021	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021
NET REVENUE	17	156,408	84,813	804,848	260,344	471,129	231,162	2,199,333	755,242
COST OF SERVICES AND SALES	18	(106,499)	(64,237)	(420,747)	(179,203)	(302,335)	(176,899)	(1,122,302)	(498,632)
GROSS RESULT		49,909	20,576	384,101	81,141	168,794	54,263	1,077,031	256,610
INCOME (EXPENSES)									
Expected credit losses	4	(3,312)	-	(37,962)	-	(3,312)	-	(37,962)	-
General and administrative	18	(9,041)	(9,210)	(29,803)	(11,315)	(20,764)	(34,942)	(75,504)	(40,786)
Other income (expenses), net	18	13,784	(9,512)	(5,483)	(12,888)	23,612	(8,185)	(13,142)	(25,333)
Equity in subsidiaries	5	149,069	(13,157)	-	-	604,207	66,080	-	-
Total		150,500	(31,879)	(73,248)	(24,203)	603,743	22,953	(126,608)	(66,119)
OPERATING RESULT		200,409	(11,303)	310,853	56,938	772,537	77,216	950,423	190,491
FINANCIAL RESULT									
Financial income	19	45,384	59,218	59,489	40,525	33,256	50,804	107,320	62,749
Financial expenses	19	(27,384)	(4,474)	(104,977)	(61,665)	(33,107)	(6,336)	(93,806)	(115,004)
Total		18,000	54,744	(45,488)	(21,140)	149	44,468	13,514	(52,255)
RESULT BEFORE TAXES		218,409	43,441	265,365	35,798	772,686	121,684	963,937	138,236
INCOME TAX AND SOCIAL CONTRIBUTION									
Current		(16,236)	(13,642)	(122,224)	(14,826)	(36,101)	(17,177)	(282,173)	(52,243)
Deferred		(2,100)	(7,381)	27,658	797	(18,242)	(2,844)	(42,536)	184
Reduction - tax incentive		11,810	508	41,084	1,157	26,409	2,939	105,524	18,425
Total	9	(6,526)	(20,515)	(53,482)	(12,872)	(27,934)	(17,082)	(219,185)	(33,634)
RESULT IN THE PERIOD		211,883	22,926	211,883	22,926	744,752	104,602	744,752	104,602
Earnings per share - R\$	14	0.724	0.092			2.801	0.496		
Diluted earnings per share - R\$	14	0.722	0.092			2.791	0.493		

The accompanying notes are an integral part of the interim financial statements.



STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE THREE AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022  
(In thousand of Brazilian reais - R\$)

	Company		Consolidated	
	07/01/2022 to 09/30/2022	07/01/2021 to 09/30/2021	07/01/2022 to 09/30/2022	07/01/2021 to 09/30/2021
RESULT IN THE PERIOD	211,883	22,926	211,883	22,926
Hedging instruments	-	-	366,287	(100,148)
Deferred taxes on financial instruments	-	-	(124,538)	34,050
Portions of other comprehensive income of subsidiaries	241,749	(66,098)	-	-
COMPREHENSIVE INCOME IN THE PERIOD	<u>453,632</u>	<u>(43,172)</u>	<u>453,632</u>	<u>(43,172)</u>

	Company		Consolidated	
	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021
RESULT IN THE PERIOD	744,752	104,602	744,752	104,602
Hedging instruments	-	-	67,526	(567,674)
Deferred taxes on financial instruments	-	-	(22,959)	193,007
Portions of other comprehensive income of subsidiaries	44,567	(374,667)	-	-
COMPREHENSIVE INCOME IN THE PERIOD	<u>789,319</u>	<u>(270,065)</u>	<u>789,319</u>	<u>(270,065)</u>

The accompanying notes are an integral part of the interim financial statements.



STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022  
(In thousands of Brazilian reais - R\$)

	Notes	Share capital	Treasury shares	Capital reserve		Profit reserve			Equity valuation adjustment	Capital transaction	Accrued profit	Net equity
				Income tax relief incentive	Shares and stock options granted	Legal reserve	Tax incentives	Reinvestment reserve	Cash flow hedge accounting			
BALANCE AS AT DECEMBER 31, 2020		674,941	-	18,501	12,657	23,187	36,423	101,335	78,671	34,481	-	980,196
Capital increase		1,187,375	-	-	-	-	-	-	-	-	-	1,187,375
Stock option exercise		778	-	-	-	-	-	-	-	-	-	778
Cost for issue of shares		(49,980)	-	-	-	-	-	-	-	-	-	(49,980)
Share buyback		-	(4,001)	-	-	-	-	-	-	-	-	(4,001)
Sale of treasury shares		-	1,539	-	-	-	-	-	-	-	(246)	1,293
Treasury shares		-	1,540	-	-	-	-	-	-	-	162	1,702
Share-based compensation		-	-	-	2,009	-	-	-	-	-	-	2,009
Other comprehensive income of subsidiary		-	-	-	-	-	-	-	(374,667)	-	-	(374,667)
Result in the period		-	-	-	-	-	-	-	-	-	104,602	104,602
BALANCE AS AT SEPTEMBER 30, 2021		1,813,114	(922)	18,501	14,666	23,187	36,423	101,335	(295,996)	34,481	104,518	1,849,307
BALANCE AS AT DECEMBER 31, 2021		1,813,936	(2,292)	18,501	16,675	32,032	42,220	222,950	(306,690)	34,481	-	1,871,813
Capital increase	14	1,034,000	-	-	-	-	-	-	-	-	-	1,034,000
Stock option exercise	14	2,066	-	-	-	-	-	-	-	-	-	2,066
Stock option to pay-in		(1,028)	-	-	-	-	-	-	-	-	-	(1,028)
Cost for issue of shares		(24,692)	-	-	-	-	-	-	-	-	-	(24,692)
Share buyback		-	(8,403)	-	-	-	-	-	-	-	-	(8,403)
Treasury shares		-	3,863	-	-	-	-	-	-	-	320	4,183
Sale of treasury shares		-	39	-	-	-	-	-	-	-	(3)	36
Share-based compensation		-	-	-	4,567	-	-	-	-	-	-	4,567
Other comprehensive income of subsidiary	5	-	-	-	-	-	-	-	44,567	-	-	44,567
Result in the period		-	-	-	-	-	-	-	-	-	744,752	744,752
BALANCE AS AT SEPTEMBER 30, 2022		2,824,282	(6,793)	18,501	21,242	32,032	42,220	222,950	(262,123)	34,481	745,069	3,671,861

The accompanying notes are an integral part of the interim financial statements.



STATEMENT OF VALUE-ADDED  
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022  
(In thousands of Brazilian reais - R\$)

		Notes	Company		Consolidated	
			09/30/2022	09/30/2021	09/30/2022	09/30/2021
WEALTH CREATION						
Revenue:						
Services	17	-	250,312	-	250,312	
Products	17	527,260	-	2,792,846	710,263	
Other		59,436	6,602	2,613	1,215	
Expected credit losses	4	(3,312)	-	(37,962)	-	
Total revenue		583,384	256,914	2,757,497	961,790	
INPUTS AND SERVICES ACQUIRED FROM THIRD PARTIES						
Cost of products, goods and services sold		(20,769)	(19,450)	(52,128)	(40,489)	
Materials, energy, outsourced services and other		(106,158)	(64,703)	(564,606)	(131,445)	
Recovery (loss) of receivables		-	-	-	430	
Total inputs acquired from third parties		(126,927)	(84,153)	(616,734)	(171,504)	
GROSS VALUE-ADDED		456,457	172,761	2,140,763	790,286	
Depreciation, amortization and depletion	18	(54,689)	(63,139)	(267,620)	(207,094)	
NET VALUE-ADDED		401,768	109,622	1,873,143	583,192	
VALUE-ADDED RECEIVED IN TRANSFER						
Financial income		33,256	72,861	107,320	94,093	
Equity in investments	5	604,207	66,080	-	-	
Total value-added received in transfer		637,463	138,941	107,320	94,093	
Total value-added to distribute		1,039,231	248,563	1,980,463	677,285	
DISTRIBUTION OF VALUE-ADDED						
Personnel:						
Direct remuneration		80,234	49,490	113,072	65,242	
Benefits		19,670	11,507	38,880	20,049	
FGTS		3,419	1,898	6,433	2,980	
Taxes, duties and contributions:						
Federal		85,823	34,703	429,560	123,096	
State		7,583	75	323,287	116,264	
Municipal		1,518	9,372	1,518	9,372	
Third-party capital remuneration						
Rent	18	22,253	8,523	39,724	16,917	
Royalties	18	40,872	-	189,431	72,412	
Interest		33,107	28,393	93,806	146,348	
own-capital remuneration:						
Retained earnings in the period		744,752	104,602	744,752	104,605	
WEALTH DISTRIBUTED		1,039,231	248,563	1,980,463	677,285	

The accompanying notes are an integral part of the interim financial statements.





STATEMENT OF CASH FLOWS  
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022  
(In thousands of Brazilian reais - R\$)

	Notes	Company		Consolidated	
		09/30/2022	09/30/2021	09/30/2022	09/30/2021
CASH FLOWS FROM OPERATING ACTIVITIES					
Income before taxes on income		772,686	121,684	963,937	138,236
Adjustments to reconcile result before taxes in the period with cash from operating activities					
Net interest and foreign exchange variations		4,015	(33,265)	(48,974)	45,291
Interest and foreign exchange variation on lease operations		590	1,291	1,041	3,161
Depreciation and depletion of PP&E and amortization of intangible assets	6	49,810	57,844	255,083	193,096
Depreciation of right-of-use assets		4,879	5,295	12,537	13,998
Amortization of borrowing costs	8	65	70	22,365	10,018
Vesting of share-based compensations	14	4,567	2,009	4,567	2,009
Equity in investments	5	(604,207)	(66,080)	-	-
Expected credit losses	4	3,312	-	37,962	-
Fair value of settled hedge	13	-	-	342,907	56,846
Share-based compensation		4,180	1,702	4,180	1,702
Provision and net reversal of tax, civil, labor and regulatory contingency risks	11	15	215	350	215
Adjustment of provision for well abandonment	12	3,430	1,005	8,097	4,922
Write-off of PP&E and leases		55,130	37,753	107,879	101,435
Changes in assets:					
Trade receivables		(24,689)	3,152	(292,464)	(56,268)
Inventories		1,725	127	(288)	200
Recoverable taxes		1,086	(6,555)	(30,154)	(19,354)
Judicial deposits		(233)	(277)	(233)	(277)
Other assets		(90,141)	4,055	(45,160)	5,895
Changes in liabilities:					
Suppliers		35,390	(4,644)	174,360	(14,431)
Payroll and related charges		8,228	9,141	20,617	12,337
Taxes payable		4,474	(21,440)	62,478	14,071
Other accounts payable		5,230	(1,041)	36,278	3,848
Payment of tax, civil, labor and regulatory contingencies	11	(35)	(1,435)	(35)	(1,435)
Payment of hedge contracts	13	-	-	(342,907)	(56,846)
Interest paid	8	(71)	(1,130)	(41,571)	(44,860)
Lease interest paid		(590)	(590)	(1,041)	(1,721)
Income tax and social contribution paid		(7,754)	(268)	(156,828)	(19,481)
Cash from operating activities		231,092	108,618	1,094,983	392,607
CASH FLOWS FROM INVESTMENT ACTIVITIES					
Loans to related parties		-	(8,690)	-	-
Advance for future capital increase in subsidiaries	5	(614,935)	(69,363)	-	-
(Application) redemption of financial investments		(820,208)	(671,224)	(706,397)	(662,919)
Additions to PP&E and intangible assets	6	(255,798)	(90,572)	(884,445)	(310,256)
Capital increase in subsidiaries	5	-	(60,550)	-	-
Cash used in investment activities		(1,690,941)	(900,399)	(1,590,842)	(973,175)
CASH FLOWS FROM FINANCING ACTIVITIES					
Financing raised	8	658,438	60,479	658,438	60,479
Repayment of financing	8	(987)	(46,591)	(704,344)	(211,770)
Cost of raising financing		(14,918)	-	(14,918)	-
Payments of amounts payable for acquisitions	10	-	-	(93,028)	-
Stock options exercised	14	1,038	778	1,038	778
Capital increase	14	1,034,000	1,187,375	1,034,000	1,187,375
Dividends paid		(40,558)	-	(40,558)	-
Cost of issue of shares		(37,413)	(75,727)	(37,413)	(75,727)
Share buyback		(8,403)	(4,001)	(8,364)	(4,001)
Amortization of lease operations - principal		(4,375)	(6,702)	(11,771)	(16,314)
Sale of treasury shares		39	1,293	-	1,293
Cash from financing activities		1,586,861	1,116,904	783,080	942,113
Exchange variations on cash and cash equivalents		-	-	287	-
CHANGES IN CASH AND CASH EQUIVALENTS		127,012	325,123	287,508	361,545
Cash and cash equivalents at the beginning of the period	3	172,288	11,663	217,159	30,861
Cash and cash equivalents at the end of the period	3	299,300	336,786	504,667	392,406
CHANGES IN CASH AND CASH EQUIVALENTS		127,012	325,123	287,508	361,545

The accompanying notes are an integral part of the interim financial statements.



## 1. GENERAL INFORMATION

PetroRecôncavo S.A. (“Company”, “PetroRecôncavo” or “Parent Company”) is engaged in the operation and production of mature oil and natural gas fields in Brazil. In operation since February 2000, the Company operated until December 22, 2021 through a “risk production agreement”, with the purpose of restoring, reactivating and renewing 12 mature oil and gas Fields in the Recôncavo Basin in Brazil.

On December 23, 2020 the Company entered into an agreement to acquire the total equity interest held by Petrobras in the 12 onshore fields, subject matter of the “risk production agreement”, which were grouped in another set called the Remanso Cluster, which include the fields of Brejinho, Canabrava, Cassarongongo, Gomo, Fazenda Belém, Mata de São João, Norte Fazenda Caruaçu, Remanso, Rio dos Ovos, Rio Subaúma, São Pedro and Sesmaria, in the Recôncavo Basin, state of Bahia. With the closing of the transaction, the “risk production agreement” was terminated.

The subsidiaries of the Company are Recôncavo E&P S.A. (“Recôncavo”), Reconcavo America LLC (“Reconcavo America”), Potiguar E&P S.A. (“Potiguar”) and SPE Miranga S.A. (“SPE Miranga”) (collectively with PetroRecôncavo referred to as the “Group”), whose activities are described below:

### **Recôncavo**

Recôncavo E&P S.A. was established on March 22, 2004 and currently holds concessions for the exploration and production of the fields Lagoa do Paulo, Lagoa do Paulo Norte, Lagoa do Paulo Sul, Acajá-Burizinho and Juriti, which were acquired in ANP’s (the Brazilian National Agency of Petroleum, Natural Gas and Biofuels) Bidding Rounds 4 and 6.

### **Reconcavo America**

Reconcavo America, established on May 15, 2006, based in the state of Delaware, United States of America, is engaged in purchasing oilfield equipment, especially workover and onshore drilling rigs, and leasing them in Brazil, under the special customs regime for export and import of goods intended for use in oil and natural gas prospection and extraction activities, called REPETRO. In December 2020, Reconcavo America sold its assets to its parent company Petrorecôncavo S.A. In the nine-month period ended September 30, 2022, the subsidiary held only a cash balance and did not register any transaction. Management is assessing the future of the subsidiary and expects to conclude this assessment during 2022.

### **Potiguar**

Potiguar E&P S.A., headquartered in the municipality of Mossoró, state of Rio Grande do Norte, was established on June 15, 2018 and is a concessionaire of a group comprised of 34 concessions, all located in the state of Rio Grande do Norte, of which 30 are 100% owned and operated by Potiguar E&P, two in a partnership with Sonangol Hidrocarbonetos Brasil Ltda, which began to be operated by Potiguar E&P as of June 2021, and two with Mandacaru Energia Ltda and operated by them.

Potiguar signed, on June 28, 2021, in Rio de Janeiro, a concession contract for the exploration and production of oil and natural gas of the POT-T-702 block, acquired in the

2nd Cycle of the Permanent Offer carried out by ANP. The concession contract comprises an area of 17,178 km<sup>2</sup> and a Minimum Exploratory Program (PEM) composed of 1,000 work units, corresponding to R\$6,000,000.00 (six million Brazilian reais), with a five-year term for its execution, in one single period. The PEM value was guaranteed, in compliance with the que tender document, through a performance bond issued in favor of ANP, valid for the total period of exploration, and which will be returned as soon as the exploratory commitment is fulfilled. The area acquired is adjacent to blocks already operated by Potiguar E&P, and its exploratory program will consist of the drilling of at least one well with the purpose of assessing the existence of accumulations in reserves similar to the existing ones in the neighboring concessions of the Block.

### **SPE Miranga**

SPE Miranga S.A., was established on January 12, 2021. On February 24 of the same year, SPE Miranga signed a contract for acquiring the total equity interest of Petrobras in the nine onshore fields Apraius, Biriba, Fazenda Onça, Jacuibe, Miranga, Miranga Norte, Rio Pipiri, Riacho de São Pedro and Sussuarana which form the Miranga Cluster, in the Recôncavo Basin, in Bahia. The acquisition was concluded on December 6, 2021.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES APPLIED IN PREPARING THE INTERIM FINANCIAL STATEMENTS**

The accounting practices of the previous year were applied consistently in the preparation of these interim financial statements.

### **2.1. Basis of preparation and presentation of the Interim Financial Statements**

- The individual and consolidated interim financial statements were prepared and are presented in accordance with technical pronouncement CPC 21 (R1) – issued by the Accounting Pronouncements Committee (“CPC”); with the IAS 34 – issued by the International Accounting Standards Board (“IASB”); and with the standards and guidance issued by the Brazilian Securities and Exchange Committee (CVM).
- The individual and consolidated interim financial statements should be read in conjunction with the individual and consolidated financial statements of the Company as at December 31, 2021.
- In preparing these interim financial statements Management is required to use certain critical accounting estimates and to make judgments in the process of applying its accounting practices
- There were no significant changes to the assumptions and judgments made by Management in the use of the estimates for the preparation of these interim financial statements in relation to those used for the financial statements as at December 31, 2021.
- These interim financial statements were authorized for issue by Company Management on November 10, 2022.

## 2.2. Significant accounting policies

All relevant information specifically related to these interim financial statements, and only in relation to these, are being evidenced and correspond to the information used by the Company in its management. The significant accounting policies and estimates adopted by the Company and its subsidiaries are in accordance with CPC 21 and IAS 34 and were disclosed in the individual and consolidated financial statements as at December 31, 2021. There were no alterations between the policies disclosed in the financial statements as at December 31, 2021 and these interim financial statements.

New accounting pronouncements (effective in 2022), listed in the financial statements as at December 31, 2021, did not have any effect, or were not applicable to the accounting policies used in the preparation of these interim financial statements.

## 2.3. Basis of consolidation and investments in subsidiaries

The Company consolidates all investees over which it has control, i.e., when it is exposed or has rights to variable returns from its involvement with the investee, and has the ability to guide all relevant activities of the investee.

When necessary, the subsidiaries' interim financial statements are adjusted to conform their accounting policies to those adopted by the Company. All intragroup transactions, balances, income and expenses are fully eliminated in the consolidated interim financial statements.

In the Company's interim financial statements, the financial information on the subsidiaries is recognized under the equity method. The same adjustments are made to the Company's interim financial statements.

## 2.4. Functional currency and foreign currency translation

The Company's Management defined the Brazilian currency, the Brazilian real (R\$), as the "Functional Currency", for the Company and each of its subsidiaries, since this is the currency of the primary economic environment in which the Company and each subsidiary operate. The Brazilian real is also the presentation currency for these interim financial statements.

## 3. CASH AND CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS

### 3.1 Cash and cash equivalents

	Company		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Bank checking accounts	1,979	2,372	33,127	14,176
Short-term investments and bank deposit certificates (CDB)	297,321	169,916	471,540	202,983
Total	299,300	172,288	504,667	217,159

Short-term investments and CDBs refer to fixed-income transaction (CDB – Bank Deposit Certificates and repo operations), indexed between 70.0% and 102.50% of the Interbank Deposit Certificate rates (CDI) (70% to 102.59% in 2021) maintained by top tier banks, as per Note 20.3 to the interim financial statements, having ratings of between brAA and brAAA

(or similar), based on at least three renown rating agencies (S&P, Fitch or Moody's). The Company and its subsidiaries can immediately redeem these investments without any fee or restriction and their market values do not differ from the amounts recognized in the accounting registers.

### 3.2 Short-term investments

	Company		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Short-term investments	1,372,078	531,863	1,388,589	655,644
Total	<u>1,372,078</u>	<u>531,863</u>	<u>1,388,589</u>	<u>655,644</u>
Current	1,372,078	531,863	1,388,589	585,655
Noncurrent	-	-	-	69,989

Short-term investments of the Company refer mainly to investments in Exchange Funds, linked to the U.S. dollar exchange rate. Management opted to invest part of the funds from its IPO (Initial Public Offering) and its follow-on offering in this type of investments as a manner of protection from exchange variations due to the fact that its bank debts and remaining payments to Petrobras for the acquisition of assets are in U.S. dollars.

These funds are divided among three top tier financial institutions: Itaú, Santander and XP. During the first nine months of 2022, the Exchange Funds yielded, on average, 1.56%, while Ptax presented a variation of -3.12%.

## 4. TRADE RECEIVABLES

	Company		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Petrobras	46,955	34,398	326,990	169,847
Companhia de Gás da Bahia - Bahiagás	3,077	-	40,913	-
PBGÁS – Companhia Paraibana de Gás	-	-	6,833	-
Potigás – Companhia Potiguar de Gás	-	-	12,236	-
Companhia Nacional Gás	-	-	4,983	-
Companhia de Gás do Ceará - Cegas	-	-	41,734	-
3R Petroleum Oleo e Gas S.A.	8,777	-	8,777	-
GALP Energia Brasil S.A.	278	-	10,197	-
Companhia Ultragaz S.A.	-	-	9,648	-
Gross trade receivables	<u>59,087</u>	<u>34,398</u>	<u>462,311</u>	<u>169,847</u>
(-) Expected credit losses	(3,312)	-	(37,962)	-
Total trade receivables	<u>55,775</u>	<u>34,398</u>	<u>424,349</u>	<u>169,847</u>
Current	55,670	34,398	397,043	169,847
Noncurrent	105	-	27,306	-

The Company is currently discussing with Petrobras in relation to possible discrepancies in the amounts of credits obtained from natural gas liquids from the gas processed at the Catu UTG, supported by the Swap Agreements between Petrobras and the Company and its subsidiary SPE Miranga. Accordingly, the Group did not recognize part of the credits to which it is contractually entitled, until an agreement with Petrobras is reached. As at September 30, 2022 the Group registered the amount of R\$37,962 as expected credit losses (ECL).

The expected credit losses on trade receivables were estimated based on an individual analysis of each contract, on past default experience of the debtor, on the present financial position of the debtor (adjusted based on specific factors), on the general economic conditions of the sector in which the debtors operate and on an assessment of the present and projected course of negotiations on the reporting date.

Trade receivables mentioned above are classified as financial assets, assessed at amortized cost. Invoices are issued to the customers with an average due date from 30 to 50 days. Apart from the receivables from the swap agreement described above, the Company and its subsidiaries have no overdue notes in trade receivables.

## 5. INVESTMENTS

Information on Investees		Participation in paid-in capital						
Investees	Base-date	%	Share capital	Total assets	Total liabilities	Net equity	Gross revenue	Net income loss)
Recôncavo E&P S.A.	09/30/2022	100	6,561	24,739	3,768	20,971	12,414	4,695
Recôncavo America LLC	09/30/2022	100	9,241	26,636	-	26,636	-	(296)
Potiguar E&P S.A.	09/30/2022	100	1,216,009	2,327,369	981,442	1,345,926	1,440,624	372,392
SPE Miranga S.A.	09/30/2022	100	381,536	1,741,959	1,124,895	617,064	854,818	225,850
Recôncavo E&P S.A.	12/31/2021	100	6,561	20,418	4,142	16,276	14,286	5,311
Recôncavo America LLC	12/31/2021	100	9,242	26,931	-	26,931	-	29
Potiguar E&P S.A.	12/31/2021	100	622,009	2,049,900	1,700,933	348,967	951,753	102,065
SPE Miranga S.A.	12/31/2021	100	344,101	1,327,310	971,031	356,279	15,242	12,692

Changes in investments	Recôncavo	Reconcavo America (iii)	Potiguar	SPE Miranga	Total
Balance as at December 31, 2020	11,662	26,904	521,437	-	560,003
Equity in investments	5,311	(8,309)	102,064	12,692	111,758
Cancellation of dividends (i)	304	-	-	-	304
Minimum mandatory dividends	(1,001)	-	-	(3,014)	(4,015)
Equity valuation adjustment	-	-	(385,361)	-	(385,361)
Advance for future capital increase (iv)	-	-	14,000	2,500	16,500
Capital increase (ii)	-	-	96,827	344,101	440,928
Balance as at December 31, 2021	16,276	18,595	348,967	356,279	740,117
Equity in investments	4,695	1,270	372,392	225,850	604,207
Equity valuation adjustment	-	-	44,567	-	44,567
Capital increase (ii)	-	-	594,000	37,435	631,435
Advance for future capital increase (iv)	-	-	(14,000)	(2,500)	(16,500)
Balance as at September 30, 2022	20,971	19,865	1,345,926	617,064	2,003,826



- (i) As mentioned under Note 10 to the financial statements as at 12/31/2021, the financing contract obtained with the purpose of financing part of the acquisition of the Riacho da Forquilha Cluster, restricts the payment of dividends by the Company and its subsidiaries resulting from the profit obtained or other cash balances obtained during the fiscal year 2020. Considering such restrictions, Management of the Company recommended to the shareholders to vote for the cancellation of the minimum mandatory dividends mentioned above. As at December 31, 2020 the subsidiary Recôncavo had minimum mandatory dividends in the amount of R\$ 304. These dividends were cancelled during the General Shareholders' Meeting held in 2021.

- (ii) Potiguar

During the year ended December 31, 2021 the issue of 96,826,947 (ninety-six million, eight hundred and twenty-six thousand, nine hundred and forty-seven) nominative common shares with no par-value occurred, at the issue price of R\$ 1.00 (one Brazilian real) per share.

In the extraordinary general assembly held on September 30, 2022, the issue of 594,000,000 (five hundred and ninety-four million) nominative common shares with no par-value occurred, at the issue price of R\$1.00 (one Brazilian real) per share.

This subscribed and paid-in amount was from the conversion of advances for future capital increase. The amount of R\$580,000 was from advance for future capital increase of 2022, while R\$14,000 was from a residual balance of advance for future capital increase of 2021.

All of the shares were subscribed and paid-in by the Company in legal tender.

Miranga

During the year ended December 31, 2021 the issue of 344,101,587 (three hundred and forty-four million, one hundred and one thousand, five hundred and eighty-seven) common shares of the investee SPE Miranga occurred, at a subscription price of R\$1.00 (one Brazilian real).

During the extraordinary general assembly held on September 30, 2022 the issue of 37,435,013 (thirty-seven million, four hundred and thirty-five thousand and thirteen) nominative common shares with no par-value occurred, at the issue price of R\$1.00 (one Brazilian real) per share.

This subscribed and paid-in amount was from the conversion of advances for future capital increase. The amount of R\$34,935 was from advance for future capital increase of 2022, while R\$2,500 refers to the residual balance of advance for future capital increase of 2021.

All of the shares were subscribed and paid-in by the Company in legal tender.

- (iii) Equity in investments of the subsidiary Reconcavo America in the year ended December 31, 2021 and for the nine-month period ended September 30, 2022 includes the elimination of a balance related to unrealized profits between related parties.
- (iv) Refers to advances for future capital increase in the subsidiaries Potiguar and SPE Miranga. These contributions made in 2021 and 2022 were paid-in on September 30, 2022.



## 6. PROPERTY, PLANT AND EQUIPMENT (PP&E) AND INTANGIBLE ASSETS

Company	Balance 12/31/2020	Additions	Write-off (vi)	Transfer	Balance 12/31/2021	Additions	Write-off (vi)	Transfer	Balance 09/30/2022
<b>Cost - PP&amp;E</b>									
Land	80	-	-	-	80	-	-	-	80
Properties and constructions	7,805	85	-	1,275	9,165	40	-	-	9,205
Machinery and equipment	33,175	2,541	(111)	4,524	40,129	5,690	(84)	14,845	60,580
Furniture and fixtures	11,277	1,174	-	437	12,888	2,091	-	28	15,007
Vehicles	3,387	-	(434)	151	3,104	136	-	-	3,240
Computers and peripherals	2,353	414	-	133	2,900	591	-	-	3,491
Investments for increasing production and well drilling (i)	883,679	62,509	(28)	12,128	958,288	42,746	-	2,197	1,003,231
Oil and gas production rights (ii)	-	79,880	-	20,629	100,509	-	(4,880)	-	95,629
Advance for acquisition of oil and gas production rights (iii)	20,629	-	-	(20,629)	-	30,431	-	-	30,431
Capital asset inventories (iv)	31,793	76,327	(52,243)	(12,142)	43,735	100,651	(39,982)	(2,280)	102,124
Advance for acquisition of fixed assets	1,988	16,930	(37)	-	18,881	34,947	(10,956)	-	42,872
PP&E in progress (v)	2,236	15,507	(1,645)	(7,529)	8,569	36,225	-	(14,790)	30,004
<b>Total</b>	<b>998,402</b>	<b>255,367</b>	<b>(54,498)</b>	<b>(1,023)</b>	<b>1,198,248</b>	<b>253,548</b>	<b>(55,902)</b>	<b>-</b>	<b>1,395,894</b>
<b>Depreciation, amortization and depletion</b>									
Properties and constructions	(4,460)	(579)	-	-	(5,039)	(536)	-	-	(5,575)
Machinery and equipment	(9,995)	(4,109)	103	-	(14,001)	(4,129)	-	-	(18,130)
Furniture and fixtures	(6,819)	(856)	-	-	(7,675)	(817)	-	-	(8,492)
Vehicles	(1,970)	(271)	283	-	(1,958)	(179)	-	-	(2,137)
Computers and peripherals	(1,161)	(282)	-	-	(1,443)	(249)	-	-	(1,692)
Investments for increasing production and well drilling	(587,905)	(62,701)	-	-	(650,606)	(40,500)	-	-	(691,106)
Oil and gas production rights - Amortization	-	(75)	-	-	(75)	(2,387)	-	-	(2,462)
<b>Total</b>	<b>(612,310)</b>	<b>(68,873)</b>	<b>386</b>	<b>-</b>	<b>(680,797)</b>	<b>(48,797)</b>	<b>-</b>	<b>-</b>	<b>(729,594)</b>
<b>Cost - Intangible assets</b>									
Software	8,649	1,604	-	1,023	11,276	2,250	-	-	13,526
<b>Amortization</b>									
Software	(4,042)	(895)	-	-	(4,937)	(1,013)	-	-	(5,950)
<b>Total PP&amp;E and Intangible Assets</b>	<b>390,699</b>	<b>187,203</b>	<b>(54,112)</b>	<b>-</b>	<b>523,790</b>	<b>205,988</b>	<b>(55,902)</b>	<b>-</b>	<b>673,876</b>

Consolidated	Balance 12/31/2020	Additions	Write-off	Transfer	Balance 12/31/2021	Additions	Write-off	Transfer	Balance 09/30/2022
<u>Cost - PP&amp;E</u>			(vi)				(vi)		
Land	105	-	-	-	105	-	-	-	105
Properties and constructions	13,121	953	-	1,275	15,349	161	(7)	3,518	19,021
Machinery and equipment	43,503	7,862	(11,089)	4,524	44,800	11,894	(855)	14,614	70,453
Furniture and fixtures	13,105	5,456	-	1,182	19,743	4,188	(36)	129	24,024
Vehicles	3,536	680	(434)	151	3,933	1,071	-	-	5,004
Computers and peripherals	3,060	2,020	-	(613)	4,467	770	-	-	5,237
Investments for increasing production and well drilling (i)	974,300	199,121	(279)	29,658	1,202,800	326,628	(2,139)	111,912	1,639,201
Oil and gas production rights (ii)	1,237,215	1,580,644	-	81,176	2,899,035	-	(4,880)	-	2,894,155
Advance for acquisition of oil and gas production rights (iii)	20,628	60,548	-	(81,176)	-	30,431	-	-	30,431
Capital asset inventories (iv)	55,413	226,671	(122,879)	(29,672)	129,533	392,169	(89,923)	(110,772)	321,007
Advance for acquisition of fixed assets	5,686	21,891	(325)	-	27,252	65,435	(12,172)	-	80,515
PP&E in progress (v)	6,982	24,640	(10,180)	(7,529)	13,913	49,384	-	(19,401)	43,896
Total	2,376,654	2,130,486	(145,186)	(1,024)	4,360,930	882,131	(110,012)	-	5,133,049
<u>Depreciation, amortization and depletion</u>									
Properties and constructions	(6,104)	(742)	-	-	(6,846)	(595)	-	-	(7,441)
Machinery and equipment	(12,133)	(2,886)	501	-	(14,518)	(3,478)	802	-	(17,194)
Furniture and fixtures	(6,928)	(1,095)	-	-	(8,023)	(1,450)	36	-	(9,437)
Vehicles	(1,970)	(270)	283	-	(1,957)	(340)	-	-	(2,297)
Computers and peripherals	(4,164)	(1,004)	-	-	(5,168)	(445)	-	-	(5,613)
Investments for increasing production and well drilling	(613,262)	(92,993)	-	-	(706,255)	(128,403)	-	-	(834,658)
Oil and gas production rights - Amortization	(135,181)	(132,560)	-	-	(267,741)	(119,250)	-	-	(386,991)
Total	(779,742)	(231,550)	784	-	(1,010,508)	(253,961)	838	-	(1,263,631)
<u>Cost - Intangible assets</u>									
Software	9,195	1,789	-	1,024	12,008	2,314	(172)	-	14,150
<u>Amortization</u>									
Software	(1,185)	(380)	-	-	(1,565)	(1,122)	74	-	(2,613)
Total PP&E and Intangible Assets	1,604,922	1,900,345	(144,402)	-	3,360,865	629,362	(109,272)	-	3,880,955

- (i) 'Investment to increase production' refers to motors, transformers, equipment or sundry expenses used in the wells or overground facilities aimed at increasing production or work in recoverable reserves. Well drilling refers to the capitalization of expenses incurred on the drilling of new wells in fields that have been proved commercially feasible. The depreciation of these assets and the depletion of expenses are made using the percentage of current production as a ratio of the developed proven reserve of each field. Assessment of the total reserve as at December 31, 2021 was performed by independent expert Netherland Sewell & Associates, Inc
- (ii) The 'oil and gas production rights' represents acquisition costs of concessions for the exploitation of oil and natural gas fields.

#### PetroRecôncavo –Remanso Cluster

On December 23, 2020 the Company entered into an agreement to acquire the total equity interest of Petrobras in 12 onshore fields that are the subject matter of the "risk production agreement", grouped in another set called the Remanso Cluster, which include the fields of Brejinho, Canabrava, Cassarongongo, Gomo, Fazenda Belém, Mata de São João, Norte Fazenda Caruaçu, Remanso, Rio dos Ovos, Rio Subaúma, São Pedro and Sesmária, in the Recôncavo basis, state of Bahia.

The acquisition price was of US\$30.0 million. Of this amount: (i) US\$4.0 million, equivalent to R\$20.6 million, was paid on the signature date, December 23, 2020; (ii) US\$21.0 million, less the cash generation of the asset from July 2020 to the closing date of the transaction, totaling US\$7.6 million, equivalent to R\$41.5 million, were paid on December 22, 2021, closing date of the transaction. As part of the price adjustment, the Company reclassified receivables from Petrobras in the amount of R\$9,947 with reference to contractual revenue not received between the date of signature of the contract and the conclusion of the transaction; and (iii) US\$5.0 million payable in twelve monthly installments after the closing of the transaction, registered under current liabilities of the Company (see Note 10). The residual portion payable was registered under assets in the amount of R\$28,455. The total amount registered under assets in relation to the acquisition of this asset was of R\$95.629.

#### Recôncavo –Remanso Cluster

The onshore blocks BT-REC-10 and BT-REC-14 were acquired through the 4th, 6th and 9th ANP bidding rounds. The cost value of this asset is of R\$1,248.

#### Potiguar –Riacho da Forquilha Cluster

On April 25, 2019 the subsidiary Potiguar entered into a purchase and sale agreement for the acquisition of Petrobras' equity interests in a set of 34 onshore oil and natural gas production fields, called "Riacho da Forquilha Cluster", located in the Potiguar Basin, state of Rio Grande do Norte. Upon closing the transaction, the Group registered the amount of R\$1,235,967 under assets. In 2021, the Group registered the amount of R\$1,235,967 as asset. In 2021, the Group registered the amount of R\$313,805 related to the remaining portion payable to Petrobras, see Note 10 to the financial statements. The total registered value of the asset is of R\$1,549,772.

#### SPE Miranga – Miranga Cluster

On February 24, 2021 SPE Miranga signed a contract for the purchase of the total equity interest of Petrobras in nine onshore fields: Apraius, Biriba, Fazenda Onça, Jacuípe, Miranga, Miranga Norte, Rio Pipiri, Riacho de São Pedro and Sussuarana, which form the Miranga Cluster, in the Recôncavo basin, in Bahia. The transaction was concluded on December 6, 2021.

The registered amount of the asset is of R\$1,247,506, of which: (i) R\$60,548 (US\$11.0 million) was paid on the date of the signature of the contract; (ii) R\$247,919 (US\$44.0 million) was paid on the

closing date of the transaction, December 6, 2021; (iii) R\$939,039 refers to the installments payable as described in Note 10.

- (iii) The amounts added in 2022 refer to advance requested by Petróleo Brasileiro S.A. – Petrobras to begin the negotiation phase of the terms and conditions for the potential acquisition of total equity interest of Petrobras in the concession of a set of onshore E&P and associated facilities (Bahia Terra Cluster), located in the Recôncavo and Tucano Basins, state of Bahia, Brazil. The amounts in 2021 refer to concluded transactions.
- (iv) Motors, production equipment and sundry materials that will be used in production are recognized in line item 'capital asset inventories'. The depreciation of these assets is calculated using the method of units produced, which calculating the ratio of the annual volume produced to the total proven reserve of each field, limited to the expiration date of the concession agreements, as from the time they are transferred to line item 'Investment to increase production'
- (v) PP&E in progress represents property, plant and equipment items under construction or transportation, not yet available for use.
- (vi) Write-offs recognized in line item 'capital asset inventories' refer basically to motors, production equipment, and sundry materials used in repair and maintenance activities and recognized in the cost of services rendered and products sold.

## Impairment

The Company and its subsidiaries annually review indications of possible impairment of their investments to increase production and well drilling, pursuant to the accounting policy shown in Note 8 to the financial statements as at December 31, 2021. The recoverable values of the Cash-Generating Units (CGUs) were determined based on value-in-use calculations, made based on estimates (see Note 3 of the financial statements as at December 31, 2021). As at September 30, 2022 and December 31, 2021 the Company did not identify any indications of impairment of its assets.

## Assets pledged as collateral

The Company has a land drilling rig pledged as collateral in tax foreclosure lawsuit No. 0000566-44.2011.805.0164, filed against the parent company.

## 7. SUPPLIERS

	Company		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
In local currency	54,079	32,464	238,211	88,206
In foreign currency	19,882	4,217	33,608	10,194
Related parties (Note 15)	19,629	21,519	1,249	308
Total	93,590	58,200	273,068	98,708

## 8. LOANS AND FINANCING

Loan position	Company		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
FINEP	662	1,648	662	1,647
Bank loans	681,667	-	681,667	762,081
Unamortized costs	(14,990)	(137)	(14,990)	(22,437)
Total	667,339	1,511	667,339	741,291
Total current	2,205	1,211	2,205	281,762
Total noncurrent	665,134	300	665,134	459,529

### Changes in loans

Changes in loans	Company	Consolidated
Balance as at December 31, 2020	2,734	894,040
Additions	60,479	60,479
Payment of principal	(59,145)	(283,210)
Interest paid	(1,194)	(58,399)
Accrued interest	1,250	55,574
Amortization of borrowing costs	97	12,991
Foreign exchange variation	(2,703)	59,816
Balance as at December 31, 2021	1,511	741,291
Additions	658,438	658,438
Borrowing cost	(14,918)	(14,918)
Payment of principal	(987)	(704,344)
Interest paid	(71)	(41,571)
Accrued interest	505	32,740
Amortization of borrowing costs	65	22,365
Foreign exchange variation	22,796	(26,662)
Balance as at September 30, 2022	667,339	667,339

Loans per currency	Company		Consolidated	
	R\$	US\$	R\$	US\$
Loan analysis per currency				
December 31, 2021:				
FINEP	1,511	-	1,511	-
Bank loans	-	-	-	132,541
September 30, 2022:				
FINEP	662	-	662	-
Bank loans	-	126,081	-	126,081

The maturities of noncurrent loans are demonstrated below:

Noncurrent loans	Consolidated
2023	(225)
2024	94,389
2025	92,455
2026	92,320
2027	386,195
Total	665,134

In the year ended December 31, 2016 the Company obtained a financing facility from Financiadora de Estudos e Projetos (Finep). There were no alterations to the financing conditions to those disclosed in the financial statements as at December 31, 2021.

On February 19, 2021 the Company, through its subsidiary SPE Miranga S.A., signed a contract for the purchase of 100% of the equity interest of Petrobras in nine onshore fields. With the purpose of financing part of the payment, the Company signed an International Loan Contract, AGE1187904 with the financial institution Itaú Unibanco S.A. Nassau Branch, in the total amount of US\$11,000, at a fixed interest rate of 3.7225%. The loan was fully paid in 2021.

On April 25, 2019, the subsidiary Potiguar contracted a loan for the purpose of financing part of the payment arising from the acquisition of the 34 oil and natural gas producing fields, a transaction closed on December 9, 2019. The loan was contracted with financial institutions Itaú BBA, Morgan Stanley and Deutsche Bank. The total amount contracted was of US\$232,000, at an interest rate of 6.3% above the three-month LIBOR, and the amount received was of US\$195,428. The loan was fully paid in 2022.

On September 27, 2022 the Company contracted a loan in the amount of US\$126,000, with the purpose of: (i) simplifying the covenants and guarantees, flexibilization of hedge commitments, permitting the corporate reorganization announced on September 5, 2022 and the release of all collaterals (pledge of shares, of concession rights, of assets, etc.); (ii) reduce loan costs with lower interest rates; and (iii) debt extension, rescheduling of the present rhythm of amortizations. Creditor financial institutions, led by Banco Itaú BBA were: Banco Santander (Brazil) S.A. and Banco Safra S.A.

The financing will have maturities in 60 months as of the signature date of the “Credit Agreement” and compensatory interest, as of the disbursement, corresponding to the Term SOFR reference rate for 6 months, plus 3.70% per year.

Operational subsidiaries also take part in the contract as guarantors.

Described below are the financing covenants:

- On the last day of each fiscal quarter, the Leverage Ratio (net debt-to-EBITDA) of the Company must not be greater than 3.00;
- On the last day of each fiscal year, the Asset Coverage Ratio (PV-10 of Proven Reserves-to-Gross Debt) must not be lower than 1.50;
- At any time, Free Cash (Cash and cash equivalents, including restricted accounts relating to loans) of the Company must not be lower than R\$100,000.

In substitution of the oil hedge obligations, the Company must maintain part of its contracted natural gas production at pre-determined prices (fixed or base) during the term of the financing.

In the given period, the Company was in compliance with all its covenants.

## 9. INCOME TAX AND SOCIAL CONTRIBUTION

The income tax ("IR") and Social Contribution on Net Income ("CSLL") affecting results are demonstrated below:

	Company		Consolidated	
	07/01/2022 a	07/01/2021 a	07/01/2022 a	07/02/2021 a
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Net income before IR and CSLL	218,408	43,441	265,362	35,798
Combined IR and CSLL rates	34%	34%	34%	34%
IR and CSLL at statutory rates	(74,259)	(14,770)	(90,223)	(12,171)
Equity in investments (a)	50,683	(4,473)	-	-
Rate difference in deferred taxes (b)	2,628	-	(7,144)	-
Other	2,612	(1,780)	2,801	(1,858)
Reduction -tax incentive	11,810	508	41,084	1,157
Income tax and social contribution	(6,526)	(20,515)	(53,482)	(12,872)

	Company		Consolidated	
	01/01/2022 a	01/01/2021 a	01/01/2022 a	01/01/2021 a
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Net income before IR and CSLL	772,685	121,684	963,934	138,236
Combined IR and CSLL rates	34%	34%	34%	34%
IR and CSLL at statutory rates	(262,713)	(41,373)	(327,738)	(47,000)
Equity in investments (a)	205,430	22,467	-	-
Rate difference in deferred taxes (b)	(1,120)	-	(1,727)	-
Other	4,060	(1,115)	4,756	(5,059)
Reduction -tax incentive	26,409	2,939	105,524	18,425
Income tax and social contribution	(27,934)	(17,082)	(219,185)	(33,634)

(a) According to Law 12973 of May 13, 2014, as of January 1, 2020 net income of the subsidiary Reconcavo America began to be calculated in the determination of the taxable income and on the calculation base of the CSLL of the Company.

(b) Refers to the difference between the nominal and the effective rate from the Sudene tax benefit over temporary differences of the foreign exchange variation which as of 2022 began to be taxed by the cash regimen.

The balance of deferred income tax and social contribution arises basically from temporary differences of the provision for well abandonment, subsidiaries' tax loss carryforwards (tax assets), and deferred taxes on the balance of the fair value of derivative financial instruments of the subsidiary Potiguar, foreign exchange variation and CPC adoption (tax liabilities).

	Company		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
<b>Assets</b>				
Provision for well abandonment	5,219	4,052	8,970	6,217
Derivative financial instruments	-	-	135,033	157,992
Tax loss/tax loss carryforwards	-	13,267	-	46,088
Unrealized foreign exchange variation	491	-	506	-
Provisions and other temporary differences	13,815	8,153	39,907	17,880
<b>Total</b>	<b>19,525</b>	<b>25,472</b>	<b>184,416</b>	<b>228,177</b>
<b>Liabilities</b>				
CPC adoption (PP&E) (a)	4,354	4,780	4,432	4,890
Unrealized foreign exchange variation	-	-	15,488	6,018
<b>Total</b>	<b>4,354</b>	<b>4,780</b>	<b>19,920</b>	<b>10,908</b>
<b>Total deferred IR and CSLL</b>	<b>15,171</b>	<b>20,692</b>	<b>164,496</b>	<b>217,269</b>
<b>Total deferred tax assets</b>	<b>15,171</b>	<b>20,692</b>	<b>166,836</b>	<b>222,941</b>
<b>Total deferred tax liabilities</b>	<b>-</b>	<b>-</b>	<b>2,340</b>	<b>5,672</b>

(a) Refers to temporary differences between the accounting and tax base, resulting from compliance of the financial statements of the Company to IFRS.

Management considers that the tax assets arising from the temporary provisions will be realized in the proportion in which the derivative contracts mature, wells are abandoned and the contingencies and other provisions are realized.

Management's expectations for the realization of the tax credits are presented below:

	Company	Consolidated
2022	9,355	69,137
2023	87	78,239
2024	96	23,317
2025	97	108
2026 onward	9,890	13,615
<b>Total</b>	<b>19,525</b>	<b>184,416</b>



## 10. AMOUNTS PAYABLE FOR ACQUISITIONS

	Company		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Current amounts				
<u>Remanso Cluster</u>				
Amortized cost	28,623	27,903	28,623	27,903
<u>Potiguar Cluster</u>				
Amortized cost	-	-	215,741	313,805
<u>Miranga Cluster</u>				
Amortized cost	-	-	109,340	111,610
Fair value through profit or loss	-	-	148,673	-
Total current	<u>28,623</u>	<u>27,903</u>	<u>502,377</u>	<u>453,318</u>
Noncurrent amounts				
<u>Miranga Cluster</u>				
Amortized cost	-	-	328,567	335,388
Fair value through profit or loss	-	-	310,862	474,343
Total noncurrent	<u>-</u>	<u>-</u>	<u>639,429</u>	<u>809,731</u>
Total	<u>28,623</u>	<u>27,903</u>	<u>1,141,806</u>	<u>1,263,049</u>
Total in US\$	<u>5,294</u>	<u>5,000</u>	<u>215,600</u>	<u>228,344</u>

Changes in amounts payable for acquisitions	Company	Consolidated
Balance as at December 31, 2020	-	-
Additions	28,455	1,281,300
Foreign exchange variation	(552)	(18,251)
Balance as at December 31, 2021	<u>27,903</u>	<u>1,263,049</u>
Interest	1,493	6,078
Foreign exchange variation	(773)	(34,293)
Payments	-	(93,028)
Balance as at September 30, 2022	<u>28,623</u>	<u>1,141,806</u>

### Remanso Cluster

As described under Note 1 to the financial statements, on December 23, 2020 the Company entered into an agreement to acquire the total equity interest of Petrobras in 12 onshore fields object of the “risk production agreement”, grouped in another set called the Remanso Cluster. The remaining amount payable for this transaction is of US\$ 5.2 million to be paid in December 2022. The amount is adjusted by an annual interest rate (Libor plus 3%).

## Potiguar Cluster

On April 25, 2019 the subsidiary Potiguar signed a purchase and sale agreement for the acquisition of Petrobras' equity interest in a set of 34 onshore oil and natural gas producing fields, called "Riacho da Forquilha Cluster", located in the Potiguar Basin, in the state of Rio Grande do Norte. The acquisition was concluded on December 9, 2019, after approval of the regulatory bodies.

The subsidiary should pay Petrobras, on such date, a remaining balance corresponding to 16% of the adjusted acquisition value, or approximately US\$56,000, contingent to the extension of the concessions of eleven of the 34 fields acquired.

The process for extending concessions involves filing Development Plans with ANP showing a viable investment and production plan beyond the current contractual period. On March 5, 2020, Potiguar filed with the ANP the Development Plans for the eleven fields listed above. The assessment process of the extension requests is managed by ANP's Development and Production Authority, which judges the development strategy presented, the physical and financial calendar of the production development projects, the increase in production capacity of the facilities, financial provisions for decommissioning and abandonment of facilities, among other issues.

As described under Note 3 to the financial statements as at December 31, 2021 Management understands that such renewals will be approved and, accordingly, registered in 2021 the amount of R\$313,805 under current liabilities. This amount refers to the total amount of the installment. The Purchase and Sales Contract for the acquisition, signed with Petrobras, does not provide for any adjustment to this value.

During the period ended in September 2022, the subsidiary disbursed approximately US\$20 million in relation to the extension of concessions Lorena, Baixa do Algodão, Boa Esperança, Fazenda Malaquias, Leste de Poço Xavier and Pajeú.

As at September 30, 2022 the remaining balance corresponds to 11% of the adjusted acquisition value, as demonstrated below:

Fields	Percentage
Brejinho	1.5%
Cachoeirinha	1.0%
Fazenda Curral	0.2%
Livramento	1.8%
Riacho da Forquilha	6.5%
Total	11%

## Miranga Cluster

On February 24, 2021 SPE Miranga signed a contract for the purchase of the total equity interest of Petrobras in nine onshore fields which form the Miranga Cluster, in the Recôncavo Basin, in Bahia. The Acquisition was concluded on December 6, 2021.

The amounts payable for the acquisition were measured at amortized cost and fair value through profit or loss, as demonstrated below:

### Amortized cost:

- US\$20.0 million payable in twelve months after the closing of the transaction;
- US\$20.0 million payable in twentyfour months after the closing of the transaction;
- US\$40.1 million payable in thirty-six months after the closing of the transaction;

These amounts are adjusted at a fixed interest rate of 1.5% per year.

Fair value through profit or loss:

As part of the contract, the subsidiary Miranga can pay up to US\$85 million in contingent payments as provisioned by contract. The amount is pegged to the average price of the Brent Oil in the years of 2022, 2023 and 2024. As at December 31, 2021 and September 30, 2022 the Subsidiary had registered the maximum possible amount of the liability.

These amounts are adjusted at a fixed interest rate of 1.5% per year.

## 11. PROVISION FOR TAX, LABOR AND REGULATORY CONTINGENCY RISKS

### 11.1 Probable loss – labor and tax claims

Based on the individual analysis of the legal claims filed against the Company and its subsidiaries, and supported by the opinion of its internal and external legal counsels, provisions were recognized under noncurrent liabilities for risks where the likelihood of loss is considered as probable, as demonstrated below:

	Company		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Labor claims	2,329	2,416	2,664	2,416
Tax claims	1,094	1,027	1,094	1,027
Total	3,423	3,443	3,758	3,443

The Company is a party to 57 labor claims (44 as at December 31, 2021), of which 45 (19 as at December 31, 2021) are assessed as of probable loss. Most of these labor claims are filed against companies outsourced by the Company, in which PetroRecôncavo appears as a jointly and severally liable party.

	Company	Consolidated
Balance as at December 31, 2020	4,965	4,965
Payments made	(1,522)	(1,522)
Balance as at December 31, 2021	3,443	3,443
Recognized provision	650	985
Reversed provision	(635)	(635)
Payments made	(35)	(35)
Balance as at September 30, 2022	3,423	3,758

### 11.2 Possible loss – labor, civil and social security claims

As at September 30, 2022 and December 31, 2021 the Company was a party to claims with possible likelihood of loss, based on the opinion of Management and its legal counsel, as follows:

	Company		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Tax claims	36,822	24,792	38,747	26,469
Labor claims	1,756	764	1,756	764
Regulatory claims	2,274	500	7,486	869
Civil claims	1,390	365	1,405	365
Total	42,242	26,421	49,394	28,467

Tax claims comprise sundry claims involving mainly federal taxes.

Labor claims consist of sundry claims filed by former employees and, mainly, those related to joint and several liability, claiming severance pay, overtime, risk premiums, among other.

Regulatory claims are comprised of sundry claims involving regulatory bodies.

## 12. PROVISION FOR WELL ABANDONMENT

Changes in provision for well abandonment	Company	Consolidated
Balance as at December 31, 2020	10,914	40,111
Recognized provision	23,667	44,480
Adjustment	1,339	6,563
Reversal	-	(6,040)
Balance as at December 31, 2021	35,920	85,114
Adjustment	3,430	8,097
Balance as at September 30, 2022	39,350	93,211
Total current liabilities	-	419
Total noncurrent liabilities	39,350	92,792

## 13. DERIVATIVE FINANCIAL INSTRUMENTS

The subsidiary Potiguar entered into offset agreements with counterparties Itaú BBA, Morgan Stanley, Goldman Sachs, Deutsch Bank and Banco ABC. The resulting derivatives are as follows:

Financial instruments	Consolidated	
	09/30/2022	12/31/2021
Derivative financial liabilities		
Commodity forward contracts - current liabilities	(277,828)	(231,125)
Commodity forward contracts - noncurrent liabilities	(119,329)	(233,559)
Total	(397,157)	(464,684)

Changes in financial instruments	Consolidated
Balance as at December 31, 2020	119,196
Fair value of financial instruments before settlement	(126,780)
Settlement of derivative contracts	126,780
Unrealized fair value of financial instruments	(583,880)
Balance as at December 31, 2021	(464,684)
Fair value of financial instruments before settlement	(342,907)
Settlement of derivative contracts	342,907
Unrealized fair value of financial instruments	67,527
Balance as at September 30, 2022	(397,157)

Regarding the hedge effectiveness requirements, Management concludes that:

- There is an economic relationship between the hedged item and the hedging instrument.
- The credit risk effect does not significantly affect the fair value changes resulting from such economic relationship of the hedging instruments.

The hedge ratio of the hedging relationship is of 1;1 and is the same as that resulting from the quantity of hedged instruments that the Company effectively uses.

## 14. NET EQUITY

### 14.1 Share capital

As at September 30, 2022 the subscribed and paid-in capital is of R\$2,898,954 (R\$1,863,916 as at December 31, 2021) and the capital to be paid-in is of R\$1,028, totaling subscribed capital of R\$2,899,982. This capital is represented by 292,730,696 (two hundred and ninety-two million, seven hundred and thirty thousand, six hundred and ninety-six) common shares (248,517,120 as at December 31, 2021), all non-par, registered and book-entry.

Of the subscribed and paid-in capital, costs with the issue of the shares of the IPO in May 2021 and of its follow-on offering of September 2022, were deducted, regarding expenses with the preparation of prospectus and reports, fees of third-party professionals (lawyers, auditors, consultants, investment bank professionals, brokers, etc.), publicity, fees and commissions, transfer and registration costs. These costs reached a total of R\$ R\$113,140 (R\$75,727 as at December 31, 2021) and were recorded net of the effect of taxes of R\$38,468 (R\$25,749 as at December 31, 2021), in a net amount of R\$74,672 (R\$49,980 as at December 31, 2021). As at September 30, 2022 the subscribed and paid-in capital, net of costs for issuing the shares amounted to R\$2,824,282 (R\$1,813,936 as at December 31, 2021).

As at September 30, 2022 and December 31, 2021 the common shares were distributed as follows:

Shareholder	PetroRecôncavo S.A.	
	09/30/2022	12/31/2021
PetroSantander Luxembourg Holdings S.a.r.l.	67,536,716	82,536,716
Funds managed by Opportunity	63,930,089	63,930,089
Eduardo Cintra Santos	14,749,105	14,749,105
Perbras – Empresa Brasileira de Perfurações Ltda	12,539,804	12,539,404
Other shareholders	133,974,982	74,761,806
Total	292,730,696	248,517,120
Treasury shares	(282,244)	(143,009)
Total shares, net	292,448,452	248,374,111

In the nine-month period ended September 30, 2022 the Company bought-back 345,000 shares (in 2021 the Company bought-back 327,822 shares) and delivered or sold 205,765 (2021, 184,813) common shares to executives and key-collaborators of the Company, as part of the share-based compensation plan.

As at September 30, 2022 the Company held 282,244 common shares in treasury (143,009 as at December 31, 2021) at the average price of R\$24.07, totaling R\$6,793 (R\$2,292 as at December 31, 2021).

### Changes in share capital

In the nine-month period ended September 30, 2022 and during 2021 the following changes occurred:

Meeting	Date	Changes in share capital
Extraordinary Shareholders' Meeting	02/24/2021	<ul style="list-style-type: none"> <li>• Conversion of the total of preferred shares, 949,005, into common shares;</li> <li>• Approval of authorized capital increase, from R\$300,000,000.00 to R\$2,750,000,000.00; and,</li> <li>• Approval of the IPO of the Company and authorization of the submission, by the Company, of the application for registering as a publicly-held company, as category "A" ..</li> </ul>
Extraordinary Shareholders' Meeting	04/01/2021	<ul style="list-style-type: none"> <li>• Split of the total amount of common registered, book-entry shares and without par value issued by the Company at the ration of 1:2;</li> <li>• The share capital, previously divided into 83,911,766 common shares, now divided into 167,823,532 common shares without par value;</li> <li>• Approve the Consolidated Incentive Program approved by the Board of Directors and by the General Shareholders' Meeting of April 1, 2021 ("Incentive Program")</li> </ul>
Executive Committee Meeting	05/03/2021	<ul style="list-style-type: none"> <li>• Fixation of the price at R\$14.75 per common share issued by the Company object of the public offering for primary distribution of common shares;</li> <li>• Capital increase of the Company in the amount of R\$1,032,500,000.00, from R\$674,941,437.37 to R\$1,707,441,437.37, through the issue of 70,000,000 new common shares, with an issue price of R\$14.75 each, all registered, book-entry and without par value, the object of the above-mentioned IPO. Share capital of the Company is now divided into 237,823,532 common shares.</li> </ul>
Executive Committee Meeting	06/02/2021	<ul style="list-style-type: none"> <li>• Capital increase of the Company, within the limit of its authorized capital, in the amount of R\$ 154.9 million, going from R\$1,707 million to R\$ 1,862.3 million, through the issue of 10.5 million new common shares with issue price of R\$ 14.75 each, all non-par, registered, book-entry common shares</li> </ul>
Executive Committee Meeting	07/22/2021	<ul style="list-style-type: none"> <li>• Approve the acquisition by the Company of non-par, registered, book-entry common shares issued by the Company, respecting legal limits ("Buyback Program"), for (i) disposal or cancellation, and (ii) to address the commitments undertaken by the Company in the scope of the</li> </ul>

		<p>Consolidated Incentive Program approved by the Board of Directors and General Shareholders' Meeting of April 1, 2021, through the disposal and delivery of shares to statutory directors and employees of the Company and its subsidiaries;</p> <ul style="list-style-type: none"> <li>Capital increase of the Company from the current R\$1,862,316,437.37, divided into 248,323,532 non-par, registered, book-entry common shares, to R\$1,863,093,962.37, divided into 248,428,532 non-par, registered, book-entry common shares. This increase occurred due to the exercise of stock option, within the authorized capital limits.</li> </ul>
Executive Committee Meeting	10/21/2021	<ul style="list-style-type: none"> <li>Capital increase of the Company, from R\$1,863,093,962.37, divided into 248,428,532 non-par, registered, book-entry common shares, to R\$ 1.863,551,482.01, divided into 248,482,668 non-par, registered, book-entry common shares. Such increase was due to the exercise of stock option, within the authorized capital limits.</li> </ul>
Executive Committee Meeting	12/15/2021	<ul style="list-style-type: none"> <li>Capital increase, from R\$1,863,551,482.01, divided into 248,482,668 non-par, registered, book-entry common shares, to R\$1,863,916,056.99, divided into 248,517,120 non-par, registered, book-entry common shares. Such increase was due to the exercise of stock option, within the authorized capital limits</li> </ul>
Executive Committee Meeting	02/25/2022	<ul style="list-style-type: none"> <li>Capital increase of the Company, from R\$1,863,916,056.99, divided into 248,517,120 non-par, registered, book-entry common shares, to R\$1,864,105,015.31 divided into 248,535,088 non-par, registered, book-entry common shares. Such increase was due to the exercise of stock option, within the authorized capital limits</li> </ul>
Executive Committee Meeting	03/21/2022	<ul style="list-style-type: none"> <li>Approve, by majority votes, the proposal of Management for the net income of the period to be allocated as follows: (i) the amount of R\$8,844,889.40, corresponding to 5% of net income allocated to legal reserve; (ii) the amount of R\$5,797,007.01, allocated to tax incentive reserve; (iii) the amount of R\$40,563,972.90, corresponding to 25% of net income adjusted by legal reserve and tax incentive reserve, allocated for distribution to shareholders and mandatory dividends; and (iv) the remaining value, adjusted by the effect of the negative results of transactions with treasury shares in the amount of R\$77,543.84, corresponding to R\$121,614,373.51, to the reserve account for investment and expansion.</li> </ul>
Executive Committee Meeting	04/06/2022	<ul style="list-style-type: none"> <li>Capital increase of the Company, from R\$ 1,864,105,015.31 (one billion, eight hundred and sixty-four million, one hundred and five thousand, fifteen reais and thirty-one cents), divided into 248,535,088 (two hundred and forty eight million, five hundred and thirty-five thousand and eighty-eight) non-par, registered, book-entry common shares, to R\$ 1,864,438,240.31 (one billion, eight hundred and sixty-four million, four hundred and thirty-eight thousand, two hundred and forty reais and thirty-one cents), divided into 248,580,088 (two hundred and forty-eight million, five hundred and eighty thousand and eighty-eight) non-par, registered, book-entry common shares. Such increase was due to the exercise of stock option.</li> </ul>
Extraordinary Shareholders' Meeting	04/27/2022	<ul style="list-style-type: none"> <li>Approve the amendment to the caput of Article 5 of the By-laws of the Company to reflect the capital increase approved by the Executive Committee Meeting, within the authorized capital limits, in meetings held on 07/22/2021, 10/21/2021, 12/15/2021 and 02/25/2022</li> </ul>
Extraordinary Shareholders' Meeting	05/23/2022	<ul style="list-style-type: none"> <li>Approve the amendment to the caput of Article 5 of the By-laws of the Company to reflect the capital increase approved by the Executive Committee Meeting, within the authorized capital limits, in meeting held on 04/06/2022, with the consequent consolidation of the Company by-laws, and</li> <li>Approve the amendment to the lead paragraph of Article 6 of the By-laws of the Company to increase the limit of authorization for capital increase through deliberation of the Executive Committee, independently of statutory amendment, to up to R\$ 5,000,000,000.00 (five billion reais), as detailed in the Proposal of the Committee, with the consequent consolidation of the Company by-laws.</li> </ul>
Executive Committee Meeting	05/31/2022	<ul style="list-style-type: none"> <li>Approve, within the context of the Long-Term Incentive Program ("PILP"), the granting of 699,661 (six hundred and ninety-nine thousand, six hundred and sixty-one) common to the participants of the PILP in relation to the year 2022, in accordance with the proposal of the People Management Committee.</li> </ul>

Executive Committee Meeting	06/03/2022	<ul style="list-style-type: none"> <li>• Approve the Restricted Offer of, initially, 44,000,000 (forty-four million) shares, observing that the quantity of shares initially offered may be increased due to the possibility of placing additional shares.</li> </ul>
Executive Committee Meeting	06/14/2022	<ul style="list-style-type: none"> <li>• Approve capital increase of the Company, within the limit of authorized capital, of R\$1,034,000,000.00 (one billion, thirty-four million reais), from R\$1,864,438,240.31 (one billion, eight hundred and sixty-four million, four hundred and thirty-eight thousand, two hundred and forty reais and thirty-one cents) to R\$2,898,438,240.31 (two billion, eight hundred and ninety-eight million, four hundred and thirty-eight thousand, two hundred and forty reais and thirty-one cents), through the issue of 44,000,000 (forty-four million ) new non-par, registered, book-entry common shares, that will be object of the Offer, with the share capital of the Company going from 248,580,088 (two hundred and forty-eight million, five hundred and eighty thousand and eighty-eight) common shares to 292,580,088 (two hundred and ninety-two million, five hundred and eighty thousand and eighty-eight) common shares.</li> </ul>
Executive Committee Meeting	07/28/2022	<ul style="list-style-type: none"> <li>• Approve the closing of the last Share Buyback Program, approved during the Executive Committee Meeting held on July 22, 2021.</li> <li>• Approve the acquisition of nominative, common, registered, non-par shares of its own issue, respecting the legal limits, and based on available resources (“2<sup>nd</sup> Share Buyback Program”).</li> </ul>
Executive Committee Meeting	09/02/2022	<ul style="list-style-type: none"> <li>• Capital increase, from R\$2,898,438,240.31 (two billion, eight hundred and ninety-eight million, four hundred and thirty-eight thousand, two hundred and forty Brazilian reais and thirty-one cents), divided into 292,580,088 (two hundred and ninety-two million, five hundred and eighty thousand, and eight-eight) shares, all common, nominative, registered and without par-value to R\$2,898,953,995.09 (two billion, eight hundred and ninety-eight million, nine hundred and fifty-three thousand, nine hundred and ninety-five Brazilian reais and nine cents), divided into 292,629,060 (two hundred and ninety-two million, six hundred and twenty-nine thousand and sixty) common, nominative, registered and non-par shares. Such increase was due to the exercise of stock option.</li> <li>• Approve the capitalization of Advances for Future Capital Increase, in the total amount of R\$580,000,000.00 (five hundred and eighty million Brazilian reais), with the consequent increase in the capital of Potiguar E&amp;P S.A. in the amount of R\$580,000,000.00 (five hundred and eighty million Brazilian reais).</li> <li>• Approve the capitalization of Advances for Future Capital Increase, in the total amount of R\$34,935,013.00 (thirty four million, nine hundred and thirty-five thousand and thirteen Brazilian reais), with the consequent increase in the capital of SPE Miranga in the amount of R\$34.935.013,00 (thirty four million, nine hundred and thirty-five thousand and thirteen Brazilian reais), corresponding to the amount necessary for working capital.</li> </ul>
Executive Committee Meeting	09/29/2022	<ul style="list-style-type: none"> <li>• Registering that the share capital of the Company went from R\$2,898,953,995.09 (two billion, eight hundred and ninety-eight million, nine hundred and fifty-three thousand, nine hundred and ninety-five Brazilian reais and nine cents), divided into 292,629,060 (two hundred and ninety two million, six hundred and twenty-nine thousand and sixty) shares, all common, nominative, registered and without par-value to R\$2,899,981,592.23 (two billion, eight hundred and ninety-nine million, nine hundred and eighty-one thousand, five hundred and ninety- two Brazilian reais and twenty-three cents), divided into 292,730,696 (two hundred and ninety-two million, seven hundred and thirty thousand, six hundred and ninety-six) common, nominative, registered shares with no par-value. Such increase was due to the exercise of stock option.</li> </ul>



## 14.2 Capital reserve and profit reserve – Income tax reduction

The Company and its subsidiaries Recôncavo and Potiguar are entitled to a tax benefit consisting of a 75% relief of income tax on their profits from operations (see Note 11 to the financial statements as at December 31, 2021).

The corresponding tax incentive calculated in the period is recognized in profit or loss for the period and, after calculating profit for the period, it is transferred to the tax incentive reserve (earnings reserve). The legal reserve can only be used in capital increases or to offset losses. This capital reserve was used until 2007.

The Company and its subsidiary SPE Miranga are entitled to a tax benefit for deemed ICMS tax credit at the rate of 4.24% over gross revenue. The difference between the deemed credit and the credits obtained during the normal course of its operations is recognized under profit or loss, after calculating the net income of the period, is transferred to tax incentive reserves (profit reserve). This reserve may only be used to increase capital or offset losses.

## 14.3 Reinvestment reserve

Recognizes the earnings retained for reinvestment; retained earnings are subject to the approval of shareholders at the Annual Shareholders' Meeting. It will also be up to the Annual Shareholders' Meeting to allocate the portion of earnings reserves that exceeds the amount of the share capital.

In 2021, the Company registered reinvestment reserve in the amount of R\$ 121,615.

## 14.4 Legal reserve

The legal reserve is established based on 5% of profit for each year, and must not exceed 20% of share capital. The purpose of the legal reserve is to ensure the integrity of capital and can only be used to offset losses or capital increase.

In 2021, the Company registered a legal reserve in the amount of R\$ 8,845

## 14.5 Earnings per share

	<b>PetroRecôncavo S.A.</b>	
	07/01/2022 to 09/30/2022	07/01/2021 to 09/30/2021
Net income (loss)	211,883	22,926
Weighted average of shares issued	292,519,505	248,423,861
Basic earnings per share - R\$	0.724	0.092
Weighted average of shares and stock options issued	293,405,534	249,539,788
Diluted earnings per share - R\$	0.722	0.092

PetroReconcavo S.A.		
	01/01/2022 to 09/30/09/2022	01/01/2021 a 30/09/2021
Net income (loss)	744,752	104,602
Weighted average of shares issued	265,881,070	210,927,378
Basic earnings per share - R\$	2.801	0.4959
Weighted average of shares and stock options issued	266,797,223	212,098,049
	2.791	0.4932

## 14.6 Minimum proposed dividends

According to the Company's bylaws, the mandatory minimum dividends correspond to 25% of net income for the year, less any accumulated losses, adjusted by the legal, tax incentive, and contingency reserves, if any.

Balance as at December 31, 2020	2
Proposed minimum mandatory dividends	40.564
Balance as at December 31, 2021 and September 30, 2022	40.566
Payments	(40.558)
Balance as at September 30, 2022	8

## 14.7 Share-based compensation

### Deferred shares.

#### Extraordinary benefits and annual target benefits (2020)

On June 25, 2021, in a meeting of the Executive Committee, the concession of extraordinary benefits to the participants of the Consolidated Incentive Program was approved, due to the conclusion of the initial public offering of shares issued by the Company, in the total amount of R\$ 16,395, of which: (a) 25% (twenty-five percent) were paid in cash in July 2021, and (b) the remaining 75% (seventy-five percent) will be paid in shares or cash, at the criterion of the Company, in 3 (three) equal lots, in respectively 12 (twelve), 24 (twenty-four) and 36 (thirty-six) months, as of the date of the settlement of the IPO.

In the above mentioned meeting, the concession of annual benefits to the participants of the Consolidated Incentive Program was also approved in relation to the year ended December 31, 2020, in view of the respective Annual Targets having been achieved. The annual benefit was granted in the form of Deferred Shares to be delivered after three years. The payments will be, at the criterion of the Company, made in shares or cash.

#### Long-term incentive plan ("LTIP")

On May 31, 2022 the Company approved the LTIP for 2022. The 2022 LTIP assigned 699,661 (six hundred and ninety-nine thousand, six hundred and sixty-one) deferred shares to the eligible participants.

The LTIP awards restricted shares (during the vesting period) to the Participants in two separate tranches, the retention tranche and the Total Shareholder Return ("TSR") tranche, each representing 50% of the shares awarded.

a) Retention tranche

The retention tranche is subdivided into three portions. These shall have vesting period of 12, 24 and 36 months and deliveries of 20%, 30% and 50% of the shares relating to this tranche, respectively. The delivery of these shares is conditioned to the permanence of the participant in the Group until the end of the vesting period.

b) TSR Tranche

The TSR tranche is subdivided into two portions, “TSR Real” and “TSR Dollar”. Vesting of both lots has a 36-month term. The delivery of the shares is conditioned to the permanence of the participant up until the end of the vesting period and to the appreciation of the Company’s share in comparison to benchmark indexes plus a spread. The final quantity of delivered shares may vary from zero to 200% of the TSR tranche, depending on the appreciation of the Company shares.

As at September 30, 2022 the following share-based compensations were in effect:

	Quantity	Grant date	Validity	Fair value	Vested 09/30/2022	Vested 12/31/2021
Extraordinary Benefit – 2 <sup>nd</sup> installment(a)	-	06/25/2021	06/25/2023	3,926	-	1,888
Extraordinary Benefit – 3 <sup>rd</sup> installment	200,402	06/25/2021	06/25/2023	3,926	2,390	901
Extraordinary Benefit – 4 <sup>th</sup> installment	200,402	06/25/2021	06/25/2024	3,926	1,517	572
Annual target benefit – 2020	231,488	06/25/2021	06/25/2024	4,535	1,643	657
LTIP 2022 – Retention tranche Lot I	69,965	05/31/2022	05/31/2023	1,994	665	-
LTIP 2022 – Retention tranche Lot II	104,949	05/31/2022	05/31/2024	2,989	455	-
LTIP 2022 – Retention tranche Lot III	174,932	05/31/2022	05/31/2025	4,914	475	-
LTIP 2022 –TSR Tranche R\$	174,907	05/31/2022	05/31/2025	7,687	743	-
LTIP 2022 –TSR Tranche US\$	174,908	05/31/2022	05/31/2025	7,214	697	-
Total	1,331,953			41,111	8,585	4,018

(a) In September 2022 the Company delivered 200,402 shares regarding the second installment of the extraordinary benefit.

In compliance with CPC 10 (R1) the Company recognized expenses related to the granting of deferred shares, offset against capital reserve, considering the intention of the Company of settling with share-based compensation. Additionally, labor charges are recognized as a provision under liabilities.

For the extraordinary benefit plan and annual target benefit (2020) the fair value corresponds to the closing price of the share on the grant date, June 25, 2021.

For the LTIP program, the fair value corresponds to R\$24,797 calculated using the Monte Carlo simulation for share prices and future exchange rates in a risk neutral arrangement. In the simulation, the achievement of TSR targets are verified, as well as quantities effectively transferred, given that the LTIP includes (1) a multiplier of zero to 200% for the quantity relating to the TSR lots, (2) that the proceeds distributed by the Company during the vesting period shall be converted into additional shares due to the number of shares received in the Retention and TSR tranches, earnings per share in the vesting period and share price at the end of the vesting period. The simulated amounts are multiplied by the simulated future prices and the result is discounted at present value by the risk free interest rate.

### Additional acquisition of shares and share-matching program.

Furthermore, still in relation to the meeting of the Executive Committee of June 25, 2021, also regarding the achievement of the respective annual targets, the participants of the incentive program had the right to the acquisition of additional shares that were complemented, in equal quantity of the acquisition, by the Company (“matching”). The shares acquired by the executives and the matching shares were delivered in July 2021. Despite the executives being in possession of these shares, they have transfer restrictions (“lock up”) for a three-year period as of the date of delivery by the Company. The total amount of shares acquired by the executives and key collaborators was of 88,991 common shares and equal amount complemented by the Company (matching).

## Stock option

In the years ended December 31, 2013, 2014 and 2016, the Company granted employees holding strategic positions a stock option-based compensation plan. Due to the share split of the Company, occurred on April 1, 2021, each employee stock option may be converted into two Company common share upon exercise of the option. No amounts are paid or will be paid by the beneficiary upon receiving a stock option. The stock options have a vesting period, where one third the stock options become vested each year after the grant date. After the vesting period, the stock options can be exercised at any time up to their expiry date.

The following stock option agreements became effective during the nine-month period ended September 30, 2022. The quantities of options are the residual options and not exercised.

Stock-option series	Residual quantity of stock options	Grant date	Validity	Strike price R\$	Fair value on grant date R\$
Issued on October 10, 2013	114,472	10/10/2013	10/09/2023	20.73	15.84
Issued on August 20, 2014	173,743	08/20/2014	08/19/2024	21.41	16.99
Issued on May 13, 2016	87,500	05/13/2016	05/12/2026	14.81	11.93

On April 1, 2021, in an Extraordinary Shareholders' Meeting, the shareholders of the Company made certain resolutions, among which emphasis is given to the number of shares related to the shareholders of the Company, already granted under the Stock Option Plan of the Company and not yet exercised to date, will be adjusted proportionally, in order to reflect the split of shares, whereby each option exercised shall represent two common shares of the Company.

On June 25, 2021, in a meeting of the Executive Committee, the waiver of the share transfer restrictions ('lock-up') presently prevailing on existing shares of the Company at this date, subscribed and/or acquired by beneficiaries of the Stock Option Plan, that are not statutory directors of the Company.

There is no remaining balance of estimated fair value to be recognized in profit or loss in the coming years as the vesting periods expired during the year ended December 31, 2019.

From the beginning of the plans 203,582 options were exercised, all after the split. The Company received R\$2,638 in relation to the exercise of these option and has receivables, by way of subscribed capital to be paid-in in the amount of R\$1,028 regarding options exercised in the Executive Committee Meeting of September 30, 2022.

## 14.8 Equity valuation adjustments

In the nine-month period ended September 30, 2022, the subsidiary Potiguar recognized the effective portion of the changes in the fair value of derivatives, net of taxes, which are designated and qualified as cash flow hedges, totaling R\$44,567 (R\$385,361 as at December 31, 2021).

## 15. RELATED PARTIES

Balance	Company		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
<u>Other assets</u>				
Recôncavo E&P	505	386	-	-
PERBRAS (b)	5	5	5	5
Miranga (d)	30,162	-	-	-
Potiguar (d)	55,514	6,534	-	-
Total other assets	86,186	6,925	5	5
<u>Dividends payable</u>	8	40,566	8	40,566
<u>Dividends receivable</u>				
Recôncavo E&P	1,001	1,001	-	-
Miranga	3,014	3,014	-	-
Total dividends receivable	4,015	4,015	-	-
<u>Suppliers</u>				
Reconcavo America (a)	14,566	14,566	-	-
Potiguar (e)	1,298	5,318	-	-
Recôncavo	1,588	1,588	-	-
Miranga (e)	1,238	-	-	-
PERBRAS (b)	576	47	662	308
Interservice	219	-	443	-
PetroSantander Management	135	-	135	-
PetroSantander	9	-	9	-
Total suppliers	19,629	21,519	1,249	308

  

Transactions	Company		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
<u>Other income:</u>				
Recôncavo (d)	411	2,099	-	-
Potiguar (d)	21,370	10,099	-	-
Miranga (d)	28,539	-	-	-
<u>Costs and expenses</u>				
Recôncavo E&P	-	(607)	-	-
Potiguar (e)	(10,385)	(1,404)	-	-
Miranga (e)	(6,863)	-	-	-
PERBRAS. (b)	(5,600)	(3,064)	(12,431)	(5,819)
PetroSantander Management Inc. (c)	(37)	-	(37)	-
PetroSantander Holdings GM(c)	(20)	-	(20)	-
PetroSantander Colombia (c)	(323)	-	(323)	-
Interservice USA	(253)	-	(340)	-
PetroSantander Holding GMBH (c)	-	(2,398)	-	(2,398)
Apportionment (f)	72,198	2,916	-	-
Total	99,037	7,641	(13,152)	(8,217)

- (a) Refers to the amount that PetroRecôncavo owes to Recôncavo América due to the acquisition of equipment which occurred in December 2020. This transaction was carried out through the REPETRO SPED, which is a special customs and tax regimen for the Oil and Gas sector, which permits the production, acquisition and/or permanent or temporary import of goods used in the oil and natural gas exploration and production operations with total or partial tax exemption throughout the chain.

- (b) The Company and its subsidiaries Recôncavo and Potiguar conduct transactions with the shareholder PERBRAS - Empresa Brasileira de Perfuração Ltda., which performs services using onshore production rigs and other sundry production support services, under a unit price service agreement, annually adjusted using the General Market Price Index (IGP-M).
- (c) The Company conducts transactions with PetroSantander Management Inc., PetroSantander Colombia and PetroSantander Holdings GMBH which provide technical assistance and specialized consulting services on a "man-hour" basis related to the exploration and production of oil wells, under a service agreement that does not provide for financial charges.
- (d) Refers to services provided (rigs and sundry and sale of materials by the Company to the subsidiaries Potiguar and SPE Miranga.
- (e) Refers to the sale of processed natural gas of the subsidiary Potiguar to the Company and sale of materials of the subsidiaries Miranga and Potiguar to the Company.
- (f) Refers to the apportionment of corporate administrative expenses to the subsidiaries.

### Key-management compensation

	Company		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Benefits - Board of Directors (a)	5,190	3,056	5,216	3,076
Benefits - Executive Committee (a)	3,888	1,485	3,888	1,485
Other benefits (b)	159	230	159	230
Profit sharing	3,216	2,299	3,216	2,299
Performance bonus (c)	-	2,868	-	2,868
Share-based compensation (d)	8,227	4,415	8,227	4,415
Total	20,680	14,353	20,706	14,373

- (a) Refers to management compensation and social charges payable by the employer of the statutory directors and counselors of the Company.
- (b) Refers to contributions made by the Company to a private pension plan.
- (c) As described in Note 15 g) to the financial statements as at December 31, 2021, on June 25, 2021 the Executive Committee approved an extraordinary bonus related to the successful outcome of the IPO.
- (d) Refers to the payment and vesting of the programs described under Note 14.7.

The compensation of the Executive Committee is determined by the shareholders. On April 27, 2022 the shareholders defined, in an Extraordinary Shareholders' Meeting, maximum compensation for 2022 in the amount of R\$25,426 (R\$ 23,000, 2021), excluding social obligations, which is the responsibility of the employer.

## 16. RIGHTS AND COMMITMENTS TOWARDS ANP - AGÊNCIA DE PETRÓLEO, GÁS E BIOCUMBUSTÍVEIS

The Group is a concessionaire to 59 oil fields subdivided among the Remanso, Potiguar and Miranga Clusters, as well as having rights to exploratory blocks in the Potiguar Cluster, as described under Note 1. Under the terms of the mentioned concession contracts, in the case of discovering and evidencing commercially viable fields, the Company is guaranteed the rights to develop and produce, over a 27-year period, oil and natural gas that may be ringfenced within the boundaries of these blocks. There are no price restrictions on the sale of products resulting from the exploitation of these areas.

The following government and third-party participations are payable by the Company as a result of holding and conducting activities in these fields:

Participations	Details
Royalties	7.5% up to 10% applied on the gross production of oil and/or natural gas, from the date of the beginning of the commercial production of the Concession Area (September 30, 2022, R\$ 189,431 and September 30, 2021, R\$64,211).
Special participation	In the amount defined in the Participation Decree 2705/98 and ANP Administrative Rule 10/99.
Payment for occupying and retaining the Concession Area	For each field there is an amount payable in R\$ per square kilometer, which varies according to the concession contract of each field and with the stage of operation of each field, which can be: (i) exploration stage; (ii) development stage; and (iii) production stage. All fields are in the production stage.
Payment to landowners	Equivalent to 1% (one percent) of oil and natural gas production, in accordance with prevailing Brazilian law (R\$ 23,067 as at September 30, 2022 and R\$8,201 as at September 30, 2021).

## 17. SALES REVENUE, NET

Sales revenues are directly related to the Brent Oil prices, the quotations of which are freely negotiated in the foreign market, and to the contractual sale price of natural gas and its byproducts.

	Company		Consolidated	
	07/01/2022 to 09/30/2022	07/01/2021 to 09/30/2021	07/01/2022 to 09/30/2022	07/01/2021 to 09/30/2021
<u>Gross revenue</u>				
Services provided	-	92,203	-	92,203
Sale of oil	152,208	-	702,849	266,840
Sale of gas and byproducts	22,873	-	443,029	17,068
Hedge contracts	-	-	(127,316)	(39,642)
Total	175,081	92,203	1,018,562	336,469
<u>(-) Deductions on revenue</u>	(18,673)	(7,390)	(213,714)	(76,125)
Net revenue	156,408	84,813	804,848	260,344

	Company		Consolidated	
	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021
<u>Gross revenue</u>				
Services provided	-	250,312	-	250,312
Sale of oil	458,721	-	2,037,287	725,790
Sale of gas and byproducts	68,540	-	1,098,466	41,319
Hedge contracts	-	-	(342,907)	(56,846)
Total	527,261	250,312	2,792,846	960,575
<u>(-) Deductions on revenue</u>	(56,132)	(19,150)	(593,513)	(205,333)
Net revenue	471,129	231,162	2,199,333	755,242

The Company is presently under discussions with Petrobras regarding possible discrepancies in the amounts of credits obtained from natural gas liquids. Further details are disclosed under Note 4.

## 18. INFORMATION ON THE NATURE OF EXPENSES RECOGNIZED IN THE STATEMENT OF PROFIT AND LOSS

	Company		Consolidated	
	07/01/2022 to 09/30/2022	07/01/2021 to 09/30/2021	07/01/2022 to 09/30/2022	07/01/2021 to 09/30/2021
Personnel	(10,665)	(21,343)	(62,667)	(29,444)
Services	(12,200)	(4,172)	(1,927)	(8,602)
Consultancy, audit and fees	(11,670)	(4,413)	(9,362)	(4,571)
Materials	(11,905)	(13,178)	(29,557)	(25,494)
Gas processing and transport costs	(8,709)	-	(124,929)	-
Rent	(12,612)	(3,076)	(19,697)	(6,423)
Electricity	(9,288)	(9,216)	(19,014)	(14,188)
Depletion, depreciation and amortization	(18,018)	(21,142)	(108,613)	(73,422)
Depreciation of right-of-use assets	(1,061)	(1,950)	(3,967)	(4,239)
Costs of non-operated fields	(3,051)	-	(6,385)	(2,515)
Royalties	(10,386)	-	(61,497)	(27,649)
Share-based compensation and associated costs	(1,737)	(6,909)	(1,738)	(7,281)
Environmental licensing	-	-	(3,510)	(3,075)
Other	9,546	2,440	(3,170)	3,497
<b>Total</b>	<b>(101,756)</b>	<b>(82,959)</b>	<b>(456,033)</b>	<b>(203,406)</b>
Costs of services and product sold	(106,499)	(64,237)	(420,747)	(179,203)
General and administrative	(9,041)	(9,210)	(29,803)	(11,315)
Other income (expenses), net	13,784	(9,512)	(5,483)	(12,888)
<b>Total</b>	<b>(101,756)</b>	<b>(82,959)</b>	<b>(456,033)</b>	<b>(203,406)</b>

	Company		Consolidated	
	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021
Personnel	(42,757)	(58,299)	(165,576)	(85,995)
Services	(40,461)	(12,891)	(61,664)	(24,397)
Consultancy, audit and fees	(19,795)	(10,910)	(21,045)	(11,927)
Materials	(37,335)	(34,154)	(63,180)	(64,359)
Gas processing and transport costs	(21,061)	-	(304,527)	-
Rent	(22,253)	(8,523)	(39,724)	(16,917)
Electricity	(26,119)	(25,140)	(54,025)	(39,072)
Depletion, depreciation and amortization	(49,810)	(57,844)	(255,083)	(193,096)
Depreciation of right-of-use assets	(4,879)	(5,295)	(12,537)	(13,998)
Costs of non-operated fields	(3,051)	-	(13,766)	(13,216)
Royalties	(40,872)	-	(189,431)	(72,412)
Share-based compensation and associated costs	(11,368)	(11,008)	(11,369)	(11,380)
Environmental licensing	(51)	-	(10,196)	(10,535)
Other	20,325	4,038	(8,825)	(7,447)
<b>Total</b>	<b>(299,487)</b>	<b>(220,026)</b>	<b>(1,210,948)</b>	<b>(564,751)</b>
Costs of services and product sold	(302,335)	(176,899)	(1,122,302)	(498,632)
General and administrative	(20,764)	(34,942)	(75,504)	(40,786)
Other income (expenses), net	23,612	(8,185)	(13,142)	(25,333)
<b>Total</b>	<b>(299,487)</b>	<b>(220,026)</b>	<b>(1,210,948)</b>	<b>(564,751)</b>



## 19. FINANCIAL RESULT

	Company		Consolidated	
	07/01/2022 to 09/30/2022	07/01/2021 to 09/30/2021	07/01/2022 to 09/30/2022	07/01/2021 to 09/30/2021
<b>Financial income</b>				
Interest and returns on mutual contract, net	4,826	4,608	7,468	5,156
Other	-	67	21	72
<b>Total</b>	<b>4,826</b>	<b>4,675</b>	<b>7,489</b>	<b>5,228</b>
<b>Foreign exchange variation:</b>				
Exchange fund	40,511	54,543	48,739	34,761
Other	47	-	3,261	536
<b>Total</b>	<b>40,558</b>	<b>54,543</b>	<b>52,000</b>	<b>35,297</b>
<b>Total financial income</b>	<b>45,384</b>	<b>59,218</b>	<b>59,489</b>	<b>40,525</b>
<b>Financial expenses</b>				
Interest on well abandonment	(1,143)	(190)	(2,700)	(1,483)
Income tax on foreign transactions	-	(384)	(5,461)	(2,783)
Amortization of borrowing costs	-	41	(17,088)	(3,194)
Interest on loans	(945)	(439)	(15,125)	(13,456)
Interest on lease operations	(169)	(169)	(374)	(373)
Interest on payables for acquisitions	(527)	-	(2,110)	-
Bank charges and other expenses	(785)	(514)	(1,168)	(5,113)
<b>Total</b>	<b>(3,569)</b>	<b>(1,655)</b>	<b>(44,026)</b>	<b>(26,402)</b>
<b>Foreign exchange variation</b>				
Payables for acquisitions	(889)	-	(35,303)	-
Loans and financing	(22,796)	(2,659)	(25,386)	(35,263)
Other	(130)	(160)	(262)	-
<b>Total</b>	<b>(23,815)</b>	<b>(2,819)</b>	<b>(60,951)</b>	<b>(35,263)</b>
<b>Total financial expenses</b>	<b>(27,384)</b>	<b>(4,474)</b>	<b>(104,977)</b>	<b>(61,665)</b>
<b>Total</b>	<b>18,000</b>	<b>54,744</b>	<b>(45,488)</b>	<b>(21,140)</b>

	Company		Consolidated	
	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021
<b>Financial income</b>				
Interest and returns on mutual contract, net	12,116	15,738	18,021	26,006
Interest from loan agreements	6	97	-	-
Other	68	81	90	100
<b>Total</b>	<b>12,190</b>	<b>15,916</b>	<b>18,111</b>	<b>26,106</b>
<b>Foreign exchange variation</b>				
Payables for acquisitions	773	-	34,293	-
Exchange fund	20,007	31,492	26,548	34,761
Loans and financing	-	2,962	26,662	-
Others	286	434	1,706	1,882
<b>Total</b>	<b>21,066</b>	<b>34,888</b>	<b>89,209</b>	<b>36,643</b>
<b>Total financial income</b>	<b>33,256</b>	<b>50,804</b>	<b>107,320</b>	<b>62,749</b>
<b>Financial expenses</b>				
Interest on well abandonment	(3,430)	(1,005)	(8,099)	(4,922)
Income tax on foreign transactions	(479)	(615)	(10,205)	(8,445)
Amortization of borrowing costs	-	-	(22,283)	(9,948)
Interest on loans	(1,382)	(2,182)	(37,680)	(44,350)
Interest on loan operations	(533)	(590)	(1,034)	(1,721)
Interest on acquisitions payable	(1,493)	-	(6,078)	-
Bank charges and other expenses	(1,540)	(1,247)	(4,848)	(6,787)
<b>Total</b>	<b>(8,857)</b>	<b>(5,639)</b>	<b>(90,227)</b>	<b>(76,173)</b>
<b>Foreign exchange variation</b>				
Loans and financing	(22,796)	-	-	(37,236)
Other	(1,454)	(697)	(3,579)	(1,595)
<b>Total</b>	<b>(24,250)</b>	<b>(697)</b>	<b>(3,579)</b>	<b>(38,831)</b>
<b>Total financial expenses</b>	<b>(33,107)</b>	<b>(6,336)</b>	<b>(93,806)</b>	<b>(115,004)</b>
<b>Total</b>	<b>149</b>	<b>44,468</b>	<b>13,514</b>	<b>(52,255)</b>

## 20. FINANCIAL INSTRUMENTS

### 20.1 Capital risk management

The Company and its subsidiaries manage their capital to ensure that both the Company and its subsidiaries can continue as going concerns. It is the Management's policy to sustain a solid capital basis to ensure the confidence of investors, creditors and the market and to maintain the future development of the business.

Management monitors the return on capital employed taking into account the results of the economic activities of its operational segment. Historically the Company has financed its operations with its own capital and had low indebtedness to third parties, not related to the Company. In 2021, the Company went public to raise funds, and a subsequent follow-on offering in 2022 for the same purpose. The debt instruments currently in effect refer to a finance lease, a financing facility aimed at funding innovation with Finep and bank loans in the Company.

The Company's capital structure consists of its equity (which includes capital, reserves, profit reserves, as presented under Note 14) and bank and Finep debts.

The Company is not subject to any external requirement on capital.

Management reviews its capital structure annually. As part of this review, Management assesses possible financing requirement (or not) for its operations and investment programs, as well as the cost of capital and the risks associated to each class of capital

## 20.2 Category of financial instruments and fair value hierarchy

Fair value hierarchy awards greater weight to available market information (i.e., observable inputs) and less weight to information related to opaque data (i.e., unobservable inputs). Additionally, the relevant standard requires that the Company takes into consideration all aspects of the nonperformance risk, including the Company's own credit, when measuring the fair value of a liability.

CPC 40 /IFRS 7 establishes a three-level fair value hierarchy to measure and disclose the fair value. A categorization instrument in the fair value hierarchy is based on the lowest level of input significant to its measurement.

	Notes	Company		Consolidated	
		09/30/2022	12/31/2021	09/30/2022	12/31/2021
Financial assets					
<u>Amortized costs</u>					
Cash and cash equivalents	3	299,300	172,288	504,667	217,159
Short-term investments	3	1,372,078	531,863	1,388,589	655,644
Trade receivables	4	55,670	34,398	397,043	169,847
Dividends receivable	15	4,015	4,015	-	-
Judicial deposits		2,678	2,445	2,678	2,519
Financial liabilities					
<u>Amortized cost</u>					
Suppliers	7	93,590	58,200	273,068	98,188
Loans and financing	8	667,339	1,511	667,339	741,291
Dividends payable	14, 15	8	40,566	8	40,566
Payables for acquisitions	10	28,623	27,903	682,271	788,706
<u>Fair value through other comprehensive income(i)</u>					
Derivative financial instruments	13	-	-	397,157	464,684
<u>Fair value through profit or loss</u>					
Payables for acquisitions	10	-	-	459,535	474,343

- (i) Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include prices practiced an active market for similar assets or liabilities, prices practiced in an inactive market for identical assets or liabilities, or inputs that are observable or that could corroborate in the observation of market data through correlation or other forms for substantially the whole of the asset or liability.

## 20.3 Financial risk management

The Company and its subsidiaries are exposed to the following risks arising from the use of financial instruments: credit risk, liquidity risk, and market risk.

This Note provides information on the Company's exposure to each one of the risks above, including the Company's goals, policies and processes designed to measure and manage risks, and manage the Company's capital. Additional quantitative disclosures are included throughout these interim financial statements and also in this Note to the interim financial statements.

### **Risk management structure**

The Company's risk management policies are set out to identify and analyze the risks faced by the Company, set limits and appropriate risk controls, and monitor risks and compliance to limits.

Risk and system management policies are frequently reviewed in order to reflect changes in market conditions and in the Company's activities.

The Company, through its training and management standards and procedures, aims at developing a regulated and constructive control environment, where all collaborators understand their roles and obligations.

The Company does not operate derivative financial instruments for speculative purposes; all contracted derivatives are aimed at mitigating the risks arising from the Company's exposures arising in its operations.

The main market risks to which the Company is exposed in conducting its business are:

#### Credit risks

Credit risk refers to the risk of a counterparty not complying with its contractual obligations, which would result in financial losses for the Company.

##### **a) Cash and cash equivalents**

Bank deposits and investments are made in top tier financial institutions.

The Company maintains bank accounts and short-term investments in financial institutions, according to strategies previously approved by Management. These transactions are carried out with Banco do Brasil S.A., Banco Itaú S.A., Banco Opportunity, Banco Santander S.A., Banco Safra S.A, Caixa Econômica Federal, Banco XP and Banco Bradesco S.A.

##### **b) Trade receivables**

The risk arises from the possibility of the Company and its subsidiaries incurring losses due to the difficulty of receiving the amounts invoiced to its customer, as detailed in Note 4.

In order to mitigate the credit risk, the Group negotiates only with creditworthy counterparties. Before accepting new clients, the Group assesses the credit risk of the potential customer. As described in Note 4, the Group has amounts provisioned as ECL regarding the swap contract signed with Petrobras. Part of the receivables relating to the mentioned contract are past due. The Group does not have other notes past due other than those mentioned under trade receivables.

Since January 2022, the Company and its subsidiaries Recôncavo, Potiguar and SPE Miranga became able to aggregate new players to its client base. The New Gas Market permitted access of producers to the Gas Treatment Units (UPGNs) and, consequently, the possibility of selling natural gas and its byproducts to a broader pool of companies.

For the sale of oil, the Company continues exclusively linked to Petrobras.

### Liquidity risk

Liquidity risk represents the possibility of a mismatch between maturities of assets and liabilities, which could result in an inability to meet obligations by the established due dates.

It is the Company's policy to maintain adequate liquidity levels that can ensure that present and future liabilities are met, while seizing any commercial opportunities that may arise.

Management believes that the Company has low liquidity risk, considering its cash generation capacity and its capital structure with moderate participation of third-party capital. The Company manages the liquidity risk by maintaining reserves it considers adequate, based on the continuous monitoring of projected and actual cash flows, and the combination of the maturity profiles of assets and liabilities.

The nominal (undiscounted) flow of principal and interest on financing and financial instruments, by maturity, is demonstrated below:

Maturity	2022	2023	2024	2025	2026+	Total
Loans and financing	341	49,447	144,600	134,241	538,198	866,827
Derivative financial instruments	87,860	238,784	78,000	-	-	404,644
Payables for acquisitions	353,331	264,561	382,160	172,141	-	1,172,193

### **Market risk**

#### Foreign exchange risk

In the nine-month period ended September 30, 2022, 96% (98% as at September 30, 2021) of the gross operating revenues of the Company and its subsidiaries were indexed to the U.S. dollar exchange rate at the time of billing. In the case of oil, revenue refers to the sale of oil that is indexed to the price of Brent oil, which in turn is quoted in US dollars. For natural gas, revenue is indexed to fixed and variable prices in U.S. dollars. The only contracts, in the period, in which pricing is in Brazilian reais and refers to the sale of LPG.

Most of the costs of the Company were, conversely, denominated in Brazilian reais. Furthermore, the subsidiary of the Company located in the United States of America, Reconcavo America LLC, has some financial assets in U.S. dollars (bank deposits), which are translated into Brazilian reais on the reporting date.

The Company, on September 27, 2022 obtained a loan in U.S. dollars with the purpose and details already described under the section Loans and Financing.

The Group has registered, in the item payables for acquisitions, deferred/contingent installments for the acquisition of assets in amounts indexed to the U.S. dollar. In the Company, US\$5,000 have been recognized to be paid in December 2022, while at Potiguar E&P and SPE Miranga, the amounts of US\$56,232 and US\$165,100, respectively, have been recognized. Presently the remaining balance in U.S. dollars, updated with the contractually provisioned interest, is of US\$ 5,294, US\$ 44,306 and US\$ 166,000, respectively.

The Company does not currently operate derivative financial to protect against variations in the foreign exchange rate. However, the Group has financial investments in foreign exchange funds to mitigate exposure to U.S. dollar liabilities.

## Sensitivity analysis – foreign currency:

Company						
As at 09/30/2022 - Balance	Risk	Rate (a)	Foreign currency exposure- R\$	Probable scenario	Scenario A 25% (b)	Scenario B 50% (b)
<u>Assets</u>						
Short-term investments	US\$ depreciation	5,1660	1,360,818	1,300,262	1,020,615	680,410
<u>Liabilities</u>						
Payables for acquisitions	US\$ depreciation	5,1660	28,623	27,349	21,467	14,311
Loans and financing	US\$ depreciation	5,1660	681,667	651,332	511,250	340,834
Net effect on income (loss)	US\$ depreciation	5,1660	-	(28,947)	(162,630)	(325,263)

Consolidated						
As at 09/30/2022 - Balance	Risk	Rate (a)	Foreign currency exposure- R\$	Probable scenario	Scenario A 25% (b)	Scenario B 50% (b)
<u>Assets</u>						
Cash and cash equivalents	US\$ appreciation	5.1660	8,885	8,488	6,662	4,442
Short-term investments	US\$ appreciation	5.1660	1,377,329	1,316,039	1,721,664	2,065,997
<u>Liabilities</u>						
Payables for acquisitions	US\$ appreciation	5.1660	1,141,806	1,090,992	1,427,255	1,712,705
Loans and financing	US\$ appreciation	5,1660	681,667	651,332	852,084	1,022,501
Net effect on income (loss)	US\$ appreciation	5,1660		19,461	(109,312)	(218,626)

(a) The translation rate (R\$ to US\$) used in the sensitivity tables as the probable scenario were obtained from the Central Bank of Brazil (BACEN) and corresponds to the U.S. dollar rate in the Market Expectation System for September 2023. As at September 30, 2022 the rate was of R\$5.4066.

(b) Scenario A considers a 25% variation, while Scenario B considers a 50% variation against the Brazilian real. Both project stress scenarios (either depreciation or appreciation of the exchange rate) against the U.S. dollar effective as at September 30, 2022.

Sensitivity analyses consider the worst net scenario (dollar appreciation or depreciation) among financial assets and liabilities.

### Interest rate risk

This risk arises from the possibility of the Company, and its subsidiaries, incurring losses due to fluctuations in the interest rates applied to their assets (investments) or liabilities (loans) in the market.

In relation to assets, the Company has short-term investments exposed to floating interest rates, linked to the CDI (Interbank Deposit Certificate) variation.

Regarding liabilities, interest is recognized at a spread of 3.7% plus 6-month SOFR.

Company						
As at 09/ 30/2022- Balance	Risk	Rate (a)	Accounting Scenario	Probable	Scenario A 25% (b)	Scenario B 50% (b)
<u>Assets</u>						
Short-term investments	CDI depreciation	11.06%	297,321	330,201	321,981	313,761
Net effect on income (loss)				(8,002)	(16,222)	(24,442)
<u>Liabilities</u>						
Loans and financing	SOFR Appreciation	4.95%	681,667	688,015	688,066	694,466
Net effect on income (loss)				(6,348)	(6,399)	(12,799)

Consolidated						
As at 09/ 30/2022- Saldos	Risk	Rate (a)	Accounting Scenario	Probable	Scenario A 25% (b)	Scenario B 50% (b)
<u>Assets</u>						
Short-term investments	CDI depreciation	11.06%	471,540	523,686	510,649	497,613
Net effect on income (loss)				(12,691)	(25,727)	(38,764)
<u>Liabilities</u>						
Loans and financing	SOFR Appreciation	4.95%	681,667	688,015	688,066	694,466
Net effect on income (loss)				(6,348)	(6,399)	(12,799)

(a) The rates used in the sensitivity table as the probable scenario were obtained from the Central Bank of Brazil (BACEN) and at Chatham Financial. For the CDI, Para o CDI, the expectation rates of the BACEN for 2023 were used, while for the SOFR, the projected rate for September 2023 was used.

(b) Scenario A considers a 25% variation, while Scenario B considers a 50% variation. Both project stress scenarios (either depreciation or appreciation) of the effective rate as at September 30, 2022.

### Commodity risk

During the nine-month period ended September 30, 2022, 70% of the Company's gross operating revenue was directly linked to the price of the Brent Oil, the quotations of which are freely traded in foreign markets (September 30, 2021, 98%).

It should be emphasized that as of 2022 new natural gas contracts were signed which, in their majority, do not have any direct relation to the price of oil.

As a means of hedging against the volatilities of the oil market, the Company entered into several hedge contracts, having hedged a volume of over 1,477 thousand barrels (47% of net oil production for the year) as at September 30, 2022 (2021, 996 thousand barrels, 65% of net production of oil for the year) at an average price of US\$55.29/bbl as at September 30, 2022 (2021, US\$62.40/bbl).

Consolidated						
	Risk	Price (a)	Accounting Scenario	Probable	Scenario A 25% (b)	Scenario B 50% (b)
Gross operating income -Oil	Brent depreciation	86.01	2,037,287	1,654,301	1,508,621	960,401
Gross operating income - Gas	Brent depreciation	86.01	228,858	186,847	171,643	114,429
Financial instruments - Hedge	Brent depreciation	86.01	(342,907)	(232,394)	(179,418)	19,941
Total			1,923,237	1,608,754	1,500,846	1,094,770
Probable effect on net income (loss)				(314,483)	(422,391)	(828,467)

(a) The commodity prices used in the sensitivity table as the probable scenario were obtained from the ICE commodity pricing agency and represent the average for the next 12 months.

(b) Scenarios A and B consider a 25% and 50% depreciation of the indexer, respectively, against the average Brent Oil price demonstrated in the accounting scenario.

The policy of the Company and its subsidiaries is to contract commodity forwards to manage the commodity price risk associated to the payment of contracted loans. In the current year, it has not been necessary to contract additional hedging, once the Company understands that it is sufficiently protected in relation to price fluctuations.

The table below describes the outstanding commodity forwards at the end of the nine-month period ended September 30, 2022, as well as information related to its corresponding items object of hedging. The commodity forwards are presented in the line item "derivative financial instruments" in the balance sheet (for further information, see Note 13):

Consolidated			
Hedge Instruments outstanding contracts	Average strike price	Quantity	Fair value of hedge instruments
	09/30/2022	09/30/2022	09/30/2022
	US\$/barrel	Barrels	R\$ thousand
Under 3 months	53.77	519,489	(87,602)
From 3 to 6 months	51.17	434,350	(68,317)
From 6 to 12 months	51.85	915,000	(121,912)
From 1 to 2 years	57.34	1,387,500	(115,045)
From 2 to 3 years	59.43	71,500	(4,284)

## 21. INSURANCE

The Company maintain a monitoring policy of the risks inherent to its business. As at September 30, 2022, the Company had insurance contracts in place to cover operational, environmental, civil liability and other risks.

Modalities	Currency	Risk amount		Maximum indemnifiable amount	
		Company	Consolidated	Company	Consolidated
Environmental risk	US\$	6,050	6,050	6,050	6,050
Material damages	US\$	45,543	164,273	25,100	25,100
Civil responsibility	US\$	3,000	3,000	3,000	3,000
Corporate D&O	R\$	120,000	120,000	120,000	120,000

## 22. SEGMENT INFORMATION

The Group operates exclusively in the exploration and production (E&P) of oil and natural gas, whether by providing services or selling products, which account for 100% of the Company's net revenue.

The information reported to the Company's management (chief operating decision maker) for purposes of resource allocation and performance assessment is reviewed monthly using management results reports that present expenses by cost center. Management evaluates investments, expenses, production and other operating indicators and makes decisions based on the consolidated information from all companies of the Group.



## 23. NON-CASH TRANSACTIONS

In the nine-month period ended September 30, 2022 and 2021, the Company carried out the following transactions not involving cash; therefore, these are not reflected in the statements of cash flows.

	Company		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Conversion of loan agreements to advance for future capital increase	-	29,150	-	-
Additions for new contracts IFRS 16	3,583	5,029	19,723	8,783
Paid-in capital from advance for future capital increase	631,435	-	-	-
Total	631,435	34,179	19,723	8,783

## 24. SUBSEQUENT EVENTS

### Nullification of the preliminary injunction of the Bahia Terra Cluster

In May 2022 PetroRecôncavo S.A., in a partnership with Eneva, was the Selected Bidding Offeror in the divestment of the Bahia Terra Cluster started by the company Petróleo Brasileiro S.A.

In June 2022 the negotiation was halted due to a preliminary injunction filed by the Court of Justice of the State of Rio de Janeiro.

On November 3, 2022 a new decision was issued by the Court of Justice of the state of Rio de Janeiro determining the nullification of the preliminary injunction suspending the contractual negotiations with Petrobras regarding the sale process of the onshore production fields, in the state of Bahia, jointly called the Bahia Terra Cluster.

### Extension of the concession contract and reduction in the rate of royalties for the surplus production in the fields of Cachoeirinha, Brejinho and Fazenda Curral.

The ANP Board of Directors approved on 09/15/2022 and 09/22/2022 the signing of addenda to Concession Contract 48000.003791/97-61 (Cachoeirinha Field), 48000.003789/97-10 (Brejinho Field) and 48000.003797/97-48 (Fazenda Curral Field), that provide:

- (i) The extension of the Production Phase up until 08/05/2047 for the Cachoeirinha Field and to 12/31/2036 for the Brejinho and Fazenda Curral Fields;

The extension of the production phase follows the guidelines of Resolution 2/2016 of the CNPE (Brazilian National Energy Policy Council), that authorizes ANP to extend concession contracts signed during Round Zero. Originally these contracts would end in 2025. Apart from the payments foreseen for Petrobras, as disclosed under Note 10, there were no additional costs for renewal of the concessions.

- (ii) Reduction of royalty rates applied on incremental production:

The reduction of the royalty rates will be based only on incremental production resulting from the implementation of development projects approved in the Development Plan. For production levels up to the reference curve, the practiced royalty rates will be maintained.