MAHA ENERGY

2023

ANNUAL REPORT

MAHA-ENERGY.COM

2023 Highlights

200
MILLION USD

Divestment of previous assets for up to USD 200 million

New assets acquired offshore Brazil

Strategic entry into Venezuela

3R PETROLEUM

Acquisition of 5% of 3R Petroleum

About Maha

Maha Energy is a leading Swedish listed player in the oil and gas industry. Maha is focused on developing and operating productive fields to maximize value, while seizing special situation opportunities to drive profitability and generate value to its shareholders. The Company began its journey in 2013 and celebrated 10 years in 2023. With a team of industry experts and main offices in Sweden and Brazil, Maha is publicly traded on Nasdaq Stockholm's Main Market under the ticker symbol MAHA-A.

Throughout its first decade, Maha has transformed into an innovative independent energy platform, strategically growing by acquiring and developing profitable oil and gas assets. The Company focuses on developing underperforming hydrocarbon assets on a global basis, with the goal of building a diversified and balanced portfolio between mature onshore and offshore oil and gas assets.

Maha Energy's shares are traded on the Nasdaq Main Market in Stockholm under the ticker symbol 'MAHA-A (publ)'.

The Sustainability Report is published as a separate document, available on **maha-energy**.com.

Content

Information Regarding AGM

The Annual General Meeting of shareholders of Maha Energy AB (publ) will be held on Wednesday, May 29, 2024, 2:00 p.m. CEST at Setterwalls on Sturegatan 10 in Stockholm, Sweden. The notice and the complete proposals will be available at www.maha-energy.com.

Corporate Calendar

The Company plans to publish its 2024 Quarterly Reports as follows:

01 **QUARTER 01**
Three Month Report 2024
May 28, 2024

02 **QUARTER 02**
Six Month Report 2024
August 12, 2024

03 **QUARTER 03**
Nine Month Report 2024
November 18, 2024

02

Letter to Shareholders

Dear Friends and Fellow Shareholders:

During 2023, Maha delivered on our strategy and undertook numerous initiatives which have set the stage for an exciting 2024 and beyond. With this 'new Maha', we intend to focus capital and resources on projects in Latin America, where we have the people, experience and local relationships to succeed.

Maha has emerged in 2024 as an innovative and progressive energy platform with a strong financial position, fully equipped to pursue growth and profitability in Latin America.

Maha's transformational changes were completed in just over 12 months, and include:

- restructuring our asset portfolio while maintaining stable production levels;
- securing a substantial cash position through asset divestitures;
- acquiring new assets that afford future development opportunities;
- revitalization of our board of directors and management team;
- relocation of our operational office to Rio in Brazil and substantially closing the Canadian office; and
- introducing a new four-step strategy to optimize value creation.

Setting the Stage

The business combination with DBO Energy that Maha completed in early 2023 gave the Company a 15% equity stake in 3R Offshore, a division of one of the most prominent independent oil and gas companies in Brazil, 3R Petroleum Óleo e Gás S.A. ("3R Petroleum"), a company I was intimately involved in the founding and early growth of alongside certain of our board members. The 3R Offshore interest gives Maha exposure to the Papa Terra and Peroá clusters in offshore Brazil and laid the groundwork for our acquisition of a 5% equity interest in 3R Petroleum early in 2024.

We took steps during 2023 to strategically streamline the asset base by divesting our Brazilian onshore fields at Tartaruga and Tie; our LAK asset in the U.S., and finally Block 70, Oman. The divestments yielded a total consideration of over USD 200 million, including earnouts of USD 48 million. In the fall, we secured an exclusivity agreement and in March 2024 signed the definitive agreements to acquire between 24% and 40% of the Venezuelan oil company named PetroUrdaneta from Novonor Latinvest, expanding Maha's Latin American footprint, and affording access to the world's largest oil reserve which have been under-capitalized for years.

Maha's Four Steps to Achieve Value Creation

Based on our intimate knowledge of our assets, we are very optimistic about its substantial potential, and we are committed to boosting the visibility of its fair market value. As a result, we developed a four-step value creation strategy that includes: 1) maximizing current assets; 2) driving consolidation in Brazilian onshore; 3) optimizing value in Brazilian offshore; and 4) continuing to advance our position in Venezuela.

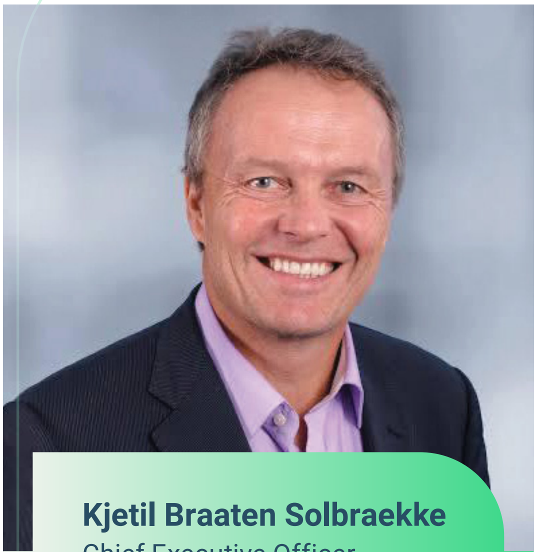
New Company, New Strategy and New Way Forward

Maha is a completely different company today, in a strong financial position and ready to embark on a promising growth journey. We have a platform for substantial expansion in both onshore and offshore Brazil, as well as exciting opportunities with limited downside financial exposure in Venezuela.

Maha continues to advance the groundwork, due diligence and preparations to commence operations in Venezuela while closely monitoring the political landscape in the country, including pursuing general or specific U.S. sanctions licensing that may be required to continue activities going forward. In addition to Venezuela, Maha will continue to be engaged in opportunities throughout Latin America that could leverage our financial and operational capabilities, ultimately generating value to our shareholders.

Maha has an experienced management and board in place, who are strongly aligned with shareholders and are advancing clear plans to pursue growth and profitability in Latin America. As we advance projects, Maha remains committed to boosting the visibility of our current assets' fair market value to benefit all stakeholders. With our strong cash on hand, we are fully financed for our present growth plans, including attractive M&A opportunities. We are also hoping to soon be in the position when Maha will be a dividend paying company.

Thank you for your continued support and confidence.



Kjetil Braaten Solbraekke
Chief Executive Officer
Maha Energy

2023 Operating Highlights

1,942
BOEPD
Total Production

Daily oil production from continuing operations averaged **197 BOEPD**, including non-consolidated production from investment in associate 3R Offshore of **1,745 BOEPD**, total production amounted to **1,942 BOEPD**

5.2 MILLION — Revenue from continuing operations of 5.2 million

2.2 MILLION — Operating netback from continuing operations of 2.2 million

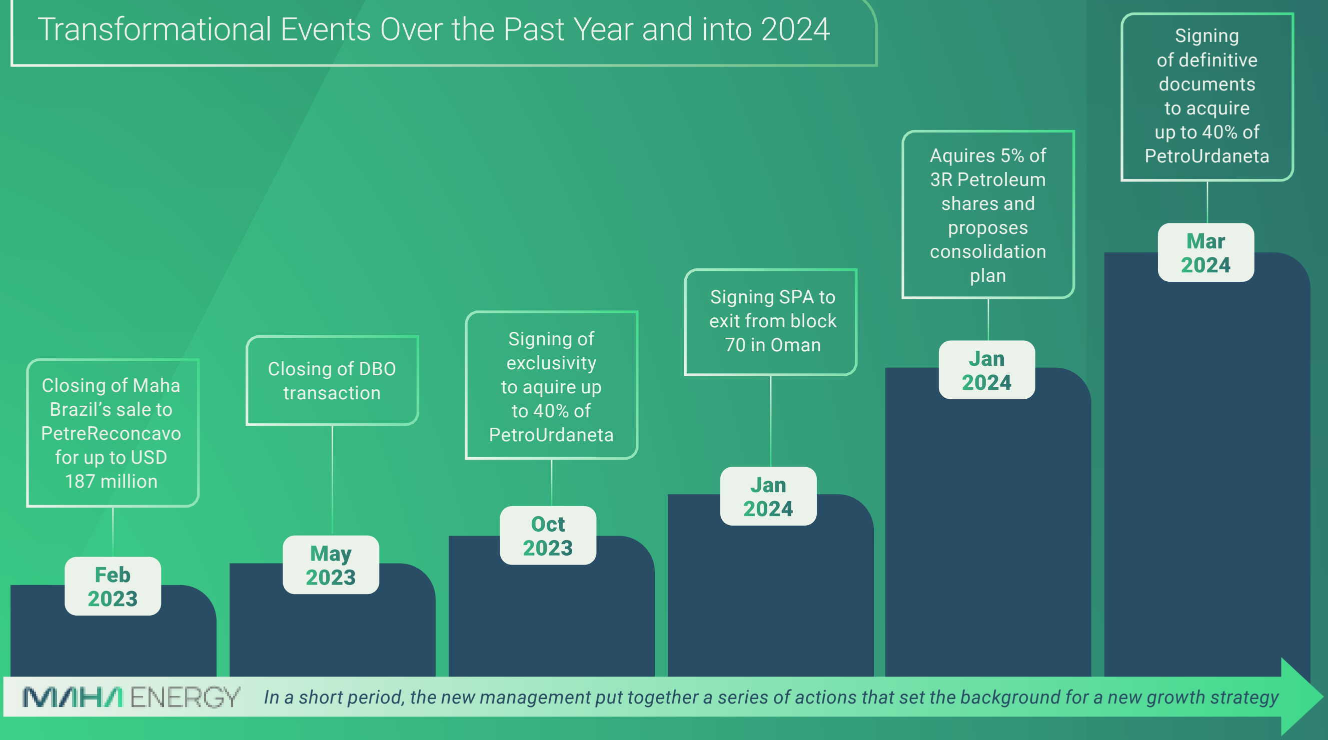
131.1 MILLION — Total cash balance on 31 December 2023 of 131.1 million, including restricted cash of 42.8 million (31 December 2022: 15.2 million, excluding cash from assets held for sale)

Maha Asset Portfolio as at December 31, 2023

Country	Concession name	Maha Working Interest (%)	Status	2P reserves (mmoboe)	BOEPD 2023	Partner & Associate
USA	Il Basin (various)	98.41%	Producing	2.8*	165	-
Brazil	Peroá cluster	15%	Producing	1.8*	516	3R Offshore (Associate)
Brazil	Papa Terra cluster	9.38%	Producing	21.2*	1,535	3R Offshore (Associate) and Nova Técnica Energia

** Per December 31, 2023*

Transformational Events Over the Past Year and into 2024



Actions & Strategic Impacts

Maha's Actions	Strategic Impact
Divested onshore Brazilian asset subsidiary to PetroReconcavo (Feb/23)	• Bolstered cash position • Support future acquisitions and growth initiatives
Finalized business combination with DBO (May/23)	• Gains 15% equity interest in 3R Offshore and producing Brazilian fields through the Peroá cluster and Papa Terra cluster • Reinforces the construction of a diversified portfolio balanced between onshore and offshore mature oil and gas assets. • Brazil remains interesting jurisdiction for Maha given royalty and tax advantages.
Strengthened Maha's leadership through various appointments (Feb-Dec/23)	• Kjetil Solbraekke to CEO and Paulo Thiago Mendonça to Board Chair (Sept/23) • Guilherme Guidolin de Campos to CFO (Mar/23) • Javier Gremes Cordero to COO (Dec/23) • Barbara Bittencourt to Chief Legal Officer. (Feb/23)
Divested of US LAK assets (Q3/23)	• Avoids future expenses and operating costs for an asset without cash flow generation and growth perspective • Supports reinvestment into projects that align with Maha's strategic goals of optimizing capital structure and streamlining asset base, featuring greater value creation potential and decreased risk
Divested Block 70 in Oman to Mafraq Energy LLC (Jan/24)	• 35% farmed-out for historical costs (Jan/23), final sales agreement of remaining 65% (Jan/24) • Risk reduction + cash proceeds • Further streamlining of asset base to concentrate on Latin American portfolio, while keeping a share of Block 70 project's potential upside through our earnouts
Definitive agreement to acquire 24% - 40% of PetroUrdaneta signed (Mar/24)	• Exclusivity agreement signed (Oct/23) and Definitive Documents executed (Mar/ 2024) • Establishes footprint in Venezuela, which has the world's largest oil reserves, and an estimated resources base of more than 8 billion barrels of oil in place at PetroUrdaneta field • Transaction's closing subject to the fulfillment of certain condition precedent
Acquired 5% of Brazil oil and gas company 3R Petroleum (Jan/24)	• Maha's investment strategy in 3R Petroleum outlines the initiation of a consolidation plan within the Brazilian oil and gas industry • Consolidation offering synergies, cost reduction, and improved negotiating power • Significant shareholder value to be unlocked

06

Strategy for Value Creation

Current Asset Portfolio

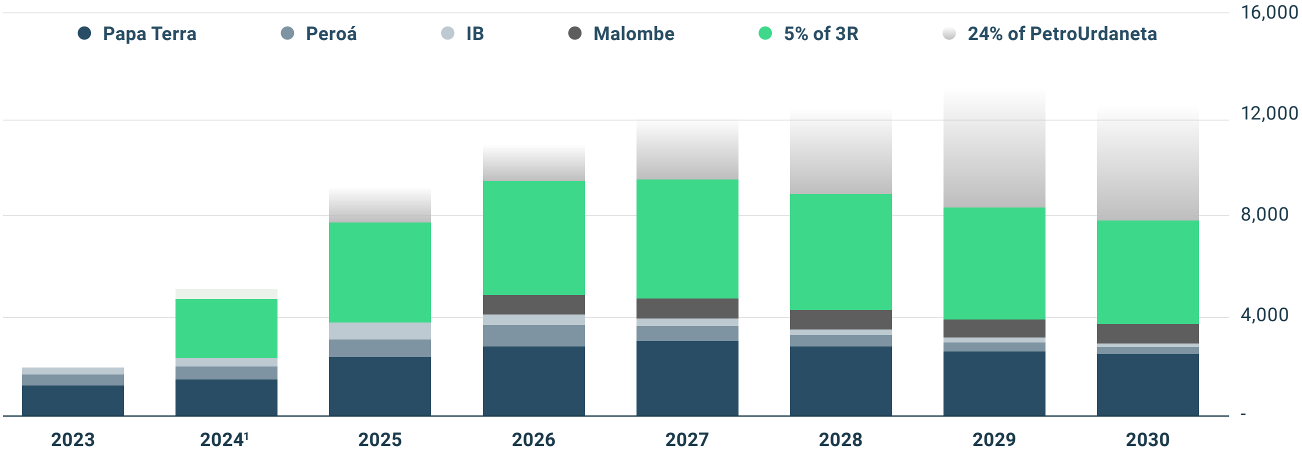
First opportunity to enhance value creation is by simply optimizing and expanding capabilities of our existing assets, which offer opportunity for significant value increase for Maha.

Note: PetroUrdaneta is not currently part of Maha´s portfolio

Current Portfolio Snapshot:

- Production Q4 2023 (consolidated and non-consolidated) 2,217 boe per day
- 2P Reserves 25.8 million boe
- Maha Portfolio NAV of USD 237.5 million
- 3R Petroleum`s Shares - 12,019,184 shares (5% of capital stock, valued at appr USD 73 million mid-March 2024)
- Maha Energy Total NAV of USD 347.0 million

Potential Production From Current Assets Based On Reserve Reports[1] (Boepd)



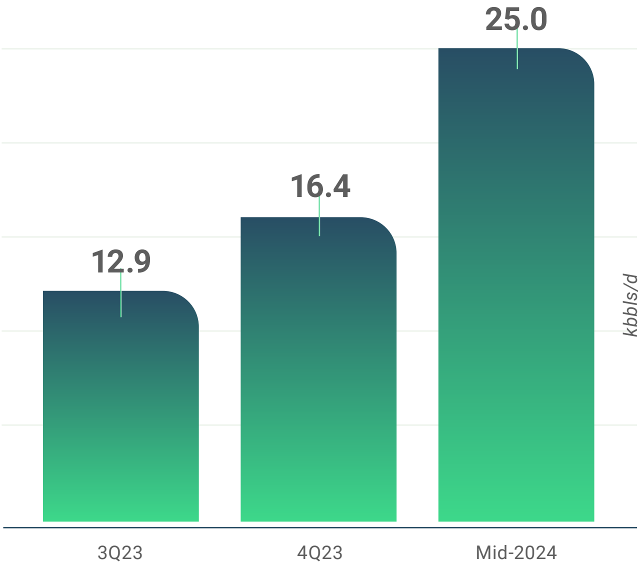
1) 2024 production based on January 2024 production. The rest of the years based on public information from 3R Petroleum's Reserve Report and McDaniel's Reserve Report for IB; Also including potential production from Malombe.

Papa Terra

Papa Terra is a heavy oilfield located in deep waters in the Campos Basin, in which Maha has an indirect working interest of 9.375% due to our equity participation of 15% in 3R Offshore, who is also the operator. Papa Terra is a state-of-the-art asset having only six years of operations, and benefits from historical infrastructure investments totaling approximately USD $3 billion (gross). The field is developed with an FPSO (3R-3) and a Tension Leg Wellhead Platform (3R-2), with a combined processing capacity of 140,000 barrels of oil per day.

Almost 2 billion bbls of oil in place in Papa Terra – only 2.8% recovered and 11.9% 2P recovery factor = Room for reserves increase

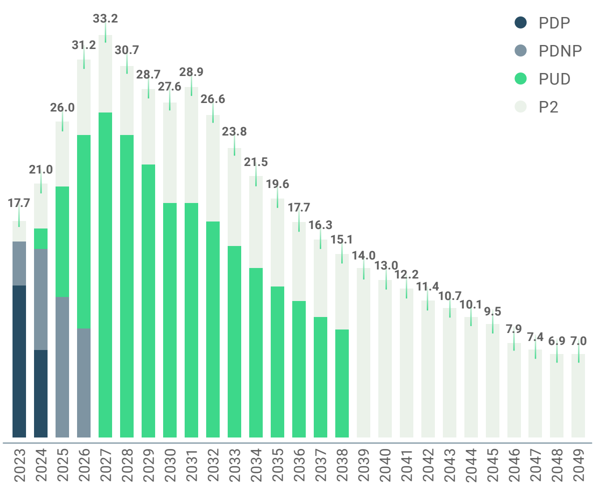
Papa Terra Potential Production (100%)



Papa Terra Prospects

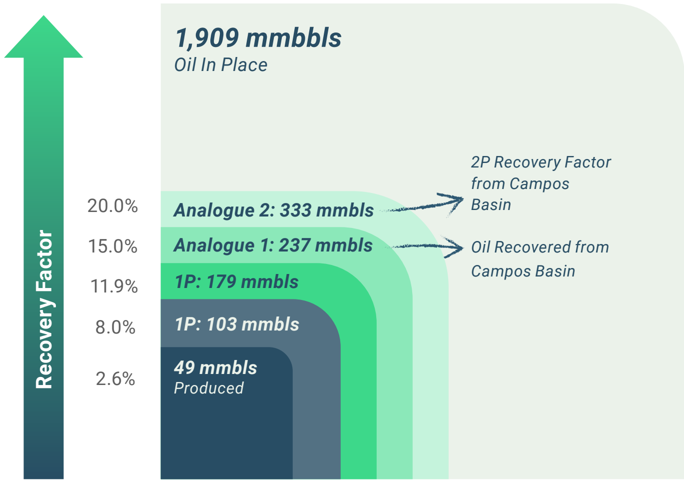
Low recovered oil combined with almost 2 billion bbls of oil in place set a clear path for growth.

2P Production Profile (MBBLS/D)



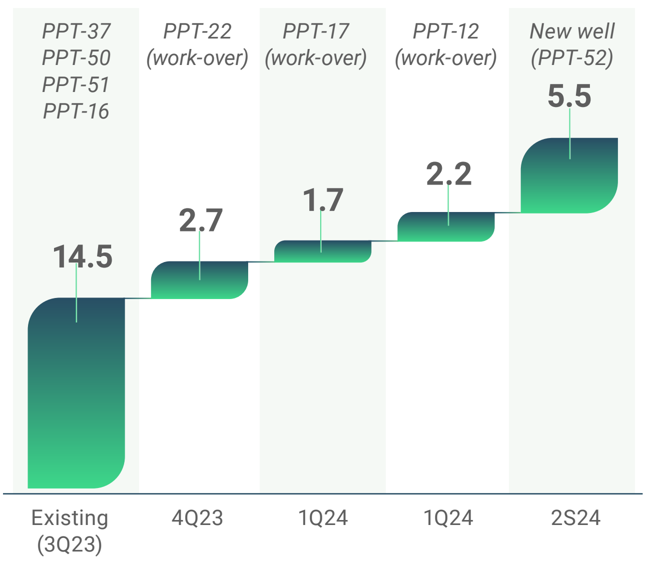
Note: 100% basis

Recovery Factors and Reserves from Reserve Report

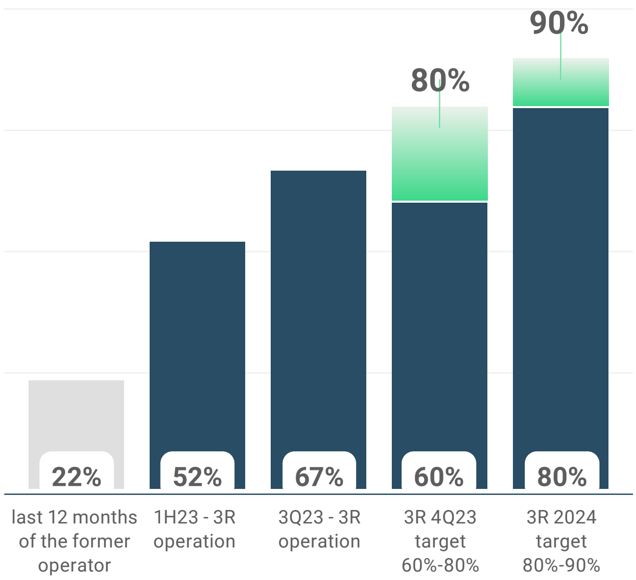


Setting the Stage for Growth: During 2023, the asset has gone through an extensive maintenance program, including improvement of the boiler system, several critical pumps and the power generation unit. This maintenance has gradually improved the efficiency of the unit over the year. Towards the end of the year, a workover campaign was launched carried out by the dynamic positioning drill ship Alpha Star. Interventions are estimated to take place at wet completion wells, currently out of operation, connected to the 3R-3 (FPSO), besides interventions in operating wells. First well intervention was concluded in the PPT-22 well, which was successfully connection in the first week of December 2023. The second well intervention in the Papa Terra Field (well PPT-12) was completed ahead of schedule in the beginning of January 2024. The PPT-12 well was brought into production in the second part of February 2024. This work will also enhance the efficiency of processing fluids produced by all other wells. One additional well workover and one sidetrack well (PPT-52) is planned for the first six months 2024. Later in 2024, a Flotel (floating hotel) campaign with over 100 workers on board is to be launched in order to complete the asset integrity recovery. This campaign is planned for 90 days of activities, with up to 20 days of production stoppage in the third quarter 2024.

Well Portfolio Capacity in Papa Terra[1] (kbbls/d)



Operational Efficiency in Papa Terra

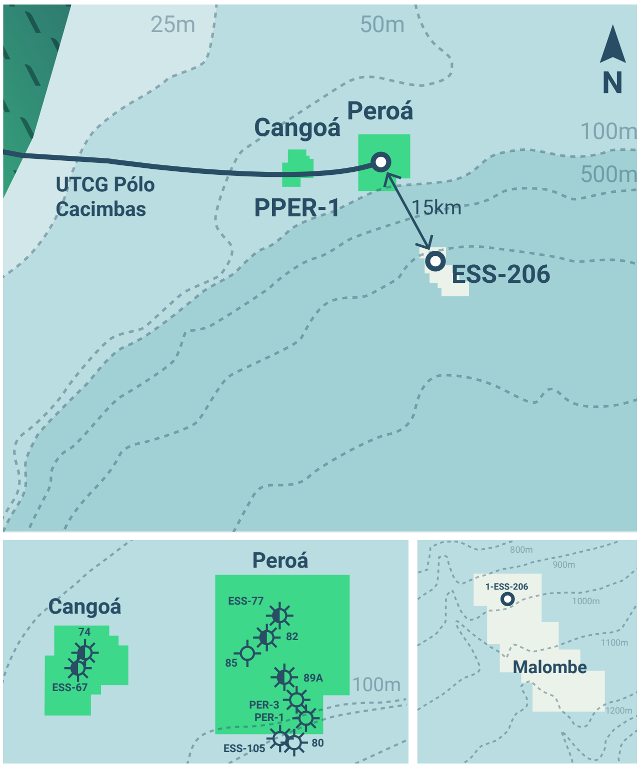


Peroá and Malombe

Through our equity participation in 3R Offshore, Maha has an indirect stake of 15% in the Peroá cluster asset, located in the Espírito Santo basin, offshore Brazil in shallow waters. This asset includes the Peroá and Cangoá producing fields, they are producing natural gas via the Peroá platform (3R-1). A 55km long gas pipeline is connection the platform to the Cacimbas gas processing plant. Both fields offer potential for increased recovery factors with additional resources being analyzed.

A new gas sales agreement was signed in July 2023 ("GSA") with the Companhia de Gás do Espírito Santo ("ES Gás"). The GSA has a 30-months term, being effective up to December 2025, and provides for 3R Offshore's commitment to supply 400,000 m³/day of natural gas to ES Gás. As of today, the Peroá Cluster has a production capacity around 650,000 m³/day of natural gas and, therefore, any volume of natural gas produced in excess of the aforementioned commitment can be either negotiated between the parties or sold into the Brazilian spot market.

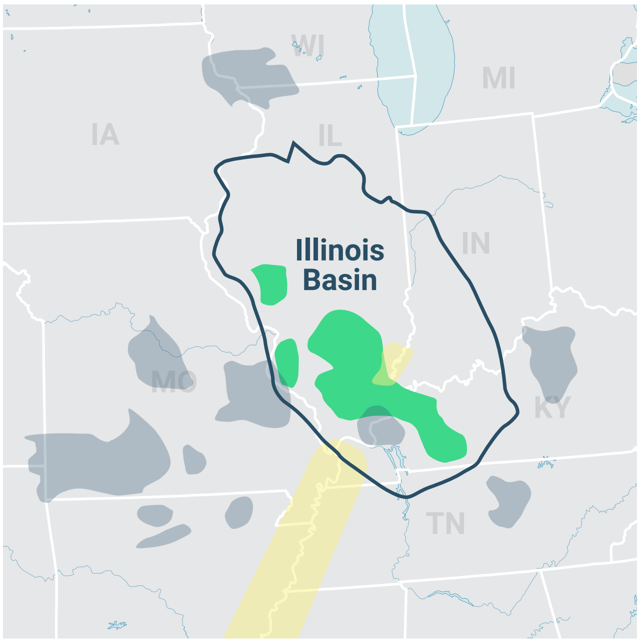
The proven Malombe gas discovery outside of Peroá features an additional 2.1 MMboe of 2C resources of dry gas (Maha's 15% working interest), which can be efficiently developed, and would represent significant future production additions to Maha. Other prospects could position the Peroá area as a primary producer of gas in Espirito Santos for decades, especially given the existing low-cost infrastructure. Maha sees the Peroá pipeline and platform as a natural hub for further development of gas in the basin. This area also offers Maha significant future growth potential.



This area offers Maha significant future growth potential

Illinois Basin

Maha owns a 98.41% working interest in the light oil (35 deg. API) Illinois Basin (IB), which had a production from 60 wells of 197 BOPD in 2023, with 1.32 million barrels of proven (1P) oil reserves and 2.77 million barrels of proven + probable (2P). This area features low costs, low risks and low recoveries to date, positioning it as a strategic and attractive asset with long-term development potential. We concluded the drilling program for three new production wells during 2023 that resulted in a production ramp-up, with volumes increasing over 100% by the end of January 2024 compared to the average production in the fourth quarter of 2023.



- Major Mississippi Valley-type lead-zinc deposits
- Major oil and gas-producing areas
- Location of potentially earthquake-prone areas

During 2024, Maha is targeting an additional 3-6 drilling locations.

Venezuela Entry via PetroUrdaneta

Maha's fourth identified step-stone for value creation is the first mover advantage gained through the entry into Venezuela via the acquisition of an initial 24% of PetroUrdaneta, a company operating three oil fields near Maracaibo in northwestern Venezuela, featuring large oil in place of good quality.

This strategic move into Venezuela offers significant upside potential and low financial exposure and aligns with Maha's focus on generating value for shareholders, without compromising on our commitment to global standards and best practices. Maha sees opportunity to make new investments in the country, particularly given we have set up a very qualified team on the ground in Caracas headed by our COO and our CFO. Identified optimization activities include well recompletions and workovers, with additional potential upside from the production and commercialization of existing associated natural gas reserves in the area.

Low financial exposure - between USD 5 to 10 million, with significant upside potential

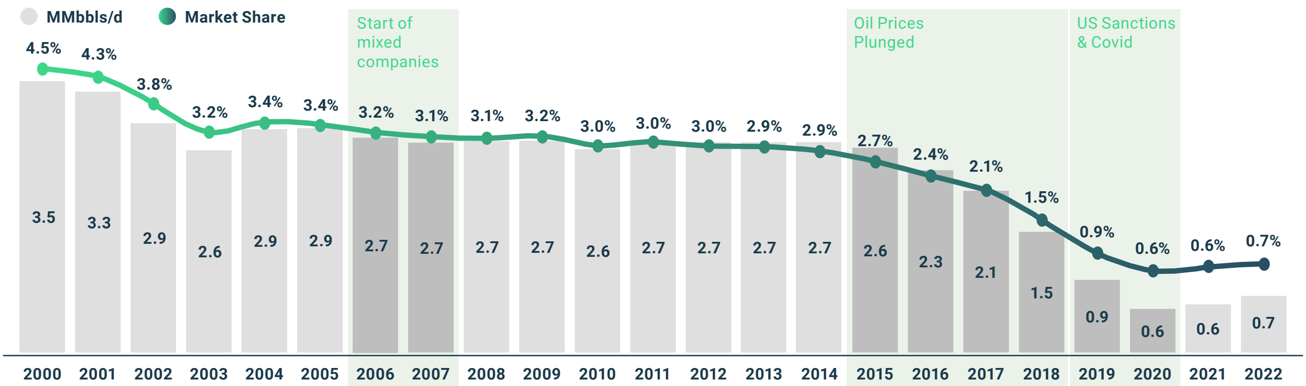
Current Exposure: EUR 4.6 m - 1st exclusivity premium

Maximum Exposure: EUR 9.2 m - 1st plus 2nd exclusivity premium

Current production[2]: over 1,000 barrels of oil per day

Oil in place[1,2]: 8 billion barrels (according to independent energy research - estimates in Venezuela are connected to significant uncertainty)

Venezuelan Oil Production Shortfall and Share of Global Output (MMBBLS/D)



BENEFITS OF VENEZUELA:

Venezuela has the largest proven oil reserves in the world, comprised of more than 300 billion barrels, equaling 17.5 percent of the world's entire reserves. Given the size and nature of Venezuela's reserves and resources, Maha sees limited geological risk related to future production and development. However, with sensitivities related to our acquisition and operations in Venezuela, Maha is committed to develop its projects based on transparency, while acting responsibly and ethically, in compliance not only with its policies, but also to the applicable rules and regulations.

With the publication of General License 44, some of the previous sanctions on Venezuelan oil operations were eased by the US government in 2022, and in 2023, the US authorizing certain transactions in the oil and gas sector with specific sanctioned parties in Venezuela, including PdVSA (the state-owned oil company). Maha continues to closely monitor the political landscape in the country, including pursuing general or specific U.S. sanctions licensing that may be required to continue activities following April 2024 (in case General License 44 is not extended). In the interests of making positive contributions to surrounding communities, Maha intends to support local projects, create new jobs, and to utilize local companies for our operations whenever possible.

In addition to steps for value creation, Maha's strategy continues to outline acquisition of new producing assets at attractive low valuation entry multiples – particularly when there is a clear path to expanding volumes in a capital-efficient manner. And to do so with a clear vision of ensuring ethical and responsible operations that prioritize stakeholder safety and well-being, environmental protection, and risk mitigation.

12

At the Helm

Board & Management

Paulo Thiago Mendonça

Chairman of the Board of Directors since September 2023 and board member since 2022. Chairman of the Remuneration Committee and member of the Reserves & HSE Committee and the Investment Committee.

Born	***Nationality***
1988	Portuguese

Education
Degree in Mechanical Engineering (cum laude) from the Federal University of Rio de Janeiro (UFRJ).

Other assignments:
Managing Director of the Starboard Group

Prior assignments (last five years):
Chairman of 3R Petroleum.

Experience
Paulo Thiago Mendonça is currently a Managing Director at Starboard, responsible for private equity investments and advisory in special situations transactions. Paulo has previously been the Head of Investment Banking at Brasil Plural's Investment Banking division, responsible for M&A, equity and capital market transactions and worked at the Asset Management in Brasil Plural. Paulo has extensive experience in the oil and gas industry and has led important transactions in the sector.

Independent of the Company and the senior management:
No

Independent of major shareholders:
No

Shareholding in Maha Energy AB:
None

Warrants in Maha Energy AB:
952,035 (LTIP 9)

Halvard Idland

Board member since March 2023. Member of the Audit Committee and the Investment Committee.

Born	***Nationality***
1975	Norwegian

Education
M.Sc. in Economics and Business Administration from Norwegian School of Economics (NHH).

Other assignments:
Co-founder and Director at DBO Invest and Janeiro Energy. Board member at Prosafe SE and 3R Offshore. Chairman of DreamLearnWork.

Prior assignments (last five years):
Co-founder and CFO at DBO Energy and DBO 2.0 S.A. (re-named Maha Energy Offshore (Brasil) Ltda.). Audit committee member at 3R Petroleum.

Experience
Halvard Idland has more than 20 years of industrial and financial investment experience in the oil and gas industry in Norway and Brazil. Previous experience includes DNB, Pareto and Aker Yards prior to co-founding DBO Energy.

Independent of the Company and the senior management:
Yes

Independent of major shareholders:
No

Shareholding in Maha Energy AB:
16,337 shares held directly and 7,312,199.33 shares held indirectly through ownership of one third of the shares of DBO Invest S.A.

Warrants in Maha Energy AB:
–

Viktor Modigh

Board member since 2022. Member of the Reserves & HSE Committee, the Remuneration Committee, the Audit Committee and the Investment Committee.

Born	***Nationality***
1980	Swedish

Education
Master of Law from the University of Gothenburg, Sweden with a specialization in Petroleum Law and Petroleum Contracts from the University of Oslo, Norway.

Other assignments:
Chairman of Jumpgate AB, Transition Energy International AB, Klash AB, Minotaurus Energi AS and Urtiven AS. Director of Opsy AB. Managing Director of Tiveden AS and Infundo AB.

Prior assignments (last five years):
–

Experience
Viktor Modigh has worked as a lawyer advising primarily oil and gas companies on regulatory and contractual matters, transactions and general corporate law. He has more than 20 years´ experience of investments across different sectors and has held management positions with Tethys Oil in Oman and the United Arab Emirates. Viktor is a member of the Association of International Energy Negotiators.

Independent of the Company and the senior management:
Yes

Independent of major shareholders:
Yes

Shareholding in Maha Energy AB:
None

Warrants in Maha Energy AB:
476,018 (LTIP 9)

Richard Norris

Board member since 2022. Chairman of the Reserves & HSE Committee and member of the Audit Committee.

Born	**Nationality**
1966	British

Education
PhD in Petroleum Engineering and an MSc in Petroleum Geology from Imperial College in London and a BSc in Geology.

Other assignments:
Managing Director of Pandreco Energy Advisors Inc

Prior assignments (last five years):
–

Experience
Richard Norris has over 30 years energy related experience in both industry and finance, including roles with large and small oil companies, as well as roles in debt and equity financing. Richard has worked in engineering, management and board roles covering Africa, Europe, Former Soviet Union and South America with BP, Elf Aquitaine/Total, Geopetrol, Candax Energy and Eland Oil and Gas. In finance Richard was instrumental in building the European oil and gas structured finance group at BNP Paribas. As a Partner at Helios Investment Partners, Richard co-managed Helios's Private Equity energy investments throughout Africa. Richard is a Fellow of the Canadian Global Affairs Institute

Independent of the Company and the senior management:
Yes

Independent of major shareholders:
Yes

Shareholding in Maha Energy AB:
None

Warrants in Maha Energy AB:
476,018 (LTIP 9)

Svein Harald Øygard

Board member since September 2023. Member of the Remuneration Committee and the Investment Committee.

Born	**Nationality**
1960	Norwegian

Education
Cand. Oecon from the University of Oslo, Economist.

Other assignments:
Chairman of Norwegian Air Shuttle Group since 2021 and DOF Group since 2023. Board member of TGS-NOPEC. Also board member of Akerhus University Hospital, Labrida, Janeiro Energy and Energy Investors. Industry advisor and investor.

Prior assignments (last five years):
Global Knowledge Leader Oil & Gas at McKinsey 2010-2014 and as leader of Oil & Gas in Latin America, based in Brazil, 2013-2016. Senior Partner Corporate Finance in Sparebank1 Markets 2018-2021. Board member Seadrill, Nettbil and AGR Petroleum.

Experience
Svein Harald Øygard has served as economist in the Ministry of Finance of Norway, as a secretary of the Committee of Fiscal affairs in the Norwegian Parliament, as economic advisor for the Labor Party and then as Deputy Minister of Finance of Norway, 1990-1994. Thereafter McKinsey Company for 21 years, largely in oil & gas, finance and industry, among others advising oil & gas companies in the North Sea, North America, the Mid-East, South-East Asia and West Africa. He also served as Country Manager Norway, as interim Central Bank Governor of Iceland after the 2008 Global Financial Crisis, and as Chair of the Execution Committee for the Icelandic bank restructuring. Co-founder of DBO Energy 2017 and in 2020 he co-founded Janeiro Energy, a venture fund investing into businesses in the renewables sector.

Independent of the Company and the senior management:
Yes

Independent of major shareholders:
No

Shareholding in Maha Energy AB:
Svein Harald holds 3,024,406 shares in Maha directly. He also indirectly holds 374,434 shares in Maha through his investment company, Energy Investors AS (out of which 40,000 shares are currently lent out), and 7,312,199.33 shares in Maha indirectly through ownership of 1/3 of the shares in DBO Invest S.A.

Warrants in Maha Energy AB:
None

Enrique Peña

Board member since 2022.
Chairman of the Audit Committee

Born	**Nationality**
1974	Spanish

Education
Master in Infrastructure Management and Public Services and Master in Civil Engineering from Universidad Politécnica de Madrid. MBA from The Wharton School of the University of Pennsylvania, and Master in Sustainability and Social Corporate Responsibility from Universidad UNED-UJI.

Other assignments:
Director of the Starboard Group. Executive Director of the IE Negotiation and Mediation Centre and Professor of Strategy in IE University in Madrid, Spain.

Prior assignments (last five years):
Senior International Manager in Renfe, Board member of the Mecca-Medinah High-Speed Train Saudi-Spanish Consortium.

Experience
Enrique Peña has over 25 years' experience in business development and strategic management in large corporations such as Shell, Boston Consulting Group, Orange and Renfe.

Independent of the Company and the senior management:
Yes

Independent of major shareholders:
No

Shareholding in Maha Energy AB:
None

Warrants in Maha Energy AB:
476,018 (LTIP 9)

Fabio Vassel

Board member since 2022

Born	**Nationality**
1976	Swiss

Education
MBA from The Wharton School of the University of Pennsylvania.
BA from the University of São Paulo (FEA-USP).

Other assignments:
Managing Director of the Starboard Group.

Prior assignments (last five years):
Chairman of 3R Petroleum and board member of Gemini Energy.

Experience
Fabio Vassel has over 25 years of experience working on Private Equity buy-side and Restructuring Advisory in Latin America, North America and Europe. Fabio previously worked at Brasil Plural (Sao Paulo), Jefferies (Zurich and London), Nomura (London) and UBS Investment Bank (New York and London).

Independent of the Company and the senior management:
Yes

Independent of major shareholders:
No

Shareholding in Maha Energy AB:
None

Warrants in Maha Energy AB:
476,018 (LTIP 9)

Kjetil Solbraekke

CEO since September 2023

Born
1962

Education
Cand. Oecon from the University of Oslo, Economist.

Other assignments:
-

Prior assignments (last five years):
CEO in Sintef do Brasil. Co-founder and CEO at DBO Energy and DBO 2.0. Board Member of 3R Petroleum.

Experience
Kjetil Solbraekke has over 30 years of experience from the Norwegian Oil and gas sector in various positions as Assistant director general in the Ministry of Petroleum in Norway, SVP and CFO in Norsk Hydro, CEO in Panoro Energy and Sintef do Brazil, Founder and CEO in DBO Energy. He has lived in Brazil since 2006.

Independent of major shareholders:
No

Shareholding in Maha Energy AB:
Holdings: 216,337 shares held directly and 7,312,199.33 shares held indirectly through ownership of one third of the shares of DBO Invest S.A.

Warrants in Maha Energy AB:
952,035 (LTIP 8)

Javier Gremes Cordero

Chief Operating Officer ("COO") since 2023.
Member of the Remuneration Committee.

Born
1962

Education
MSc degree from Université de Management, Switzerland and an MBA degree from Universidad Francisco de Vitoria, Spain.

Other assignments:
-

Prior assignments (last five years):
EGC Consultants – Independent Consultant – Energy Expert, CEO Pecom Servicios Energía, CEO TGS (Argentina)

Experience
Mr. Gremes experience covers over 35 years within the oil and gas industry. Before joining Maha as an independent consultant and later COO, Mr. Gremes was CEO of Pecom Servicios Energía and CEO of TGS (Argentina). Prior to that, he held the position as Ecuador General Manager for Petrobras and was also part of the internationalization process of Perez Companc with responsibilities over Venezuela.

Independent of major shareholders:
Yes

Shareholding in Maha Energy AB:
0

Warrants in Maha Energy AB:
-

Guilherme Guidolin de Campos

Chief Financial Officer since 2023

Born
1981

Education
BSc Industrial Engineering from, University of São Paulo with top honors (2004).

Other assignments:
Executive Director of Starboard

Prior assignments (last five years):
Finance Director and co-leader of Maha Energy (Oman) Ltd., CFO at Viracopos International Airport and Interim Project Head for BHP Billington Brazil.

Experience
Guilherme has broad experience in Investment Banking, Restructuring, Executive Leadership and Strategy Consulting, including 12 years working at Bain & Company. During his 23 years of tenure, he has worked with top management of large multinational groups in a diverse array of industries such as oil&gas, mining, metals, chemicals, fertilizers, agribusiness, airlines & airports, retail, and financial services.

Independent of major shareholders:
No

Shareholding in Maha Energy AB:
0

Warrants in Maha Energy AB:
761,628 (LTIP 8)

Barbara Bittencourt

Chief Legal Officer since 2023

Born
1985

Education
Specialization in Maritime Regulation and Ocean Management, Harvard University, Boston, USA (2018); LL.M in Oil and Gas from the University of Aberdeen, Aberdeen, Scotland (2012); Bachelor of Laws from Universidade Milton Campos Law School, Brazil (2007).

Other assignments:
None

Prior assignments (last five years):
Partner of Demarest Advogados (Brazilian top tier law firm); Senior Associate at Campos Mello Advogados in Cooperation with DLA Piper.

Experience
Ms. Bittencourt has over 15 years of experience within energy and natural resources, focusing her career on transactions and regulatory issues in the oil and gas industry. Before joining Maha, Barbara was a partner of the Brazilian law firm Demarest Advogados at their Energy and Natural Resources practice. Previously, Barbara was a Senior Associate of DLA Piper/Campos Mello Advogados.

Independent of major shareholders:
Yes

Shareholding in Maha Energy AB:
0

Warrants in Maha Energy AB:
761,628 (LTIP 8)

18

The Share

Share Data

178,444,753

Class A shares outstanding

As of December 31, 2023, the Company had 178,444,753 shares outstanding of which all were Class A shares (December 31, 2022: 143,615,696). On 23 May 2023, Maha completed the business combination with DBO 2.0 S.A. ("DBO") (later re-named Maha Energy Offshore (Brasil) Ltda.). The consideration for all shares in DBO amounted to 34,829,057 new shares in Maha.

Maha Energy AB (Maha) was listed on NASDAQ First North Growth Market in Stockholm, Sweden on July 29, 2016. Maha Energy AB (Maha) was listed on NASDAQ Main Market in Stockholm, Sweden on December 17, 2020. The share symbol is 'MAHA A' with ISIN Code SE0008374383.

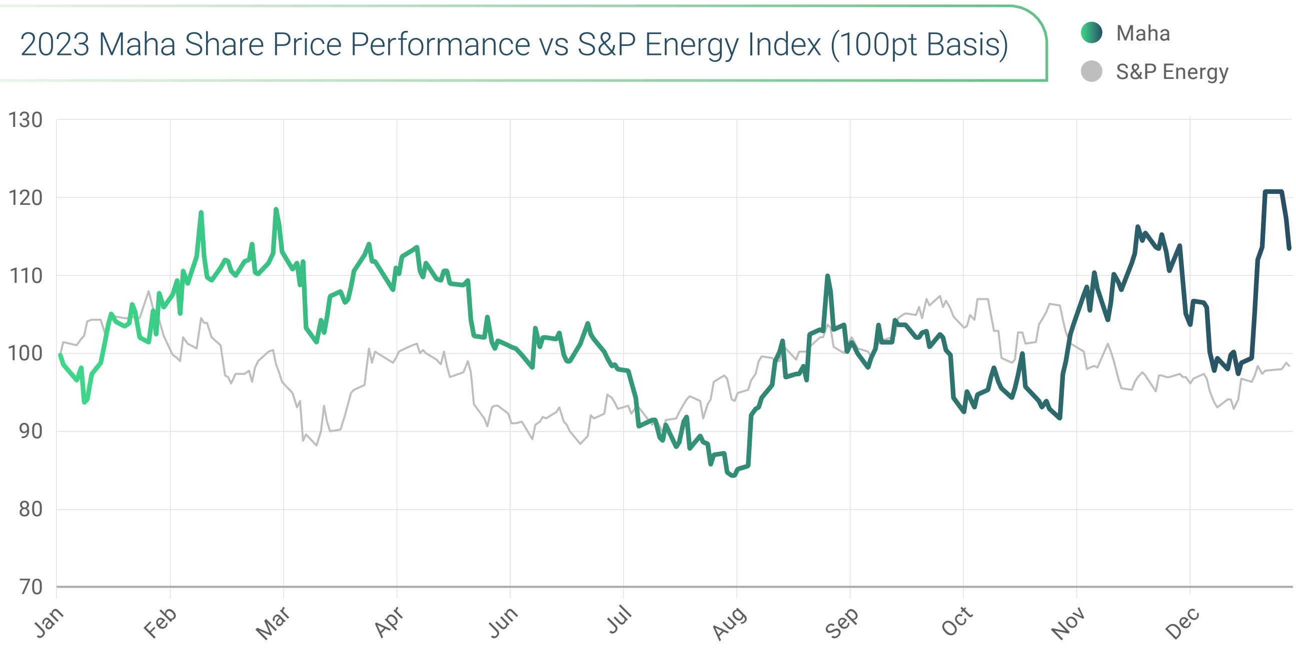
Share statistics 2023

The final transaction price in 2023 was SEK 9.66 corresponding to a total market capitalization of MSEK 1,724. During the year the price of Maha's share increased by 13 percent. Based on data from NASDAQ Stockholm, the highest transaction price in 2023 was SEK 10.59 on 7 March and the lowest was SEK 7.21 on 17 July. Maha's share capital development is found on Maha's corporate web, maha-enery.com.

Dividends

The Board of Directors will propose not to pay dividends for 2024 based on 2023 results, as it anticipates that all available funds will be invested to finance the growth of Maha's business. The Board of Directors will propose if dividends should be declared and paid in the future, based on the Company's financial position at the relevant time.

2023 Maha Share Price Performance vs S&P Energy Index (100pt Basis)



List of Major Shareholders as of December 31, 2023

Owner	MAHA A	Capital & Votes
FIP Turmalina	33 101 674	18,6%
DBO Invest S.A.	21 936 598	12,3%
Banco BTG Pactual S.A.	7 643 142	4,3%
Brasil Capital	6 286 343	3,5%
Sundt AS	5 161 671	2,9%
Avanza Pension	5 066 454	2,8%
Jonas & Maria Lindvall	4 358 147	2,4%
Svein Harald Øygard	3 148 840	1,8%
Akastor Asa	2 999 641	1,7%
Myrholt Tore	2 694 305	1,5%
Total, 10 largest shareholders	**87 815 471**	**51,8%**
Others, appr 8,600 shareholders	86 047 938	48,2%
Total number of shares	**178 444 753**	**100,0%**

Source: Monitor by Modular Finance as per 31 December 2023. Compiled and processed data from various sources, including Euroclear, Morningstar and the Swedish Financial Supervisory. The verification date may vary for certain shareholders.

20

Corporate Governance Report

Corporate Governance is an integral part of Maha's foundation which guides our corporate culture, business objectives, and enables the accommodation of stakeholder interests. Maha is committed to delivering value to all our stakeholders (including shareholders, employees, contractors, and the communities in which we operate) by prioritizing transparency and accountability. For Maha, strong corporate governance ensures anticipation and mitigation of risks, as well as oversight of our operational protocols and practices to ensure activities are undertaken in an ethical, safe, reliable, and responsible manner.

This Corporate Governance Report has been prepared in accordance with the Swedish Companies Act (SFS 2005:551), the Annual Accounts Act (SFS 1995:1554) and the Swedish Corporate Governance Code (the "Code") and has been subject to a review by the Company's statutory auditor.

The Swedish Corporate Governance Code is based on the tradition of self-regulation and the principle of "comply or explain". It acts as a complement to the corporate governance rules contained in the Swedish Companies Act, the Annual Accounts Act, EU rules and other regulations such as the Rulebook for Issuers and good practice on the securities market. The Code is published on www.bolagsstyrning.se, where a description of the Swedish Corporate Governance model can be found.

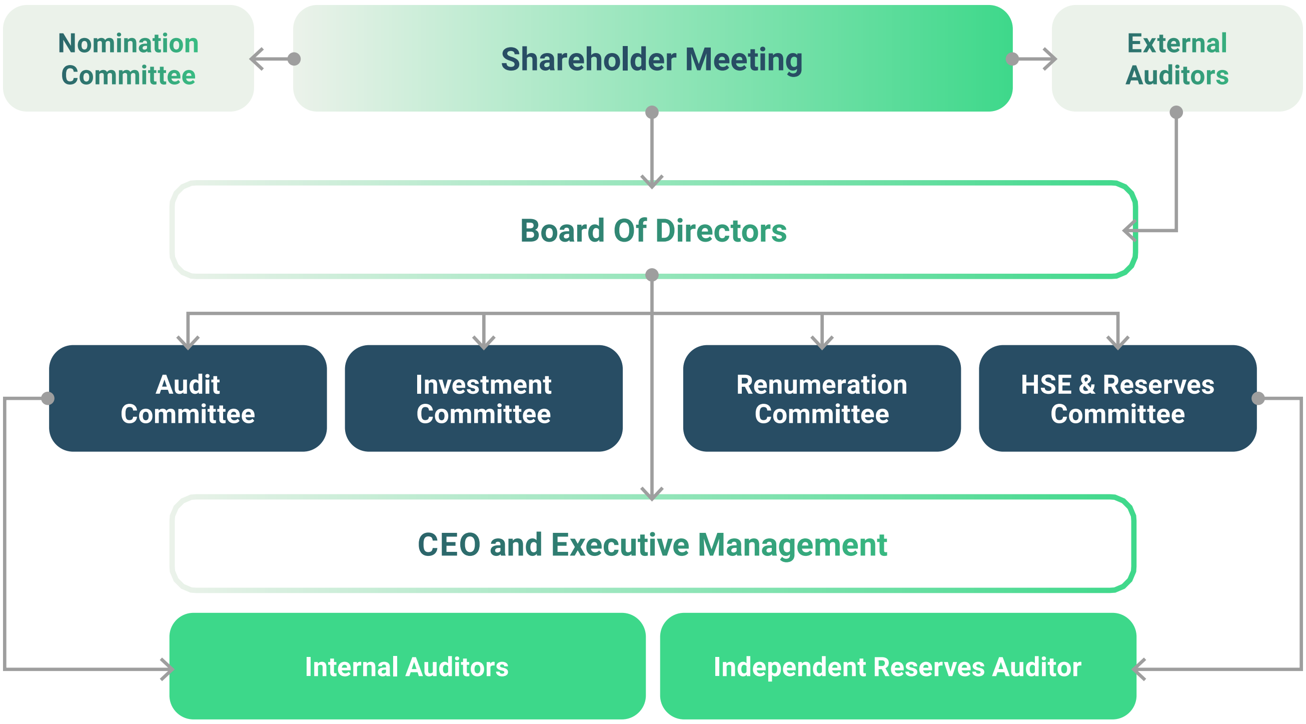
As a Swedish public company listed on Nasdaq Stockholm (under symbol MAHA-A) Maha Energy is subject to the Rulebook for Issuers of Nasdaq Stockholm which can be found on www.nasdaqomxnordic.com. In addition, the Company abides by principles of corporate governance found in several internal and external documents to build trust on how Maha responsibly conducts its business.

The Company is not aware of any deviations from Nasdaq Stockholm's Rulebook for Issuers, recommendations from the Swedish Securities Council, decisions from Disciplinary Committee at Nasdaq Stockholm or statements from the Swedish Securities Council. The Company does not report any deviations from the Code. The report has been examined by the Company's auditors, please see page 97.

Maha Energy AB (publ), company registration number 559018-9543, has its corporate head office at Eriksbergsgatan 10, SE-114 30 Stockholm, Sweden and the registered seat of the Board of Directors is Stockholm, Sweden. The Company's website is www.maha-energy.com.

This 2023 Corporate Governance Report is submitted in accordance with the Swedish Annual Accounts Act and the Code. It explains how Maha has conducted its corporate governance activities during 2023.

Maha's business model is built on the corporate governance foundation, which aims to decrease associated risk of unethical behavior, unclear responsibilities, and avoid potential conflicts of interests. Our Corporate Governance Framework further strengthens and clarifies Maha's corporate governance foundation and ensures that business is conducted in a responsible manner. Our governance structure includes our Board of Directors and its committees, together with our executive team.



External and Internal governance framework

The Company observes good corporate governance practices in accordance with the laws and regulations of Swedish legislation, the Company's own Articles of Association and policies. The Company's Articles of Association do not contain any provisions for a special procedure for changing the Articles of Association. The Company issues Annual Consolidated Financial Statements and interim reports in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and Swedish Annual Accounts Act.

Maha adheres to both the internal and external rules for Corporate Governance principles; thus, decreasing potential risks associated with unclear individual and company responsibilities and avoiding conflicts of interests between its shareholders, managers, and Board of Directors.

External Corporate Governance Rules

- The Annual Accounts Act
- The Exchange Rules for Issuers
- NASDAQ Rules and Regulations
- The Swedish Companies Act
- Swedish Code of Corporate Governance
- Statements of the Swedish Securities Council

Internal Corporate Governance Rules

- Anti-Corruption Policy
- Articles of Association
- Code of Conduct
- Corporate Governance Policy
- Health, Safety, and Environment Policy
- Internal Control and Risk Management
- Business Partner Code of Conduct
- Other Company Policies, Guidelines, and Procedures

Shareholders

The Company's shares (MAHA-A) are listed on Nasdaq Stockholm. At year-end 2023 the share capital amounted to SEK 1,962,892.283, represented by 178,444,753 shares. All shares represent one vote each. At 31 December 2023, the number of shareholders was 8,608 (2022: 10,761). Of the total number of shares, foreign shareholders accounted for approximately 76 percent. Turmalina Fundo De Investimento Em Participacoes Multiestrategia and DBO Invest S.A. are the only shareholders with a holding in excess of 10 percent of shares and votes, with a holding of 33,101,674 and 21,936,598 shares respectively, representing approximately 18.55 and 12.29 percent of shares and votes respectively. For further information on share, share capital development and shareholders, see page 18 and the Company's website.

Annual General Meeting

According to the Swedish Companies Act (2005:551), the general meeting is the Company's highest decision-making body. At the general meeting, the shareholders exercise their voting rights in key issues, such as changes to the Articles of Association, the election of the Board of Directors and auditors, adoption of the income statement and balance sheet, discharge from liability of the Board of Directors, the CEO and Managing Director, the appropriation of profit or loss and the principles for the appointment of the nomination committee. The Annual General Meeting ("AGM") must be held within six (6) months of the close of the fiscal year. The Company calls the meeting through announcements in the Swedish Official Gazette, the Svenska Dagbladet and the Company's website.

Right to attend AGMs

All shareholders who are listed in the share registry on the record date, and who have notified the Company of their participation in due time, are entitled to participate in the AGM. Shareholders are entitled to exercise their respective voting rights in accordance with the description above (item entitled "Shareholders").

Annual General Meeting 2023

The 2023 AGM was held in Stockholm on 24 May 2023. The AGM was attended by 26 shareholders, personally or by proxy, representing 33.97 percent of the Company's share capital. The Chairman of the Board of Directors and all Board members, including the CEO and Managing Director, were present, as well as the Company's auditor and a member of the Nomination Committee for the 2023 AGM.

The submissions and resolutions passed by the 2023 AGM included the following major items:

- Fabio Vassel, Paulo Thiago Mendonça, Enrique Peña, Viktor Modigh, Richard Norris, Halvard Idland and Kjetil Solbraekke were re-elected as members of the Board of Directors.
- Fabio Vassel was re-elected as Chairman of the Board.
- Remuneration of the Board of Directors.
- Approval of the Company's remuneration report
- Approval on the policy for remuneration and other employment conditions for senior executives of the group
- The accounting firm Deloitte AB was re-elected as the auditor of the Company
- Authorization of the Board of Directors to resolve upon issuance of new shares, warrants and/or convertible debentures.

For more information about the Annual General Meeting, including the minutes, see Maha's website.

The suggested incentive program through issuance of warrants for employees and consultants was withdraw by the Board of Directors. The suggested incentive program through issuance of warrants for the Board of Directors was likewise withdraw by the Nomination Committee.

Extra General Meetings 2023

EXTRAORDINARY GENERAL MEETING IN MARCH 2023

An Extraordinary General Meeting ("EGM") was held in Stockholm on 29 March 2023. The EGM was attended by 20 shareholders, representing 6.87 percent of the votes and share capital in the Company. The Chairman of the Board of Directors and enough Board members, including the CEO and Managing Director, for a quorum were present, as well as a member of the Nomination Committee. The major resolutions passed by the EGM included the following:

- Resolution on changes to the Articles of Association;
- Resolution on issue of new shares against payment in kind regarding the acquisition of all shares in DBO 2.0 S.A.;
- Election of new Board members Halvard Idland and Kjetil Solbraekke. Harald Pousette was, upon his own request, discharged from the Board of Directors.

EXTRAORDINARY GENERAL MEETING IN SEPTEMBER 2023

An Extraordinary General Meeting ("EGM") was held in Stockholm on 18 September 2023. The EGM was attended by 27 shareholders, representing 39.75 percent of the votes and share capital in the Company. The Chairman of the Board of Directors and enough Board members, including the CEO and Managing Director, for a quorum were present, as well as a member of the Nomination Committee. The resolutions passed by the EGM included the following:

- Resolution on changes to the Articles of Association with respect to share capital and number of shares
- Resolution regarding an incentive program and issuance of warrants to employees and consultants (LTIP 8);
- Resolution regarding an incentive program and issuance of warrants to the members of the Board of Directors (LTIP 9). According to the Nomination Committee's revised proposal presented at the general meeting all Board members except Halvard Idland and Svein Harald Øygard shall be comprised by the program;
- Election of Paulo Thiago Mendonça as chairman of the Board of Directors
- Election of new Board member Svein Harald Øygard. Kjetil Solbraekke was on his own request discharge from his assignment as ordinary Board member. Effective as of the general meeting's resolution, Kjetil Solbraekke took the position as CEO of Maha.

For more information about the General Meetings, including the minutes, see Maha's website.

Annual General Meeting 2024

The Annual General Meeting (AGM) of Maha Energy AB (publ) is planned to be held on 29 May 2024 in Stockholm, Sweden.

Nomination Committee and its Function

The duties of the nomination committee include the preparation and drafting of proposals regarding the election of members of the Board of Directors, the chairman of the Board of Directors, the chairman of the general meeting and auditors. The nomination committee shall also propose fees for Board members and the auditor. The composition of the nomination committee is publicly announced at least six months ahead of the AGM.

The principles for the appointment of and instructions regarding a nomination committee adopted at the Annual General Meeting in 2019, and have since then not been changed. In accordance with these, the Nomination Committee for the 2024 AGM consists of members appointed by three (3) of the largest shareholders of the Company based on shareholdings as at 30 September 2023 and the Chairman of the Board of Directors. The names of the members of the Nomination Committee were announced and posted on the Company's website on 28 November 2023 (within the time frame of six (6) months before the AGM, as prescribed by the Code).

The Nomination Committee for the 2024 AGM consists of:

- Rodrigo Pires, appointed by Turmalina Fundo de Investimento em Participações Multiestratégia;
- Luis Araujo, appointed by DBO Invest S.A.
- Edwyn Neves, appointed by Banco BTG Pactual S.A; and
- Paulo Thiago Mendonça, Chairman of the Company's Board.

At the Nomination Committee's first meeting, Edwyn Neves was elected as Chairman of the Nomination Committee.

The Nomination Committee Report, including the final proposals to the 2024 AGM, is published on the Company's website at the same time the Notice of the AGM is given.

The Nomination Committee's purpose is to produce proposals for certain matters including, amongst others, the following (which will be presented to the 2024 AGM for consideration):

- Number of members of the Board of Directors;
- Remuneration to the Chairman of the Board of Directors, the other members of the Board of Directors and auditors respectively;
- Election of auditors;
- Remuneration, if any, for committee work;
- The composition of the Board of Directors;
- The Chairman of the Board of Directors;
- Resolution regarding the process of the Nomination Committee 2025;
- Chairman at the AGM.

The work of the Nomination Committee includes evaluation of the Board's work, competence and composition, as well as the independence of the members. The Nomination Committee will also consider criteria such as the background and experience of the Board of Directors, and evaluate the ongoing work.

The Board of Directors and its work

Board of Directors' composition

After the general meeting, the Board of Directors is the highest decision-making body. According to the Swedish Companies Act, the Board of Directors is responsible for the organization and management of the company's affairs, which means that the Board of Directors is responsible for, among other things, establishing targets and strategies, securing procedures and systems for monitoring of set targets, continuously assessing the company's financial position and evaluating the operational management. Furthermore, the Board of Directors is responsible for ensuring that proper information is given to the company's shareholders, that the company complies with laws and regulations and that the company develops and implements internal policies and ethical guidelines. Moreover, the Board of Directors is responsible for ensuring that annual reports and interim reports are prepared in a timely matter. The Board of Directors also appoints the company's CEO and Managing Director and determines its salary and other compensation.

The members of the Board of Directors, including the Chairman of the Board, are elected annually at the annual general meeting for the period until the end of the next annual general meeting. Pursuant to the Company's Articles of Association, the Board shall consist of not less than three (3) and not more than seven (7) ordinary members, without any deputy members. There are no specific stipulations in the Company's Articles of Association on how the Board members should be assigned or dismissed. The Company aims to promote diversity at all levels of the Company. In 2023, two EGMs were convened to resolve upon i.a. proposed elections of new Board of Directors of the company (for more information, see Extra General Meetings 2023 above). Up to March 29, 2023, the Company's Board consisted of 6 ordinary members, appointed until the end of the next annual shareholders' meeting. This number was increased to seven (7) Board Members, as per a resolution approved during an Extraordinary Board Meeting held on 29 March 2023 which removed Mr. Harald Pousette, upon his own request, from his position, and elected Halvard Idland and Kjetil Solbraekke as new ordinary Board members until the end of the next annual general meeting. At an Extraordinary Board Meeting held on 18 September 2023, Svein Harald Øygard was elected as new ordinary Board member until the close of the annual general meeting to be held in 2024. At the same EGM, it was resolved to elect Paulo Thiago Mendonça as chairman of the Board of Directors and thereby, upon his own request, replace Fabio Vassel. It was also resolved, upon his own request, to discharge Kjetil Solbraekke from his assignment as ordinary board member. Effective as of the general meeting's resolution, Kjetil Solbraekke took the position as CEO of Maha. Maha's existing members of the Board of the Directors include seven Board members and no deputy Board Member: Mr. Paulo Mendonça (Chairman), Mr. Halvard Idland, Mr. Viktor Modigh, and Mr. Richard Norris, Mr. Svein Harald Øygard, Mr. Enrique Peña and Mr. Fabio Vassel (see bios in section "The Board of Directors and Management"). The majority of the Directors are independent of the company and its executive management and two (2) of the members of the Board who are independent of the company and its executive management are also to be independent in relation to the company's major shareholders.

EVALUATION OF THE BOARD'S WORK

The Board of Directors' work was evaluated in a structured process conducted by a third party. The evaluation during 2023 was conducted by means of a questionnaire that each Board member was requested to complete, in the aim of gaining an idea about the Board members' views on how the Board work has been conducted and which measures can be taken to improve the Board work as well as which matters the directors feel should be given more attention and in which areas it could possibly be suitable to have additional expertise on the Board. The results of this evaluation were reported to and discussed by the Board.

BOARD OF DIRECTORS 2023

The Board of Directors in Maha Energy AB consist of Paulo Thiago Mendonça (Chairman), Fabio Vassel, Enrique Peña, Viktor Modigh, Richard Norris, Halvard Idland and Svein Harald Øygard. Previous Board members during 2023 also include Kjetil Solbraekke (took the position as CEO of Maha in connection with the EGM on September 18, 2023, when he also resigned from the Board (and Harald Pousette (resigned from the Board on the EGM held in March 2023). For more information about Maha's Board of Directors, please see page 12.

RULES OF PROCEDURE

The Board of Directors' work is governed by the approved Rules of Procedure for BoD. The Board of Directors supervises the work of the Managing Director by monitoring the Company's operational and financial activities. The Board of Directors ensures that the Company's organisation, administration, and controls are properly managed. The Board of Directors adopts strategies and goals and provides review and approval of larger investments, acquisitions and disposals of business activities or assets. The Board of Directors also appoints the Managing Director and determines the Managing Director's salary and other compensation. The Chairman of the Board of Directors supervises the Board's activities and is responsible for it functioning well. The Chairman, among other things, is regularly updated on the Company's operations, meets with the Managing Director and is responsible to ensure information and documentation is provided by the Company to ensure high quality discussions and proper consideration of matters.

Board of Directors' Yearly Work Cycle:

Q1 / Q2 targeted main activities:

- Approval of the fourth quarter report;
- Approval of the Annual Report and other annual reports;
- Review of the Auditor's Report and meeting with the Auditor (excluding Management) to discuss the audit process, risk management and internal controls;
- Review of the Policy on Remuneration for submission to the AGM;
- Determination of the AGM details and approval of the AGM materials;
- Approval of the first quarter report;
- Annual investor relations assessment;
- Review of the Rules of Procedure.

Q3 / Q4 main activities:

- Adoption of the budget and work programme;
- Consideration of the Board self-evaluation to be submitted to the Nomination Committee;
- Approval of the second and third quarter reports;
- Review of the third quarter Auditor's Report and meeting with the Auditor (excluding Management) to discuss interim review results;
- Performance assessment of the CEO and Managing Director;
- Consideration of the performance review of Group management and Remuneration Committee remuneration proposals;
- Long-term strategy discussions;
- Evaluation of internal controls;
- Insurance Program renewal.

THE BOARD OF DIRECTORS' WORK IN 2023

During 2023, the Board of Directors held thirty (30) meetings, in person, via telephone or digitally and per capsulam meetings. Attendance for the in-person meetings is shown in the tables below. The Company's Chief Legal Officer, Barbara Bittencourt, acted as corporate secretary. Prior to each meeting, Board members were provided with an agenda and written information on the matters to be covered. Each meeting has included the possibility to discuss without management representatives being present. The Company's Auditor also met at least once with the Board of Directors or respective board committee.

Board Member	Board attendence	Audit Committee attendance	Remuneration Committee attendance	Reserves/ HSE Committee attendance	Investment Committee attendance
Paulo Mendonça (Chairman)	28/30		0/0	2/2	1/1
Halvard Idland*	21/21	4/4			1/1
Enrique Peña	30/30	5/5			
Viktor Modigh	30/30	5/5	2/2	2/2	1/1
Richard Norris	30/30	5/5		2/2	
Svein Harald Øygard**	8/8		0/0		1/1
Fabio Vassel	28/30		1/2		
Kjetil Solbraekke***	13/13				
Harald Pousette****	9/9	1/1	2/2		

** Elected on March 29, 2023*
*** Elected on September 18, 2023*
**** Elected on March 29, 2023, resigned on September 18, 2023*
***** Resigned on March 29, 2023*

Board Committees

In order to increase the efficiency of its work and enable a more detailed analysis of certain matters, the Board of Directors has formed four (4) committees, being: Audit Committee; Remuneration Committee; Reserves/HSE Committee; and Investment Committee. Committee's members are appointed by the Board of Directors within the Board members up to the next AGM. The Committee's duties and authorities are governed by those Mandates, Policies and Terms of Reference described below. The committees perform monitoring and evaluations, resulting in recommendations to the Board of Directors, where all decision-making takes place.

AUDIT COMMITTEE

The Board of Directors has established an Audit Committee for the period up to and including the AGM 2024. The present members of the Audit Committee are Enrique Peña (Chairman), Halvard Idland, Richard Norris and Viktor Modigh. Following changes in the composition of the Board of Directors, the Audit Committee members have changed during the year. Previously in 2023, Harald Pousette was a member of the Audit Committee. The Committee convened five (5) times during 2023.

The Audit Committee is a supervisory body within the Board of Directors of Maha. The Audit Committee shall ensure compliance with the Board of Director's monitoring responsibilities pertaining to financial reporting, risk management and assessing the efficiency of the Company's internal controls over financial reporting. The Audit Committee shall thereby, in particular, contribute to sound and regular financial reporting to ensure the market's trust in Maha. The Audit Committee shall furthermore regularly liaise with the Company's external auditors as part of the annual audit process and review their fees, as well as the auditors' qualifications, independence and impartiality. The Audit Committee also assists the Nomination Committee with proposals for resolutions on the election and remuneration of the auditor. The Audit Committee shall also ensure that good communication is maintained between the Board and the external auditor(s). As per the Audit Committee's functions and responsibilities, Audit Committee met with the external auditors more than once during the year, and also met without the presence of the management.

REMUNERATION COMMITTEE

The Board of Directors has established a Remuneration Committee for the period up to and including the AGM 2024. The present members of the Remuneration Committee are Paulo Mendonça (Chairman), Viktor Modigh and Svein Harald Øygard. Following changes in the composition of the Board of Directors, the Remuneration Committee members have changed during the year. Previously in 2023, Fabio Vassel and Harald Pousette were members of the Remuneration Committee. The Committee convened two (2) times during 2023.

The Remuneration Committee is a preparatory body within the Board of Directors with the main duties to prepare resolutions to be adopted by the Board of Directors pertaining to matters regarding remuneration principles, remuneration policies and other terms of employment for executive management; monitor and evaluate current and during the year finalized programs for variable compensations for the executive management, and monitor and evaluate the compliance with the guidelines for remuneration for the executive management which the general meeting by law shall adopt, and applicable remuneration structures and remuneration levels in the Company. The work of the Remuneration Committee is governed by established rules of procedures that have been set by the Board of Directors.

RESERVES/HSE COMMITTEE

The Board has established a Reserves/HSE Committee for the period up to and including the 2024 AGM. The present members of the Remuneration Committee are Richard Norris (Chairman), Paulo Mendonça and Viktor Modigh. The Committee convened two (2)times during 2023.

The Reserves & HSE Committee is responsible for the following functions:

- assisting the Board of Directors in fulfilling its oversight responsibilities generally with respect to the oil and natural gas reserves evaluation process of the Company and public disclosure of reserves data and related information in connection with the Company's oil and gas activities;
- evaluating and recommending on appointment of independent qualified reserve auditor, oversight of the reserves audit process;
- developing, implementing and monitoring policies, standards and practices of the Company with respect to matters concerning health, safety and environment, including public disclosures.

INVESTMENT COMMITTEE

In October 2023, the Board established an Investment Committee for the period up to and including the 2024 AGM. The members of the Investment Committee are Paulo Mendonça, Halvard Idland, Svein Harald Øygard and Viktor Modigh. In addition, CEO Kjetil Solbraekke and Maha's M&A Director Roberto Marchiori (Chairman) are members of the Investment Committee. The Committee convened one time during 2023.

The purpose of the Investment Committee is to, on behalf of the Company, assist the Board in fulfilling their responsibilities with regards to investments proposed by the management of the Company. To accomplish this purpose, the Investment Committee will analyze and decide on investments proposed by the management of the Company. The Investment Committee continuously report to the Board regarding its work and the investments.

Remuneration of Board of Directors members

The remuneration of the Chairman and other Board of Directors' members follows the resolution adopted by the AGM. The Board of Directors members, except for the CEO and Managing Director up to the EGM in September 2023, are not employed by the Company, and therefore do not receive any salary from the Company. The EGM in September 2023 resolved in accordance with the proposal of the Nomination Committee on an incentive program for the members of the Board of Directors through issuance of warrants entitling to subscription of new shares in the Company. No warrants were issued in 2023. The Policy on Remuneration approved by the AGM also comprises remuneration paid to Board members for work performed outside their directorships.

The 2023 AGM resolved that remuneration of the chairman of the Board of Directors shall be TSEK 415 per annum and of the other members TSEK 300 per member per annum. Remuneration is not paid for service of the Boards or directors of subsidiaries. Paulo Thiago Mendonça (until he stepped down on September 18 2023), who was employed by Maha, did not receive any remuneration for his service on the Board of Directors. The annual fee for Board committee members is TSEK 40 per committee assignment. The annual fee for the chairman of the respective committees is TSEK 60. Further, if a member of the Board of Directors, following a resolution by the Board of Directors, performs tasks which are outside the regular Board of Directors work, separate remuneration will apply, based on the company's Remuneration Policy and in accordance with resolution at the AGM 2023.

Management

The executive management in Maha in 2023 has consisted of (i) the Managing Director and Chief Executive Officer (Paulo Mendonça) until he stepped down September 18, 2023 and was succeeded by Kjetil Solbraekke, (ii) the Chief Financial Officer (Bernardo Guterres), until he stepped down March 10, 2023 and was succeeded by Guilherme Guidolin de Campos, (iii) the Chief Operating Officer Alan Johnson until he stepped down November 30, 2023 and was succeeded by, Javier Gremes Cordero (iv) the Chief Legal Officer Barbara Bittencourt, from February 1, 2023. The Board of Directors has adopted an instruction for the Managing Director which clarifies the responsibilities and authority of the Managing Director. According to the instruction, the Managing Director shall provide the Board of Directors with decision data to enable the Board of Directors to make well-founded decisions and with documents to enable it to continually monitor the activities for the year. The Managing Director is responsible for the day-to-day business of the Company and shall take the decisions needed for developing the business – within the legal framework, the business plan, the budget and the instruction for the Managing Director adopted by the Board of Directors, as well as in accordance with other guidelines and instructions communicated by the Board of Directors. The Board evaluates the work of the Chief Executive Officer. The Board examines this issue formally at least once a year, and without any member of the executive management present during this evaluation process.

Remuneration for Management

At the AGM 2023 it was resolved to adopt a policy for remuneration and other employment conditions for the Executive Management, which is available at the Company's website.

For additional information on Board of Directors' member and Executive Management compensation, please refer to Note 31 of the Financial Statements, as well as the Company's Remuneration Report available at the Company's website.

External Auditors

At the 2023 AGM and for the period until the conclusion of the next Annual General Meeting, the accounting firm Deloitte AB was elected as Maha's independent auditor. The Auditor in charge is Andreas Frountzos.

Financial Reporting and Internal Controls

The Board of Directors has the ultimate responsibility of the internal controls over financial reporting. Maha's systems of internal control, with regard to financials reporting, is designed to minimize risks involved in financial reporting process and ensure a high level of reliability in the financial reporting. Furthermore, the system of internal control ensures compliance with applicable accounting requirements and other disclosure requirements that Maha is required to meet as a publicly listed company

INTERNAL CONTROLS

While the Board of Directors (with assistance from the Audit Committee), in accordance with the Swedish Companies Act, has the ultimate responsibility for the internal controls over the Company's financial reporting; front line responsibility for such is with the CEO and CFO under the approved Instructions for Financial Reporting and the Instructions to Managing Director. In line with listed companies of similar size in the oil and gas sector, Maha maintains a system of internal controls for its financial reporting that is designed to minimize risks of error and ensure a high level of reliability and compliance with applicable accounting principles. The Company's CFO and CEO continually work on improving the financial reporting process through evaluating the risk of errors in the financial reporting and related control activities. Control activities include close monitoring and approval by the Company's executive team, in line with the authorization guidelines of invoices, other payables, contracts and legal commitments, and other financial and treasury activities in relation to the oil and gas operations of the Company in Brazil, Oman, Venezuela and the United States. The purpose of these activities is to ensure and monitor that control activities are in place for the areas of identified risks related to financial reporting and potentially fraudulent activities. The Audit Committee, the CFO, and the CEO follow up on the compliance and effectiveness of the Company's internal controls to ensure the quality of internal processes is appropriate and develop controls as considered necessary.

INFORMATION AND COMMUNICATION

The Board of Directors has adopted an Information and Communication Policy for the purpose of ensuring that the external information is correct and complete. There are also instructions regarding information security and how to communicate financial information.

MONITORING

Both the Board of Directors (with assistance from the Audit Committee) and the Company's management follow up on the compliance and effectiveness of the Company's internal controls to ensure the quality of internal processes. The Audit Committee ensures and monitors that adequate controls are in place for the identified areas of risk related to financial reporting activities. For this purpose, an independent consultant reporting directly to the Audit Committee is engaged to monitor and test effectiveness of internal controls.

The Board of Directors

Readers are referred to page 12 in this Annual Report for details on the Company's Board of Directors and Management team.

The Auditor's Report on the Corporate Governance Statement can be found in this Annual Report on page 97.

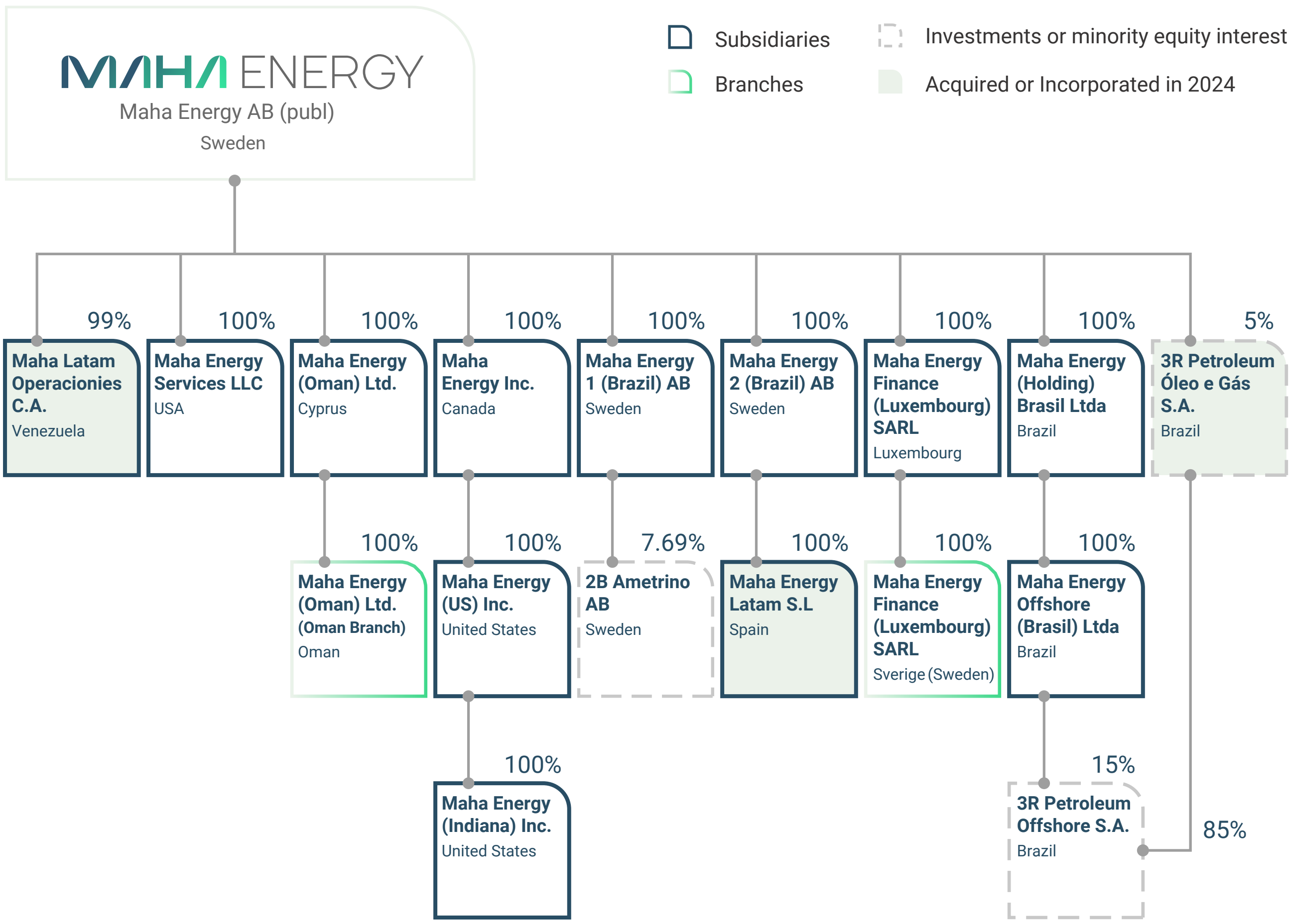
30

Administration Report

The Board of Directors and the Managing Director of Maha Energy AB (publ) ("The Company" or "Maha") with Company Registration Number 559018-9543, hereby report the Company's Annual Report covering the period 1 January 2023 until 31 December 2023, and the associated consolidated Financial Report for the year 1 January 2023 until 31 December 2023. This report is a review of Maha Energy AB results and management's analysis of its financial performance for the same period. The consolidated financial statements included in this Annual Report have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and adopted by the European Union (EU). Significant accounting policies used are set out in Note 2 to the financial statements. All amounts are expressed in United States Dollars (USD), except in the Parent Company Annual Report where all amounts are expressed in Swedish Krona (SEK), unless otherwise indicated.

Corporate Structure

Corporate structure as at 31 December 2023[1]:



Note 1: The Company structure shows all the subsidiaries of the Group as of 31 December 2023, except for Maha Energy Latam Spain S.L. and Maha Energy Latam Operaciones C.A. incorporated in 2024 and 3R Petroleum Óleo e Gás S.A. stake acquired in 2024

On December 2023, Maha announced the divestment of Maha Energy (Oman) Ltd. resulting in classification of the Oman assets as assets held for sale and as discontinued operations (see Note 8). In early 2024, Maha opened a new entity in Spain and a new entity in Venezuela in relation to the investments underway in the Latin American country. The consolidated financial statements reflect the activity of Maha for the years ended 31 December 2023 and 2022.

Financial Results Review

Agreements between Maha and Novonor

On October 2023, Maha Energy entered into an exclusivity agreement with Novonor Latinvest Energy S.à.r.l ("Novonor") followed by the execution of the definitive documents in March 2024, granting Maha exclusive rights to acquire 60% of Novonor's wholly-owned Spanish subsidiary, Odebrecht E&P España SL ("OE&P" or "Partner B"), which holds a 40% equity interest in PetroUrdaneta, an oil and gas joint venture operating in Venezuela. This arrangement will result in Maha indirectly holding a 24% equity interest in PetroUrdaneta. The completion of the transaction is subject to various conditions, including (i) approval from applicable authorities; (ii) successful negotiation of the relevant operational and collaboration agreements/framework with PDVSA and/ or local authorities for the redevelopment of PetroUrdaneta's fields. Such agreements aim to allow Maha to define a new development program of PetroUrdaneta and enhance control over the operations, particularly in the areas of purchasing, cash management and crude sales/ offtake.

PetroUrdaneta operates in the Maracaibo Basin in northwestern Venezuela. Maha's plan involves recompletion and workover of wells, with potential production and subsequent commercialization of existing associated natural gas reserves in the area. The transaction entails Maha paying EUR 4.6 million for the first exclusivity period ending in September 2024, with additional payments for a possible 12-months extension or at the closing date. Upon fulfillment of the conditions precedent, Maha will have the option to acquire 60% of OE&P's holdings and subsequently the remaining 40% of Partner B. Maha continues to closely monitor the political development in Venezuela, including which general or specific U.S. sanctions licensing that may be required for the implementation of activities authorized by General License 44 beyond 18 April 2024. In the fourth quarter of 2023, the accounting impact involved establishing an escrow account, recognized as cash and cash equivalents on the balance sheet, amounting to EUR 9.2 million.

Maha Energy Offshore Business combination between Maha and DBO 2.0

On May 23, 2023, Maha completed its business combination with DBO 2.0 S.A. (now known as Maha Energy Offshore (Brasil) Ltda.). The deal involved issuing 34,829,057 new shares in Maha in exchange for all shares in DBO. Through its equity participation on 3R Petroleum Offshore S.A., Maha currently holds indirect interests in the Peroá cluster (15%) and the Papa Terra cluster (9.375%) offshore oil and gas fields.

The Peroá cluster, located in the Espírito Santo basin, consists of Peroá, Cangoá, and Malombe concessions. Peroá and Cangoá are producing natural gas via the Peroá platform, while Malombe is a discovery awaiting development. A gas sales agreement was signed in July 2023 with ES Gás for a 30-month term, committing to supply 400,000 m³/day of natural gas. Surplus gas beyond this commitment can be negotiated or sold in the Brazilian spot market. The Peroá cluster's current production capacity is around 650,000 m³ day.

The Papa Terra cluster, an offshore heavy oil field in the Campos Basin, operates with an FPSO and a Tension Leg Wellhead Platform. Average net production during Q4 2023 was 1,535 BOEPD. Extensive maintenance in 2023, including improvements to the boiler system and pump units, increased operational efficiency. A workover campaign began towards the end of 2023the year, aiming to enhance production from both wet and operating wells. Well interventions and adaptations to the FPSO processing systems are ongoing, with temporary interruptions expected. Further workovers and a Flotel campaign are planned for 2024 to continue asset integrity recovery.

Sale of Maha Energy (Oman) Ltd

In Q1 2023, Maha Energy entered a partnership with Mafraq Energy LLC, selling a 35% stake in Block 70 for USD 11.2 million while retaining a 65% interest as the Operator. Short-term production tests in March showed promising results, with five out of eight wells averaging 300 barrels of oil per day. In Q3, an extension to the Initial Phase of the EPSA for Block 70 was granted by the Ministry of Energy and Minerals of the Sultanate of Oman. During the fourth quarter, Maha Energy agreed to sell its Cypriot subsidiary, Maha Oman, holding a 65% working interest in Block 70, to Mafraq Energy. Mafraq Energy, already a 35% partner, will cover all operational costs from December 1, 2023. Maha will receive USD 2 million up to the closing date and potentially up to USD 12 million in earnouts based on actual production volumes. The sale was finalized in January 2024, pending approval from the Government of the Sultanate of Oman. This transaction resulted in the reclassification of business activities in Oman as assets held for sale and discontinued operations, with a loss of USD 25.2 million recognized.

Divestment in Maha Energy (US) Inc

In the third quarter, the Company successfully divested the LAK Ranch heavy oil field in the USA. This transaction resulted in an accounting impairment of $2.5 million, net of the reversal of decommissioning liabilities.

Sale of Maha Energy Brasil Ltda

On February 28, 2023, Maha completed the sale of Maha Energy Brasil Ltda. ("Maha Brazil") to PetroRecôncavo S.A. for a total purchase price of USD 150.9 million, payable in two installments. The first installment of USD 95.9 million was paid at closing, with the second installment of USD 55.0 million paid on August 2023. Additionally, earn-outs of up to USD 36.1 million may be paid based on meeting certain conditions, including average annual Brent oil prices and synergies with PetroRecôncavo's potential new assets. Part of the proceeds from the sale were used as collateral for Maha's outstanding debt to BTG Pactual. The sale resulted in Maha Brazil being classified as discontinued operations in the interim condensed consolidated statement of operations.

Financial Results

In the fiscal year ending December 31, 2023, Maha Energy witnessed a range of operational and financial metrics, illustrating the company's performance and position within the market.

Revenue from continuing operations stood at USD 5.2 million, reflecting a decrease from the previous year's USD 12.3 million, attributed to market dynamics such as lower sales volumes and a decline in realized oil prices. Similarly, operating netback from continuing operations decreased to USD 2.2 million, compared to USD 6.5 million in the previous year.

EBITDA from continuing operations showed a negative value of USD -2.9 million, contrasting with the positive figure of 0.8 million in the previous year. However, amidst these fluctuations, Maha Energy managed to improve the net result from continuing operations to USD -5.3 million, marking an improvement from the previous year's USD -11.3 million.

In discontinued operations, the net result was USD -28.6 million, compared to a positive figure of USD 34.2 million in the previous year. Despite these fluctuations, earnings per share (basic and diluted) were recorded at USD -0.17, showing a decrease from USD 0.29 in the previous year.

Maha Energy closed the year with a total cash balance of USD 131.1 million on December 31, 2023, including restricted cash of USD 42.8 million. This marked a significant increase from the previous year's cash balance of USD 15.2 million, excluding cash from assets held for sale.

Regarding reserves, Maha's gross reserves before income tax in the Illinois Basin, USA, amounted to 2.8 million barrels of oil of proven and probable reserves (2P) as of December 31, 2023.

Production

Production	2023	2022
Total delivered Oil & Gas (BOE)*	**212,387**	1,172,719
Daily Volume (BOEPD)	**2,350**	3.213
Continuing Operations		
Delivered Oil (Barrels)	**71,804**	146,482
Daily Volume (BOEPD)	**197**	401
Discontinued Operations		
Delivered Oil (Barrels)	**124,029**	887,739
Delivered Gas (MSCF)	**99,324**	830,989
Daily Volume (BOEPD)	**340**	2,812

**BOE takes into account gas delivered and sold. 1 bbl = 6,000 SCF of ga*

Maha's producing oil and gas assets are located in the Illinois Basin. Production from Maha's Brazilian assets, such as Papa-Terra and Peroá clusters, where Maha holds indirect equity interest, is not consolidated but included in the Group's financial reporting as share in Income from Investment in Associates. However, average daily production volumes in the Illinois Basin for Full Year 2023 decreased compared to the comparative period due to natural well decline and delays in capital projects resulting in a lack of new production.

Daily oil production from continuing operations averaged 197 barrels of oil equivalent per day (BOEPD), showcasing a decrease from the previous year's average of 399 BOEPD. However, including non-consolidated production from the investment in associate 3R Offshore, total production amounted to a robust 1,942 BOEPD, highlighting the diversity in the company's production portfolio.

Revenue

(TUSD, unless otherwise noted)	2023	2022
Oil and Gas revenue	**14,275**	89,777
Continuing Operations	**5,226**	12,327
Discontinued Operations	**9,049**	77,450
Combined Sales volume (BOE)	**279,726**	1,109,699
Oil realized price (USD/BBL)	**72.31**	90.18
Gas realized price (USD/MSCF)	**1.15**	1.06
Oil Equivalent realized price (USD/BOE)	**51.03**	80.90
Reference price – Average Brent (USD/BBL)*	**82.47**	100.93
Reference price – Average WTI (USD/BBL)	**77.64**	94.90

**Reference price is as per U.S. Energy Information Administration website.*

In 2023, total revenue from continuing operations amounted to TUSD 5,226, marking a 58% decrease from TUSD 12,327 in the previous year. This decline correlates with a 20% decrease in realized oil prices and an 18% decrease in sales volumes. Revenue stems from the transfer of goods, particularly oil production in the USA - Illinois, with consideration specified in contracts, net of discounts and sales taxes. Performance obligations are fulfilled upon the transfer of control of the product to the customer at the agreed delivery point. The company's primary customer accounts for 100% of consolidated gross sales, with no intercompany sales or purchases of oil and gas during the period. Additionally, no contract asset or liability balances were present during the period. Crude oil realized prices in the Illinois Basin are based on West Texas Intermediate (WTI) price less a discount of approximately $3/bbl. Further revenue details can be found in Note 4 of the Consolidated Financial Statements.

Royalties

(TUSD, unless otherwise noted)	2023	2022
Royalties	**2,044**	10,894
Per unit (USD/BOE)	**7.31**	9.82
Royalties as a % of revenue	**14.3%**	12.1%
Continuing Operations	**1,268**	2,976
Royalties as a % of revenue	**24.3%**	24.1%
Discontinued Operations	**776**	7,918
Royalties as a % of revenue	**8.6%**	10.2%

Royalties, settled in cash and calculated based on realized prices before discounts, experienced a significant decline in expense. Specifically, royalty expense decreased by 57% for the full year of 2023 compared to the corresponding periods in 2022. This reduction aligns with the decrease in revenue observed during the same periods, indicating a consistent trend across financial metrics.

Production Expenses

(TUSD, unless otherwise noted)	2023	2022
Operating costs	**3,058**	16,145
Transportation costs	**221**	2,009
Total Production expenses	**3,279**	**18,154**
Per unit (USD/BOE)	**11.72**	16.36
Continuing Operations		
Total Production expenses	**1,761**	2,828
Discontinued Operations		
Operating costs	**1,297**	13,317
Transportation costs	**221**	2,009
Total Production expenses	**1,518**	15,326

Production expenses for continuing operations decreased for the full year of 2023 compared to the corresponding periods, primarily attributed to lower sales volumes. However, this reduction was slightly mitigated by an increase in overall costs due to inflation. Despite the decrease in overall expenses, production expenses on a per unit basis rose compared to the comparative periods, primarily due to the need to absorb high fixed costs with lower sales volumes.

Operating Netback

(TUSD, unless otherwise noted)	2023	2022
Operating Netback	**8,952**	60,729
Netback (USD/BOE)	**32.00**	54.73
Continuing Operations		
Operating Netback	**2,197**	6,523
Netback (USD/BOE)	**7.85**	5.88
Discontinued Operations		
Operating Netback	**6,755**	54,206
Netback (USD/BOE)	**24.15**	48.85

Operating netback, a non-GAAP financial metric utilized in the oil and gas sector for internal performance comparison and industry benchmarking, is calculated as revenue less royalties and production expenses. For the full year of 2023, operating netback experienced a significant decrease of 66% compared to the comparative period, mainly due to lower sales volumes and diminished oil realized prices.

Depletion, depreciation, and amortization ("DD&A")

(TUSD, unless otherwise noted)	2023	2022
DD&A	**1,898**	13,338
DD&A (USD/BOE)	**6.79**	12.02
Continuing Operations	**1,883**	2,783
Discontinued Operations	**15**	**10,555**

The depletion rate, calculated on proved and probable oil and natural gas reserves, considers future development costs. Depletion expense is calculated on a unit-of-production basis, fluctuating based on capital spending and reserves additions. For the full year of 2023, DD&A expense decreased by 32%, totaling TUSD 1,883 (average depletion rate of USD $26.78 per BOE), compared to TUSD 2,777 (average depletion rate of USD $20.87 per BOE) in the comparative period. This decrease in 2023 is attributed to Maha Energy (Indiana) Inc subsidiary with the lower production volumes compared to the previous year.

Impairment of Exploration and Evaluation assets ("E&E assets")

In September 2023, the company sold its heavy oil field, LAK Ranch, in the USA, which had been acquired in 2013 and shut down in 2020. Before the sale, the assets were revalued, resulting in a net impairment loss of TUSD 2,459 (not considering TUSD 25,233 of Oman discontinued operations).

General and Administration expenses ("G&A")

(TUSD, unless otherwise noted)	2023	2022
G&A	**12,154**	7,411
G&A (USD/BOE)	**172.87**	6.68
Continuing Operations	**9,392**	5,944
Discontinued Operations	**2,762**	1,467

Throughout 2023, general and administrative (G&A) expenses rise, primarily driven by several key factors. Firstly, there was an increase in the volume of concluded and potential future mergers and acquisitions (M&A) transactions, leading to nonrecurring legal and advisory fees, as well as diligence-related costs. Secondly, one-off restructuring costs were incurred due to the relocation of headquarters from Canada to the newly established Maha Brazil Holding and subsequent changes in management. These are one-time expenses, and are expected to contribute to cost savings in the foreseeable future. Lastly, there was a reduction in the portion of G&A costs reallocated to capital expenditure (capex) and operational expenditure (opex) due to the divestment of assets that previously absorbed these costs.

Over the full year of 2023, G&A expenses totaled TUSD -9,392, representing 91% increase from the previous year. However, when considering a more comparable recurring G&A of TUSD 3,995, there was actually a reduction of 19% for the full year of 2023.

Foreign currency exchange gain or loss

During the entirety of 2023, the net foreign currency exchange gain totaled TUSD 314, compared to TUSD 1 in 2022. These fluctuations arise upon settlement of transactions denominated in foreign currencies. Notably, the foreign exchange gain for the year is attributed to the Swedish Krona bank accounts held by the parent company, which operates with US dollars as its functional currency. During the course of the year, the Swedish Krona strengthened against the US dollar ending at 10.04.

Other income

In 2023, the Company recorded other income totaling TUSD 37, compared to nil in 2022. This income primarily stems from the closing of the Calgary office lease asset.

Finance income and costs

Income from finance activities increased notably in 2023 compared to 2022, totaling TUSD 8,710 for the full year, a substantial rise from TUSD 64 in the previous year. These gains primarily result from investment returns on short-term investments, a strategy consistently employed by the company, mainly through low-risk time deposits or investments with minimal volatility.

Simultaneously, finance costs decreased throughout 2023, amounting to TUSD 7,084 for the full year, down from TUSD 9,394 in 2022. This reduction can be attributed to the company's debt amortization activities.

Income Taxes

The Company recorded a current tax recovery of nil for 2023 (2022: TUSD 2,548 expense). The expense in 2022 was entirely attributed to operations that have since been discontinued. This shift to zero tax recovery in 2023 primarily results from the sale of Maha Brazil, which was concluded in February 2023.

Taxation of corporate profits in Maha's discontinued operations is a combined 34% rate (25% corporate income tax and 9% social contribution); however, Maha Energy Brasil Ltda. has secured certain tax incentives (SUDENE) allowing for the reduction of 75 percent of the corporate income tax from 25 percent to 6.25 percent, bringing the combined net tax rate to 15.25 percent.

The Company recorded deferred tax expense of nil (2022: TUSD 12,711) for 2023. The expense in 2022 was entirely attributed to operations that have since been discontinued. This shift to zero deferred tax expense in 2023 primarily results from the sale of Maha Brazil, which was concluded in February 2023.

Exchange differences on translation of foreign operations

The Company operates with US Dollars as its presentation currency, consequently, the variances in translation from foreign operations are documented within other comprehensive income. Exchange differences pertaining to the translation of foreign operations, as outlined in the Statement of Comprehensive Earnings,for the entirety of 2023, amounted to TUSD -7,772, contrasting with TUSD 6,743 in 2022. Following the conclusion of the Maha Brazil Transaction, the Company acknowledged TUSD 26,612 of foreign exchange translation, which was incorporated into the net loss from discontinued operations.

Balance sheet

All balance sheet items relating to the discontinued operations have been reclassified as assets held for sale and liabilities held for sale as detailed in Note 8. Comparative numbers have not been reclassified under IFRS and therefore not included in Note 8.

Non-current assets

Property, plant and equipment ("PP&E") amounted to TUSD 14,988 (2022: TUSD 14,015) and are detailed in Note 9. During the fourth quarter of 2023, the company announced the divestment of Maha Oman resulting in classification of the Oman assets as assets held for sale and as discontinued operations (see Note 8). Exploration and evaluation expenditure amounted to nil (2022: TUSD 29,202) with the both divestments occurred during 2023 and are detailed in Note 10. Total expenditures incurred during the year, including discontinued operations, were as follows:

2023 (TUSD)	Brazil	USA	Oman	Canada	Total
Development	0	3,237	0	0	**3,237**
Exploration and evaluation	0	0	0	0	**0**
	0	3,237	0	0	**3,237**

2022 (TUSD)	Brazil	USA	Oman	Canada	Total
Development	45,699	1,847	46	9	**47,602**
Exploration and evaluation	0	803	14,278	0	**15,081**
	45,699	2,650	14,324	9	**62,683**

USA

The Company owned and operated a 99% working interest in the LAK Ranch oil field until the third quarter, when the operations located on the eastern edge of the multi-billion-barrel Powder River Basin in Wyoming were divested.

OMAN

In October 2020, Maha Energy entered an EPSA with Oman's government for Block 70, becoming its operator with a 100% working interest. In 2022, the drilling program continued as planned. The Omani government approved a farmout agreement with Mafraq Energy LLC in exchange for a 35% working interest, with Mafraq covering its share of past and future costs. In Q1 2023, Maha farmed out a 35% interest to Mafraq, retaining 65%, with Mafraq committing to bear 35% of future costs. Short-term production tests started in March and the drilling campaign ended in June 2023. An extension to the EPSA for Block 70 was granted in Q3. In Q4, Maha executed a binding term-sheet for the sale of its Cypriote subsidiary, Maha Oman, to Mafraq Energy. The sale, subject to government approval, includes an earnout linked to Block 70's production volumes and led to a USD 25.2 million impairment.

Investment in Associate amounted to TUSD 34,985 versus nil in the last years. This happened because on 23 May 2023, the Company entered into a business combination with DBO, now known as Maha Offshore, for the transfer of 100 percent of all the outstanding shares in DBO 2.0 -- current Maha Offshore (the "DBO Transaction"). Through the DBO Transaction, Maha received all outstanding shares in DBO (current Maha Offshore) against the transfer of 34,829,057 new shares in the Company to DBO's shareholders (issued pursuant to the resolution of the extraordinary general meeting held on 29 March 2023), being the transaction costs equivalent to TUSD 592. Maha Offshore owns 15 percent of shares in 3R Offshore, which holds operated working interests in producing oil and gas offshore fields in Brazil – i.e. Peroá and Papa-Terra clusters. The Company applies equity accounting to the investment in the 3R Offshore as the Company has significant influence over 3R Offshore, mainly due to the Company's ownership and representation on 3R Offshore's Board of Directors. As a result, investment in DBO 2.0 was recognized as investment in associates.

Other long-term assets totaled TUSD 9,134 (2022: TUSD 302). This primarily consists of a debenture with the associate 3R Offshore amounting to TUSD 7,833, along with an investment in EIG Bolivia Pipeline AB in Q3 2023 worth TUSD 1,148.

Regarding the Restricted Cash, please refer to the commentary on its Current and Non-Current classification in the following section.

Current assets

In the fourth quarter, Maha announced the potential divestment of Maha Oman, classifying the asset as held for sale (refer to Note 8).

Prepaid expenses and deposits totaled TUSD 561 (2022: TUSD 590), mainly comprising prepaid operational and insurance expenditures.

Crude oil inventories increased to TUSD 215 (2022: TUSD 172) due to oil inventory in the USA, notably influenced by the new wells in the Illinois Basin.

Accounts receivable amounted to TUSD 1,092 (2022: TUSD 568), as detailed in Note 11.

The Company's restricted cash balance of USD 42.8 million (with TUSD 12,000 classified as Non-Current) serves as collateral for the Company's debt balance of USD 34.4 million and certain financial commitments and contingent liabilities related to the Maha Brazil Transaction. The significant cash increase will be utilized for strategic acquisitions at favorable multiples to expand the portfolio of stable producing assets.

Cash and cash equivalents reached TUSD 88,289 (2022: TUSD 19,520), primarily impacted by the sale of assets onshore Brazil.

Non-current liabilities

On 30 March 2021, the Company entered into a loan agreement (the "Term Loan") and equity financing subscription with Brazilian Investment Bank BTG Pactual S.A. for total proceeds of USD 60 million before customary fees and expenses. As of 31 December 2023, balance for the bank debt amounted to TSUD 34,379 and the current portion of the debt amounted to TUSD 22,500 (with TUSD 11,879 in non-current) which was classified as current liability, see Note 14 for further details.

The decommissioning provision amounted to TUSD 539 (2022: TUSD 1,700) and relates to future site restoration obligations as detailed in Note 16. Besides the additional provision setup for the new wells drilled in the Illinois Basin, occurred a decrease impacted by Brazil sale.

The lease commitments amounted to TUSD 494 (2022: TUSD 78) and is related to Canadian and Brazilian offices.

Current liabilities

Liabilities held for sale are related to divestment of Maha Oman as described in the report above. Bank Debt amounted to TUSD 22,500 (2022: 19,500) as Current Liabilities. The entire debt amounthas the same explanation mentioned in non-current liabilities. Accounts payables amounted to TUSD 3,017 (2022: TUSD 3,649). Continuing operations liabilities were mainly in line with the comparative period and accrued liabilities amounted to TUSD 735 (2022: TUSD 5,975) as detailed in Note 19. Current portion of the lease commitment amounted to TUSD 104 (2022: TUSD 77).

Share data

Share outstanding	Class A
31 December 2022	143,615,696
Share Subscriptions in 2023	34,829,057
31 December 2023	**178,444,753**

On 23 May 2023, Maha completed the previously announced business combination with DBO (later re-named Maha Energy Offshore (Brasil) Ltda.). The consideration for all shares in DBO amounted to 34,829,057 new shares in Maha. DBO holds indirectly, through shareholding in 3R Petroleum Offshore S.A., interests in the offshore oil and gas fields called Peroá cluster (15% indirect interest) and the Papa Terra cluster (9.375% indirect interest).

Cash flow

Cash flow from operating activities amounted to TUSD -12,675 (2022: TUSD 58,388), a decrease of 122% from prior year mainly due to sales of Maha Brazil and a reduction in the volume of the company's ongoing business activities. Cash flow from investing activities amounted to TUSD 92,650 (2022: TUSD -62,729) mainly due to sales of Maha Brazil concluded at the end of February 2023. Cash flow from financing activities decrease to TUSD -14,407 (2022: TUSD 6,385) mainly for the repayment of Maha's bank debt and lease payments during the year.

We have reclassified cash flows from previous period to improve the accuracy and clarity of our financial reporting. This adjustment ensures that our cash flow presentation better reflects our financial activities. We anticipate that this modification will offer stakeholders a clearer understanding of our cash operations, facilitating more informed decisions about our financial position and liquidity.

Liquidity and capital resources

The Company strategically manages its capital structure to support growth initiatives. Its key objectives include maintaining financial flexibility, preserving access to capital markets, financing internal growth, and funding potential acquisitions while meeting financial obligations. Credit risk is mitigated by limiting counterparties to major banks, with consideration of their credit ratings. Presently, investments primarily consist of low-risk assets and short-term, highly liquid investments, occasionally diversifying into attractive equity positions or high-yield fixed-income assets within internal investment policies.

The capital structure comprises shareholders' equity of USD 154.8 million (compared to USD 140.9 million as of December 31, 2022) and current assets of USD 130.8 million. Management adjusts the capital structure in response to economic conditions and the risk profile of underlying assets, supported by annual expenditure budgets reviewed and approved by the Board of Directors. The budget is updated as needed, reflecting factors like capital deployment success and market dynamics.

Legal matters

The Maha Brazil Transaction has been concluded at the end of February 2023. Despite not being a party under the lawsuits, Maha retains responsibility towards PetroRecôncavo for financial commitments related to specific lawsuits and contingent liabilities existing as of the effective date of the Maha Brazil Transaction. These obligations are considered standard and align with typical business practices in Brazil.

Any remaining balance will be transferred to Maha upon the resolution of the final lawsuit or within six (6) years from the closing date of the Maha Brazil Transaction, as applicable. Provisions for these legal matters are estimated in collaboration with the Company's Brazilian legal advisors and were included in the non-current liabilities and provisions of the discontinued operations.

Health, Safety and the Environmental (HSE)

Maha considers that oil and gas developments can and must be undertaken in a manner that is safe for employees, contractors, stakeholders, neighbors, and the environment. At Maha, HSE is a key component of its management systems. Maha Energy strives to provide a safe and healthy work environment for all employees, contractors and suppliers. This means the safety of life, limb, environment and property always comes first – in that order. The Company actively monitors all operational sites and proactively encourages everyone to be mindful of all the Company's HSE Values. This is achieved through education, enforcement and reporting. Everyone working or visiting our sites have the right to stop work at any time to prevent potential HSE incidents occurring. Maha's HSE Values set the tone for how employees, contractors, stakeholders and the environment are approached.

Environment, Social, and Governance (ESG)

Maha's corporate culture is built around the core values of Integrity, Responsibility, Safety, Efficiency, and Transparency.

In 2023, we engaged external consultants to assess Maha's ESG initiatives and support us in defining our ESG strategy moving forward, considering the transformations the Company has been through.

As part of this project, we have reviewed our materiality assessment to reflect the European Sustainability Reporting Standards' double materiality standard. This exercise was conducted taking into account the Global Reporting Initiative (GRI) framework, including the GRI 11 Sector Standard: Oil and Gas Sector, and SASB Industry Standard: Oil & Gas Exploration & Production.

As a result of this analysis, new material topics were added to those identified in the previous year, while other topics had their scope adjusted.

Maha's updated ESG materiality matrix is now organized in 5 pillars, which from now on will streamline and potentialize our ESG efforts:

Climate
- GHG Emissions
- Climate Risks Management

Environment
- Water Management
- Waste
- Biodiversity
- Pollution (air, water, soil)
- Critical Incident Risk Management

Governance
- Business Ethics & Transparency
- Anti-Corruption & Antitrust Compliance
- Gender Diversity in Leadership Positions
- ESG Policy for M&A/ JVs
- Reserve Valuation
- Supply Chain ESG performance
- Facilities closure and Rehabilitation

Workforce
- Employees and Service Providers Health and Safety
- Employee Relations and Talent Retention
- Diversity, Non-Discrimination & Equal Opportunity

Communities & Governments
- Human Rights & Rights of Indigenous Peoples
- Relationship with Local Communities
- Government Relations

To design Maha's ESG strategy, a working group was formed, integrating executives and Board members. The group discussed and defined Maha's ambition in each ESG pillar based on experts' recommendations, benchmarking and regulatory trends.

Climate	**Efficient Management of GHG Emissions and Climate Risk:** managing risks associated with climate change.
Environment	**Environment Management System:** adopting industry's best practices to prevent, minimize and offset negative environmental impacts.
Governance	**Sustainable Governance:** enhance Company's governance structures and practices to fully integrate ESG factors into decision-making, performance monitoring and reporting.
Workforce	**Superior Work Environment:** continue improving employee and contractors' physical health and safety, and develop a positive organizational culture that also protects mental health and promotes Diversity, Equity and Inclusion (DEI).
Communities & Governments	**Stakeholder Governance:** establishing clear roles and responsibilities, policies and processes to manage the relationships with neighbouring communities and relevant governmental authorities in the locations where Maha operates,

These ambitions were then translated into specific goals for each material pillar and submitted to the Board of Directors in March 2024.

We are currently implementing the organizational changes that will enable us to pursue these goals.

The Reserves and HSE Committee is formally incorporating the responsibilities to (i) overview the implementation of the ESG strategy, (ii) monitor our ESG performance, and (iii) recommend improvement measures in policies, processes, training, organizational design and other measures deemed necessary to reinforce our ESG performance.

The Audit Committee is formally incorporating the responsibility to overview the development, implementation, and effectiveness of the organization's compliance program and ethics culture.

At the executive level, the Chief Legal Officer will continue to be responsible for Human Resources and Ethics & Compliance, while incorporating formal responsibilities for ESG and Corporate Affairs.

Once we start operating in Venezuela, we also intend to ensure local accountability for the execution of our ESG strategy by appointing local representatives for ESG and HSE matters.

We will report on our progress in each of the 5 pillars as we move forward.

The Sustainability Report is published as a separate document. For comprehensive information on Maha's Environmental, Social, and Governance (ESG) initiatives, stakeholders are encouraged to review the company's Sustainability Report, which is available on its website (www.maha-energy.com).

Related Party Transactions

There have been no significant changes in related party transactions compared to previous years.

Parent Company

Business activities for Maha Energy AB focuses on: a) management and stewardship of all group affiliates, subsidiaries and foreign operations; b) management of publicly listed Swedish entity; c) fundraising as required for acquisitions and group business growth; and d) business development.

For the Parent Company, the net result for the Full Year 2023 amounted to TSEK -389,255, lower than the previous year's TSEK -64,878. This increase in loss was mainly due to impairment of shares in subsidiaries.

Proposed Distribution of Earnings

The Board of Directors proposes no dividends to be paid for the year. Furthermore, the board of Directors proposes that the unrestricted equity of the Parent Company of SEK 283,338,618 including the net result for the year of SEK (389,255,389) be brought forward as follows:

SEK	
Dividend	-
Carried forward	283,338,618.40
Total - SEK	**283,338,618.40**

Risk Management

The Company is engaged in the exploration, development and production of oil and gas and its operations are subject to various risks and uncertainties which include but are not limited to those listed below. The risks and uncertainties below are not the only ones that the Group faces. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair the business and operations of the Company and cause the price of the Mahas' shares to decline.

A detailed analysis of Maha's financial risks and mitigation of those risks through risk management are detailed in Note 23.

Non-financial risks

VOLATILITY IN OIL AND GAS COMMODITY PRICES

The demand for oil, natural gas and other petroleum products are dependent on the global economy. In addition, the economic situation on the global market affects the Company's business, results and financial position. Numerous factors do, and will continue to affect the marketability and price of oil and natural gas acquired or discovered by the Company.

Prices for oil and natural gas are subject to large fluctuations depending on a variety of factors. These factors include, but are not limited to political, social or economic instability and geopolitical developments, for example, the war in Ukraine and Middle East, governmental regulation, risks of supply disruption, natural disasters, terrorist attacks, the availability of alternative fuel sources, currency fluctuations, changes in interest rates, downturns in the economy, natural disasters, trade restrictions, increased protectionism or pandemics, such as the COVID-19 pandemic, and uncertainty about future economic prospects. Even after the COVID-19 outbreaks have subsided, the Company may continue to experience materially adverse impacts to the business, mainly due to the global economic impact and the effect on the world demand for, and prices of, oil and gas. Furthermore, continued and/or heightened tensions related to Russia's invasion of Ukraine, and sanctions imposed by third countries, can significantly affect the global economy negatively and there is a risk that the general outlook for oil and gas prices will be volatile and impacted by the duration and severity of the conflict, the extent to which Russian exports are reduced by sanctions, and the timing and ability of producers and governments to replace reduced supply. In addition, a potential escalation of the recent conflict between Israel and the Hamas group in the Middle East can pose a significant impact in oil prices ang global supply chain. Furthermore, in recent years the Organization of Petroleum Exporting Countries ("OPEC") and associated countries have, from time to time, agreed to voluntary production limitations, and Oman has in the past participated in such agreements. If Oman agrees to voluntary production limitations this may have an adverse effect on the Company's potential earn-out related to future oil and gas production and sales from Oman.

All the factors listed above could result in a material decrease in the Company's expected net production revenue and a decline in its oil and natural gas acquisition, development and exploration activities. Any substantial and/or extended decline in the price of oil and natural gas would have an adverse effect on the Company's revenues, profitability and cash flows from operations and could also affect the Company's ability to obtain equity or debt financing on acceptable terms. In addition, volatile oil and natural gas prices make it difficult to estimate the value of producing properties for acquisitions and often cause disruption in the market for oil and natural gas producing properties. For instance, during 2023 , the Brent oil price was at its lowest USD 71 per barrel and at its highest USD 98 per barrel. Decrease in the Brent and/or WTI benchmark oil price may thus have a material adverse effect on the Company. Price volatility also makes it difficult to budget for and project the return on acquisitions and development and exploitation projects.

The commodity price risks noted above, as well as other risks such as market access constraints and transportation restrictions, reserves replacement and reserves estimates and cost management that are more fully described herein, may have a material impact on our business, financial condition, results of operations, cash flows and reputation and may be considered indicators of impairment. Another potential indicator of impairment is the comparison of the carrying value of our assets to our market capitalization. We conduct an assessment, at each reporting date, of the carrying value of our assets in accordance with IFRS. If crude oil, NGLs, refined product, and natural gas prices decline significantly and remain at low levels for an extended period of time or if the costs of our development of such resources significantly increase, the carrying value of our assets may be subject to impairment and our net earnings could be adversely affected.

CONCENTRATED PRODUCTION IN A SMALL NUMBER OF FIELDS IN ONE JURISDICTION

The Company's current production of oil and gas is currently concentrated in one oil producing fields in the United States. As a result of these concentrations, the Company is disproportionately exposed to the effect of regional supply and demand factors, delays or interruptions of production from wells in these areas caused by governmental regulation, availability of equipment, equipment failure, interruptions of facilities, personnel or services market limitations, weather events, or interruption of the processing or transportation of oil. Additionally, the Company may be exposed to risks, such as changes in field-wide rules and regulations that could cause the Company to permanently or temporarily close the wells within these fields. These risks may, if materialized, adversely affect the Company's ability to conduct its operations in one or several of these fields, which could have a material adverse effect on the Company's results and financial position.

ALTERNATIVES TO AND CHANGING DEMAND FOR PETROLEUM PRODUCTS

Alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas such as hydropower, wind power, solar energy, geothermal energy and biofuels, and technological advances in fuel economy, electric vehicles and energy generation devices could over time reduce the demand for oil and other liquid hydrocarbons. The Company faces the evolving worldwide energy transition risks as demand for energy and global advancement of alternative sources of energy that are not sourced from fossil fuels could change assumptions used to determine the recoverable amount of the Company's PP&E (Property, Plant, and Equipment) and E&E (exploration and evaluation) assets and could affect the carrying value of those assets. It may also affect future development or viability of exploration prospects, may curtail the expected useful lives of oil and gas assets thereby accelerating depreciation charges and may accelerate decommissioning obligations increasing the present value of the associated provisions. Also, increasing regulatory demands and international treaties governing the commitment to the decrease of carbon dioxide emissions (such as the Paris Agreement of 2016) could reduce the demand for oil and/or gas over time. The Company cannot predict the negative impact of changing demand for oil and natural gas products, and any major changes may have a material adverse effect on the Company's business, results and financial position, e.g. with regard to the Company's cash flows.

EXPLORATION, DEVELOPMENT AND PRODUCTION RISKS

Exploration for and development of oil and gas involves many risks, such as risks associated with expenditures made on future exploration by the Company which may not always result in discoveries of oil in commercial quantities, or commercial quantities of oil may not at all be discovered by the Company. It is difficult to project the costs of implementing an exploratory drilling program due to the uncertainties associated with drilling in unknown formations. The costs are associated with various drilling conditions, such as over pressured zones and equipment that might get lost in the hole, and changes in drilling plans and locations as a result of prior exploratory wells or new interpretations of seismic data. Future oil exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not necessarily assure a profit on the investment or Exploration for and development of oil and gas involves many risks, such as risks associated with expenditures made on future exploration by the Company which may not always result in discoveries of oil in commercial quantities, or commercial quantities of oil may not at all be discovered by the Company. It is difficult to project the costs of implementing an exploratory drilling program due to the uncertainties associated with drilling in unknown formations. The costs are associated with various drilling conditions, such as over pressured zones and equipment that might get lost in the hole, and changes in drilling plans and locations as a result of prior exploratory wells or new interpretations of seismic data. Future oil exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not necessarily assure a profit on the investment or recovery of drilling, completion and operating costs.

RISKS RELATED TO GATHERING AND PROCESSING FACILITIES AND GENERAL INFRASTRUCTURE

The Company is dependent on available and functioning infrastructure relating to the properties on which it operates, such as roads, power and water supplies, and gathering systems for oil and gas. Depending on the area in which the Company operates, certain infrastructure and services commonly associated with petroleum operations may not be readily available. If any infrastructure or systems failures occur or do not meet the requirements of the Company, this could result in delayed, postponed or cancelled petroleum operations, lower production and sales and/or higher costs, and result in the Company's inability to realize the full economic potential of its production or in a reduction of the price offered for the Company's production. This risk is particularly high in certain countries such as Venezuela where the Company expects to grow production in the future.

DEPENDENCY ON COUNTERPARTIES

The Company is dependent on a few important counterparties. A loss of any of the Company's material counterparties, the counterparties changing their terms or increase their prices, or the counterparties encountering difficulties in complying with their contractual obligations could have a negative impact on the Company. Also, there is a risk that these counterparties will encounter difficulties in complying with their contractual obligations due to a shortage of raw materials, strikes, damage, financial difficulties or other circumstances that may affect the counterparty.

OPERATIONS IN EMERGING COUNTRIES

The Company participates in oil and gas projects located in Venezuela and Brazil which are considered emerging markets. Oil and gas exploration, development and production activities in emerging markets are subject to political, economical and legal uncertainties. Depending on the market uncertainties include, but are not limited to, the risk of war, terrorism, civil unrest, destruction or theft of Company property and infrastructure, kidnapping, extortion, expropriation, nationalization, renegotiation or nullification of existing or future concessions and contracts, the imposition of international sanctions, a change in crude oil pricing policies, a change in taxation policies, and the imposition of currency controls.

Oil and gas operations in emerging markets like Venezuela, and to a lower degree Brazil, involves navigating a complex array of challenges and expose the Company's personnel and facilities to heightened safety and security risks. High crime rates, and the presence of armed rebel groups or drug traffickers pose additional threats to the Company. Weak regulatory oversight in some regions also increases risks related to equipment failures, accidents, and environmental incidents. A company operating in such environment should implement robust security protocols and social programs, and may incur significant costs to protect its employees, contractors, communities, and assets. Any security incidents, accidents or environmental damage could lead to operational disruptions, legal liabilities, and reputational harm. Ensuring safe and compliant operations in higher risk areas is challenging and could result in higher operating costs for the Company and for the operators of assets the Company participates in. The above risks could therefore impede the possibility of the Company to conduct its operations to the planned extent.

POLITICAL AND ECONOMIC INSTABILITY IN VENEZUELA

The Company's recent investments in oil and gas assets in Venezuela expose it to significant political and economic risks in that country. Venezuela has experienced sustained political unrest, social upheaval, and economic instability in recent years. Additionally, the country's oil industry has suffered from mismanagement and underinvestment, leading to a decline in production and exports. The re-election of President Nicolás Maduro in 2018 was widely disputed, and the United States imposed significant sanctions against Venezuela. These sanctions generally are imposed pursuant to various Executive Orders issued by US presidents and by implementing regulations enforced by the US Treasury Department's Office of Foreign Assets Control ("OFAC"). US sanctions do not prohibit all activities involving Venezuela. US persons, however, are generally prohibited from engaging in transactions involving the Government of Venezuela, state-owned enterprises (such as Petróleos de Venezuela, S.A. ("PDVSA")), and certain other specifically sanctioned Venezuelan individuals and entities.

More recently, on October 18, 2023, in response to the signing of an electoral roadmap agreement between government representatives and Venezuelan political opposition parties ("Barbados Agreement"), OFAC published Venezuela General License 44. This license temporarily authorizes, through midnight of April 17, 2024, all transactions that are related to the oil and gas sector operations in Venezuela, including authorizing ordinarily incident and necessary financial transactions with the blocked Venezuelan financial institutions Banco Central de Venezuela and Banco de Venezuela SA Banco Universal.

The volatile political climate raises risks of the US reviewing its Venezuela sanctions policy (depending specially on the fulfillment of the commitments of the Barbados Agreement). Venezuelan elections are scheduled to occur in July 2024.

Additionally, expropriation, nationalization, civil unrest, and arbitrary changes in laws and policies could severely impact the Company's Venezuelan operations. High inflation rates, currency controls, and deteriorating infrastructure also threaten to disrupt operations and supply chains.

The Company may face difficulties repatriating profits from Venezuela due to foreign exchange controls. These political and economic risks could have a material adverse effect on the Company's investments, production levels, profitability, and cash flows from its Venezuelan assets.

Violations of these sanctions regimes can result in severe civil and criminal penalties. Maintaining rigorous compliance procedures in higher risk areas is essential but adds administrative costs. As sanctions policies continually evolve, the Company must stay vigilant in monitoring regulatory changes that could impact its activities or business partners in certain countries. Any sanctions breaches, even inadvertent ones, pose substantial legal, financial and reputational risks to the Company.

Despite these challenges, Venezuela's oil sector remains a crucial part of its economy and could play a central role in any future economic recovery, pending a resolution to the ongoing political crisis and an improvement in the investment climate.

COST OF NEW TECHNOLOGIES

The oil industry is characterized by technological advancements and introductions of new products and services utilizing new technologies (such as horizontal drilling, 3D and 4D seismic along with deep-sea drilling), and the Company is somewhat dependent on competitive technical solutions in order to maintain its market position. Other oil companies may have greater financial, technical and personnel resources that allow them to enjoy technological advantages and may in the future allow them to implement new technologies before such technologies become available to the Company. There is a risk that the Company will not be able to respond to such competitive pressures and implement such technologies on a timely basis or at a cost acceptable to the Company. One or more of the technologies currently utilized by the Company or implemented in the future may become obsolete and the Company may be unable to utilize the most advanced, cost effective and commercially available technology. In such case, this might result in a diminution or loss of the Company's competitiveness, which could have a material adverse negative impact on the Company's net sales and also its business over time.

RISKS IN ESTIMATING RESERVES AND RESOURCES

There are a number of uncertainties in estimating the quantities of reserves/resources including factors which are beyond the control of the Company. Estimating reserves and resources is a subjective process and the results of drilling, testing, production and other new data subsequent to the date of an estimate may result in revisions to original estimates.

Reservoir parameters may vary within reservoir sections. The degree of uncertainty in reservoir parameters used to estimate the volume of hydrocarbons, such as porosity, net pay and water saturation, may vary. The type of formation within a reservoir section, including rock type and proportion of matrix and or fracture porosity, may vary laterally and vertically and the degree of reliability of these parameters as representative of the whole reservoir may be proportional to the overall number of data points (wells) and the quality of the data collected. Reservoir parameters such as permeability and effectiveness of pressure support may affect the recover process. Recovery of reserves and resources may also be affected by the availability and quality of water, fuel gas, technical services and support, local operating conditions, security, performance of the operating company and the continued operation of well and plant equipment.

Additional risks associated with estimates of reserves and resources include operational risks during drilling activity, development and production, delays or changes in plans for development projects or capital expenditures, the uncertainty of estimates and projections related to production, costs and expenses, health, safety, security and environmental risks, and availability and efficiency of drilling equipment availability and personnel. These risks may impact the Company's ability to meet reserve and resource reporting deadlines and affect the accuracy of the reporting.

The Company has historically engaged professional and independent auditors staffed with professional geologists, engineers and other disciplines to evaluate its reservoir and development plans. For the year 2023, Maha has obtained reserves estimates from McDaniel & Associates Consultants regarding Block 70 in Oman (discontinued) and the Company's assets in the USA. There is a risk that the estimated range of volumes of reserves do not capture the full range of uncertainty. There is a risk that these estimates may change over time as new data and information becomes available. Actual production and cash flow could therefore be lower than the estimates, which in turn may affect the Company's expected earnings.

SHARED OWNERSHIP AND DEPENDENCY ON PARTNERS

In 2023 the Company concluded the divestment of a 35 percent participating interest in Block 70 in Oman, to Mafraq Energy LLC ("Mafraq") and the parties have entered into a Joint Operating Agreement. In January 2024 the Company signed a definitive agreement to sell the remaining 65 percent to the same partner. The Omani Government also retains a right to 'back in' to the Block 70 Agreement at Declaration of Commerciality whereby the Government would reimburse the Company its pro rata share of past expenditures. The Company is therefore dependent on, and affected by, the due performance of its partner. If Maha's partner fails to perform, the Company may, among other things, risk losing rights to the earn-out related to the sale of this asset.

In 2023 the Company also acquired a minority interest in 3R Offshore by the conclusion of a business combination with DBO in Brazil, 3R Offshore is operated by 3R Petroleum, a listed Brazilian company. The Company is again dependent on, and affected by, the due performance of its partner. If Maha's partner fails to perform, the Company may, among other things, risk losing rights to the dividends from 3R Offshore, or may be forced to contribute more capital to the project.

ENVIRONMENTAL AND CLIMATE-RELATED RISKS

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of laws and regulations in the different jurisdictions where the Company operates. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and natural gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned, decommissioned and reclaimed in a certain way to satisfy applicable regulatory authorities. Environmental regulations are expected to become more stringent in the future, and costs are expected to increase. Failure to comply with any such environmental regulations or any undertakings imposed on the Company might entail civil, administrative and criminal sanctions.

The Company's operations are located in regions where there are numerous environmental regulations including restrictions on where and when oil and gas operations may occur, regulations on the release of substances into groundwater, atmosphere and surface land and the location of production facilities

The Company faces the evolving worldwide energy transition risks as demand for energy and global advancement of alternative sources of energy that are not sourced from fossil fuels could change assumptions used to determine the recoverable amount of the Company's PP&E and E&E assets and could affect the carrying value of those assets, may affect future development or viability of exploration prospects, may curtail the expected useful lives of oil and gas assets thereby accelerating depreciation charges and may accelerate decommissioning obligations increasing the present value of the associated provisions. Changes in environmental legislation can result in a curtailment of production, and require significant expenditures, e.g. regarding production, development and exploration activities. In addition, a breach of applicable environmental regulation or legislation may result in liabilities such as the recovery of the damages, the imposition of fines and penalties, some of which may be material, and/or restrictions or cessation of operations. The legislative framework in the jurisdictions where the Company operates regarding the environment features items such as strict liability and joint, and several liability with regard to joint venture operations.

The energy transition could impact the future prices of commodities. Pricing assumptions used in the determination of recoverable amounts incorporate markets expectations and the evolving worldwide demand for energy. Changes to assumptions could result in a material adjustment to the carrying amount of assets and liabilities within the next financial year.

DECOMMISSIONING

The Company has assumed certain obligations in respect of the decommissioning of its fields and related infrastructure in all operating areas of the Company. In some cases, these liabilities are derived from legislative and regulatory requirements, and in other cases, these liabilities can also be contractual obligations. In Brazil, such requirements depend on ANP, concerning the decommissioning of wells and production facilities and require the operator (in Maha's case, the operator is 3R Offshore) to make provision for and/or underwrite the liabilities relating to such decommissioning.

The Company's accounts make a provision for decommissioning costs for continuing operations based on the management's estimate in accordance with applicable accounting standards but there is a risk that the actual costs of decommissioning exceed the amount of the long-term provision set aside to cover such decommissioning costs. The Company's decommissioning provision amounted to TUSD 539 as per 31 December 2023, which includes all wells and facilities in the USA and Oman. In addition, the Company may be required to decommission wells that have not reached the end of their service life as a result of e.g. regulatory requirements. These risks may, if materialized, have a material adverse effect on the Company's business and result. In addition, local or national governments and lessors of oil and gas leases may require the Company to provide cash-back guarantees, blocked cash deposits or similar upfront payments and escrow relating to future decommissioning costs which would affect the Company's liquidity.

Financial risks

MANAGEMENT ESTIMATES AND ASSUMPTIONS

In preparing consolidated financial statements in conformity with IFRS, estimates and assumptions are used by management in determining the reported amounts of assets and liabilities, revenues and expenses recognized during the periods presented and disclosures of contingent assets and liabilities known to exist as of the date of the financial statements. These estimates and assumptions must be made because certain information that is used in the preparation of such financial statements is dependent on future events, cannot be calculated with a high degree of precision from data available, or is not capable of being readily calculated based on generally accepted methodologies. In some cases, these estimates are particularly difficult to determine and the Company must exercise significant judgment. Actual results for all estimates could differ materially from the estimates and assumptions used by the Company, which could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and future prospects.

CREDIT RISK

The Company may be exposed to third party credit risk through its contractual arrangements with its current or future joint venture partners, customers, and other parties. In Oman, Maha has entered into a joint operating agreement with Mafraq as its partner in Block 70, has sold the asset and now have a receivable due on closing of the transaction and a potential earn-out. In Venezuela, Maha is still in the process of negotiating key contracts with counterparties that may pose credit risk. In the USA, the Company markets and sells its oil through Country Mark (Illinois Basin) and receives payment 30 days in arrears. In the USA, historically, the Company has always received full payment. The Company's financial position may be materially adversely affected in the event such partners fail to meet their contractual obligations to the Company.

A portion of the Company's cash is held by banks in foreign jurisdictions where there could be increased exposure to credit risk. In the event the Company's counterparty does not fulfill its obligations in accordance with agreements, this could adversely affect the Company's business, financial position and results.

LIQUIDITY AND REFINANCING RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has since inception been equity and debt financed through share and bonds issues, and also financed by asset divestment. Additional capital could be needed to finance the Company's future operations and/or for acquisition of additional licences. The main risk is that this need could occur during less favourable market conditions. Management relies on cash forecasting to assess the Company's cash position based on expected future cash flows. As of Dec 2023, the Company has outstanding bank debt amounting to approximately USD 34.4 million of which USD 11.9 million is current. The terms of the debt contain provisions which limit the Company's ability to make certain payments and distributions (such as paying dividends), incur additional indebtedness, make certain disposals of or provide security over its assets, or engage in mergers or demergers. Further, the Company is required to meet certain maintenance covenants. If the Company would fail to comply with any of the maintenance covenants, all of the outstanding debt may be declared immediately due and payable together with any other amounts payable. As of December, the Company had current assets of approximately USD 130.8 million. There is a risk that the Company either has insufficient funds to settle the current portion of the debt or repay or refinance the debt when due.

Refinancing risk is the risk that financing cannot be obtained or renewed on expiry of its term or can only be obtained or renewed at significantly increased costs. There is a risk that additional capital cannot be obtained or can only be obtained at unfavorable terms and conditions.

FOREIGN CURRENCY EXCHANGE RATE RISK

The Company is exposed to changes in foreign exchange rates as expenses in foreign subsidiaries, oil and gas expenditures, or financial instruments may fluctuate due to changes in rates. The main functional currencies of the Company's subsidiaries are Brazilian Reals ("BRL") for the subsidiaries in Brazil and Luxembourg and Swedish Krona ("SEK") for the subsidiaries in Sweden, making the Company sensitive to fluctuations of these currencies against US Dollar ("USD"). Majority of the Company's oil sales are denominated in USD oil price and all operational, administrative and capital activities related to the Brazil properties are transacted primarily in BRL. In Sweden, the Company's expenditures are in SEK. Further, with regards to BRL, there is a risk of inflation or hyper-inflation.

FUTURE DIVIDENDS

Historically, Maha has not paid any dividends to the shareholders. As the Company currently focuses on further developing and expanding its operations, any surpluses in the business are instead reinvested to finance the Company's long-term strategy. The Company has no immediate plan of paying dividends, as it anticipates that all available funds will be invested to finance the growth of its business. The size of possible future dividends depends on a number of factors, including the Company's future results, financial position, cash flows, working capital needs, compliance with loan terms, legal and financial restrictions and other factors. There is a risk that the Company will not have sufficient distributable funds in the future, and consequently a risk that no dividends will be paid, and the investor's potential return is solely dependent on the future value of the share as long as no dividends are paid.

MARKET PRICE OF THE SHARE AND LIQUIDITY

Since an investment in shares may decline in value, there is a risk that an investor will not recover the capital invested. The development of the share price depends on a number of factors, and may for example be affected by supply and demand, changes in actual or expected results, changes in profit forecasts, regulatory changes and other factors, such as divestments of major shareholdings by shareholders. The price of the Company's share is also affected by macro-economic factors, in particular by the oil market price. The Company's share is traded on Nasdaq Stockholm. During the period 31 March 2023 – 31 March 2024, the Company's share price was at its minimum SEK 7.06 and at its maximum SEK 10.58. Consequently, the price of the Company's share may be volatile, and the difference between the selling price and the purchase price may be significant from time to time, which makes it more difficult for a shareholder to sell shares at a certain time at a price deemed satisfactory.

DILUTION

The Company may need to obtain additional financing through new issues, share-related securities or convertible debt securities, which may result in a dilution of existing shareholders' shareholding in the Company. There is a risk that additional financing under acceptable terms will not be available to the Company when required, or at all. If the Company resolves to raise additional capital, for example through an issuance of new shares, there is a risk that the Company's shareholders` may be diluted, which may also affect the price of the shares. If these risks were to realize, it could have a material adverse effect on the investors' invested capital and/or the price of the shares.

RISK OF HOLDING EQUITY IN OTHER COMPANIES AS A SUBSTANTIAL PART OF THE INVESTMENT PORTFOLIO

A substantial part of Maha's investment portfolio is invested in 3R Petroleum Óleo e Gás S.A. ("3R Petroleum"). 3R Petroleum (RRRP3:SAO) is a publicly traded Brazilian oil and gas company, listed on B3 (Brazilian Stock Exchange). There is a risk that upswings and downturns will occur in the 3R Petroleum's share price as regards prices and volumes, that have no relation to, or that is disproportionate in relation to, 3R Petroleum's earnings. General economic and industrial factors could have a material impact on the price of the 3R Petroleum's shares, regardless of its actual earnings. In addition, 3R Petroleum is traded in Brazilian real, which adds an element of foreign currency risk to the investment. The aforementioned means there is a risk that Maha, if the Company would want, will not be able to sell shares at a price equivalent to or above the price Maha acquired the shares for, and may make a loss on its investment.

47

Financial Statements

Consolidated Statement of Operations

For the Financial Year Ended 31 December

Consolidated Income Statement (TUSD)	Note	2023	2022
Revenue			
Oil and gas sales	4	5,226	12,327
Royalties		(1,268)	(2,976)
Net Revenue		**3,958**	**9,351**
Cost of sales			
Production expenses	3	(1,761)	(2,828)
Depletion, depreciation and amortization	9	(1,883)	(2,768)
Gross profit		**314**	**3,755**
General and administration	5	(9,392)	(4,922)
Stock-based compensation		276	(802)
Exploration and business development costs		0	0
Foreign currency exchange		314	1
Impairment (LAK)		(2,459)	0
Share of income from investment in associate		3,977	0
Other Income		37	0
Operating result		**(6,933)**	**(1,968)**
Finance income		8,710	64
Finance costs		(7,084)	(9,394)
Net Finance items	**6**	**1,626**	**(9,330)**
Result before tax		**(5,307)**	**(11,298)**
Current and deferred tax	7	0	0
Net result from continuing operations		**(5,307)**	**(11,298)**
Discontinued Operations			
Net result from discontinued operations	8	(28,646)	34,231
Net result		**(33,953)**	**22,933**
Basic and diluted earnings per share			
From continuing operations		(0.03)	(0.09)
From discontinued operations		(0.17)	0.28
		(0.20)	0.19
Weighted average number of shares:			
Before dilution		164,799,396	120,697,888
After dilution		164,799,396	120,987,859

Consolidated Statement of Comprehensive Earnings

For the Financial Year Ended 31 December

Consolidated Comprehensive Result (TUSD)	2023	2022
Net Result for the period	**(33,953)**	**22,933**
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	(7,772)	6,743
Transfer of accumalated other comprehensive Income on disposition	26,612	0
Comprehensive result for the period	**(15,113)**	**29,676**
Attributable to:		
Shareholders of the Parent Company	(15,113)	29,676

Consolidated Statement of Financial Position

For the Financial Year Ended 31 December

Consolidated Balance Sheet (TUSD)	Note	2023	2022
ASSETS			
Non-current assets			
Property, plant and equipment	9	14,988	14,015
Exploration and evaluation assets	10	0	29,202
Investment in associate	30	34,985	0
Other long-term financial assets		9,134	302
Restricted cash		12,000	0
Total non-current assets		**71,107**	**43,519**
Current assets			
Assets held for sale	8	9,806	153,986
Prepaid expenses and deposits		561	590
Crude oil inventory		215	172
Accounts receivable and other credits	11	1,092	568
Restricted cash		30,830	0
Cash and cash equivalents	12	88,289	19,520
Total current assets		**130,793**	**174,836**
TOTAL ASSETS		**201,900**	**218,355**
EQUITY AND LIABILITIES			
Equity			
Share Capital		208	171
Contributed Surplus		135,067	106,063
Other reserves		(14,427)	(33,267)
Retained earnigs		33,977	67,930
Total Equity		**154,825**	**140,897**
Liabilities			
Non-current liabilities			
Bank debt	15	11,879	26,590
Decommissioning provision	16	539	1,700
Lease liabilities	17	494	78
Total non-current liabilities		**12,912**	**28,368**
Current liabilities			
Liabilities held for sale	8	7,806	19,889
Bank debt	15	22,500	19,500
Accounts payable	19	3,017	3,649
Accrued liabilities and provisions		735	5,975
Current portion of lease liabilities	17	104	77
Total current liabilities		**34,162**	**49,090**
TOTAL LIABILITIES		**47,074**	**77,458**
TOTAL EQUITY AND LIABILITIES		**201,900**	**218,355**

Consolidated Statement of Cash Flows

For the Financial Year Ended 31 December

Cash Flow (TUSD)	Note	2023	2022
Operating Activities			
Net results -continuing ops		(5,307)	(11,298)
Net results -discontinued ops		(28,646)	34,231
Depletion, depreciation, and amortization	9	1,883	13,338
Impairment	10	27,692	0
Stock based compensation		(276)	802
Accretion of decommissioning provision		36	146
Amortization of deferred financing fees	15	1,389	1,838
Share of income from investment in associate		(3,977)	0
Other gains		0	(384)
Interest expense	15	1,168	7,689
Income tax expense		0	(2,548)
Deferred tax expense		0	12,712
Unrealized foreign exchange amounts		(941)	(213)
Accrued liabilities and provisions		1,161	0
Settlement of decommissioning liabilities		0	(103)
Tax Paid		0	(2,673)
Interest received		8,710	153
Interest paid		(4,428)	(7,507)
Changes in working capital	24	(9,543)	8,474
Others		(1,596)	0
Cash from operating activities		**(12,675)**	**54,657**
Investing activities			
Capital expenditures - property, plant, and equipment	9	(3,237)	(47,602)
Capital expenditures - exploration and evaluation assets	9	(12,994)	(15,081)
Farmout Proceeds		10,180	0
Investment in other long term financial assets		(9,134)	0
Restricted cash		(42,830)	0
Proceeds from sale of discontinued operations		150,665	0
Cash used in investment activities		**92,650**	**(62,683)**
Financing activities			
Lease payments	17	(82)	(1,358)
Repayment of bank debt	15	(14,250)	(11,250)
Shares subscription (net of issue costs)		(75)	18,993
Cash from (used in) financing activities		**(14,407)**	**6,385**
Change in cash and cash equivalents		**65,568**	**(1,641)**
Cash and cash equivalents at the beginning of the period		23,228	25,535
Currency exchange differences in cash and cash equivalents		(151)	(666)
Cash and cash equivalents at the end of the period		**88,645**	**23,228**
- of which is included in discontinued operations	8	356	3,708
- of which is included in the continued operations		88,289	19,520

Consolidated Statement of Changes in Equity

For the Financial Year Ended 31 December

Condensed Consolidated Statement of Changes in Equity (TUSD)	**Share capital**	**Contributed surplus**	**Other Reserve**	**Retained Earnings**	**Shareholders' Equity**
Balance at 1 January 2022	**146**	**86,292**	**(40,010)**	**44,997**	**91,425**
Comprehensive result					
Result for the period	0	0	0	22,933	22,933
Currency translation difference	0	0	6,743	0	6,743
Total comprehensive result	0	0	6,743	22,933	29,676
Transactions with owners					
Stock based compensation	0	802	0	0	802
Share issuance (net of issue costs)	25	18,969	0	0	18,994
Balance at 31 December 2022	**171**	**106,063**	**(33,267)**	**67,930**	**140,897**
Comprehensive result					**0**
Result for the period	0	0	0	(33,953)	(33,953)
Currency translation difference	0	0	18,840	0	18,840
Total comprehensive result	**0**	**0**	**18,840**	**(33,953)**	**(15,113)**
Transactions with owners					
Stock based compensation	0	(276)	0	0	(276)
Share issuance (net of issue costs)	37	29,280	0	0	29,317
Balance at 31 December 2023	**208**	**135,067**	**(14,427)**	**33,977**	**154,825**

Parent Company Income Statement

For the Financial Year Ended 31 December

Parent Company Statement of Operations *(in thousands of Swedish Krona)*	**Note**	**2023**	**2022**
Revenue		**0**	**0**
Expenses			
General and administrative	5	(51,981)	(9,081)
Impairment		0	0
Foreign currency exchange gain/loss		(12,904)	7,102
Operating result		**(64,885)**	**(1,979)**
Finance costs	6	(471,785)	(114,222)
Finance income	6	147,415	51,323
Result before tax		**(389,255)**	**(64,878)**
Income tax		0	0
Net result for the period*		**(389,255)**	**(64,878)**

(*) A separate report over Other Comprehensive Income is not presented for the Parent Company as there are no items included in Other Comprehensive Income for the Parent Company

Parent Company Balance Sheet

For the Financial Year Ended 31 December

Parent Company Balance Sheet (in thousands of Swedish Krona)	Note	2023	2022
Assets			
Non-current assets			
Investments in subsidiaries	30	456,931	16,153
Loans to subsidiaries	31	332,810	691,849
Restricted cash		121,680	0
		911,421	**708,002**
Current assets			
Accounts receivable and other	11	20,508	167
Restricted cash		241,355	50
Cash and cash equivalents		876,200	152,391
		1,138,063	**152,608**
Total Assets		**2,049,484**	**860,610**
Equity and Liabilities			
Restricted equity			
Share capital		1,963	1,580
Unrestricted equity			
Contributed Surplus		1,201,366	892,763
Retained Earnings		(528,773)	(463,895)
Net result		(389,254)	(64,878)
Total unrestricted equity		**283,339**	**363,990**
Total equity		**285,302**	**365,570**
Non-current liabilities			
Bank debt (Non-current)	15	108,344	288,246
Current liabilities			
Accounts payable and accrued liabilities	19	6,938	3,604
Loan from subsidiaries		1,403,203	0
Bank debt (Current)	15	245,698	203,190
		1,655,839	**206,794**
Total Liabilities		**1,764,182**	**495,040**
Total Equity and Liabilities		**2,049,484**	**860,610**

Parent Company Cash Flow Statement

For the Financial Year Ended 31 December

Expressed in thousands of Swedish Krona	Note	2023	2022
Operating Activities			
Net result		(389,255)	(64,878)
Stock based compensation		(3,000)	0
Impairment on investment in subsidiary and loans		397,206	19,939
Amortization of deferred financing fees		14,940	19,064
Interest expense		8,196	76,838
Interest income		(95,861)	(51,323)
Unrealized foreign exchange		(20,652)	(6,986)
Interest paid		11,660	(76,838)
Changes in working capital		(17,006)	2,031
Cash from operating activities		**(93,773)**	**(82,152)**
Investing activities			
Restricted cash		(362,985)	0
Investment in subsidiaries		(440,778)	0
Loan repayment by subsidiaries		83,500	151,926
Loans to subsidiaries		(13,350)	(101,566)
Cash used in investment activities		**(733,614)**	**50,359**
Financing activities			
Borrowings		1,403,203	0
Repayment of bank debt		(163,995)	(119,500)
Exercise of warrants		0	0
Shares subscription (net of issue costs)		311,987	198,433
Cash from (used in) financing activities		**1,551,195**	**78,933**
Change in cash and cash equivalents		**723,809**	**47,140**
Cash and cash equivalents at the beginning of the period		152,391	88,170
Currency exchange differences in cash and cash equivalents		0	17,081
Cash and cash equivalents at the end of the period		**876,200**	**152,391**

Parent Company Statement of Changes in Equity

For the Financial Year Ended 31 December

(Thousands of Swedish Krona)	Restricted equity **Share capital**	Unrestricted equity **Contributed surplus**	**Retained Earnings**	**Total Equity**
Balance at 1 January 2022	**1,317**	**686,398**	**(463,895)**	**223,820**
Total comprehensive income	0	0	(64,878)	(64,878)
Transaction with owners				
Stock based compensation	0	8,195	0	8,195
Share issuance (net of issuance costs)	263	198,170	0	198,433
Total transaction with owners	263	206,365	0	206,628
Balance at 31 December 2022	**1,580**	**892,763**	**(528,773)**	**365,570**
Total comprehensive income	0	0	(389,255)	(389,255)
Transaction with owners				
Stock based compensation	0	(3,000)	0	(3,000)
Share issuance (net of issuance costs)	383	311,604	0	311,987
Total transaction with owners	1,963	1,201,367	(918,028)	285,302
Balance at 31 December 2023	**1,963**	**1,201,367**	**(918,028)**	**285,302**

Notes to the Financial Statements

For the years ended December 31, 2023 and 2022. (Tabular amounts are in US Dollars, except in the Parent Company Financial Statements where the amounts are in Swedish Krona (SEK), unless otherwise stated).

1. Corporate Information

Maha Energy AB ("Maha (Sweden)" or "Company" or "Parent Company"), Organization Number 559018-9543 and its subsidiaries (together "Maha" or the "Group") are engaged in the acquisition, exploration and development of oil and gas assets. The Group has operations in United States and is currently divesting its position on Block 70, Oman. The head office is located at Eriksbergsgatan 10, SE-114 30 Stockholm, Sweden. The Company has operations offices in Grayville, IL, Newcastle, WY, USA, Muscat, Oman and Rio de Janeiro, Brazil. Maha's office in Calgary, Canada, has been significantly reduced during the fourth quarter of 2023. All functions previously handled by the Canadian office have been transferred to Maha's office in Rio de Janeiro, Brazil and/ or Maha´s office that is being incorporated in Venezuela.

The Company completed the sale of Maha Brazil on 28 February 2023. Therefore, such entity is no longer part of the Group. The Company formed a new wholly owned subsidiary in Brazil, Maha Energy (Holding) Brasil Ltda, having its headquarters in Rio de Janeiro, RJ, Brazil, and engaged in activities related to the participation and acquisition of companies or assets in Brazil or abroad.

In May 2023 the Company concluded the business combination with DBO, receiving 100 percent of the shares of DBO 2.0 (current Maha Offshore), which holds 15 percent of 3R Offshore's shares – the later having working interests in producing oil and gas offshore fields in Brazil.

During July 2023, Maha invested USD 1,000,000 in EIG Bolivia Pipeline AB, acquiring a 7% stake with 3,845 shares.

In October 2023, Maha Energy executed an exclusive agreement to acquire a 24 percent indirect equity stake in PetroUrdaneta, a Venezuelan oil company The agreement includes exclusive rights for Maha to acquire 60 percent of Novonor's Spanish subsidiary, Odebrecht E&P España, holding a 40 percent equity interest in PetroUrdaneta.

2. Accounting Policies

Basis of preparation

The consolidated financial statements of Maha Energy AB and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRIC) interpretations issued by International Accounting Standards Board (IASB), as adopted by the European Union (EU) Commission and the Swedish Annual Accounts Act (1995:1554). In addition, RFR 1 "Supplementary Rules for Company's" has been applied as issued by the Swedish Financial Reporting Board. The Parent Company applies the same accounting policies as the Group unless otherwise stated.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed under the heading "Critical accounting estimates and judgements". The consolidated financial statements have been prepared under the historical cost convention, except for items that are required to be accounted for at fair value as detailed in the Group's accounting policies. Intercompany transactions and balances have been eliminated.

CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Throughout the year, the Company implemented updated accounting standards, interpretations, and annual improvements effective from January 1, 2023. Their application did not significantly affect the consolidated financial statements. Moreover, the introduction of new or revised accounting standards or interpretations is not anticipated to materially impact the Company's financial statements. Additionally, the Company has not adopted any standards, interpretations, or amendments that are issued but not yet effective.

Summary of Material Accounting Policy Information

ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale or distribution in its present condition. Actions required to complete the sale or distribution should indicate that it is unlikely that significant changes to the sale or distribution will be made or that the decision to sell or distribute will be withdrawn. Management must be committed to the plan to sell or distribute the asset and the sale or distribution expected to be completed within one year from the date of the classification.

Oil and gas properties, other tangible fixed assets and intangible assets are not depleted, depreciated or amortised anymore once classified as held for sale or distribution. Assets and liabilities classified as held for sale or distribution are presented separately as current items in the statement of financial position. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of operations.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of Maha and its subsidiaries. Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases. Inter-company transactions, balances and unrealized gains on transactions between Company companies are eliminated. Unrealized losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

JOINT ARRANGEMENTS

Under IFRS 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Maha has joint operations in Oman's Block 70 which is now part of the assets held for sale (see Note 8). Maha recognizes its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings. The Company conducts its operations as a joint operation that does not have a separate legal entity status through licenses which are held jointly with other companies. The Company's financial statements reflect the Company's share of production, capital costs, operational costs, current assets and liabilities in the joint operations.

BUSINESS COMBINATIONS

The acquisition method of accounting is used to account for acquisitions of businesses and assets that meet the definition of a business under IFRS. The cost of an acquisition is measured as the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their acquisition date fair values. If the consideration of acquisition given up is less than the fair value of the net assets received, the difference is recognized immediately in the Statement of Operations. If the consideration of acquisition is greater than the fair value of the net assets received, the difference is recognized as goodwill on the statement of financial position. Acquisition costs incurred are expensed.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 is measured at fair value with the changes in fair value recognized in the statement of operations in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognized in profit or loss. There is an option to apply a concentration test that permits a simplified assessment of whether an acquired set of activities and assets is in fact a business. The optional concentration test is met if substantially all of the fair value of the assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. An entity may make such an election separately for each transaction or other event. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

On May 23, 2023, the Company completed a business combination with DBO, resulting in the transfer of 100 percent of DBO 2.0's outstanding shares, now known as Maha Offshore. Maha issued 34,829,057 new shares to DBO's shareholders and incurred transaction costs of TUSD 592. Maha Offshore holds a 15 percent stake in 3R Offshore, which operates producing oil and gas fields offshore in Brazil. Due to Maha's significant influence over 3R Offshore, its investment in DBO 2.0 is recognized as an investment in associates. In Q3 2023, DBO 2.0 was renamed Maha Energy Offshore (Brasil) Ltda.

FOREIGN CURRENCIES

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ('functional currency'). The consolidated financial statements are presented in US dollars (USD) which is the currency the Company has elected to use as the presentation currency. The functional currencies of the Company's subsidiaries are as follows:

Subsidiary	Functional Currency
Maha Energy AB (Parent Company)	USD
Maha Energy Inc	USD
Maha Energy (USA) Inc	USD
Maha Energy Services LLC	USD
Maha Energy (Indiana) Inc.	USD
Maha Energy 1 (Brazil) AB	SEK
Maha Energy 2 (Brazil) AB	SEK
Maha Energy Brasil Ltda	BRL
Maha Energy Offshore (Brasil) Ltda	BRL
Maha Energy Finance (Luxembourg) S.A.R.L.	BRL
Maha Energy (Oman) Ltd	USD

TRANSACTIONS AND BALANCES

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at period end and foreign exchange currency differences are recognized in the income statement. Transactions in foreign currencies are translated at exchange rates prevailing at the transaction date. Exchange differences are included in financial income/expenses in the Consolidated Statement of Operations.

PRESENTATION CURRENCY

The Consolidated Statement of Financial Position and the Consolidated Statement of Operations of foreign Group companies are translated for consolidation purposes using the current rate method. All assets and liabilities of the subsidiary companies are translated at the period end rates of exchange, whereas the Statement of Operations are translated at average rates of exchange for the year, except for transactions where it is more relevant to use the rate of the day of the transaction. The translation differences which arise are recorded directly in the foreign currency translation reserve within other comprehensive income. Upon disposal of a foreign operation, the translation differences relating to that operation will be transferred from equity to the Statement of Operations and included in the result on sale. Translation differences arising from net investments in subsidiaries, used for financing exploration activities, are recorded directly in other comprehensive income. For the preparation of the financial statements for the reporting period, the following exchange rates have been used:

Subsidiary	31/Dec/23		31/Dec/22	
Currency	Average	Period End	Average	Period End
SEK/USD	10.612	10.081	10.116	10.424
BRL/USD	4.995	4.853	5.179	5.284

SEGMENT REPORTING

Operating segments are based on geographic perspective due to the unique nature of each country's operations, commercial terms or fiscal environment and reported in a manner consistent with the internal reporting provided to the Executive Management. Information for segments is only disclosed when applicable.

CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Company presents assets and liabilities in the Consolidated Statements of Financial Position based on current/noncurrent classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle.
- Expected to be realised within twelve months after the reporting period.
- Or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle.
- It is due to be settled within twelve months after the reporting period.
- Or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

OIL AND GAS PROPERTIES

Oil and gas properties are initially recorded at historical cost, where it is probable that they will generate future economic benefits. All costs for acquiring concessions, licenses or interests in production sharing contracts and for the survey, drilling and development of such interests are capitalized on a field area cost center basis. This includes capitalization of decommissioning and restoration costs associated with provisions for asset retirement (see Note 16). Oil and gas properties are subsequently carried at cost less accumulated depreciation, depletion and amortization (including any impairment). Gains and losses on disposals are determined by comparing the proceeds with the carrying amounts of assets sold and are recognized in income. Routine maintenance and repair costs for producing assets are expensed to the Statement of Operations when they occur. Proceeds from the sale or farm-out of oil and gas concessions in the exploration stage are off set against the related capitalized costs of each cost center with any excess of net proceeds over all costs capitalized included in the income statement.

DEPRECIATION, DEPLETION AND AMORTIZATION ("DD&A")

Producing oil and gas properties are depleted on a unit-of-production basis over the proved and probable reserves of the field. In accordance with the unit of production method, net capitalized costs to reporting date, together with anticipated future capital costs for the development of the proved and probable reserves determined at the balance sheet date price levels, are depleted based on the year's production in relation to estimated total proved and probable reserves of oil and gas. The impact of potential changes in estimated proved and probable reserves is dealt with prospectively by depleting the remaining carrying value of the asset over the expected future production. Depletion of a field area is charged to the Statement of Operations once commercial production commences, under depletion, depreciation and amortization.

Proved reserves are those quantities of petroleum which, by analysis of geological and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under current economic conditions, operating methods and governmental regulations. Proved reserves can be categorized as developed or undeveloped. If deterministic methods are used, the term reasonable certainty is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90 percent probability that the quantities actually recovered will equal or exceed the estimates.

Probable reserves are those unproved reserves which analysis of geological and engineering data suggests are more likely than not to be recoverable. In this context, when probabilistic methods are used, there should be at least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of estimated proved plus probable reserves.

EXPLORATION AND EVALUATION ASSETS ("E&E")

Pre-license costs are recognized as an expense when incurred. Exploration and evaluation costs, including the costs of acquiring licenses, exploratory drilling and completion costs, and directly attributable general and administrative costs are initially capitalized as intangible E&E assets according to the nature of the asset acquired. These costs are accumulated in cost centers by field or exploration area pending determination of technical feasibility and commercial viability. Ongoing carrying costs including the costs of non-producing lease rentals are capitalized to E&E assets. Proceeds received from the sale of E&E assets are recorded as a reduction to the carrying value of the asset.

The technical feasibility and commercial viability of extracting a resource is considered to be determinable when proved reserves are determined to exist and these reserves can be commercially produced. A review of each exploration license or area is carried out, at least annually, to assess whether proved reserves have been discovered. Upon determination of proved reserves which can be commercially produced, E&E assets attributable to those reserves are first tested for impairment and then reclassified from E&E assets to property and equipment. Future oil price curves from third parties are utilized to assess the value of the assets. Those curves consider scenarios that depend on the balance of supply and demand, energy transition and other factors that impact oil prices. Should any change to the market expectation regarding those scenarios take place, the value of Maha's assets could be impacted.

Assets classified as E&E may have sales of crude oil or natural gas prior to the reclassification to oil and gas properties. These operating results are recognized in the Consolidated Statements of operations.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Oil and gas properties, E&E assets and Right-of-use ("ROU") assets are reviewed separately for indicators of impairment quarterly or when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. If indicators of impairment exist, the recoverable amount of the asset or cash-generating unit

("CGU") is estimated as the greater of value-in- use ("VIU") and fair value less costs of disposal ("FVLCOD"). VIU is estimated as the present value of the future cash flows expected to arise from the continuing use of a CGU or an asset. FVLCOD is the amount that would be realized from the disposition of an asset or CGU in an arm's length transaction between knowledgeable and willing parties. For the Company, FVLCOD is based on the discounted after tax cash flows of reserves and resources using forward prices and costs, consistent with independent qualified reserves evaluators and may consider an evaluation of comparable asset transactions. Pricing assumptions have not led to impairment indicators during the year, but future variations in oil price scenarios could impact Maha assets' value.

E&E assets are allocated to a related CGU containing development and production assets for the purposes of testing for impairment. ROU assets may be tested as part of a CGU, as a separate CGU or as an individual asset.

If the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognized. Impairment losses on PP&E and ROU assets are recognized in the Consolidated Statements of Operations as additional DD&A or as an E&E asset impairment expense.

Impairment losses recognized in prior periods are assessed at each reporting date for any indicators that the impairment losses may no longer exist or may have decreased. In the event that an impairment loss reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the carrying amount does not exceed the amount that would have been determined had no impairment loss been recognized on the asset in prior periods. The amount of the reversal is recognized in net earnings.

OTHER TANGIBLE ASSETS

Other tangible assets that include office furniture, fixtures, leasehold improvements, machinery and vehicles are stated at cost less accumulated depreciation. Depreciation is based on cost and is calculated on a straight-line basis over the estimated economic life of the assets, which range from two to five years for office furniture, fixtures, vehicles and leasehold improvements. Materials and spare parts are assessed annually for the conditions and obsolescence and, if used, the related costs are transferred to the exploration costs of the property.

Additional costs to existing assets are included in the assets' net book value or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The net book value of any replaced parts is written off. Other additional expenses are deemed to be repair and maintenance costs and are charged to the Statement of Operations when they are incurred. The net book value is written down immediately to its recoverable amount when the net book value is higher. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

LEASES

The Company assesses whether a contract is a lease based on whether the contract conveys the right to control the use of an underlying asset for a period of time in exchange for consideration. The Company allocates the consideration in the contract to each lease component based on their relative stand-alone prices. Leases are recognized as a ROU asset as part of the property, plant and equipment and a corresponding lease liability at the date on which the leased asset is available for use by the Company. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments, variable lease payments that are based on an index or a rate, amounts expected to be paid by the lessee under residual value guarantees, the exercise price of purchase options if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, less any lease incentives receivable. These payments are discounted using the Company's incremental borrowing rate when the rate implicit in the lease is not readily available.

Lease payments are allocated between the liability and finance costs. The finance cost is charged to net earnings over the lease term.

The lease liability is measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in the future lease payments arising from a change in an index or rate, if there is a change in the amount expected to be payable under a residual value guarantee or if there is a change in the assessment of whether the Company will exercise a purchase, extension or termination option that is within the control of the Company. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the ROU asset or is recorded in the consolidated statement of earnings if the carrying amount of the ROU asset has been reduced to zero.

The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located less any lease payments made at or before the commencement date. The ROU asset is depreciated, on a straight-line basis, over the shorter of the estimated useful life of the asset or the lease term. The ROU asset may be adjusted for certain remeasurements of the lease liability and impairment losses. Leases that have terms of less than twelve months or leases on which the underlying asset is of low value are recognized as an expense in the consolidated statement of earnings on a straight-line basis over the lease term.

A lease modification will be accounted for as a separate lease if the modification increases the scope of the lease and if the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope. For a modification that is not a separate lease or where the increase in consideration is not commensurate, at the effective date of the lease modification, the Company will remeasure the lease liability using the Company's incremental borrowing rate, when the rate implicit to the lease is not readily available, with a corresponding adjustment to the ROU asset. A modification that decreases the scope of the lease will be accounted for by decreasing the carrying amount of the ROU asset, and recognizing a gain or loss in net earnings that reflects the proportionate decrease in scope.

FINANCIAL ASSETS AND LIABILITIES

The Company's financial assets include cash, accounts receivable, net investment in finance leases, and long-term receivables. The Company's financial liabilities include accounts payable and accrued liabilities, short-term borrowings, lease liabilities, and long-term debt. Financial assets and financial liabilities are recognized on the Consolidated Statements of Financial Position initially at fair value plus transaction costs on initial recognition and subsequently measured at amortized cost unless stated otherwise. Financial assets are derecognized when the rights to receive cash flows from the investment have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial liability is derecognized when the obligation is discharged, cancelled, or expired. The Company characterizes its fair value measurements into a three-level hierarchy depending on the degree to which the inputs are observable, as follows:

- Level 1 inputs are quoted prices in active markets for identical assets and liabilities.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability either directly or indirectly: and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Company recognizes the following financial assets and liabilities:

Financial Assets at amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. The Company classifies its cash and cash equivalents and accounts receivables at amortized cost. The Company's intent is to hold the receivables until cash flows are collected.

Financial Assets through other comprehensive income ("FVOCI")

Financial assets measured at FVOCI includes assets that are held for contractual cash flows and selling the financial assets, where its contractual terms give rise on specific dates to cash flows that represent solely payments of principal and interest.

Financial Assets at fair value through profit or loss ("FVTPL")

Financial assets measured at FVTPL are assets which do not qualify as financial assets at amortized cost or FVOCI and are measured at fair value though profit or loss. The Company classifies its derivative financial instruments as FVTPL.

Financial Liabilities at amortized cost

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL, or the Company has opted to measure them at FVTPL. Borrowings and accounts payable are recognized initially at fair value, net of any transaction costs incurred, and subsequently at amortized cost using the effective interest method.

Financial Liabilities at FVTPL

Financial liabilities measured at FVTPL are liabilities which include embedded derivatives and cannot be classified as amortized cost.

IMPAIRMENT OF FINANCIAL ASSETS

The measurement of impairment of financial assets is based on the expected credit losses ("ECL"). Accounts receivable are due within one year or less; therefore, these financial assets are not considered to have a significant financing component. For the other receivables, as internal receivables e.g. intercompany, the Company applies the simplified approach which requires the use of the lifetime expected loss provision for all trade receivables. In estimating the lifetime expected loss, the Company considers the anticipated credit losses from all possible default events over the expected life of a financial asset and also historical default rates and credit ratings of major customers. For the ECL allowances for cash and cash equivalents, the Company considers credit ratings of the major banks that is holds its cash with.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as either hedges of a particular risk associated with a recognized asset or liability or a highly probable forecasted transaction, hedges of the fair value of recognized assets and liabilities or a firm commitment, or hedges of a net investment in a foreign operation.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and in hand, including offsetting bank overdrafts, short-term deposits, money market funds and commercial paper that have a maturity of three months or less at the date of acquisition.

INVENTORIES

Product inventories are valued at the lower of cost and net realizable value, cost being determined on a weighted average cost basis. The cost of inventory includes all costs incurred in the normal course of business to bring each product to its present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less any expected selling costs. If the carrying amount exceeds net realizable value, a write-down is recognized. The write-down may be reversed in a subsequent period if circumstances which caused it no longer exist and the inventory is still on hand. Inventories of hydrocarbons are stated at the lower of cost and net realizable value.

EQUITY

Share capital consists of the registered share capital for the Parent Company. Share issue costs associated with the issuance of new equity are treated as a direct reduction of proceeds. Excess contribution in relation to the issuance of shares is accounted for in the item contributed surplus. The currency translation reserve contains unrealized translation differences due to the conversion of the functional currencies into the presentation currency. Retained earnings contain the accumulated results attributable to the shareholders of the Parent Company.

SHARE-BASED COMPENSATION

The Company has granted warrants to purchase common stock to directors, officers, employees, and consultants under Warrants Incentive Program. Share-based payments are measured at the fair value of the instruments issued and amortized over the vesting periods. The amount recognized as a stock-based payment expense during a reporting period is adjusted to reflect the number of awards expected to vest. The offset to this recorded cost is contributed surplus.

The fair value of warrants is measured using the Black-Scholes option pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility, weighted average expected life of the instrument (based on historical experience and general option holder behavior), expected dividends, and the risk-free interest rate (based on short-term government bonds). A forfeiture rate is estimated on the grant date and is subsequently adjusted to reflect the actual number of options that vest.

EARNINGS PER SHARE

Basic earning (loss) per share is computed by dividing the net income or loss applicable to common stock of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings (loss) per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted using the treasury method.

PROVISIONS

A provision is reported when the Company has a legal or constructive obligation as a consequence of an event and when it is more likely than not that an outflow of resources is required to settle the obligation and a reliable estimate can be made of the amount. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as finance costs. On fields where the Group is required to contribute to site restoration costs, a provision is recorded to recognize the future commitment. An asset is created, as part of the oil and gas property, to represent the discounted value of the anticipated site restoration liability and depleted over the life of the field on a unit of production basis. The corresponding accounting entry to the creation of the asset recognizes the discounted value of the future liability. The discount applied to the anticipated site restoration liability is subsequently released over the life of the field and is charged to financial expenses. Changes in decommissioning costs and reserves are treated prospectively and consistent with the treatment applied upon initial recognition.

Onerous contract provisions are recognized when the unavoidable costs of meeting the obligation exceed the economic benefit derived from the contract. The provision for onerous contracts is measured at the present value of estimated future cash flows underlying the obligations less any estimated recoveries, discounted at the credit-adjusted risk-free rate. Changes in the underlying assumptions are recognized in the Consolidated Statements of operations.

REVENUE

The Company derives revenue from the transfer of goods at a point in time from oil production in the USA - Illinois.

Revenue is recognized based on the consideration outlined in contracts, representing amounts receivable net of discounts and sales taxes. For the sale of crude oil, performance obligations are fulfilled upon the transfer of control of the product to the customer. This transfer occurs when the oil is physically transferred at the agreed delivery point, and the customer obtains legal title. The Company's continuing operations primarily involve one main customer, accounting for 100 percent of consolidated gross sales. No intercompany sales or purchases of oil and gas occurred during the period. Furthermore, there were no contract asset or liability balances during the presented period.

ROYALTIES

The fiscal regime in the area of operations defines whether royalties are payable in cash or in kind. Royalties payable in cash are accrued in the accounting period in which the liability arises. The Company pays cash royalties to respective government agencies and to private land owners as a percentage of the revenue that is generated through the sale of oil and gas production.

EXPLORATION COSTS

Costs incurred prior to obtaining the legal right to explore (pre-exploration costs) are expensed in the period in which they are incurred as exploration expense. Costs incurred after the legal right to explore is obtained are initially capitalized. If it is determined that the field/project/area is not technically feasible and commercially viable or if the Company decides not to continue the exploration and evaluation activity, the unrecoverable accumulated costs are expensed as exploration expense.

INCOME TAXES

Income tax expense is comprised of current and deferred income taxes. Income tax expense is recognized in profit and loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity. The Company utilizes the liability method of accounting for income taxes. Under the liability method, deferred income tax assets and liabilities are recognized to reflect the expected deferred tax consequences arising from temporary differences between the carrying value and the tax bases of the assets and liabilities. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized, or the liability settled. Deferred income tax assets are recognized to the extent that it is more likely than not that the asset will be realized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

CHANGE IN CASH-FLOW PRESENTATION

We have undertaken a reclassification of cash flows from previous quarters. This adjustment aims to enhance the accuracy and clarity of our financial reporting, ensuring that the presentation of our cash flows more faithfully represents our financial activities. We believe this will be presenting the cashflows in a manner that is more useful for economic decision-making, and provides stakeholders with a clearer understanding of our cash operations, thus supporting better-informed decisions regarding our financial position and liquidity.

Parent Company's accounting policies

The Parent Company prepares its annual accounts in accordance with the Annual Accounts Act (1995:1554) and the Financial Accounting Standards Council's recommendation RFR 2 Accounting for Legal Entities. Under RFR 2, the Parent Company, in preparing the annual financial statements for the legal entity, applies all EU-approved IFRSs and statements insofar as this is possible within the framework of the Annual Accounts Act and with respect to the connection between accounting and taxation. The recommendations specify which exceptions and additions are to be made from and to IFRS.

The Parent Company's accounting policies do not in any material respect deviate from the Group policies and have been consistently applied in all periods presented in the financial statements of the Parent Company. The differences between the accounting policies of the Group and the Parent Company are stated below.

SHARES AND PARTICIPATIONS

Shares and participations in Group companies are recognized at cost, including transaction costs, and subject to impairment testing each year. Dividends, when paid, are recognized in profit or loss.

SHAREHOLDERS' CONTRIBUTIONS

Unconditional shareholders' contributions are recognized directly in shareholders' equity at the recipient and capitalized in shares and participations at the giver, to the extent that impairment is not required.

GROUP CONTRIBUTIONS

The parent company uses the alternative method in accounting for group contributions and records paid as well as received contributions as appropriations in the income statement.

Critical accounting estimates and judgments

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Any revisions to accounting estimates are recorded in the period in which the estimates are revised.

The following are the key assumptions about the future and other key sources of estimation at the end of the reporting period that, if changed, could result in a material adjustment to the carrying amount of assets and liabilities within the next financial year.

ESTIMATES IN OIL AND GAS RESERVES

Estimates of oil and gas reserves are used in the calculations for impairment tests and accounting for depletion, decommissioning provisions and business acquisitions. Standard recognized evaluation techniques are used to estimate the proved and probable reserves. Estimates of the proved and probable reserves require the application of judgement and are subject to annual revisions based on new information such as changes in economic factors, including product prices, contract lease terms or development plans.

These techniques consider the future level of development required to produce the reserves. An independent reserves auditor reviews these estimates. Changes in estimates of oil and gas reserves, resulting in different future production profiles, will affect the discounted cash flows used in impairment testing, the anticipated date of site decommissioning and restoration and the depletion charges in accordance with the unit of production method. Changes in estimates in oil and gas reserves could for example result from additional drilling, observation of long-term reservoir performance or changes in economic factors such as oil price and inflation rates. Information about the carrying amounts of the oil and gas properties and the amounts charged to income, including depletion, exploration costs, and impairment costs is presented in Note 9.

IMPAIRMENT OF OIL AND GAS PROPERTIES

For purposes of impairment testing, PPE are aggregated into CGUs, based on separately identifiable and largely independent cash inflows. The determination of the Company's CGUs is subject to judgment. Key assumptions in the impairment models relate to prices and costs that are based on forward curves and the long-term corporate assumptions. The recoverable amount of the Company's CGUs is determined using estimate of the future cash flows based on future oil and gas prices and expected production volumes. These calculations require the use of estimates and assumptions, including the discount rate. It is possible that the commodity price assumptions may change, which may impact the estimated life of the field and economical reserves recoverable and may require an adjustment to the carrying value of developed and producing assets. The Company monitors internal and external indicators of impairment relating to its assets and records adjustments, if necessary, at each reporting period date. The Company used fair value less cost of disposal in assessing the impairment indicators before classifying the Brazil segment as assets held for sale.

DECOMMISSIONING PROVISIONS

These provisions have been created based on the Company's internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur and are reviewed regularly by management.

Estimates such as discount rates, timing of the abandonment and the abandonment costs itself are reviewed every reporting period and are based on current regulatory requirements.

Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market conditions at the time the rehabilitation costs are actually incurred. The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for.

EXPENDITURES ON EXPLORATION AND EVALUATION ASSETS

The application of the Company's accounting policy for expenditures on exploration and evaluation assets requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Factors such as drilling results, future capital programs, future operating expenses, as well as estimated reserves and resources are considered. In addition, Management uses judgment to determine when exploration and evaluation assets are reclassified to Producing properties. In making this determination, various factors are considered, including the existence of reserves, and whether the appropriate approvals have been received from regulatory bodies and the Company's internal approval process. The Company's LAK field in the USA and Block 70 in Oman were considered exploration and evaluation properties before being divested.

Exploration and evaluation assets impairment assessment requires management judgement, as these assets are subject to ongoing internal reviews to establish the technical feasibility and commercial viability of a project. Indicators of impairment or impairment reversals are based on management's assessments of the future recoverable value of the exploration and evaluation assets. Exploration and evaluation assets are aggregated into CGUs when assessing the recoverability. Determination of a CGU's recoverable amount is described above in impairment of oil and gas properties.

DEFERRED INCOME TAX ASSETS

The Company accounts for differences that arise between the carrying amount of assets and liabilities and their tax bases in accordance with IAS 12, Income Taxes, which requires deferred income tax assets only to be recognized to the extent that is probable that future taxable profits will be available against which the temporary differences can be utilized. Management estimates future taxable profits based on the financial models used to value its oil and gas properties. Any change to the estimates and assumptions used for the key operational and financial variables used within the business models could affect the amount of deferred income tax assets recognized.

The effects of changes in estimates do not give rise to prior year adjustments and are treated prospectively over the estimated remaining commercial reserves of each field. While the Company uses its best estimates and judgement, actual results could differ from these estimates.

CONTINGENCIES

The Company accrues a potential loss if the Company believes a loss is probable and can be reasonably estimated, based on information that is available at the time. The determination of whether a loss is probable from litigation and whether an outflow of resources is likely requires judgment.

DETERMINING THE LEASE TERM CONTRACTS WITH RENEWAL AND TERMINATION OPTIONS

The Company determines the lease term as the noncancellable term of the lease, together with any periods covered by an option to extend the lease if it reasonably certain to be exercised or any periods covered by an option to terminate the lease, if it reasonably certain not to be exercised. The Company has lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment.

3. Segment Information

Operating segments are based on a geographic perspective and reported in a manner consistent with the internal reporting provided to the executive management. Operating netback is regularly reviewed by the executive management. As of Q4 2023, Maha has restated previous periods and include operating netback as the measure of profit and loss rather than operating profit. All prior period operating segment results have been adjusted to reflect the current presentation of the operating segments.

- **United States of America (USA):** Includes all oil and gas activities in the Illinois Basin and LAK Field.
- **Corporate:** Includes aggregates costs incurred at the Company's corporate office in Sweden and the support office in Brazil. These costs are not allocated to the operating segment USA. Brazil and Oman operations were discontinued in the current year. The segment information does not include any amounts for these discontinued operations, which are described in more detail in Note 5.

The following tables present the operating netback and net results for the segment. Revenue and income relate to external (non-intra group) transactions.

2023 (TUSD)	USA	Corporate	Consolidated
Revenue	5,226	0	5,226
Royalties	(1,268)	0	(1,268)
Production and operating	(1,761)	0	(1,761)
Operating Netback	**2,197**	**0**	**2,197**
Depletion, depreciation, and amortization	(1,788)	(95)	(1,883)
General and administration	(561)	(8,831)	(9,392)
Stock-based compensation	0	276	276
Exploration and business development cost	0	0	0
Foreign currency exchange gain/loss	0	314	314
Impairment	(2,451)	(8)	(2,459)
Share of income from investment in associate	0	3,977	3,977
Other income	(789)	826	37
Operating Results	(3,392)	(3,541)	(6,933)
Net Finance	0	1,626	1,626
Net results from continuing operations	**(3,392)**	**(1,915)**	**(5,307)**

2022 (TUSD)	USA	Corporate	Consolidated
Revenue	12,327	0	12,327
Royalties	(2,976)	0	(2,976)
Production and operating	(2,828)	0	(2,828)
Operating Netback	**6,523**	**0**	**6,523**
Depletion, depreciation, and amortization	(2,709)	(59)	(2,768)
General and administration	(247)	(4,675)	(4,922)
Stock-based compensation	0	(802)	(802)
Exploration and business development cost	0	0	0
Foreign currency exchange gain/loss	0	1	1
Impairment	0	0	0
Share of income from investment in associate	0	0	0
Other income	0	0	0
Operating Results	3,567	(5,535)	(1,968)
Net Finance	0	(9,330)	(9,330)
Net results from continuing operations	**3,567**	**(14,865)**	**(11,298)**

For detailed information for the oil and gas properties, see also Note 9 and Note 10.

JOINT OPERATIONS

The Company, jointly with one other participant, owns the Block 70 asset in Oman. The company share was 65% in the joint operations until the third quarter of the year. During the fourth quarter, these joint operation's results have been included in the discontinued operations. See Note 35 for further details.

4. Revenue

The Company derives revenue from the transfer of goods at a point in time from oil production in the USA.

Revenue (TUSD)	2023	2022
Continuing operations - Total revenue from contracts with customers	**5,226**	12,327

In 2023, the Company's main customer represented 100 percent of its consolidated sales, with no intercompany transactions. Additionally, there were no contract asset or liability balances. As of December 31, 2023, the total revenue from continuing operations amounts USD 5.2 million.

5. Administrative Expenses

Recurring G&A (General and Administrative Expenses) refers to periodic costs to keep the ongoing company`s process, excluding the one-off or irregular expenses.

Recurring G&A (TUSD)	2023	2022
Total G&A of Continuing operations	**9,392**	**4,922**
(-) Additional M&A Transactions	*(2,595)*	*0*
(-) One-off restruturing costs	*(2,080)*	*0*
(-) Reduced G&A relocations	*(722)*	*0*
Recurring G&A	**3,995**	**4,922**

	TUSD		Parent TSEK	
	2023	2022	2023	2022
Personnel costs	**4,730**	7,676	**13,664**	2,948
Rent & Officie cost	**471**	402	**296**	137
Insurance	**149**	255	**0**	0
Listing and marketing cost	**163**	469	**1,670**	1,792
Costs of external services	**5,564**	939	**29,524**	2,890
Software & information tecnology	**142**	214	**174**	93
Travel related costs	**647**	378	**4,584**	130
Non recoverable taxes & other costs	**287**	110	**2,068**	1,091
Allocated to discontinued operations	**(2,762)**	(4,499)	**0**	0
	9,392	**5,944**	**51,981**	**9,081**

6. Net Finance Items

	TUSD		Parent TSEK	
	2023	**2022**	**2023**	**2022**
Accretion of decommissioning provision	**36**	28	**0**	**0**
Amortisation of deferred financing fees	**1,389**	1,838	**14,829**	17,445
Interest expense	**5,659**	7,527	**456,956**	76,838
Interest income	**(8,710)**	(64)	**(147,415)**	(51,323)
	(1,626)	9,330	**324,370**	42,960

Net finance – Related Part	Parent TSEK	
	2023	**2022**
Interest expense/ Impairment of loans	**397,206**	0
Interest income and investment	**(63,312)**	(50,681)
	333,894	(50,681)

7. Income Taxes

The Company had no income tax expense from the continuing operations in 2023 or 2022.

The applicable tax rate reflects the statutory tax rate of the Company's head office in Sweden. The tax on the Company's profit before tax from continuing operations is different from the theoretical amount that would arise using the tax rate of Sweden as follows:

	TUSD		Parent TSEK	
	2023	2022	2023	2022
Result before tax	**(5,307)**	(12,529)	**(389,255)**	(64,878)
Applicable tax rate	20.60%	20.60%	20.60%	20.60%
Expected tax expense (income)	(1,093)	(2,581)	(80,187)	(13,365)
Effect of different tax rates	(6,833)	1,214	-	-
Non-deductible items	585	1,969	68,004	11,927
Changes in unrecognized deferred tax assets and other	7,342	(602)	12,183	1,438
Non-recognized deferred tax assets	0	0	0	0
Current tax expense	-	-	-	-
Deferred tax expense (income)	-	-	-	-

Maha's oil and gas operations in Oman are governed by an Exploration and Production Sharing Agreement ("EPSA"). Under the terms of the EPSA, Oman income taxes are paid from the government share of oil and no tax assets or liabilities are recorded in respect of Oman operations.

Deferred income tax assets are recognized to the extent that it is more likely than not that the asset will be realized. The Company has not recognized any deferred tax assets on its tax loss carry forwards or other temporary deductible diferences on its continuing operations as their recovery is uncertain.

	Loss carry-fowards	
	2023	Expiry
Sweden	21,134	Indefinite
Luxembourg	13,457	Beginning in 2034
Canada	4,429	Beginning in 2034
United States	20,517	Beginning in 2028
	59,537	

8. Asset Held for Sale and Discontinued Operations

Maha Oman

In the first quarter of 2023, Maha Energy farmed out a 35% work interest in Block 70 to Mafraq Energy LLC, retaining a 65% interest as the Operator. The consideration for the assignment was USD 11.2 million, covering past costs and committing Mafraq Energy to bear 35% of future costs. Short-term production tests commenced in March, with five out of eight wells producing an initial average rate of 300 barrels of oil per day. During the third quarter, an extension to the Initial Phase of the EPSA for Block 70 was granted by the Ministry of Energy and Minerals of the Sultanate of Oman.

In the course of Q4, Maha Energy executed a binding term-sheet for the sale, to Mafraq Energy, of its Cypriote subsidiary Maha Oman, which holds 65% working interest on Block 70. Mafraq Energy, already a 35% joint venture partner, shall cover all operational costs from 1 December 2023. Up to the closing date, Maha will receive a parcel of the purchase price equivalent to USD 2 million. The earnout will be up to USD 12 million, linked to actual produced volumes from Block 70. As from closing date, Maha will be released from all obligations and liabilities regarding Maha Oman, including under and in connection with the EPSA and the JOA. The definitive sale and purchase agreement was executed in January 2024, and the transaction is subject to the approval from the Government of the Sultanate of Oman. The sale has led to an impairment of USD 25.2 million.

Oman Discontinued Operations Income Statement (TUSD)	2023	2022
Revenue		
Oil and gas sales	0	0
Royalties	0	0
Net Revenue	**0**	**0**
Cost of sales	0	0
Production expense	0	0
Depletion, depreciation and amortization	(15)	(14)
Gross profit	**(15)**	**(14)**
General and administration	(1,837)	(1,022)
Stock-based compensation	0	0
Exploration and business development costs	0	(197)
Foreign currency exchange	(1)	2
Impairment	(25,233)	0
Share of income from investment in associate	0	0
Other income/losses	(57)	0
Other gains	0	0
Operating result	(27,143)	(1,231)
Net finance income (costs)	144	0
Result before tax	**(26,999)**	**(1,231)**
Current tax recovery (expense)	0	0
Deferred tax expense	0	0
Net result from discontinued operations	**(26,999)**	**(1,231)**

Assets and Liabilities Held for Sale - Oman (TUSD)	31 December 2023
Assets held for sale	
Property, plant and equipment	54
Exploration and Evaluation Assets (E&E)	29,328
Prepaid expenses and deposits	3
Crude oil inventory	0
Accounts receivable and other credits	5,298
Cash and cash equivalents	356
Impairment	(25,233)
Total assets held for sale	**9,806**
Liabilities held for sale	
Decommissioning provision	(1,345)
Deferred tax liabilities	0
Lease liabilities	0
Other long-term liabilities and provisions	0
Accounts payable	(3,127)
Accrued liabilities and provisions	(3,334)
Total liabilities held for sale	**(7,806)**

Cash Flow from Discontinued Operations - Oman (TUSD)	2023	2022
Cash from operating activities	(3,731)	(3,977)
Cash used in investment activities	(13,602)	(14,278)
Cash from (used in) financing activities	0	0

Maha Brazil

On 28 December 2022, Maha announced the divestment of its Brazilian subsidiary (Maha Brazil) to PetroRecôncavo, the "Maha Brazil Transaction". On 27 January 2023, the Maha Brazil Transaction was approved by the Brazilian antitrust authority. On 28 February 2023, the Company completed the sale of Maha Brazil. The results of Maha Brazil are included in the financial statements until 28 February 2023 and are shown as discontinued operations. The purchase price was USD 138.0 million, with additional adjustment of net working capital of USD 9.3 million and net cash of USD 3.7 million, in a total amount of adjusted purchase price of USD 150.9 million to be paid in two installments: (a) USD 95.9 million at the closing date (which occurred on 28 February 2023), and (b) USD 55.0 million, 6 (six) months after the closing date. In addition, earn-outs of up to USD 36.1 million, which could be paid based on certain contractual conditions being met, whereof up to USD 24.1 million refers to the average annual Brent oil price for the next three years. It will start to be payable from yearly average of USD 80.0 per barrel with a maximum to be reached if the price is above USD 90 per barrel. The remaining payment will be subject to synergies with PetroRecôncavo's potential new assets. Due to uncertainty of actualizing these earn-outs, contingent proceeds relating to the earn-outs have not been recognized as of 31 December 2023. During the third quarter, Maha received the second installment of the purchase price amounting to USD 55.0 million.

Brazil Discontinued Operations Income Statement (TUSD)	2023	2022
Revenue		
Oil and gas sales	9,049	77,450
Royalties	(776)	(7,918)
Net Revenue	**8,273**	**69,532**
Cost of sales		
Production expense	(1,518)	(15,326)
Depletion, depreciation and amortization	0	(10,555)
Gross profit	**6,755**	**43,651**
General and administration	(925)	(1,467)
Other income/losses	336	2,398
Other gains	0	384
Operating result	**6,166**	**44,966**
Net finance income (costs)	(2)	660
Result before tax	**6,164**	**45,626**
Current tax recovery (expense)	(261)	2,548
Deferred tax expense	(90)	(12,712)
	5,813	**35,462**
Gain on sale of discontinued operations	19,152	0
Realized accumulated other comprehensive loss on discontinued operations	(26,612)	0
Net result from discontinued operations	**(1,647)**	**35,462**

AMOUNTS INCLUDED IN ACCUMULATED OTHER COMPREHENSIVE INCOME:

(TUSD)	2023	2022
Exchange differences on translation of foreign operations	**(26,612)**	(26,919)

Assets and Liabilities Held for Sale (TUSD)	31 December 2022
Assets held for sale	
Property, plant and equipment	141,761
Exploration and Evaluation Assets (E&E)	0
Prepaid expenses and deposits	863
Crude oil inventory	557
Accounts receivable and other credits	7,097
Cash and cash equivalents	3,708
Total assets held for sale	**153,986**
Liabilities held for sale	
Decommissioning provision	(1,020)
Deferred tax liabilities	(8,169)
Lease liabilities	(3,488)
Other long-term liabilities and provisions	(353)
Accounts payable	(3,182)
Accrued liabilities and provisions	(3,676)
Total liabilities held for sale	**(19,888)**
Net assets held for sale	**134,098**

Cash Flow from Discontinued Operations (TUSD)	2023	2022
Cash from operating activities	**4,552**	54,397
Cash used in investment activities	**(2,820)**	(45,699)
Cash from (used in) financing activities	**0**	(12,198)

AMOUNTS INCLUDED IN ACCUMULATED OTHER COMPREHENSIVE INCOME:

Cash Flow from Discontinued Operations (TUSD)	2023	2022
Exchange differences on translation of foreign operations	**(7,460)**	7,515

Disposal of subsidiary - Maha Brazil (TUSD)	31 December 2023
Property, plant and equipment	141,761
Inventories	557
Trade receivables	7,960
Bank balances and cash	3,708
Deferred tax liability	(8,169)
Trade payables	(11,719)
Attributable goodwill	0
Net assets disposed of	**134,098**
Total consideration	**150,665**
Satisfied by:	
Cash and cash equivalents	3,708
Deferred consideration	146,957
Total consideration transferred	**150,665**

Net cash inflow arising on disposal:	**146,957**
Consideration received in cash and cash equivalents	150,665
Less: cash and cash equivalents disposed of	3,708

9. Property, Plant and Equipment

Property, Plant and Equipment (TUSD)	Oil and gas properties	Equipment and Other	Right-of-use assets	Total
Cost				
31 December 2021	**130,547**	**2,181**	**5,974**	**138,702**
Additions	43,277	367	1,396	45,040
Transfer to assets held for sale	(164,070)	(710)	(7,176)	(171,956)
Change in decommissioning cost	(104)	0	0	(104)
Currency translation adjustment	7,407	39	62	7,508
31 December 2022	**17,057**	**1,877**	**256**	**19,190**
Additions	3,237	66	606	3,909
Transfer to assets held for sale	0	0	0	0
Dispositions	0	(1,478)	(256)	(1,734)
31 December 2023	**20,294**	**465**	**606**	**21,365**
ACCUMULATED DEPLETION, DEPRECIATION AND AMORTIZATION				
31 December 2021	**(18,562)**	**(874)**	**(1,855)**	**(21,291)**
DD&A	(11,483)	(133)	(1,378)	(12,994)
Transfer to assets held for sale	26,719	420	3,057	30,196
Currency translation adjustment	(1,105)	(22)	41	(1,086)
31 December 2022	**(4,431)**	**(609)**	**(135)**	**(5,175)**
DD&A	(1,775)	(95)	(13)	(1,883)
Transfer to assets held for sale	0	0	0	0
Disposition	0	546	135	681
31 December 2023	**(6,206)**	**(158)**	**(13)**	**(6,377)**
CARRYING AMOUNT				
31 December 2022	12,626	1,268	121	14,015
31 December 2023	14,088	307	593	14,988

(TUSD)	Brazil	USA	Corporate	Consolidated
Oil and Gas properties	0	14,093	0	14,093
Other Tangible assets	63	234	12	309
Right of use assets	586	0	0	586
31 December 2023	**649**	**14,327**	**12**	**14,988**
Oil and Gas properties	137,351	12,626	0	149,977
Other Tangible assets	290	1,138	130	1,558
Right of use assets	4,119	0	121	4,240
31 December 2022	**141,760**	**13,764**	**251**	**155,775**

The balance of the oil and gas properties pertains to the producing oil and gas assets within the USA segments. The Corporate segment encompasses other tangible assets of all corporate entities, including Oman. Depletion and depreciation for the continuing operations totaled TUSD 1,883 in 2023 (compared to TUSD 2,783 in 2022) and is reflected within the DD&A costs line in the Consolidated Statement of Operations.

10. Exploration and Evaluation Assets

	(TUSD)
December 31, 2021	13,660
Additions in the period	15,685
Change in decommissioning cost	(143)
December 31, 2022	29,202
Additions in the period	12,994
Change in decommissioning cost	(604)
Farmout proceeds	(10,180)
Impairment of Exploration and Evaluation Assets	(31,412)
December 31, 2023	**0**

On August 8, 2022, the Company entered a farmout agreement with Mafraq Energy LLC, relinquishing a 35% working interest in Block 70, Oman. In exchange, Mafraq Energy LLC reimbursed Maha for their prorated share of past costs. Subsequently, on January 28, 2023, the Company finalized a joint operating agreement with Mafraq Energy LLC for Block 70 in Oman. The signing of this agreement, coupled with Governmental approval ratified by Royal Decree 74/2022 and other requisite procedures, fulfilled all conditions precedent for Maha's 35% work interest assignment to Mafraq Energy LLC. The total consideration for this assignment, including cost reimbursement, amounts to USD $11.2 million.

During the Q4, Maha Energy executed a binding term-sheet for the sale, to Mafraq Energy, of its Cypriote subsidiary Maha Oman, which holds 65% working interest on Block 70. Up to the closing date, Maha will receive a parcel of the purchase price equivalent to USD 2 million. The earnout will be up to USD 12 million, linked to actual produced volumes from Block 70. The definitive sale and purchase agreement was executed in January 2024, and the transaction is subject to the approval from the Government of the Sultanate of Oman. The sale has resulted in a net impairment loss of USD 25.2 million.

In September 2023, the Company completed the divestment of the heavy oil field LAK Ranch in the USA. Immediately before the disposition of the E&E assets, the carrying amount of the E&E assets and liabilities were revalued to the lower of their carrying amounts and fair value less cost to sell, resulting in a net impairment loss of USD 2.5 million.

IMPAIRMENT OF E&E ASSETS

E&E assets are tested for impairment both at the time of any triggering fact and circumstances as well as upon their eventual reclassification to oil and gas properties in PP&E. On 31 December 2023 and 2022, the Company assessed its E&E assets for indicators of potential impairment. As a result of this assessment, the Company concluded that no impairment indicators existed from continuing operations. The impairment of assets sold, or discontinued operations were assessed during the execution of the transactions.

11. Accounts Receivables

	TUSD		Parent TSEK	
	2023	2022	2023	2022
Oil and gas sales	**199**	429	**0**	0
Tax credits and Other receivable	**893**	139	**20,508**	167
	1,092	**568**	**20,508**	**167**

The Company's oil and gas sales are exclusively with one customer in the USA. To mitigate credit risk, the Company partners with reputable purchasers. As of December 31, 2023, expected credit losses were minimal, with no history of collection issues from this customer, who maintains a high credit rating and has no default history.

12. Cash and Cash Equivalents

TUSD	2023	2022
Cash	**13,786**	12,379
Short term investments	**74,503**	7,141
	88,289	**19,520**

13. Share Capital

Shares Outstanding	A	B	Total
31 December 2021	**119,715,696**	**-**	**119,715,696**
Share subscription	23,900,000	-	23,900,000
31 December 2022	**143,615,696**	**-**	**143,615,696**
Share subscription	34,829,057	-	34,829,057
31 December 2023	**178,444,753**	**-**	**178,444,753**

WARRANT INCENTIVE PROGRAM

The Company has long-term incentive programs ("LTIP") as part of the remuneration package for board members, management and employees. Following incentive warrants were outstanding on 31 December 2023:

In September 2023, the Company approved two incentive programs, LTIP-8 and LTIP-9 (covering board members, executive management and employees), issuing a maximum of 5,712,210 and 3,808,140 warrants respectively. As of December 2023, no warrants from these programs have been granted. In the fourth quarter, the stock-based compensation expense totaled TUSD 809, primarily due to employee departures from the Canada office. It is noted that previous quarter figures were inaccurately reported and have been corrected.

Warrants incentive programme	Exercise period	Exercise Price SEK	1 Jan 2023	Issued 2023	Exercised 2023	Expired or Cancelled 2023	31 Dec 2023
2019 (LTIP 3)	23 May 2019 – 28 February 2023	28.1	368,334	0	0	(368,334)	**0**
2020 (LTIP 4)	1 June 2023 – 29 February 2024	10.9	370,000	0	0	(21,669)	**348,331**
2021 (LTIP 5)	1 June 2024 – 28 February 2025	12.4	1,018,286	0	0	(245,005)	**773,281**
2021 (LTIP 6)	1 June 2023 – 29 February 2024	12.4	524,143	0	0	(30,575)	**493,568**
2022 (LTIP 7)	1 June 2025 – 28 February 2030	20.65	1,172,157	0	0	(493,336)	**678,821**
Total			3,452,920	0	0	(1,158,919)	**2,294,001**

Each warrant allows the holder to subscribe for one new Share in the Company at a specified subscription price. The fair value of these warrants is determined on the grant date using the Black & Scholes model.

Total share-based compensation expense for 2023 was TUSD -276 (2022: TUSD 802).

Weighted average assumptions and resultant fair values are as follows:

	2023 Incentive Programme	2022 Incentive Programme
Risk free interest rate (%)	0	1.55
Expected term (years)	0	8
Expected volatility (%)	0	55
Forfeiture rate (%)	0	10
Weighted average fair value (SEK)	0	11.02

14. Earnings Per Share

Earnings per share are calculated by dividing the net result attributable to shareholders of the Parent Company by the weighted average number of shares for the year.

	2023	2022
Net results -continuing ops	(5,307)	(11,298)
Net results -discontinued ops	(28,646)	34,231
Net result attributable to shareholders of the Parent Company, TUSD	**(33,953)**	**22,933**
Weighted average number of shares for the year	164,799,386	120,697,888
Earnings per share from continuing operations, USD	(0.03)	(0.10)
Earnings per share from discontinued operations, USD	(0.17)	0.29
Earnings per share, USD	**(0.20)**	**0.19**
Weighted average diluted number of shares for the year	164,799,396	120,987,859
Earnings per share fully diluted from continuing operations, USD	(0.03)	(0.10)
Earnings per share fully diluted from discontinued operations, USD	(0.17)	0.29
Earnings per share fully diluted, USD	**(0.20)**	**0.19**

15. Bank Debt

Bank Debt	TUSD	TSEK
Bank debt	(60,000)	(504,276)
Currency translation adjustment	0	(43,524)
Deferred financing costs	4,516	32,758
31 December 2021	**(55,484)**	**(515,042)**
Loan repayment	11,250	119,500
Deferred financing costs	(1,856)	(19,064)
Currency translation adjustment	0	(76,830)
31 December 2022	**(46,090)**	**(491,436)**
Loan repayment	14,250	152,740
Interest Expense	(1,168)	(12,446)
Deferred financing costs	(1,371)	0
Currency translation adjustment	0	(2,899)
31 December 2023	**(34,379)**	**(354,041)**
Current portion	*(22,500)*	*(245,698)*
Non-current	*(11,879)*	*(108,344)*

The Company has a credit agreement for a senior secured term loan of USD 60 million (the "Term Loan"), maturing 31 March 2025. The Term Loan bears interest at a step-rate increasing from 12.75% to 13.5% as nearing maturity time, payable quarterly in arrears and secured by substantially all the assets and shares of Maha Energy and its subsidiaries. The principal amount is to be repaid in quarterly instalments over the four (4) year period, commencing 15 months from the credit agreement date. The Term Loan requires the Company to maintain certain covenants including a Net interest-bearing debt to trailing twelve months EBITDA ratio of greater than 3.0 at the end of each quarter. Under the terms of the loan, the Company is subject to certain restrictions in its ability to make certain payments and distributions to persons outside of the Maha Group, as well as other customary provisions applicable for similar credit agreements. The Company had obtained necessary consent from its creditor for the divestment of Maha Brazil. As a condition of the divestment of Maha Brazil, the Company has to maintain deposited one hundred percent (100%) of the outstanding principal amount of the Term Loan, plus one hundred percent (100%) of the interest due for one quarter in the interest period owed on each relevant date, in order to continue to secure the obligations owed under the Term Loan. The repayment of the Term Loan is made using the amount deposited in such account, in each due date. Subsequent to the fourth quarter, the Company repaid principal balance of USD 5.3 million and interest payable of USD $1.2 million.

Maha chose to keep the cash reserves instead of amortizing bank debt because of expensive penalties for early payments, and also to preserve liquidity for potential M&A transactions.

16. Decommissioning Provision

The decommissioning provision represents the present value of the expected future costs associated with the Company's costs to abandon and reclaim its oil and gas wells and facilities.

The following table presents the reconciliation of the opening and closing decommissioning provision:

Decommissioning Provision (TUSD)	(TUSD)
31 December 2021	**(2,264)**
Accretion expense	(146)
Additions	(769)
Transfer to liabilities related to assets held for sale	1,020
Liability Settled	103
Change in estimate	411
Foreign exchange movement	(55)
31 December 2022	**(1,700)**
Accretion of decommissioning provision	(89)
Decommissioning provision adds	(747)
Settlement of decommissioning liabilities	619
Liability Settled	(6)
Transfer to liabilities related to assets held for sale	1,345
Change in estimate at YE	39
31 December 2023	**(539)**

In calculating the present value of the decommissioning provision for the USA assets, an inflation rate of 2.1 percent (2022: 2.5 percent) and a discount rate of average 4.0 percent (2022: 3.5 percent) was used, which represents a long-term risk-free interest rate projection in the United States of America. Based on the estimates used in calculating the decommissioning provision as at 31 December 2023, approximately 100 percent of the total amount of this provision is expected to be settled in 25 years. Decommissioning provision which related to Maha Oman amounted to TUSD 1,345 and were reclassified to liabilities held for sale.

17. Lease Liability

Lease Liability (TUSD)	Total
31 December 2021	**(3,457)**
Additions	(1,416)
Interest expense	(139)
Lease payments	1,357
Transfer to liabilities related to assets held for sale	3,486
Foreign currency translation	14
31 December 2022	**(155)**
Additions	(745)
Dispositions	259
Interest expense	(25)
Lease payments	82
Foreign currency translation	(14)
31 December 2023	**(598)**
Less current portion	*(104)*
Lease liability – non-current	*(494)*

The Company has lease liabilities for office space and equipment, with lease terms negotiated individually. Payments for short-term and low-value leases were not significant in 2023 and 2022 and are excluded from the lease liability. These liabilities, ranging from one to five years, may include extension options.

18. Other long-term Liabilities and Provisions

TUSD	2023	2022
Labour and contractors claims provision	0	0
Minimum work commitments provision	0	0

There are no long-term liabilities and provisions related to the continuing operations.

19. Accounts Payable and Accrued Liabilities

	Group TUSD		Parent (TSEK)	
	2023	2022	2023	2022
Trade payable	**(3,017)**	(3,649)	**(461)**	(172)
Accrued liabilities	**(735)**	(5,975)	**(6,477)**	(3,432)
	(3,752)	(9,624)	**(6,938)**	(3,604)

20. Changes in Liabilities with Cash Flow Movements from Financing Activities

The changes in liabilities whose cash flow movements are disclosed as part of financing activities in the cash flow statements are as follows:

			Non-cash changes				
	At 1 January 2023	Cash Flows	Lease adds under IFRS 16	Amortization of deferred financing fees	Foreign exchange movement	Transferred to liabilities held for sale	At 31 December 2023
Lease Liability	(155)	82	(511)	0	(14)	0	**(598)**
Bank debt	(46,090)	14,250	0	(2,539)	0	0	**(34,379)**
Bonds Payable	0	0	0	0	0	0	**0**

			Non-cash changes				
	At 1 January 2022	Cash Flows	Lease adds under IFRS 16	Amortization of deferred financing fees	Foreign exchange movement	Transferred to liabilities held for sale	At 31 December 2022
Lease Liability	(3,457)	1,358	(1,555)	0	13	3,486	(155)
Bank debt	(55,484)	11,250	0	(1,856)	0	0	(46,090)
Bonds Payable	(36,022)	35,919	0	0	(497)	600	0

21. Financial Assets and Liabilities

For financial instruments measured at fair value in the balance sheet, the following fair value measurement hierarchy is used:

– Level 1: based on quoted prices in active markets;

– Level 2: based on inputs other than quoted prices as within level 1, that are either directly or indirectly observable;

– Level 3: based on inputs which are not based on observable market data.

FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The Company's cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities are assessed on fair value hierarchy described above. The fair value of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate their carrying value due to the short term to maturity of these instruments. Other long-term financial assets and the bank debt is carried at amortized cost which approximates the fair value.

Other Long-Term Financial Assets (TUSD)	Amortised cost	FVTPL	Total
Debenture - 3R Offshore (Associate)	7,833	0	7,833
Investment in EIG Bolivia Pipeline AB	0	1,148	1,148
Performance Bonds	0	153	153
Total	**7,833**	**1,301**	**9,134**

22. Management of Financial Risk

The Company thoroughly examines the various risks to which it is exposed and assesses the impact and likelihood of those risks. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and to monitor market conditions and the Company's activities. The Board of Directors has overall responsibility for establishment and oversight of the Company's risk management; however, the Board of Directors delegates execution responsibility to the Company's management.

The types of risk exposures and the objectives and policies for managing these risks exposures is described below:

A) CURRENCY RISK

The functional currency of the Company's subsidiaries in Brazil and Luxembourg is Brazilian Reals (BRL). For all other subsidiaries in Canada, USA and for the discontinued operations Cyprus and Oman branch, US Dollars is the functional currency. In Sweden the Company's expenditures are in SEK currency, however, the bank debt is denominated in US Dollars therefore not impacted by the currency fluctuations.

To minimize foreign currency risk, the Company's cash balances are held primarily in USD funds as investments in Cayman BTG Bank and in USD within Sweden, Canada and Oman. In Canada and Oman, USD funds are converted to CAD and OMR respectively, on an as-needed basis.

The following table summarizes the effect that a change operation's currency against the US Dollar would have on net result of the Company, including results from the discontinued operations, for the year-ended 31 December 2023.

	Average Rate 2023	10% USD weakening	10% USD strengthening
BRL/USD	4.9949	4.4954	5.4944
Total effect on net result, TUSD		129	(106)

B) CREDIT RISK

The exposure to credit risk arises through the failure of a customer or another third party to meet its contractual obligations to the Corporation. The Company's policy is to limit credit risk by limiting the counterparties to major banks and oil and gas companies. Where it is determined that there is a credit risk for oil and gas sales, the policy is to require an irrevocable letter of credit (or equivalent instrument) for the full value of the sale or prepayment. The policy on joint operations parties is to rely on the provisions of the underlying joint operating agreements to take possession of the licence or the joint operations partner's share of production for non-payment of cash calls or other amounts due.

As at 31 December 2023, the Company's trade receivables from the continuing operations amounted to TUSD 1,092 (TUSD 568). The accounts receivable for the continuing operations is in the USA. The Company markets and sells its oil through marketing companies and payments are received in 30 days. There is no recent history of default and expected credit loss associated with these receivables is not significant. Other short-term receivables are considered recoverable as they are mainly related to taxes and employee advances. The Company's cash and cash equivalents are primarily held at large financial institutions.

C) LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity risk also includes the risk of not being able to liquidate assets in a timely manner at a reasonable price. The Company has since inception been equity and debt financed through share and Bonds issues. The Company has in place a planning and forecasting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there is sufficient available capital to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

The Company manages its liquidity risk by ensuring it has access to multiple sources of capital including cash, cash from operating activities, as well as available capital markets. As at 31 December 2023, the Company had current assets of $130.8 million which includes USD $9.8 million relating to assets held for sale and current liabilities of USD $34.1 million, including USD $7.8 million relating to liabilities held for sale. On 30 March 2021, the Company entered into a loan agreement (the "Term Loan") and equity financing subscription with Brazilian Investment Bank BTG Pactual S.A. for total proceeds of USD 60 million before customary fees and expenses. The proceeds were used to redeem the SEK 300 million bonds payable during the second quarter. The remaining funds are being used to finance capital expenditures across Maha's portfolio and general corporate purposes. The Company's bond holders also exercised the bond warrants during the year, prior to warrants expiration, which provided additional approximately USD 9.0 million cash for the Company. The Company does not have any externally imposed material capital requirements to which it is subject except for the loan covenants (See Note 15).

The maturity dates for the Company's undiscounted cash outflows related to financial liabilities of the continuing operations are as follows:

	TOTAL	< 1 YEAR	1-2 YEARS	2-5 YEARS
2023				
Accounts payable and accrued liabilities	(3,752)	(3,752)	0	0
Lease liabilities	(598)	(104)	(108)	(386)
Bank debt	(34,379)	(22,500)	(11,879)	0
Bank debt Interest	(3,031)	(2,829)	(202)	0
	(41,760)	**(29,185)**	**(12,189)**	**(386)**

	TOTAL	< 1 YEAR	1-2 YEARS	2-5 YEARS
2022				
Accounts payable and accrued liabilities	(9,624)	(9,624)	0	0
Lease liabilities	(155)	(77)	(78)	0
Bank debt	(46,090)	(19,500)	(23,250)	(3,340)
Bank debt Interest	(9,215)	(6,184)	(2,829)	(202)
	(65,084)	**(35,385)**	**(26,157)**	**(3,542)**

D) INTEREST RATE RISK

Interest rate risk is the risk that changes in the market interest rates may affect earnings and cash flows. The Company is exposed to interest rate risk through the Term loan.

The total interest expense for 2023 amounted to TUSD 6,981 (2022: TUSD 9,345) which included TUSD 1,389 of the Term loan fees amortization. The Term Loan bears interest at a step-rate increasing from 12.75% to 13.5% as nearing maturity time, payable quarterly in arrears. The Company's exposure to interest rate risk is low as the Company holds no floating rate debt and no other interest rate financial instrument.

E) COMMODITY PRICE RISK

The Company is subject to price risk associated with fluctuation in the market prices for oil and gas. Prices of oil and gas are impacted by the normal economic drivers of supply and demand as well as the financial investors and market uncertainty which are generally beyond the Company's control. Factors that influence these include operational decisions, natural disasters, economic conditions, political instability or conflicts and actions by major oil exporting countries.

Changes in crude oil prices may significantly affect the Company's results of operations, cash generated from operating activities, capital spending and the Company's ability to meet its obligations. The majority of the Company's production is sold under short-term contracts; consequently, the Company is at risk to near term price movements. The Company manages this risk by constantly monitoring commodity prices and factoring them into operational decisions, such as contracting or expanding its capital expenditures program.

The table below summaries the effect that a change in the realized oil prices would have had on the net result of the continuing operations and equity at 31 December 2023:

Net result of the year from continuing operations, TUSD	(5.307)	(5.307)
Possible shift	**(10%)**	**+10%**
Total effect on net result, TUSD	**(540)**	**540**
	(10.18%)	**10.18%**

23. Management of Capital

The Company manages its capital structure to support the Company's strategic growth. The Company's objectives when managing its capital structure are to maintain financial flexibility, preserve access to capital markets, ensure its ability to finance internally generated growth and to fund potential acquisitions while maintaining the ability to meet the Company's financial obligations as they come due. The Company's policy is to limit credit risk by limiting the counterparties to major banks. The Company considers credit ratings of the major banks that it holds its cash with. Currently Maha's investments are composed of low-risk assets and short-term investments with high liquidity. In addition, the Company, from time to time may invest in potential attractive equity positions or high yield fixed income assets but always keeping within Maha's internal investment policies.

The Company considers its capital structure to include shareholders' equity of USD 154.8 million (31 December 2022: USD 140.9 million) and current assets of USD 130.8 million.

The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying oil and natural gas assets. To facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general market and industry conditions. The annual budget and subsequent updates are approved by the Board of Directors.

24. Changes in Non-cash Working Capital

Non-cash Working Capital Changes *(TUSD)*	31 December 2023	31 December 2022
Change in:		
Accounts receivable	524	(1,901)
Inventory	42	(241)
Prepaid expenses and deposits	(29)	(214)
Accounts payable and accrued liabilities	5,872	10,830
Other LT assets	(15,952)	0
Total	**(9,543)**	**8,474**

25. Pledged Assets

The Parent Company had pledged shares of all its subsidiaries, concessions rights and other assets in Brazil in relation to the security of the Term Loan. Those pledges were released upon conclusion of the sale of Maha Brazil, and the consequent execution of a charge over the account (restricted cash with the Bank) where the Company has to maintain deposited (a) one hundred percent (100%) of the outstanding principal amount of the Term Loan. Additionally, as part of Maha Brazil Transaction's terms, the parties have agreed to retain in escrow a parcel of the second installment of the transaction's price equivalent to BRL 29 million.

At the end of the third quarter, the second installment of Maha Brazil Transaction's purchase price was paid as a total amount of USD 55 million, of which USD 7 million were held in an escrow account as a security for potential contingent liabilities before PetroRecôncavo. The amount retained in escrow shall be released, totally or partially, (i) to PetroRecôncavo, to cover any applicable losses, as agreed in the definitive documents or (ii) in Maha's favor, on the closing of the last lawsuit, or within six (6) years from closing date of Maha Brazil Transaction, as applicable based on the conditions of the relevant agreements.

26. Commitments and Contingencies

The Company had minimum work commitments for Blocks 117 and 118 (part of Maha Brazil) which was sold as part of Maha Brazil Transaction. As part of Maha Brazil Transaction's terms, the parties have agreed to request to an exception to such commitments before the ANP, and as the waiver was not obtained up to the payment of the second installment of the purchase price, the parcel of the price equivalent to such commitments was retained in escrow and will be release in Maha's favor in case exemption's confirmtion.

In the Illinois Basin, the Company has commitments to drill four (4) operated well per year during the five-year period from 2023 to 2027. In the fourth quarter, the Company has commenced a program consisting of three production wells and 1 disposal well to fulfill this commitment. After the acquisition of the Block 70 in Oman, the Company assumed essential work obligations within the stipulated initial exploration period of three years. These responsibilities encompassed the interpretation and reprocessing of 3D seismic data, along with the drilling of 11 shallow wells. The associated costs for these endeavors were projected at a gross amount of USD 20.0 million (Net USD 13.0 million). The Company has diligently fulfilled all past commitments up to the point when a decision to divest from Oman is made, in the fourth quarter.

27. Related Party Transactions

There have been no significant changes in related party transactions this quarter compared to previous years. In relation to the Parent Company, the subsidiaries are considered related parties. The Parent Company has provided subsidiaries with intragroup loans and receives interest income on a loan from one of the subsidiaries.

28. Average Number of Employees

	Canada	United States	Brazil	Oman	Sweden	Company
Employees (2023)	8	2	22	7	2	41
(of which men)	4	2	14	7	1	29

	Canada	United States	Brazil	Oman	Sweden	Company
Employees (2022)	13	4	70	4	1	92
(of which men)	8	3	59	4	0	74

Board members are not included in table. There are no women on the Board.

29. Remuneration to the Board of Directors, Senior Management and Other Employees

Salaries, other remuneration and social security cost (TUSD)	2023 Salaries and other remuneration	2023 Social security cost	2022 Salaries and other remuneration	2022 Social security cost
Parent Company in Sweden				
Board Members	211	50	218	47
Employees	691	230	73	19
Subsidiaries abroad				
Canada	973	41	3,731	52
USA	223	16	462	36
Brazil	2,031	413	3,771	639
Oman	581	10	714	6
Total	**4,710**	**760**	**8,969**	**799**

Salaries, other remuneration and social security cost (TUSD)	Board Fee / Base salary	Other Benefits	Short-term variable remuneration	Remuneration for committee work	Option Based Award	Total 2023
Parent Company in Sweden						
Board Member						
Svein Harald	8	0	0	1	0	9
Paulo Mendonça	11	0	0	3	0	13
Kjetil Solbraekke	13	0	0	2	0	15
Halvard Idland	21	0	0	3	0	24
Viktor Modigh	28	0	0	11	0	39
Richard Norris	28	0	0	9	0	37
Fabio Vassel	36	0	0	4	0	40
Enrique Peña	28	0	0	6	0	34
Total	**172**	**0**	**0**	**38**	**0**	**211**
Subsidiaries abroad Management						
Paulo Mendonça	339	1	328	0	0	667
Kjetil Solbraekke	104	13	85	0	0	202
Other	1,000	127	1,403	0	0	2,530
Total	**1,443**	**141**	**1,816**	**0**	**0**	**3,399**

Salaries, other remuneration and social security cost (TUSD)	Board Fee / Base salary	Other Benefits	Short-term variable remuneration	Remuneration for committee work	Option Based Award	Total 2022
Parent Company in Sweden						
Victoria Berg	53	6	0	0	12	71
Board Member						
Jonas Lindvall	0	0	0	0	0	0
Harald Pousette	43	0	0	8	0	51
Anders Ehrenblad	15	0	0	4	0	19
Nicholas Walker	27	0	0	9	0	36
Seth Liebeman	15	0	0	5	0	20
Fredrik Cappelen	15	0	0	4	0	19
Christer Lindholm	12	0	0	2	0	14
Viktor Modigh	17	0	0	5	0	22
Richard Norris	17	0	0	6	0	23
Fabio Vassel	7	0	0	1	0	8
Enrique Peña	5	0	0	1	0	6
Total	**226**	**6**	**0**	**45**	**12**	**289**
Subsidiaries abroad Management						
Jonas Lindvall	450	21	97	0	8	576
Paulo Mendonca	49	7	274	0	0	303
Other	794	59	280	0	317	1,450
Total	**1,293**	**87**	**651**	**0**	**325**	**2,329**

* *Other benefits include health insurance and pension for the management*
* *Short-term variable remuneration includes severance payments.*
* *Victoria Berg left the company in March 2023, she was dismissed from her role as Deputy Managing Director in November, 2022.*
* *Kjetil Solbraekke held a position as a board member until September 2023. On 18 September 2023, Kjetil Solbraekke was appointed as the new CEO.*
* *Paulo Mendonça assumed a position as chairman of the board of directors in September 2023.*
* *Other represents the following members of the management for 2023: CFO, COO, CLO, and Sub-surface Manager*
* *Other represents the following members of the management for 2022: CFO, COO, and Sub-surface Manager*

SALARIES, BENEFITS AND SOCIAL SECURITY COSTS

At the AGM 2023 it was resolved to adopt a policy for remuneration and other employment conditions for the Executive Management, which is available at the Company's website and comprises the following rules regarding salaries, benefits and social security costs, such rules observed under the relevant employment agreements:

(1) remuneration of Executive Management shall be on market terms and may consist of the following components: fixed salary, variable remuneration, share based related incentives, pension benefits, and other benefits.

2) the Executive Management of Maha shall be offered a fixed remuneration to be paid in cash and on market terms commensurate with the international oil and gas sector, based on responsibilities, sector, time experience and performances. These salaries are determined per calendar year with salary adjustments during the first quarter of each year, if applicable.

(3) in addition to the fixed remuneration, the Executive Management may be offered an annual variable cash remuneration to be paid in cash and based on the result in relation to performance goals within the respective area of responsibility and in line with the shareholders' interests ("Regular Variable Cash Remuneration"). The Regular Variable Cash Remuneration shall be tied to annual performance related objectives and shall amount to a maximum of 100 percent of the gross fixed annual cash remuneration.

(4) further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual

basis, either for the purpose of recruiting or retaining Executive Management, or as remuneration for extraordinary performance beyond the individual's ordinary tasks and/or as a premium for the performance of such individual on relevant events or transactions involving the Company ("Extraordinary Variable Cash Remuneration"). Such remuneration may not exceed an amount corresponding to fifty per cent of the gross fixed annual cash remuneration.

(5) pension benefits (including health insurance, as the case may be, according to the applicable law) shall be premium defined unless the individual concerned is subject to defined benefit pension under mandatory collective bargaining agreement provisions. The pension premiums for premium defined pension shall amount to not more than 10 percent of the gross pension qualifying income.

(6) other benefits may include, inter alia, life insurance, health insurance and medical benefits, and shall be limited in value in relation to other remuneration and shall be paid only in so far as it is in accordance with the market for other members of Executive Managements holding corresponding positions on the employment market where the member in question is operating. Premiums and other costs relating to such benefits may amount to not more than 15 percent of the gross fixed remuneration.

(7) the notice period for termination given by the Company shall be no longer than six months for all members of the Executive Management, with a right to redundancy payment after the expiration of the notice period corresponding to not more than 100 percent of the gross fixed cash remuneration for a maximum of 12 months, meaning that the fixed remuneration and redundancy payment shall together not exceed 18 months' gross fixed salary.

(8) any right to redundancy payment shall decrease in situations where remuneration is received from another company. In any case, observed the aforementioned limitation, the notice period and the amount of the redundancy payment shall be defined, on a case by case basis, taking into consideration (a) the requirements of law applicable to the contract entered with the member of the Executive Management, (b) the common practice of the location where such contract was entered, and (c) the period that the member of Executive Management has been employed/contracted by the Company prior to the notice of termination.

See page 21 for the Corporate Governance Report for further information on the Group's principles of remuneration. During the current year, the AGM 2023 approved changes on Company's Remuneration policy. Remuneration Reports are available at the Company's website.

INCENTIVE PROGRAMS

As of the date of this Annual Report, Maha has 11,466,020 outstanding warrants under the Long-Term Incentive Plans.

LONG TERM INCENTIVE PLAN

In 2017, the Company implemented a long-term incentive plan aimed at enhancing employee retention and incentivizing them to generate shareholder value.

During 2023, Maha introduced two new Long Term Incentive Programs through an Extraordinary General Meeting (EGM) held on September 18, 2023. These programs include LTIP-8 for current and future employees and consultants of Maha, including the CEO and other Executive Management; and LTIP-9 for board members of the Company. A total of 5,712,210 warrants were approved for the LTIP-8 program and 3,808,140 warrants for the LTIP-9 program. No warrants were granted in 2023.

In 2024, 6,093,026 warrants have been granted to certain executives and employees of Maha as part of the LTIP-8 (3,236,919) and LTIP-9 (2,856,107) programs. Issued but unallocated warrants are retained by the Company. The outstanding warrants were issued following the Annual General Meetings (AGMs) in 2021, 2022, and through the EGM in 2023.

The complete terms and conditions of the Warrants under the Long-Term Incentive Plan are available on the Company's website (maha-energy.com).

30. Shares in Subsidiaries and Associates – Parent Company

Subsidiaries	Registration number	Registered office	Share %	2023 (TSEK)	2022 (TSEK)
Maha Energy Inc.	2017256518	Calgary, AB, Canada 1	100	12,477	15,464
Maha Energy I (Brazil) AB	559058-0907	Stockholm, Sweden	100	0	0
Maha Energy II (Brazil) AB	559058-0899	Stockholm, Sweden	100	680	680
Maha Energy Brasil Holding LtdA	49.361.643/0001-50	Rio de janeiro, Brazil	100	443,774	0
Maha Energy Finance (Luxembourg) S.A.R.L	B163089	Grand Duchy, Luxembourg	100	0	0
Maha Energy Services LLC	2020-002241022	Newcastle, WY, USA	100	0	0
Maha Energy (Oman) Ltd	259894	Cyprus	100	0	9
				456,931	**16,153**

Participation in subsidiaries (TSEK)	2023 (TSEK)	2022 (TSEK)
Opening value	**16,153**	8,003
Acquisition	**443,774**	0
Disposition	**(2,987)**	0
Write-off of investment	**(9)**	0
Paid shareholders' contribution	**0**	8,150
	456,931	16,153

Indirect Subsidiaries	Registration number	Registered office	Share %
Maha Energy (Oman) Ltd. (Oman Branch)	OM1100214536	Sultanate of Oman	100
Maha Energy (US) Inc.	TIN - 46-1986862	Wyoming, USA	100
Maha Energy (Indiana) Inc.	7130-8332	Illinois / Indiana, USA	100
Maha Energy Finance (Luxembourg) SARL	#B163089	Luxembourg	100
Maha Energy Offshore (Brasil) Ltda	0.070.729/0001-59	Rio de Janeiro, Brazil	100

Associates	Principal Activity	Registered office	Share %	2023 (TUSD)	2022 (TUSD)
3R Petroleum Offshore S.A.	Oil and Gas	Rio de Janeiro, Brazil	15	34,985	0

31. Loans to Subsidiaries – Parent Company

The Parent Company loans to subsidiaries is mainly denominated in US dollars.

Subsidiaries (TSEK)	2023 (TSEK)	2022 (TSEK)
Maha Energy Inc.	**154,485**	162,255
Maha Energy (US) Inc.	**106,821**	109,770
Maha Energy I (Brazil) AB	**10,093**	(742)
Maha Energy II (Brazil) AB	**63**	46
Maha Energy Finance (Luxembourg) S.A.R.L	**38**	72,781
Mana Energy (Indiana) Inc.	**59,329**	58,833
Maha Energy (Oman) Ltd.	**0**	288,906
Maha Energy Services LLC (US)	**1,927**	0
Maha Energy Offshore (Brasil) Ltda	**54**	0
	332,810	691,849

Loans to subsidiaries (TSEK)	2023 (TSEK)	2022 (TSEK)
Opening value	**691,849**	644,044
Impairment of loan to subsidiaries	**(397,206)**	(19,939)
New lending to subsidiaries	**(13,350)**	101,566
Loan repayment by subsidiaries	**83,500**	(151,926)
Interest income from subsidiaries	**95,861**	51,323
Currency translation	**(127,844)**	66,781
	332,810	691,849
Loans to subsidiaries – current	**0**	0
Loans to subsidiaries – long term	**332,810**	691,849

32. Auditor's Fees

	TUSD		Parent TSEK	
Deloitte	2023	2022	2023	2022
Audit assignment	242	313	2,577	1,062
Audit related	0	18	0	129
Tax advisory services	52	263	554	0
Other services	0	8	0	0
	294	**602**	**3,131**	**1,191**

Audit assignments refers to the examination of the annual accounts, the accounting records and the administration of the Board and CEO, other tasks incumbent on the company's auditor to perform as well as advice or other assistance resulting from observations made during an audit or the conduct of such other duties. Audit activities other than the audit assignment, pertain to quality assurance services, including assistance regarding observations made during such a review, which is carried out in accordance with ordinances, the Articles of Association, By-laws or agreements, and which result in a report that is also intended for others than the client. Advice on tax questions is reported separately. Everything else comprises other services including listing upgrade readiness review.

33. Proposed Distribution of Earnings

The Board of Directors proposes no dividends to be paid for the year.

34. Subsequent Events

MAHA ENERGY ACQUIRES 5% OF BRAZIL OIL AND GAS COMPANY 3R PETROLEUM

On January 17th, 2024, Maha Energy successfully finalized the acquisition of a derivative instrument, affording Maha exposure to 11,999,248 shares, which by that date represented 5% of the equity of 3R Petroleum, at an aggregate consideration of approximately USD 69 million. Following such investment, on February 07, 2024 Maha has replaced the derivative instrument previously announced with a direct equity interest in 3R Petroleum. In addition, as a consequence of the capital increase in 3R Petroleum in January 2024, Maha has acquired an additional 19,936 shares, causing Maha's total holdings to reach 12,019,184 shares, corresponding at that date to five percent (5%) of 3R Petroleum's capital stock.

Afterwards, on February 09, 2024, Maha has sent a request to the board of directors of 3R Petroleum to convene an extraordinary shareholders' meeting to resolve upon a new board of directors. Maha proposed that a general meeting in 3R Petroleum resolves on a reduction of the number of Directors from seven (7) to five (5), on a new-election of Paulo Thiago Mendonça (chairman of Maha) and Fabio Vassel (board member of Maha) and re-election of Guilherme Affonso Ferreira, Paula Kovarsky Rotta and Harley Lorentz Scardoelli for a term of office of two years. These changes were approved in an EGM held on March 2024. Maha's opinion is that the suggested changes shall positively contribute to the corporate governance of 3R Petroleum and to the achievement of the results aimed by the shareholders.

OMAN SALE – SHARE PURCHASE AGREEMENT

The agreement for the sale and purchase of the entire issued share capital of Maha Oman to Mafraq has already been executed in January 2024 and, among other condition precedent, the transaction is subject to the approval from the Government of the Sultanate of Oman.

MAHA PAYS EUR 4.6 MILLION AND SIGNS THE AGREEMENTS FOR THE VENEZUELAN PETROURDANETA ACQUISITION

On March 2024, Maha has signed the definitive agreements and paid EUR 4.6 million, concluding another important step for acquisition of indirect equity interest in the Venezuelan oil company PetroUrdaneta from Novonor Latinvest Energy. The definitive documents formalize Maha's acquisition, being the transaction subject to the fulfillment of certain condition precedent, mainly related to (i) that all consents, authorizations, orders and approvals from relevant governmental authorities required for completion have been received and (ii) successful negotiation of the relevant operational and collaboration agreements/framework with PDVSA and/ or local authorities for the redevelopment of PetroUrdaneta's fields. Such agreements aim to allow Maha to define a new development program of PetroUrdaneta and enhance control over the operations, particularly in the areas of purchasing, cash management and crude sales/offtake.

MAHA HAS SIGNED A MOU WITH 3R PETROLEUM AND ENAUTA FOR A POSSIBLE TRANSACTION REGARDING ITS 15% HOLDINGS IN 3R OFFSHORE

Maha Energy AB's subsidiary, Maha Energy Offshore Brasil Ltda. ("Maha Offshore"), has in April 2024 signed a Memorandum of Understanding ("MoU") with Enauta Participações S.A. ("Enauta") and 3R Petroleum Óleo e Gás S.A. ("3R Petroleum") to evaluate the proposal for a transaction, whereby Maha Offshore, in the context of the potential merger of shares being discussed between 3R Petroleum and Enauta, would roll up its 15% holdings in 3R Petroleum Offshore S.A. ("3R Offshore") ("Roll-Up") in exchange for shares corresponding to 2.17% of the combined entity resulting from the merger of Enauta's shares by 3R Petroleum. The Roll-Up is being proposed only to enable the exchange of Maha Offshore 15% interest in 3R Offshore to direct holding in 3R Petroleum, simplifying 3R Petroleum´s corporate structure. A Fairness Opinion will be obtained to evaluate the exchange ratio of Maha's Roll-Up. The proposed transaction is subject to customary precedent conditions and any other conditions agreed by the companies, including (i) satisfactory negotiation of definitive transaction documents, which should include customary terms and conditions, (ii) transaction approval by shareholders of 3R Petroleum and Enauta at respective extraordinary general meetings, and (iii) legal and regulatory approvals, including approval from Brazil's Administrative Council for Economic Defense – CADE. Enauta and 3R will have a 30 days period for exclusivity in the discussion of the potential transaction, that could be extended for another 30 days.

Key Financial Data and Ratios

The selected key ratios presented below include alternative key ratios or key ratios that are not defined in accordance with IFRS, and are thus not necessarily comparable to key ratios under similar names used by other companies. Those financial key ratios that are not defined in accordance with IFRS are, together with key ratios that are defined in accordance with IFRS, used to facilitate the managements and other stakeholders' analysis of the Group.

See the heading "Definitions of alternative key ratios" for definitions and objective of alternative key ratios, and the heading "Reconciliation of alternative key ratios" below for reconciliations of abovementioned key ratios. All alternative key rations have been taken from the Group's audited financial reports as per and for the financial years ended 31 December 2023 and 2022, unless stated otherwise.

Financial data

(TUSD)	2023	2022
Net Revenue		
From continuing operations	3,958	12,327
From discontinued operations	8,273	77,450
	12,231	**89,777**
Operating Netback (TUSD)		
From continuing operations	2,197	6,523
From discontinued operations	6,755	54,206
	8,952	**60,729**
EBITDA		
From continuing operations	(2,905)	799
From discontinued operations	4,272	54,302
	1,367	**55,101**
Net Result		
From continuing operations	(5,307)	(11,298)
From discontinued operations	(28,646)	34,231
	(33,953)	**22,933**
Cash flow from Operations		
From continuing operations	(12,675)	4,237
From discontinued operations	821	50,420
	(11,854)	**54,657**
Free Cash Flow		
From continuing operations	79,975	1,531
From discontinued operations	(15,601)	(9,557)
	64,374	**(8,026)**
Net debt (net cash)	(53,910)	26,570

Key ratios [1]

(TUSD)	2023	2022
Return on equity (%)	(3%)	65%
Equity ratio (%)	77%	0%

Data per share

(TUSD)	2023	2022
Weighted number of shares (before dilution)	**164,799,396**	120,697,888
Weighted number of shares (after dilution)	**164,799,396**	120,987,859
Earnings per share before dilution, USD	**(0.03)**	(0.10)
Earnings per share after dilution, USD	**(0.03)**	(0.10)
Dividends paid per share	**n/a**	n/a

[1] Key ratios and data per share are based on continuing operations only.

RELEVANT RECONCILIATION OF ALTERNATIVE KEY RATIOS:

The tables below reflect a reconciliation of alternative key ratios based on items, subtotals or total amounts included in the Group's audited financial reports for the financial years ended on 31 December 2023 and 2022, unless stated otherwise. The alternative key ratios are not audited.

For definitions of alternative key ratios which has not been calculated in accordance with IFRS, see the section "Definitions of alternative key ratios".

Operating Netback from continuing operations

(TUSD)	2023	2022
Revenue	**5,226**	12,327
Royalties	**(1,268)**	(2,976)
Operational Expenses	**(1,761)**	(2,828)
Operating netback	**2,197**	**6,523**

Operating Netback from discontinued operations

(TUSD)	2023	2022
Revenue	**9,049**	77,450
Royalties	**(776)**	(7,918)
Operational Expenses	**(1,518)**	(15,326)
Operating netback	**6,755**	**54,206**

EBITDA from continuing operations

(TUSD)	2023	2022
Operational Results	**(6,933)**	(1,968)
Depletion, depreciation and amortization	**1,883**	2,768
Impairment	**2,459**	0
Foreign currency exchange loss / (gain)	**(314)**	(1)
EBITDA	**(2,905)**	**799**

EBITDA from discontinued operations

(TUSD)	2023	2022
Operational Results	**(20,977)**	43,735
Depletion, depreciation and amortization	**15**	10,569
Impairment LAK	**25,233**	-
Foreign currency exchange loss / (gain)	**1**	(2)
EBITIDA	**4,272**	**54,302**

Free cash flow from continuing operations

(TUSD)	2023	2022
Cash flow from operating activities	**(12,675)**	4,237
Less: cash used in investing activities	**92,650**	(2,706)
Free cash flow	**79,975**	**1,531**

Free cash flow from discontinued operations

(TUSD)	2023	2022
Cash flow from operating activities	**821**	50,420
Less: cash used in investing activities	**(16,422)**	(59,977)
Free cash flow	**(15,601)**	**(9,557)**

Net debt

(TUSD)	2023	2022
Bank Debt (non-current)	**11,879**	26,590
Bank Debt (current)	**22,500**	19,500
Cash and Cash Equivalents	**(88,289)**	(19,520)
Net debt	**(53,910)**	**26,570**

Return on equity

(TUSD)	2023	2022
Net result for the period (TUSD)	**(5,307)**	(11,298)
Ending equity balance (TUSD)	**154,825**	140,897
Return on equity %	**(3%)**	**(8%)**

Equity ratio

(TUSD)	2023	2022
Total equity (TUSD)	**154,825**	140,897
Total assets (TUSD)	**201,900**	218,355
Equity ratio %	**77%**	**65%**

Definitions of alternative key ratios

Definitions of key ratios that are not defined in IFRS (alternative key ratios) are included in the presentation of definitions below. Alternative key ratios measure historical or future financial performance, financial position or cash flows, but excludes or includes amounts that would not be adjusted correspondingly by the most comparable key ratio that has been defined in accordance with the Group's accounting principles. The Group management uses alternative key ratios to follow the underlying development of the Company's operations and believes that the alternative key ratios, together with key ratios defined in IFRS, help investors to understand the Company's development from period to period and may facilitate comparisons with similar companies, but are not necessarily comparable to key ratios under similar names that are used by other companies. The Company believes that the alternative key ratios provide useful and supplementary information to the investors. As these key figures are not more suitable than key ratios defined in IFRS, they should be used together with these with a supplementary rather than a substitutional purpose. The alternative key ratios are not audited. Investors are urged not to attach undue reliance to the alternative key ratios, and are also urged to review these together with the Group's audited financial reports for the financial years ended 31 December 2023 and 2022. See the heading "Reconciliation of alternative key ratios" below for reconciliations of alternative key ratios.

Cash flow from operations: Cash flow from operating activities in accordance with the consolidated statement of cash flow.

EBITDA (Earnings before interest, taxes, depreciation, and amortization and impairment): Operating profit before depletion of oil and gas properties, depreciation of tangible assets, impairment, foreign currency exchange adjustments, interest and taxes. EBITDA is used as a measure of the financial performance of the Company.

Earnings per share: Net result attributable to shareholders of the Parent Company divided by the weighted average number of shares for the year.

Earnings per share fully diluted: Net result attributable to shareholders of the Parent Company divided by the weighted average number of shares after considering any dilution effect for the year.

Equity ratio: Total equity divided by the balance sheet total assets. Equity ratio is a measure that provides information in order to enable investors to assess the financial stability of the Company and the Company's ability to cope with in the long term.

Free cash flow: Cash flow from operating activities less cash flow from investing activities in accordance with the consolidated statement of cash flow. Free cash flow demonstrates the amounts of cash and cash equivalents remaining in the Company after deductions for investments made.

Net debt: Interest bearing bonds less cash and cash equivalents. Net debt demonstrates the company's total debt arrangements.

Net debt to EBITDA ratio (NIBD/EBITDA): Net interest-bearing debt divided by trailing 4 quarters EBITDA. NIBD/EBITDA is relevant for assessing the company's ability to carry out strategic investments and to live up to its financial commitments.

Net result: Net result demonstrates the Company's earnings or loss for the relevant period.

Operating netback: Operating netback is defined as revenue less royalties and operating expenses. Operating netback is a common measure within the oil and gas industry, with the objective to illustrate the Company's operational efficiency to enable internal comparisons and comparisons with competitors.

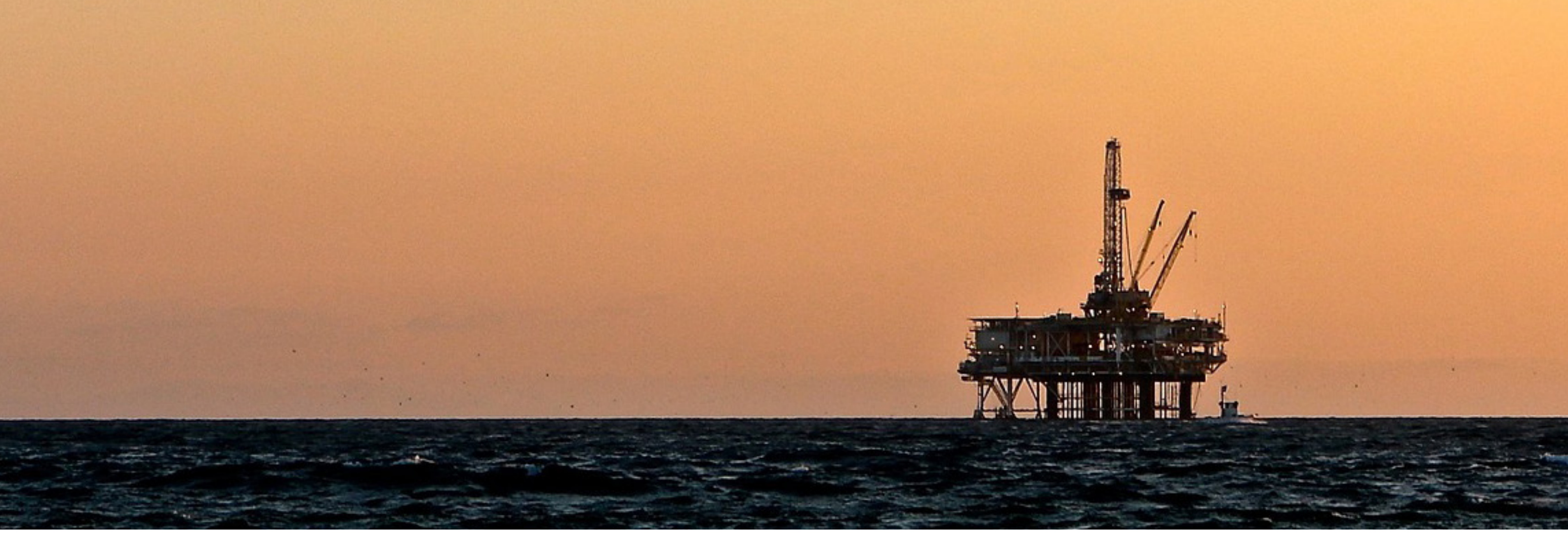
Return on equity: Net result divided by ending equity balance. Return on equity demonstrates in the accounts total return of the owner's capital.

Revenue: Revenue shows the Company's revenues from oil and gas sales before deductions for royalties.

Total debt to EBITDA ratio (TIBD/EBITDA): Total interest-bearing debt divided by trailing 4 quarters EBITDA. TIBD/EBITDA is relevant for assessing the company's ability to carry out strategic investments and to live up to its financial commitments.

Weighted average number of shares for the year: The number of shares at the beginning of the year with changes in the number of shares weighted for the proportion of the year they are in issue. The key ratio provides information to investors on average number of outstanding shares in the Company, not taking into account any dilution effect.

Weighted average number of shares for the year fully diluted: The number of shares at the beginning of the year with changes in the number of shares weighted for the proportion of the year they are in issue after considering any dilution effect.



Board Assurance

The board of directors and the managing director declare that the consolidated financial statements have been prepared in accordance with IFRS as adopted by the EU and give a true and fair view of the Company's financial position and results of operations. The financial statements of the Parent Company have been prepared in accordance with generally accepted accounting principles in Sweden and give a true and fair view of the Parent Company's financial position and results of operations. The statutory Administration Report of the Company and the Parent Company provides a fair review of the development of the Company's and the Parent Company's operations, financial position and results of operations and describes material risks and uncertainties facing the Parent Company and the companies included in the Company.

Approved by the Board

Stockholm, 19 April 2024

Paulo Mendonça
Chairman of the Board

Halvard Idland
Director

Fabio Vassel
Director

Viktor Modigh
Director

Richard Norris
Director

Enrique Peña
Director

Svein Harald Øygard
Director

Our audit report was submitted on April 19, 2024

Deloitte AB

Signature on the Swedish original

Andreas Frountzos
Authorized public accountant

Auditor's Report

To the general meeting of the shareholders of Maha Energy AB (publ) corporate identity number 559018-9543

Report on the annual accounts and consolidated accounts

OPINIONS

We have audited the annual accounts and consolidated accounts of Maha Energy AB (publ) for the financial year 2023-01-01 - 2023-12-31. The annual accounts and consolidated accounts of the company are included on pages 30-91 and 96 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act.

The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

BASIS FOR OPINIONS

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

KEY AUDIT MATTERS

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

BUSINESS COMBINATIONS

Several transactions has been performed during 2023. Maha acquired 100 % of shares in DBO 2.0 in may 2023, which later changed name to Maha Energy (Holding) Brazil Ltda. Through the Transaction, Maha acquired all outstanding shares in Maha Energy Offshore. Maha Energy Offshore owns 15 % of the shares in 3R Offshore, which holds operated working interests in producing oil and gas offshore fields in Brazil. Maha's investment in the common shares of Maha Offshore has been treated as an investment in an associate and has been accounted for using the equity method.

- evaluated whether all assets acquired and liabilities assumed have been recognized in accordance with IFRS
- evaluated whether the consideration transferred by the acquirer has been recognized in accordance with IFRS
- performed detail testing of acquired assets and liabilities to determine the nature and extent of opening valuation testing
- evaluated whether the equity interest as of the acquisition date and subsequent valuation has been recognized in accordance with IAS 28
- evaluation of the disclosures in the annual report and its compliance with IFRS and the Annual Accounts Act.

Information on accounting principles for business combinations are disclosed in note 2 in the annual report. Further information on financial assets is disclosed in note 21 and shares in subsidiaries in note 30 in the annual report.

VALUATION OF ASSETS AND LIABILITIES HELD FOR SALE AND DISCONTINUING OPERATIONS

On December 1, 2023, Maha announced the divestment of their 65% share in block 70 in Oman (Maha Energy Oman Ltda.) to Mafraq Energy LLC. As a result, Maha Energy Oman Ltda. has been classified as assets held for sale and amounted to US$ 9,8 million as of December 31, 2023. The decision to divest the Omani segment has further led to Maha Energy Oman Ltda. being presented as discontinued operations in the consolidated income statement, separated from continuing operations. Accounting for discontinued operations requires the identification and separation of the financial effects from continuing and discontinued operations as well as ensuring that the criteria in IFRS are fulfilled to account for discontinued operations.

Information on accounting principles for assets held for sale and discontinued operations are disclosed in note 2 in the annual report. Further information on asset held for sale and discontinued operations is disclosed in note 8 in the annual report.

Our audit procedures included, but were not limited to:

- assessing the appropriateness of the classification for the operations as held for sale and discontinued operations in compliance with IFRS,
- assessing the valuation before initial classification as held for sale in accordance with IFRS,
- assessment of the financial effects from the discontinued operations and that they have been appropriately separated from continuing operations,
- evaluation of the disclosures in the annual report and its compliance with IFRS and the Annual Accounts Act.

OTHER INFORMATION THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-19, 92-95 and 101-102. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company

and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

OPINIONS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Maha Energy AB (publ) (publ) for the financial year 2023-01-01 - 2023-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

BASIS FOR OPINIONS

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

AUDITOR'S RESPONSIBILITY

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

The auditor's examination of the Esef report

OPINION

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Maha Energy AB (publ) for the financial year 2023-01-01 - 2023-12-31.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

BASIS FOR OPINION

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Maha Energy AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHMTL format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

THE AUDITOR'S EXAMINATION OF THE CORPORATE GOVERNANCE STATEMENT

The Board of Directors is responsible for that the corporate governance statement on pages 20-29 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s standard Rev 16 The auditor´s examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared.

Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Deloitte AB, was appointed auditor of Maha Energy AB (publ) by the general meeting of the shareholders on the 2023-05-24 and has been the company's auditor since 2016-04-22.

Stockholm April 19, 2024
Deloitte AB

Signature on Swedish original

Andreas Frountzos
Authorized Public Accountant

Definitions

Oil related terms and measurements

BOE or boe	Barrels of oil equivalent
BBL or bbl	Barrel
BOEPD	Barrels of oil equivalent per day
BOPD	Barrels of oil per day
SCF or scf	Standard cubic foot
Mbbl	Thousand of barrels
MMbbl	Million of barrels
Mboe	Thousands of barrels of oil equivalent
MMboe	Million of barrels of oil equivalent
Mboepd	Thousands of barrels of oil equivalent per day
Mbopd	Thousands of barrels of oil per day
MCF	Thousand cubic feet
MSCFD	Thousand cubic feet per day
MMSCF	Million cubic feet
MMSCFPD	Million cubic feet per day
BWPD	Barrels of water per day
Gas to oil conversion	6,000 cubic feet = 1 barrel of oil equivalent

Abbreviations

CAD	Canadian Dollar
SEK	Swedish Krona
BRL	Brazilian Real
USD	US Dollar
TSEK	Thousand SEK
TUSD	Thousand USD
MSEK	Million SEK
MUSD	Million USD

MAHA ENERGY

Maha Energy AB (publ)

Maha Energy AB

Head Office
Eriksbergsgatan 10
SE-114 30
Stockholm, Sweden

+46 8 611 05 11

Technical Office
Ataulfo de Paiva street, 1165
5th Floor - Leblon
Rio de Janeiro, RJ / BRAZIL
22440-032

+46 8 611 05 11

Email: info@maha-energy.com
Website: www.maha-ehergy.com