



Q3

Report for the
NINE MONTHS ENDED
30 SEPTEMBER 2023
(org number: 559018-9543)

Highlights

(all amounts are in US dollars unless otherwise noted)

Third Quarter 2023

The amounts below are related only to continuing operations.

- Daily oil production for Q3 2023 from continuing operations averaged 179 BOEPD (Q3 2022: 314 BOEPD). In addition, non-consolidated production from investment in associate - 3R Offshore averaged 1,774 BOEPD.
- Revenue of 1.3 million (Q3 2022: 2.6 million) following lower sales volumes and lower realized oil price.
- Operating netback of 0.5 million (Q3 2022: 1.4 million) following lower sales volumes.
- EBITDA of -0.3 million (Q3 2022: -0.2 million).
- Net result of -3.4 million (Q3 2022: -3.9 million).
- Earnings per share basic and diluted of -0.02 (Q3 2022: -0.03).

Nine Months Ended 30 September 2023

The amounts below are related only to continuing operations.

- Daily oil production from continuing operations averaged 207 BOEPD (Nine months 2022: 396 BOEPD). In addition, non-consolidated production from investment in associate - 3R Offshore averaged 1,776 BOEPD.
- Revenue of 4.1 million (Nine months 2022: 10.3 million) following lower sales volumes and lower realized oil price.
- Operating netback of 1.6 million (Nine months 2022: 5.5 million) following lower sales volumes and lower realized oil price.
- EBITDA of -2.3 million (Nine months 2022: 0.9 million).
- Net result of -5.7 million (Nine months 2022: -9.0 million).
- Earnings per share basic and diluted of -0.04 (Nine months 2022: -0.07).
- Total cash balance on 30 September 2023 of 142.8 million (including restricted cash of 47.8 million) (31 December: 19.5 million excluding cash from assets held for sale).

Subsequent Events

Maha Energy signed in October 2023 an exclusive agreement to invest and acquire 24 percent of the indirect equity interest in the Venezuelan oil company PetroUrdaneta.

Financial Summary

The table below presents the highlights of the continuing operations:

(TUSD, unless otherwise noted)	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Nine Months 2023	Nine Months 2022
Net Daily Production (BOEPD)	179	211	233	280	314	207	438
Revenue	1,250	1,325	1,486	1,991	2,567	4,061	10,336
Operating netback	527	470	648	1,002	1,379	1,645	5,521
EBITDA ¹	(323)	(1,788)	(237)	(1,335)	(234)	(2,348)	915
Net result for the period	(3,406)	90	(2,378)	(3,579)	(3,928)	(5,694)	(8,950)
Earnings per share – Basic & Diluted (USD)	(0.02)	0.00	(0.02)	(0.03)	(0.03)	(0.04)	(0.07)
Cash and cash equivalents (including restricted cash)	142,785	102,406	110,395	19,520	9,317	142,785	9,317

¹ See page 33-34 for the alternative performance measurement.

Letter to shareholders

Dear Friends and Fellow Shareholders,

Let me start with Venezuela – the country with the largest proven oil reserves in the world. In the fourth quarter 2023, we announced that we had signed an exclusivity instrument with Novonor Latinvest Energy, allowing Maha to indirectly acquire 24 percent of the oil and gas company PetroUrdaneta, operating in Venezuela. Novonor's asset in Venezuela holds over 8 billion barrels of oil in place, according to the independent energy research company Rystad Energy. PetroUrdaneta's vast reserves and large stock of inactive wells, means opportunities for rapid ramp-ups through small interventions of shut-in wells at low investment costs. Upon the obtaining of proper authorizations, we look forward to enhancing the operations with potential investments in the area, targeting to restore production and cashflow as fast as possible. This acquisition is in line with Maha's ambition to be pioneers and create value for shareholders, while proving our strategy of non-organic growth at attractive low entry multiples. Maha is fully aware of the challenges of operating in Venezuela and had put enormous efforts for several months before deciding to move forward with this transaction. I look forward to updating you as we progress with this transaction.

Looking at the events during the third quarter, we can report a healthy production of 1,953 boepd, with the vast majority being unconsolidated and coming from our assets Papa Terra and Peroá clusters offshore Brazil. This production was reached despite backlog in maintenance inherited from the previous operator. Significant preventive and corrective maintenance have been conducted on Papa Terra during the year, which have resulted in greater production stability. As we ended the quarter, we reached a September production of 2,127 boepd. Both our offshore clusters, however, hold substantial upside to be realized over the coming years. The future work programs on the assets are currently being discussed with the 3R Offshore, the company that Maha holds 15% equity interest in and which operate the assets.

We report revenue from our consolidated production of TUSD 1,250 and share of income from investment in associate, Maha's net non-cash income portion from the Papa Terra and Peroá assets, of TUSD 1,698 for the third quarter. Our EBITDA was in line with third quarter last year and amounted to TUSD -323 in the third quarter 2023. Following the payment in the third quarter of the second instalment of the purchase price related to the sale of our assets onshore Brazil, our total cash balance (including restricted cash) increased from USD 102 million to USD 143 million.

Our work on our exploration Block in Oman continues. We were granted an extension of the Initial Phase of the Exploration and Production Sharing Agreement for Block 70 until 31st of December 2023. We launched a production test on the Block in March, and we will use this extended time to gather information necessary to support any decision regarding the future of the Block.

In US, we have divested our LAK asset and focused our efforts on the Illinois Basin. In the beginning of the fourth quarter, we kicked off a program consisting of three production wells and production battery installation. After completion, the wells are expected to increase Maha's current production from the Illinois Basin with production ramp up starting at the end of the year.

With the release of Maha's third quarter 2023 report, we could also look back on a year of significant changes for our company. During the year, we have gained new reference shareholders and strengthened board, management, and staff with highly motivated colleagues, incentivized for growth! We have sharpened our asset portfolio and strengthened our balance sheet by selling our previous assets onshore Brazil for a substantial amount of cash and gained new assets offshore Brazil. And now in the fourth quarter, we announced the Venezuela transaction.

In addition, I am honored to have been appointed as new CEO of Maha Energy during the quarter, in a very smooth and efficient process. Paulo T. Mendonça, our previous CEO, was elected as new chairman of Maha. Paulo and I have been working together for a long time, and releasing Paulo from the daily management of the company will allow him to focus even harder on our M&A strategy going forward.

Maha is now in a strong financial position, fully equipped to continue our growth trajectory. We have had a promising start, but the journey continues and there is much more to come! While challenges remain, we are excited about what lies ahead and look forward to delivering strong results. As we move forward, we will keep you updated on our progress and milestones.

Thank you for your support and trust in Maha Energy.

Yours sincerely,

Kjetil Braaten Solbraekke (CEO)

Financial Report for the Third Quarter Ended 30 September 2023

OPERATIONAL AND FINANCIAL REVIEW

Assets

Country	Concession name	Maha Working Interest (%)	Status	Net Area (acres)	BOEPD (2)	Partner & Associate
USA	Il Basin (various)	97%	Producing	3,297	179	-
USA	LAK Ranch (Divested Q3-23)	99%	Pre-Production	6,475	-	-
Brazil	Peroá cluster ³	15%	Producing	3,411	560	3R Offshore (Associate)
Brazil	Papa Terra cluster	9.375%	Producing	4,234	1,214	3R Offshore (Associate)
Oman	Block 70	65%	Pre-Production	102,635	-	Mafraq Energy LLC (35%)

Business combination between Maha and DBO 2.0 in Q2 2023

On 23 May 2023, Maha completed the previously announced business combination with DBO 2.0 S.A. (“DBO”). 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). In Q3 2023, the Company changed the name of its subsidiary DBO 2.0 to Maha Energy Offshore (Brasil) Ltda.

Peroá cluster: Peroá, Cançoá and Malombe

Maha owns a 15 percent indirect working interest (through its 15 percent equity interests in 3R Offshore) in Peroá, Cangoá and Malombe concession agreements (together, the “Peroá cluster”). The Peroá gas cluster is located in the Espírito Santo basin, offshore Brazil in shallow waters, and includes the Peroá and Cangoá producing fields, along with the Malombe discovery. Peroá and Cangoá are being developed and producing natural gas via the Peroá platform (3R-1). Gross 2P reserves are estimated at 13.5 mmboc per year-end 2022. A new gas sales agreement was signed in July 2023 (“GSA”) with the Companhia de Gás do Espírito Santo (“ES Gás”), as well as to sales into the Brazilian spot market. 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 GSA was signed after the execution and enforcement of a Gas Processing Agreement by and between 3R Offshore and Petróleo Brasileiro S.A. – Petrobras (“Petrobras”), for the processing, at the Cacimbas processing plant (owned and operated by Petrobras), of the gas produced at the Peroá cluster. Average net production from the Peroá cluster during the third quarter 2023 amounted to 560 BOEPD.

² As per the current quarter reported net production volumes to Maha before royalties. 1 BBL = 6,000 SCF of gas.

³ Peroá cluster is part of the investment in associate

⁴ Based on Maha’s estimates considering the reserve reports from DeGolyer and MacNaughton.

Papa Terra cluster

Maha indirectly owns (through its 15% equity interests in 3R Offshore) a 9.375 percent indirect working interest in Papa Terra cluster – which is directly owned by 3R Offshore and Nova Técnica Energia (37.5 percent). Papa Terra is a heavy oil field located in deep waters in the Campos Basin, approximately 100 km offshore the coast of the State of Rio de Janeiro, Brazil. Approximately 2.6 percent of the oil has been recovered as of December 2022 and gross 2P reserves are estimated to be 178.6 mm boe per year-end 2023.

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. Currently, 4 production wells and 3 injection wells are active.

Average net production from the Papa Terra cluster during the third quarter 2023 amounted to 1,214 BOEPD. During the year, monthly production volumes have fluctuated following preventive and corrective maintenance carried out. An intense maintenance and integrity recovery campaign for units 3R-2 (TLWP) and 3R-3 (FPSO) remains prioritized, which will progressively reduce the risks of unscheduled interruption of the units and is expected to result in greater operational efficiency, as we can see in the latest quarter over quarter trend.

Sale of Maha Energy Brasil Ltda in Q1 2023

On 28 February 2023, Maha completed the sale of Maha Energy Brasil Ltda. (“Maha Brazil”) to the Brazilian oil and gas company PetroRecôncavo S.A. (“PetroRecôncavo”). The total purchase price, including adjustments, amounted to 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, six months after the closing date. At the end of third quarter, the second installment was paid as a total cash amount of USD 48 million plus a bank deposit of USD 7 million in escrow accounts as a restricted cash. In addition, earn-outs of up to USD 36.1 million, which could be paid based on certain contractual conditions being met, where 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 at 30 Sep 2023.

Finally, part of proceeds from the transaction were used as collateral for Maha’s outstanding debt to BTG Pactual (related to the Credit Agreement dated 30 March 2021). See Note 17 for further details. As a result of this announcement, Maha Brazil has been presented as discontinued operations in the interim condensed consolidated statement of operations.

USAIllinois Basin (IB)

At the beginning of October 2023, Maha commenced a program consisting of three production wells and production battery installation. After completion, the wells are expected to increase Maha’s current production from the Illinois Basin with production ramp up starting at the end of the year. During the third quarter 2023, the Company completed routine maintenance activities such as workovers and well repairs at its assets in the Illinois Basin. The quarter production continued with only minor well workover activity required to repair routine pump failures. Average net production from the Illinois basin during the third quarter was amounted to 179 BOPD of oil (314 BOPD in Q3 2022).

LAK Ranch (LAK)

The Company completed the divestment of the heavy oil field LAK Ranch in the USA. These assets were acquired in 2013 and it was shut in at the beginning of 2020. The reason for the divestment decision was to avoid new future expenses and operating costs for an asset without cash flow generation and growth perspective, and potential future liabilities and relinquishment costs. This divestment generated an accounting impairment of 2.5

million, net of reversal of decommissioning liabilities. Through the divestment, the Company was able to relinquish liabilities for asset retirement obligations at the well, facility and surface lease level.

Oman

Block 70

In the first quarter of 2023, Maha farmed out 35% work interest to Mafrq Energy LLC. Maha remains the Operator of Block 70 with 65% interest. The consideration for the assignment of this interest to Mafrq Energy LLC is USD \$11.2 million which includes reimbursement of all past costs (including some general and administrative costs) accrued to that date and the commitment to bear 35% of all future costs. In March, the Company commenced the short-term production test on Block 70 at the “Alpha pad” on wells Mafrq-9, Mafrq-7, Mafrq-10 and Mafrq-8 and proceeded to the remaining wells during Q2. All 8 production wells drilled during the 2022-2023 drilling campaign were tested for short term and five (5) produced oil to surface at an initial estimated average rate of 300 barrels of oil per day, while three (3) had to be suspended after producing water and gas but before producing any oil. Even though more than 4,000 barrels of heavy, high viscosity oil (between 11-13 degrees API) were produced during the testing operations, filling all tank capacity available at Block 70, oil offloading has not yet initiated. Maha is now scaling up chemical treatment and dilution of the produced oil, based on those products that provided the best results in the lab to reduce viscosity and enhance flowability and that have been accepted by the third-party facility. Thereafter, the aim is to offload the produced oil to the third-party facility for further processing and transportation through the Omani national pipeline system. Once it becomes possible to offload the oil currently stored, Maha intends to restart the cold production of wells for further data gathering and production information.

During the third quarter, Maha was granted by the Ministry of Energy and Minerals of the Sultanate of Oman (“MEM”) an extension of the Initial Phase of the Exploration and Production Sharing Agreement (“EPSA”) for Block 70. After the extension, the Initial Phase of the EPSA runs until 31st of December 2023. During the extended Initial Phase, Maha intends to implement activities and tests necessary to support any decision regarding a second phase of the EPSA, a possible declaration of commerciality of Block 70 or relinquishment.

Bolivia

EIG Bolivia Pipeline AB

On 6 July 2023, Maha made an investment of USD 1,000,000 in EIG Bolivia Pipeline AB, through the acquisition of 3,845 shares, equivalent to approximately 7% shareholding interest in said company. EIG Bolivia Pipeline AB holds a 38% interest in GasTransboliviano S.A., a company which owns the Bolivian parcel of the pipeline “Brasil-Bolivia”.

Financial Results Review

Continuing Operations

Production

	Q3 2023	Q3 2022	Nine Months 2023	Nine Months 2022
Total consolidated Production (BBL) ⁵	16,468	28,905	56,596	119,636
Average Daily Production (BOEPD)	179	314	207	438

Production volumes are net working interest volumes before any royalties. The Company’s continuing operations with producing oil and gas assets are in the Illinois Basin. Production from Maha’s Brazilian assets, where Maha holds indirect interest, is not consolidated, and is instead included in the Group’s financial reporting

⁵ BOE takes into account gas delivered and sold. 1 bbl = 6,000 SCF of gas.

as share in income from investment in associates. Average daily production volumes in the Illinois Basin for the third quarter and the nine months of 2023 decreased as compared to the comparative period due to natural decline of the wells and lack of new production resulting from delay in the capital projects. The 4,000 barrels produced under the test production at Block 70 in Oman were not recorded since offloading from Block 70 has not been possible yet.

Revenue

(TUSD, unless otherwise noted)	Q3 2023	Q3 2022	Nine Months 2023	Nine Months 2022
Total Sales volume (BBL)	15,862	28,844	54,979	108,024
Oil and Gas revenue	1,250	2,567	4,061	10,336
Oil realized price (USD/BBL)	78.81	89.00	73.87	95.68
Reference price – Average WTI (USD/BBL)	82.30	93.18	77.38	98.79

Revenue from the continuing operations for the third quarter amounted to TUSD 1,250 (Q3 2022: TUSD 2,567) representing a decrease by 51% mainly due to lower sales volumes by 45% and lower realized oil price by 11% for the period. Revenue for the nine months of 2023 amounted to TUSD 4,061 as compared to the nine months of the comparative period which amounted to TUSD 10,336, representing a decrease of 61%. This decrease in revenue is consistent with lower realized oil price by 23% and lower sales volume by 49%. More revenue information is detailed in Note 3 to the Condensed Consolidated Financial Statements.

Royalties

(TUSD, unless otherwise noted)	Q3 2023	Q3 2022	Nine Months 2023	Nine Months 2022
Royalties	306	625	1,045	2,502
Royalties as a % of revenue	24.4%	24.3%	25.7%	24.2%

Royalties are settled in cash and based on realized prices before discounts. Royalty expense decreased by 51% for the third quarter and 68% for the nine months 2023 as compared to the same periods in 2022 which is consistent with lower revenue for the same periods.

Production expenses

(TUSD, unless otherwise noted)	Q3 2023	Q3 2022	Nine Months 2023	Nine Months 2022
Production expenses	417	563	1,371	2,313
Per unit (USD/BOE)	26.30	19.53	24.93	21.42

Production expenses for the continuing operations were lower for the third quarter and for the nine months 2023 as compared to the comparative periods mainly due to lower sales volumes which was slightly offset by an increase in overall costs resulting from inflation. Production expenses increased on a per unit bases as compared to the comparative periods due to lower sales volumes to absorb the high fixed costs.

Operating netback

(TUSD, unless otherwise noted)	Q3 2023	Q3 2022	Nine Months 2023	Nine Months 2022
Operating Netback	527	1,379	1,645	5,521
Netback (USD/BOE)	33.24	47.82	29.94	51.10

Operating netback is a non-GAAP financial metric used in the oil and gas industry to compare performance internally and with industry peers and is calculated as revenue less royalties and production expenses. Operating netback for the third quarter was 62% lower than the comparative period mainly due to lower sales volumes.

Operating netback for the nine months 2023 is 70% lower than the comparative period mainly due to lower sales volume and lower oil realized prices slightly offset by lower production costs year to date.

Depletion, depreciation, and amortization (“DD&A”) and impairment

The depletion rate is calculated on proved and probable oil and natural gas reserves, taking into account the future development costs to produce the reserves. Depletion expense is computed on a unit-of-production basis. The depletion rate will fluctuate on each re-measurement period based on the capital spending and reserves additions for the period.

DD&A expense for the third quarter amounted to TUSD 471 (at an average depletion rate of USD \$29.72 per BOE) as compared to TUSD 1,182 (at an average depletion rate of USD \$41.00 per BOE) for the comparative period. Total depletion expense was lower than the comparative period mainly due to lower total production volumes as compared to the same period last year. Depletion rate on a per BOE basis is consistent with the lower depletion expense. For the nine months 2023, DD&A expense decreased by 42% and amounted to TUSD 1,490 (at an average depletion rate of USD \$27.11 per BOE) as compared to TUSD 2,587 (at an average depletion rate of USD \$23.95 per BOE) for the comparative period.

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

In September, the Company completed the divestment of the heavy oil field LAK Ranch in the USA. These assets were acquired in 2013 and it was shut in at the beginning of 2020. 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 TUSD 2,459.

General and administration (“G&A”)

G&A expense for the third quarter amounted to TUSD 2,485, an increase of 88% from the comparative period which amounted to TUSD 1,323. G&A expenses increased mainly due to nonrecurring indirect costs associated with ongoing work related to future potential transactions that Maha has been engaged in and G&A expenses related to the newly formed Maha Brazil Holding Company in Brazil. G&A expense for the nine months 2023 amount to TUSD 6,546 which is higher by 68% from the comparative period of TUSD 3,888 mainly due to the same reasons described above.

Foreign currency exchange gain or loss

The net foreign currency exchange loss for the third quarter amount to TUSD 167 (Q3 2022: TUSD 211 loss) and amounted to TUSD 176 gain for the nine months 2023 (Nine months 2022: TUSD 111 loss). Foreign exchange movements occur on settlement of transactions denominated in foreign currencies. Foreign exchange gain for the third quarter is related to the Swedish Krona bank accounts held by the parent company that has US dollars as its functional currency. The Swedish Krona steadily weakened against the US dollars during the third quarter of the year.

Share of income from investment in associate

Share in income from investment in associate amounted to TUSD 1,698 (Q3 2022: nil) for the third quarter and amounted to TUSD 2,152 for the nine months 2023 (Nine Months 2022: nil) and is further detailed in Note 8 and DBO combination above. This represents Maha Energy’s net income portion (non-cash) resulting from 15 percent ownership in 3R offshore for the month of September 2023. The Company has significant influence over 3R Offshore due to the Company’s share ownership and representation on 3R Offshore’s Board of Directors. This investment is consolidated through the equity method and the net result of the entity is therefore recognised as a single line item in the condensed consolidated statement of operations.

Other income

During the third quarter, the Company recognized other income of TUSD 34 (Q3 2022: nil) and for the nine months 2023 other income of TUSD 934 (Nine months 2022: nil) which is primarily related to the reimbursement of past costs of Block 70 which were previously expensed during the previous years as per the terms of the Block 70 JOA with Mafraq Energy LLC (as described above).

Finance income and costs

Finance income for the third quarter increased to TUSD 1,379 (Q3 2022: TUSD 31) and for the nine months 2023 amounted to TUSD 6,022 (Nine Months 2022: TUSD 58) and is mainly related to investment income generated from short-term investments. The Company regularly invests most of its available cash balances in low-risk short term Time Deposits or low volatility investments. Finance costs for the third quarter continued to decrease as the Company amortizes bank debt and amounted to TUSD 1,699 (Q3 2022: TUSD 2,332) and for the nine months 2023 amounted to TUSD 5,595 (Nine months 2022: TUSD 7,225) and are detailed in Note 4.

Exchange differences on translation of foreign operations

The presentation currency of the Company is US Dollars; therefore, the translation differences of foreign operations are recorded within other comprehensive income. The exchange differences on translation of foreign operations presented in Statement of Comprehensive Earnings amounted to TUSD 574 (Q3 2022: TUSD -4,307). The cumulative impact of exchange differences on translation of foreign operations for the nine months 2023 amounted to TUSD -9,284 (Nine months 2022: 1,785). Upon completion of the Maha Brazil Transaction, the Company recognized TUSD 26,612 of foreign exchange translation and was included in the net loss from discontinued operations (see Note 5).

EBITDA

EBITDA (Earnings before interest, taxes, depreciation, and amortization and impairment) for the third quarter 2023 amounted to TUSD -323, down from TUSD -234 in third quarter 2022 driven by lower sales volumes and lower realized oil price. EBITDA for the nine months 2023 amounted to TUSD -2,348, down from TUSD 915 for the nine months 2022 driven by the same reasons. EBITDA is a non-IFRS financial measure and is reconciled as follows:

(TUSD, unless otherwise noted)	Q3 2023	Q3 2022	Nine Months 2023	Nine Months 2022
Operating result	(3,086)	(1,627)	(6,121)	(1,783)
Depletion, depreciation and amortization	471	1,182	1,490	2,587
Impairment of E&E Assets	2,459	-	2,459	-
Foreign currency exchange gain (loss)	(167)	211	(176)	111
EBITDA	(323)	(234)	(2,348)	915

Result

The net result from continuing operations for the third quarter amounted to TUSD -3,406 (Q3 2022: TUSD -3,928) representing earnings per share of USD -0.02 (Q3 2022: USD -0.03). The net result for the nine months 2023 amounted to TUSD -5,694 representing earnings per share of USD -0.04 as compared to the nine months of 2022 which amounted to TUSD -8,950 representing earnings per share of USD -0.07. Net results for the third quarter and the nine months periods are higher than the comparative periods mainly due to income from investment in associate and higher finance income resulting from investment of cash. Higher income was offset by higher general and administrative costs and lower net revenue from oil and gas sales.

Liquidity and capital resources

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. The Company considers its capital structure to include shareholders' equity of USD 180.9 million (31 December 2022: USD 140.9 million). The Company's restricted cash balance of USD 47.8 million has been escrowed to use as a collateral for the Company's debt balance of USD 39.5 million and as a collateral for certain financial commitments and contingent liabilities existing on the Brazil Transaction's effective date. In addition, the Company cash balance amounted to USD 95.0 million resulting from collection of the second installment of the proceeds from the sale of Maha Brazil. For the remainder the year, management will continue to use internally generated cash flow to fund its 2023 exploration and development program and is dedicated to keeping a strong statement of financial position, which has proven to be very important, especially in times of volatile commodity prices. The significant increase in cash shall be deployed to complete opportunistic acquisitions at attractive multiples to build a portfolio of stable producing assets.

Share data

Shares outstanding	Class A
31 December 2022	143,615,696
31 March 2023	143,615,696
Shares issued for DBO 2.0 acquisition*	34,829,057
30 September 2023	178,444,753

*All 34,829,057 new shares were registered with the Swedish Companies Registrations Office during the third quarter of 2023.

Risks and uncertainties

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. This approach actively addresses risk as an integral and continual part of decision making within the Company and is designed to ensure that all risk is identified, fully acknowledged, understood and communicated well in advance. Nevertheless, oil and gas exploration, development and production involve high operational and financial risks, which even a combination of experience, knowledge and careful evaluation may not be able to fully eliminate, or which are beyond the Company's control. The Board of Directors has overall responsibility for establishment and oversight of the Company's risk management. A detailed analysis of Maha's operational, financial, and external risks, and the mitigation of those risks through risk management is described in Maha Energy's 2022 Annual Report (page 42 – Page 47).

Legal matters

The Company has different ongoing legal matters concerning labor, regulatory and taxation, being mostly related to Maha Brazil (entity sold to PetroRecôncavo, as part of Maha Brazil Transaction). All of these are considered routine and consistent with doing business in Brazil. Maha Brazil Transaction closed at the end of February 2023; however, although not included as a party, the Company remains liable for the financial commitment of certain lawsuits and contingent liabilities existing on the Transaction's effective date. Such amount have been retained in escrow upon the payment of the second installment of the purchase price, being released as necessary for the purposes of payment of applicable liabilities and condemnation amounts. Any balance will be released to Maha on the closing of the last lawsuit, or within six (6) years from closing date, as applicable. Provisions for lawsuits are estimated in consultation with the Company's Brazilian legal counsel and were part of the non-current liabilities and provisions of the discontinued operations.

Board of Directors

Maha's Board of Directors, elected at the EGM in September 2023, consists of seven members: Paulo Mendonça (chairman), Halvard Idland, Viktor Modigh, Richard Norris, Enrique Peña, Fabio Vassel and Svein Harald Øygard.

Environment, social, and governance (ESG)

Through responsible operations and strategic planning, Maha seeks to create long-term value for all of its stakeholders. Thereby, Maha conducts its operations in a manner respects its workforce, neighboring communities, and the environment. Part of contributing to society and being a good global citizen is to not only to adhere to laws and regulations, but to integrate stakeholder interests into its Corporate Strategy. Part of Maha’s business and operational development is engaging with stakeholders as their interests play an important role in the Company’s business activities and success. The Company defines stakeholders as individuals, communities, and organizations that are and may be affected by Maha’s operations; or whose actions can reasonably be expected to affect the ability of the Company to successfully implement its strategies and achieve its objectives. Stakeholder engagement is the process whereby information and perspectives in relation to Maha’s activities are exchanged. For more information on Maha’s ESG initiatives, please review Maha’s Sustainability Report on our website (www.maha-energy.com).

Environment

Respecting and minimizing impacts to the environment is a key component in Maha’s development plans and operations. Thereby, Maha incorporates environmental management strategies into operational planning, execution, and is considered throughout all stages of Maha’s business activities. Company operations are conducted in a manner that respects the environment and is, at minimum, in compliance with the applicable environmental laws and regulations. A key component in Maha’s environmental management is the notion of being proactive rather than reactive. Proactively identifying, anticipating, planning, and preventing costly and impactful scope changes in development plans and operational activities help Maha minimize, if not eliminate, environmental and social impacts prior to them possibly occurring. Proactive management can also address potential irreversible impacts and allows for decisions to be made on strategy and management, rather than responding out of necessity to a situation. This allows Maha to plan to fully utilize its resources, minimize waste, as well as minimize potential environmental and social impacts. For example, Maha recycles or reinjects produced water, which not only reduces having to find water from another source, but also reduces wastewater treatment requirements. In Brazil, while operating the assets part of Maha Brazil Transaction, Maha was reducing the release of natural gas by using the waste gas from oil production to generate electricity.

Social

Maha values the relationship with its employees, community members, and other stakeholders. Therefore, efforts are made to engage with its employees and local communities in a transparent and respectful manner. One example of promoting two-way communication is the implementation of the MahaConnect program. This Program is a two-way communication channel that allow local stakeholders to formally connect with Maha. MahaConnect helps Maha understand local questions, concerns and inquiries as well as allow for the opportunity to address them. To ensure stakeholders have the available tools to connect with Maha, the MahaConnect program allows for three different communication channels to be utilized: 1) Email, 2) Physical mail, and 3) Community meetings. The information about the program has been distributed to local communities through the educational pamphlet and community meetings and can be found on Maha’s website. All inquiries may be submitted anonymously, but Maha encourage all individuals to identify themselves to facilitate a proper two-way transparent conversation. Additionally, Maha seeks to ensure local communities benefit from its operations, both directly and indirectly. Direct hiring and encouraging subcontractors to hire local suppliers wherever possible is a way for Maha to contribute to the local communities and economy. Maha has also connected with Local Community Associations to maintain an open and transparent dialogue with the communities near its operations and to promote local hiring wherever possible.

Governance

Corporate Governance is an integral part of the company’s foundation that guides Maha’s corporate culture, business objectives, and helps accommodate stakeholder interests. Maha is committed to conducting business honestly, safely, ethically, and with integrity in full compliance with laws, rules, and regulations applicable to the business in the countries in which it operates. Personal and business ethics are taken seriously at Maha and underlie all the regulations in Corporate Governance. All employees must at all times comply with applicable laws, rules, and regulations, as well as adhere to internal policies and procedures. All employees must avoid any

situation that could be perceived as improper, unethical, or indicate a casual attitude towards compliance with such laws, rules and regulations. Employees must not contribute to any violations that might be committed by other parties in Maha's business relationships or other stakeholders. Part of Maha's Corporate Governance is that Maha does not tolerate any form of corrupt practices and has in place Corporate Governance Policies that clearly define how business must be conducted. The best way to prevent corruption is through transparency - one of our core values. The Company has established a Code of Business Conduct and Anti-Corruption policies for all its employees, contractors and workers to adhere to. In addition to Corporate policies review sessions, all of Maha's Corporate Governance policies, procedures and guidelines are acknowledged and readily available to employees.

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.

The net result for the Parent Company for Q3 2023 amounted to TSEK -982,313 (Q3 2022: TSEK -6,310) mainly due to reversal of dividend income from a subsidiary which was previously declared but was reversed by the subsidiary during the quarter. In addition, foreign exchange loss amounted to TSEK 60,599 (Q3 2022: TSEK 6,708 gain) and higher general and administrative expenses amounted to TSEK 4,802 (Q3 2022: TSEK 2,157) resulting from non recurring costs related to new business opportunities. This was offset by lower finance costs of TSEK 18,160 (Q32022: 46,295).

The net result for the Parent Company for nine months 2023 amounted to TSEK 26,641 (nine months 2022: TSEK -31,937) which is higher than the comparative period mainly due to higher finance income of TSEK 102,545 (nine months 2022: TSEK 35,434) resulting from short term investments of cash available to the Company and lower finance costs of TSEK 59,092 (nine months 2022: TSEK 72,497). This was offset by higher general and administrative expenses of TSEK 15,846 (nine months 2022: TSEK 6,571) due to same reasons as the third quarter and foreign currency exchange loss of 966 (nine months 2022: 11,697 gain).

Subsequent Events

In October 2023, Maha Energy announced that it has signed an exclusivity private instrument with Novonor Latinvest Energy S.à.r.l ("Novonor") granting Maha exclusive rights to acquire 60 percent of Novonor's 100% owned Spanish subsidiary Odebrecht E&P España SL r.l, which holds 40 percent equity interest of PetroUrdaneta, an O&G joint venture company operating in Venezuela. The consummation of the transaction will be subject to certain conditions, including the Venezuelan Oil Minister's prior approval. The potential acquisition is evidence of Maha's ambitious growth strategy and value creation plan.

Financial Statements

Condensed Consolidated Statement of Operations

(TUSD) except per share amounts	Note	Q3 2023	Q3 2022 ⁵	Nine Months 2023	Nine Months 2022 ⁶
Revenue					
Oil and gas sales	3	1,250	2,567	4,061	10,336
Royalties		(306)	(625)	(1,045)	(2,502)
Net Revenue		944	1,942	3,016	7,834
Cost of sales					
Production expense		(417)	(563)	(1,371)	(2,313)
Depletion, depreciation and amortization	6	(471)	(1,182)	(1,490)	(2,587)
Gross profit		56	197	155	2,934
General and administration		(2,485)	(1,323)	(6,546)	(3,888)
Stock-based compensation	12	(97)	(242)	(533)	(566)
Exploration and business development costs		-	(48)	-	(152)
Foreign currency exchange gain (loss)		167	(211)	176	(111)
Impairment of exploration and evaluation assets		(2,459)	-	(2,459)	-
Share of income from investment in associate	8	1,698	-	2,152	-
Other Income		34	-	934	-
Operating result		(3,086)	(1,627)	(6,121)	(1,783)
Finance income	4	1,379	31	6,022	58
Finance costs	4	(1,699)	(2,332)	(5,595)	(7,225)
Net Finance items		(320)	(2,301)	427	(7,167)
Result before tax		(3,406)	(3,928)	(5,694)	(8,950)
Current and deferred tax		-	-	-	-
Net result from continuing operations		(3,406)	(3,928)	(5,694)	(8,950)
Discontinued Operations					
Net result from discontinued operations	5	-	6,521	(1,647)	31,792
Net result		(3,406)	2,593	(7,341)	22,842
Basic and diluted earnings per share					
From continuing operations		(0.02)	(0.03)	(0.04)	(0.07)
From discontinued operations		-	0.05	(0.01)	0.26
		(0.02)	0.02	(0.05)	0.19
Weighted average number of shares:					
Before dilution		178,444,753	119,715,696	160,200,961	119,715,696
After dilution		178,444,753	119,843,247	160,200,961	120,116,527

⁶ The comparative periods have been restated to reflect continuing operations.

Condensed Consolidated Statement of Comprehensive Earnings

(TUSD)	Note	Q3 2023	Q3 2022	Nine Months 2023	Nine Months 2022
Net Result for the period		(3,406)	2,593	(7,341)	22,842
<u>Items that may be reclassified to profit or loss:</u>					
Exchange differences on translation of foreign operations		574	(4,307)	(9,284)	1,785
Transfer of accumulated other comprehensive Income on disposition	5	-	-	26,612	-
		574	(4,307)	17,328	1,785
Comprehensive result for the period		(2,832)	(1,714)	9,987	24,627
<u>Attributable to:</u>					
Shareholders of the Parent Company		(2,832)	(1,714)	9,987	24,627

Condensed Consolidated Statement of Financial Position

(TUSD)	Note	30 September 2023	31 December 2022
ASSETS			
Non-current assets			
Property, plant and equipment	6	11,882	14,015
Exploration and evaluation assets	7	27,684	29,202
Investment in associate	8	32,340	-
Other long-term financial assets	13	9,000	302
Restricted cash	17	12,000	-
Total non-current assets		92,906	43,519
Current assets			
Assets held for sale	5	-	153,986
Prepaid expenses and deposits		367	590
Crude oil inventory		161	172
Accounts receivable and other credits		5,979	568
Restricted cash	17	35,823	-
Cash and cash equivalents		94,962	19,520
Total current assets		137,292	174,836
TOTAL ASSETS		230,198	218,355
EQUITY AND LIABILITIES			
Equity			
Shareholder's equity		180,863	140,897
Liabilities			
Non-current liabilities			
Bank debt	9	17,016	26,590
Decommissioning provision	10	1,873	1,700
Lease liabilities	11	60	78
Total non-current liabilities		18,949	28,368
Current liabilities			
Liabilities held for sale	5	-	19,889
Bank debt	9	22,500	19,500
Accounts payable		4,782	3,649
Accrued liabilities and provisions		3,028	5,975
Current portion of lease liabilities	11	76	77
Total current liabilities		30,386	49,090
TOTAL LIABILITIES		49,335	77,458
TOTAL EQUITY AND LIABILITIES		230,198	218,355

Condensed Consolidated Statement of Cash Flows

	Note	Q3 2023	Q3 2022	Nine Months 2023	Nine Months 2022
Operating Activities					
Net result from continuing operations		(3,406)	(3,928)	(5,694)	(8,950)
Net result from discontinued operations		-	6,521	(1,647)	31,792
Depletion, depreciation, and amortization	6	471	3,295	1,490	10,683
Impairment		2,459	-	2,459	-
Stock based compensation	12	97	242	533	566
Accretion of decommissioning provision	4,10	16	36	51	106
Amortization of deferred financing fees	9	328	452	1,099	1,406
Share of income from investment in associate		(1,698)	-	(2,152)	-
Other gains		(34)	-	(34)	-
Interest expense		1,374	1,916	4,445	5,927
Income tax expense		-	187	-	(2,007)
Deferred tax expense		-	1,199	-	8,040
Unrealized investment income		3,410	-	530	-
Unrealized foreign exchange amounts		702	251	(1,508)	(14)
Settlement of decommissioning liabilities		-	(42)	-	(42)
Interest received		4,428	68	6,135	175
Interest paid		(19)	(1,869)	(3,101)	(5,783)
Tax paid		-	(335)	-	(2,673)
Changes in working capital	16	42,488	1,686	41,403	1,372
Cash from operating activities		50,616	9,679	44,009	40,598
Investing activities					
Capital expenditures - property, plant, and equipment	6	(187)	(13,044)	(219)	(37,806)
Capital expenditures - exploration and evaluation assets	7	(1,700)	(4,744)	(10,142)	(7,675)
Investment in associate	8	(117)	-	(709)	-
Farmout proceeds	7	624	-	10,215	-
Investment in other long term financial assets		(8,696)	-	(8,696)	-
Restricted cash		(6,687)	-	(47,823)	-
Cash used in investment activities		(16,763)	(17,788)	(57,374)	(45,481)
Financing activities					
Lease payments	11	(24)	(319)	(62)	(990)
Repayment of bank debt	9	-	(3,750)	(9,000)	(7,500)
Shares subscription (net of issue costs)	12	-	-	(33)	-
Cash from (used in) financing activities		(24)	(4,069)	(9,095)	(8,490)
Change in cash and cash equivalents		33,829	(12,178)	(22,460)	(13,373)
Proceeds from sale of discontinued operations		-	-	95,883	-
Discontinued operations		-	-	(1,596)	-
Cash and cash equivalents at the beginning of the period		61,270	23,863	23,228	25,535
Currency exchange differences in cash and cash equivalents		(137)	(347)	(93)	(824)
Cash and cash equivalents at the end of the period		94,962	11,338	94,962	11,338
- of which is included in discontinued operations	5	-	2,020	-	2,020
- of which is included in the continued operations		94,962	9,318	94,962	9,318

Condensed Consolidated Statement of Changes in Equity

(TUSD)	Share Capital	Contributed Surplus	Other Reserves	Retained Earnings	Total Shareholders' Equity
Balance on 1 January 2022	146	86,292	(40,010)	44,997	91,425
Comprehensive result					
Result for the period	-	-	-	22,842	22,842
Currency translation difference	-	-	1,785	-	1,785
Total comprehensive result	-	-	1,785	22,842	24,627
Transactions with owners					
Stock based compensation	-	566	-	-	566
Balance on 30 September 2022	146	86,858	(38,225)	67,839	116,618
Comprehensive result					
Result for the period	-	-	-	91	91
Currency translation difference	-	-	4,958	-	4,958
Total comprehensive result	-	-	4,958	91	5,049
Transactions with owners					
Stock based compensation	-	236	-	-	236
Share issuance (net of issue costs)	25	18,969	-	-	18,994
Balance on 31 December 2022	171	106,063	(33,267)	67,930	140,897
Comprehensive result					
Result for the period	-	-	-	(7,341)	(7,341)
Currency translation difference	-	-	17,328	-	17,328
Total comprehensive result	-	-	17,328	(7,341)	9,987
Transactions with owners					
Stock based compensation	-	533	-	-	533
Share issuance (net of issue costs)	36	29,409	-	-	29,445
Balance on 30 September 2023	207	136,005	(15,939)	60,589	180,862

Parent Company Statement of Operations

(Expressed in thousands of Swedish Krona)	Q3 2023	Q3 2022	Nine Months 2023	Nine Months 2022
Revenue	-	-	-	-
Expenses				
General and administrative	(4,802)	(2,157)	(15,846)	(6,571)
Foreign currency exchange (loss) gain	(60,599)	6,708	(966)	11,697
Operating result	(65,401)	4,551	(16,812)	5,126
Finance costs	(18,160)	(46,295)	(59,092)	(72,497)
Finance income	(898,752)	35,434	102,545	35,434
Result before tax	(982,313)	(6,310)	26,641	(31,937)
Income tax	-	-	-	-
Net result for the period ⁷	(982,313)	(6,310)	26,641	(31,937)

Parent Company Balance Sheet

(Expressed in thousands of Swedish Krona)	Note	30 September 2023	31 December 2022
Assets			
Non-current assets			
Investment in subsidiaries		448,467	16,153
Loans to subsidiaries		769,775	691,849
Restricted cash		131,039	50
		1,349,281	708,002
Current assets			
Accounts receivable and other		354	167
Restricted cash		319,635	50
Cash and cash equivalents		987,319	152,391
		1,307,308	152,608
Total Assets		2,656,589	860,610
Equity and Liabilities			
Share capital		1,963	1,580
Contributed surplus		1,210,430	892,763
Retained earnings		(502,132)	(528,773)
Total equity		710,262	365,570
Non-current liabilities			
Bank debt	9	192,872	288,246
Current liabilities			
Accounts payable and accrued liabilities		1,470	3,604
Loans from subsidiaries		1,506,287	-
Bank debt	9	245,698	203,190
		1,753,455	206,794
Total liabilities		1,946,327	495,040
Total Equity and Liabilities		2,656,589	860,610

⁷ 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 Statement of Changes in Equity

(Thousands of Swedish Krona)	Restricted equity	Unrestricted equity		Total Equity
	Share capital	Contributed surplus	Retained Earnings	
Balance on 1 January 2022	1,317	686,398	(463,895)	223,820
Total comprehensive income	-	-	(31,937)	(31,937)
Transaction with owners				
Stock based compensation	-	5,653	-	5,653
Balance on 30 September 2022	1,317	692,051	(495,832)	197,535
Total comprehensive income	-	-	(32,941)	(32,941)
Transaction with owners				
Stock based compensation	-	2,542	-	2,542
Share issuance (net of issuance costs)	263	198,170	-	198,433
Total transaction with owners	263	200,712	-	200,975
Balance on 31 December 2022	1,580	892,763	(528,773)	365,570
Total comprehensive income	-	-	26,641	26,641
Transaction with owners				
Stock based compensation	-	5,620	-	5,620
Share issuance (net of issuance costs)	383	312,047	-	312,430
Total transaction with owners	383	1,210,430	(502,132)	710,262
Balance on 30 September 2023	1,963	1,210,430	(502,132)	710,262

Notes to the Condensed Consolidated Financial Statements

1. Corporate Information

Maha Energy AB (“Maha (Sweden)” or “the 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 properties. The Company has operations in Oman and the United States. The head office is located at Eriksbergsgatan 10, SE-114 30 Stockholm, Sweden. The Company’s subsidiary, Maha Energy Inc., maintains its technical office in Calgary, Canada. The Company has operations offices in Grayville, IL, Newcastle, WY, USA, Muscat, Oman and Rio de Janeiro, Brazil.

Changes in the Group

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. On 23 May 2023 the Company acquired 100 percent of the shares of DBO 2.0 as the wholly owned subsidiary and now owns 15 percent of the shares in 3R Offshore, which holds operated working interests in producing oil and gas offshore fields in Brazil. Subsequent to the quarter end, the Company changed the name of its subsidiary DBO 2.0 to Maha Energy Offshore (Brasil) Ltda.

Basis of Presentation

The interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), and the Swedish Annual Accounts Act.

The interim condensed consolidated financial statements are stated in thousands of United States Dollars (TUSD), unless otherwise noted, which is the Company’s presentation and functional currency. These interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are stated at fair value. The financial reporting of the Parent Company (Maha Energy AB) has been prepared in accordance with accounting principles generally accepted in Sweden, applying RFR 2 Reporting for legal entities, issued by the Swedish Financial Reporting Board and the Annual Accounts Act. Under Swedish company regulations it is not allowed to report the Parent Company results in any other currency than Swedish Krona or Euro and consequently the Parent Company’s financial information is reported in Swedish Krona and not the Group’s presentation currency of US Dollar.

Significant Accounting Policies

The accounting principles as described in the Annual Report 2022 have been used in the preparation of this report. Certain information and disclosures normally included in the notes to the annual consolidated financial statements have been condensed or have been disclosed on an annual basis only. Accordingly, these interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2022. Amendments in standards effective 1 January 2023 has not had any significant impact on the Group’s financial statements.

Farm outs within the exploration and evaluation phase

The Company does not record any expenditure made by the farmee on its account. It also does not recognize any gain or loss on its exploration and evaluation farmout arrangements, but redesignates any costs previously capitalized in relation to the whole interest as relating to the partial interest retained. Any cash consideration

received directly from the farmee is credited against costs previously capitalized in relation to the whole interest with any prior period costs accounted for by the farmor as other income.

Investment in associates

An associate is an entity over which the Company has significant influence, and which is neither a subsidiary nor a joint arrangement. The Company has significant influence over an entity when it has the power to participate in the financial and operating policy decisions of the associate but does not have control or joint control. The Company's investment in the common shares of DBO 2.0 has been treated as an investment in an associate accordingly and has been accounted for using the equity method. Under the equity method, the Company's investment in the common shares of the associate is initially recognized at cost and subsequently increased or decreased to recognize the Company's share of net income and losses of the associate, after any adjustments necessary to give effect to uniform accounting policies, any other movement in the associate's reserves, and for impairment losses after the initial recognition date. The Company's share of income and losses of the associate is recognized in consolidated statement of operations during the period and is included in the EBITDA. Dividends and repayment of capital received from an associate are accounted for as a reduction in the carrying amount of the Company's investment. Intercompany balances and interest expense and income arising on loans and borrowings between the Company and its associates are not eliminated. At the end of each reporting period, the Company assesses whether there is any objective evidence that an investment in an associate is impaired. Objective evidence includes observable data indicating there is a measurable decrease in the estimated future cash flows of the investee's operations. When there is objective evidence that an investment is impaired, the carrying amount of such investment is compared to its recoverable amount, being the higher of its fair value less costs of disposal and value-in-use. If the recoverable amount of an investment is less than it is carrying amount, the carrying amount is reduced to its recoverable amount and an impairment loss, being the excess of carrying amount over the recoverable amount, is recognized in the period in which the relevant circumstances are identified. Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Going Concern

The Company prepared these consolidated financial statements on a going concern basis, which contemplates the realization of assets and liabilities in the normal course of business as they become due. The Company manages its capital structure to support the Company's strategic growth and has positive cash flow from operations.

2. 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 as follows:

- United States of America (USA): Includes all oil and gas activities in the Illinois Basin.
- Corporate: The Corporate segment aggregates costs incurred at the Company's corporate office in Sweden, the technical office in Canada and the support office in Brazil as well as initial costs related to activities in Oman and investment in 3R Offshore. These operating segments have similar economic characteristics as they do not currently generate revenue.

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

Q3 2023 (TUSD)	USA	Corporate	Consolidated
Revenue	1,250	-	1,250
Royalties	(306)	-	(306)
Production and operating	(417)	-	(417)
Depletion, depreciation, and amortization	(433)	(38)	(471)
General and administration	(271)	(2,214)	(2,485)
Stock-based compensation	-	(97)	(97)
Foreign currency exchange gain	-	167	167
Impairment	(2,459)	-	(2,459)
Share of income from investment in associate	-	1,698	1,698
Other income	-	34	34
Operating results	(2,636)	(450)	(3,086)
Net finance costs	(2)	(318)	(320)
Net results from continuing operations	(2,638)	(768)	(3,406)

Q3 2022 (TUSD)	USA	Corporate ⁸	Consolidated
Revenue	2,567	-	2,567
Royalties	(625)	-	(625)
Production and operating	(563)	-	(563)
Depletion, depreciation, and amortization	(1,164)	(18)	(1,182)
General and administration	(62)	(1,261)	(1,323)
Stock-based compensation	-	(242)	(242)
Exploration and business development cost	-	(48)	(48)
Foreign currency exchange loss	-	(211)	(211)
Operating results	153	(1,780)	(1,627)
Net finance costs	(7)	(2,294)	(2,301)
Net results from continuing operations	146	(4,074)	(3,928)

Nine Months 2023 (TUSD)	USA	Corporate	Consolidated
Revenue	4,061	-	4,061
Royalties	(1,045)	-	(1,045)
Production and operating	(1,371)	-	(1,371)
Depletion, depreciation, and amortization	(1,406)	(84)	(1,490)
General and administration	(451)	(6,095)	(6,546)
Stock-based compensation	-	(533)	(533)
Foreign currency exchange gain	-	176	176
Impairment	(2,459)	-	(2,459)
Share of income from investment in associate	-	2,152	2,152
Other Income	-	934	934
Operating results	(2,671)	(3,450)	(6,121)
Net finance costs	(21)	448	427
Net results from continuing operations	(2,692)	(3,002)	(5,694)

⁸ Corporate segment has been restated as per the current presentation.

Nine Months 2022 (TUSD)	USA	Corporate	Consolidated
Revenue	10,336	-	10,336
Royalties	(2,502)	-	(2,502)
Production and operating	(2,313)	-	(2,313)
Depletion, depreciation, and amortization	(2,533)	(54)	2,587
General and administration	(203)	(3,685)	3,888
Stock-based compensation	-	(566)	(566)
Exploration and business development cost	-	(152)	(152)
Foreign currency exchange gain/loss	-	(111)	(111)
Impairment	-	-	-
Share of income from investment in associate	-	-	-
Other Income	-	-	-
Operating results	2,785	(4,568)	(1,783)
Net finance costs	(20)	(7,147)	(7,167)
Net results from continuing operations	2,765	(11,715)	(8,950)

3. Revenue

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

TUSD	Q3 2023	Q3 2022	Nine Months 2023	Nine Months 2022
Continuing operations - Total revenue from contracts with customers	1,250	2,567	4,061	10,336

Revenue is measured at the consideration specified in the contracts and represents amounts receivable net of discounts and sales taxes. Performance obligations associated with the sale of crude oil are satisfied when control of the product is transferred to the customer. This occurs when the oil is physically transferred at the delivery point agreed with the customer and the customer obtains legal title. The continuing operations of the Company has one main customer that individually accounts for 100 percent of the Company's consolidated gross sales. There were no intercompany sales or purchases of oil and gas during the period. The Company had no contract asset or liability balances during the period presented. As of 30 September 2023, accounts receivable and other credits included nil of sales revenue which related to the current quarter's production.

4. Financial Income & Finance Costs

(TUSD)	Q3 2023	Q3 2022	Nine Months 2023	Nine Months 2022
Interest and investment income	1,379	31	6,022	58
Finance income	1,379	31	6,022	58
Accretion of decommissioning provision (Note 10)	16	7	51	21
Amortisation of deferred financing fees (Note 9)	327	452	1,099	1,406
Interest expense (Note 9)	1,355	1,873	4,445	5,798
Finance costs	1,699	2,332	5,595	7,225
Net finance income (costs)	(320)	(2,301)	427	(7,167)

5. Assets Held for Sale and Discontinued Operations – 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 30 September 2023. During the current quarter, Maha received the second installment of the purchase price amounting to USD 55.0 million.

Results of Discontinued Operations

(TUSD) except per share amounts	Q3 2023	Q3 2022	Nine Months 2023	Nine Months 2022
Revenue				
Oil and gas sales	-	15,090	9,049	62,170
Royalties	-	(1,554)	(776)	(6,445)
Net Revenue	-	13,536	8,273	55,725
Cost of sales				
Production expense	-	(3,918)	(1,518)	(10,312)
Depletion, depreciation and amortization	-	(2,111)	-	(8,095)
Gross profit	-	7,507	6,755	37,318
General and administration	-	(119)	(925)	(617)
Other income/(loss)	-	382	336	627
Other gains	-	-	-	-
Operating result	-	7,770	6,166	37,328
Net finance income (costs)	-	138	(2)	498
Result before tax	-	7,908	6,164	37,826
Current tax recovery (expense)	-	(187)	(261)	2,007
Deferred tax expense	-	(1,199)	(90)	(8,040)
	-	6,522	5,813	31,793
Gain on sale of discontinued operations	-	-	19,152	-
Realized accumulated other comprehensive loss on discontinued operations	-	-	(26,612)	-
Net result from discontinued operations	-	6,522	(1,647)	31,793

Gain on the sale of Maha Brazil is detailed in the following table:

(TUSD)	28 February 2023
Cash Consideration	138,000
Working capital and other adjustment	12,913
	150,913
Net assets of discontinued operations sold	(131,761)
Gain on sale of discontinued operations	19,152

Assets and Liabilities held for Sale

(TUSD)	30 September 2023	31 December 2022
Assets held for sale		
Property, plant and equipment	-	141,761
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 flows from Discontinued Operations

(TUSD)	Q3 2023	Q3 2022	Nine Months 2023	Nine Months 2022
Cash from operating activities	-	9870	4,552	43,202
Cash used in investment activities	-	(13,771)	(2,820)	(36,763)
Cash from (used in) financing activities	-	(4,876)	-	(11,681)

6. Property, Plant and Equipment (PP&E)

(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)	-	-	(104)
Currency translation adjustment	7,407	39	62	7,508
31 December 2022	17,057	1,877	256	19,190
Additions	184	35	152	371
Dispositions	-	(1,405)	(255)	(1,660)
30 September 2023	17,241	506	153	17,900
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	(1,402)	(50)	(25)	(1,477)
Disposition	-	496	137	633
30 September 2023	(5,833)	(163)	(23)	(6,019)
Carrying amount				
31 December 2022	12,626	1,268	121	14,015
30 September 2023	11,408	343	130	11,882

7. Exploration and Evaluation Assets (E&E)

	(TUSD)
31 December 2021	13,660
Additions in the period	15,685
Change in decommissioning cost	(143)
31 December 2022	29,202
Additions in the period	10,486
Change in decommissioning cost	261
Farmout proceeds	(10,181)
Impairment of exploration and evaluation assets	(2,084)
30 September 2023	27,684

On 8 August 2022, the Company entered into a farmout agreement with Mafraq Energy LLC whereby the Company will transfer a 35% working interest in the Block 70 in Oman in exchange for Mafraq Energy LLC reimbursing Maha for their prorated share of all past costs. On 28 January 2023, the Company entered into the joint operating agreement with Mafraq Energy LLC for Block 70 in Oman. The signature of the joint operating agreement alongside the Governmental approval ratified by Royal Decree 74/2022 and other relevant procedures, marked the satisfaction of all condition's precedent required for the conclusion of the assignment of Maha's 35% work interest

to Mafraq Energy LLC. Total consideration for the assignment of this interest is USD \$11.2 million to the Company which includes reimbursement of all past costs.

In September, 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 TUSD 2,459.

8. Investment in Associates

On 23 May 2023, the Company acquired 100 percent of all the outstanding shares in DBO 2.0 (the “DBO Transaction”). Through the DBO Transaction, Maha acquired all outstanding shares in DBO against payment of 34,829,057 new shares in the Company (issued pursuant to the resolution of the extraordinary general meeting held on 29 March 2023) and transaction costs of TUSD 592. DBO owns 15 percent of the shares in 3R Offshore, which holds operated working interests in producing oil and gas offshore fields in Brazil. The Company applies equity accounting to the investment in the 3R Offshore as the Company has significant influence over 3R Offshore 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. In Q3 2023, the Company changed the name of its subsidiary DBO 2.0 to Maha Energy Offshore (Brasil) Ltda.

(TUSD)	Q3 2023	Q3 2022	Nine Months 2023	Nine Months 2022
Income from Investment in 3R Offshore	1,698	-	2,152	-

9. Bank Debt

	TUSD	TSEK
Bank debt	60,000	504,276
Currency translation adjustment	-	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	-	76,830
31 December 2022	46,090	491,436
Loan repayment	(9,000)	(95,411)
Interest Expense	1,345	14,546
Deferred financing costs	1,081	11,742
Currency translation adjustment	-	16,257
30 September 2023	39,516	438,570
Less: Current portion	21,750	245,698
Non-current	17,766	192,872

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 has 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 third quarter, the Company repaid principal balance of USD \$5.3 million and interest payable of USD \$1.3 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.

10. Decommissioning Provision

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

	(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 expense	66
Additions	726
Disposition of liability	(619)
30 September 2023	1,873

11. Lease Liability

	(TUSD)
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	152
Dispositions	126
Interest expense	17
Lease payments	(62)
30 September 2023	136
Less current portion	76
Lease liability – non-current	60

12. 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
30 September 2023	178,444,753	-	178,444,753

Warrant Incentive Program

The Company has a long-term incentive program (“LTIP”) as part of the remuneration package for management and employees. Following incentive warrants were outstanding at 30 September 2023:

Warrants incentive programme	Exercise period	Exercise price, SEK	1 Jan 2023	Issued 2023	Exercised 2023	Expired or Cancelled 2023	30 September 2023
2020 (LTIP-4)	1 June 2023 – 29 February 2024	10.90	460,000	-	-	(90,000)	370,000
2021 (LTIP-5)	1 June 2024 – 28 February 2025	12.40	1,048,286	-	-	(30,000)	1,018,286
2021 (LTIP-6)	1 June 2023 – 29 February 2024	12.40	524,143	-	-	-	524,143
2022 (LTIP-7)	1 June 2025 – 28 February 2030	20.65	1,197,157	-	-	(25,000)	1,172,157
Total		-	3,229,586	-	-	(145,000)	3,084,586

Each warrant shall entitle the warrant holder to subscribe for one new Share in the Company at the subscription price per share. The fair value of the warrants granted under the warrant incentive program has been estimated on the grant date using the Black & Scholes model.

On 18 September 2023, the extraordinary general meeting resolved in accordance with the proposal of the board of directors on an incentive programme for employees and consultants through issuance of warrants (LTIP-8) for a maximum of 5,712,210 warrants. In addition, the general meeting resolved in accordance with the proposal of the Nomination Committee on an incentive programme for the members of the Board of Directors through issuance of warrants (LTIP-9) for a maximum of 3,808,140 warrants. No warrants from the program LTIP 8 and LTIP 9 respectively, has been granted as at September 2023.

Total share-based compensation expense for Q3 2023 was TUSD 97 (Q3 2022: TUSD 242).

13. Financial Assets and Liabilities

30 September 2023	Amortised cost	FVTPL	Total
Other long-term financial assets			
Debenture - 3R Offshore (Associate)	7,636	-	7,636
Investment in EIG Bolivia Pipeline AB	1,000	-	1,000
Performance bonds	364	-	364
Total	9,000	-	9,000

30 September 2023	Other liabilities (amortised cost)	Other liabilities at FVTPL	Total
Financial liabilities			
Non-current bank debt	17,016	-	17,016
Current bank debt	22,500	-	22,500

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.

The Company's cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities are assessed on fair value hierarchy described above. The fair value of cash and cash equivalents, accounts receivable, and 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 and which approximates the fair value.

14. 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. This approach actively addresses risk as an integral and continual part of decision making within the Company and is designed to ensure that all risk is identified, fully acknowledged, understood, and communicated well in advance. Nevertheless, oil and gas exploration, development and production involve high operational and financial risks, which even a combination of experience, knowledge and careful evaluation may not be able to fully eliminate, or which are beyond the Company's control. The Board of Directors has overall responsibility for establishment and oversight of the Company's risk management.

A detailed analysis of Maha's operational, financial, and external risks and mitigation of those risks through risk management is described in Maha Energy's 2022 Annual Report.

15. 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 180.9 million (31 December 2022: USD 140.9 million) and current assets of USD 137.3 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.

16. Changes in non-cash Working Capital

(TUSD)	30 September 2023	30 September 2022
Change in:		
Accounts receivable	42,952	(3,158)
Inventory	44	(507)
Prepaid expenses and deposits	223	142
Accounts payable and accrued liabilities	(1,816)	4,895
Total	41,403	1,372

17. 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 was paid as a total cash amount of USD 48 million plus a bank deposit of USD 7 million in escrow accounts as a security for Maha’s retained contingent liabilities and for some uncertain tax positions. The amount retained in escrow will be released to cover applicable losses or in Maha’s favor, upon achieving certain 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.

18. 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 upon exemption’s confirmation. In the Illinois Basin, the Company has commitments to drill four (4) operated and one (1) net (0.5) non-operated well per year during the five-year period from 2023 to 2027. Subsequent to the current quarter, the Company has commenced a program consisting of three production wells to fulfill this commitment. With the acquisition of the Block 70 in Oman, the Company had undertaken minimum work obligations during the initial exploration period of three years, which included interpretation and reprocessing of 3D seismic and drilling 11 (eleven) shallow wells. Costs for these activities were estimated at gross

USD 20.0 million (Net USD 13.0 million). All past commitments have been fulfilled by the Company. Should Maha decide to enter the second phase of the project, new commitments will be undertaken..

19. Related Party

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

20. Subsequent event

In October 2023, Maha Energy announced that it has signed an exclusivity private instrument with Novonor Latinvest Energy S.à.r.l (“Novonor”) granting Maha exclusive rights to acquire 60 percent of Novonor’s 100% owned Spanish subsidiary Odebrecht E&P España SL r.l, which holds 40 percent equity interest of PetroUrdaneta, an O&G joint venture company operating in Venezuela. The consummation of the transaction will be subject to certain conditions, including the Venezuelan Oil Minister’s prior approval. The potential acquisition is evidence of Maha’s ambitious growth strategy and value creation plan.

Key Financial Data

Maha believes that the alternative performance measures provide useful supplemental information to management, investors, securities analysts, and other stakeholders and are meant to provide an enhanced insight into the financial development of Maha’s business operational.

Financial data

TUSD	Q3 2023	Q3 2022	Nine Months 2023	Nine Months 2022
Revenue	1,250	2,567	4,061	10,336
Operating netback from continuing operations	527	1,379	1,645	5,521
EBITDA from continuing operations	(323)	(234)	(2,348)	915
Net result from continuing operations	(3,406)	(3,928)	(5,694)	(8,950)
Cash flow from operations	50,616	9,679	44,009	40,598
Free cash flow	33,853	(8,109)	(13,365)	(4,883)
Net debt (net cash)	(55,446)	26,570	(55,446)	26,570

Key ratios⁹

	Q3 2023	Q3 2022	Nine Months 2023	Nine Months 2022
Return on equity (%)	-5	-8	-5	-8
Equity ratio (%)	79	60	79	60

⁹ Key ratios and data per share are based on continuing operations only.

Data per share⁹

	Q3 2023	Q3 2022	Nine Months 2023	Nine Months 2022
Weighted number of shares (before dilution)	178,444,753	119,715,696	160,200,961	119,715,696
Weighted number of shares (after dilution)	178,444,753	119,843,247	160,200,961	120,116,527
Earnings per share before dilution, USD	(0.02)	(0.03)	(0.04)	(0.07)
Earnings per share after dilution, USD	(0.02)	(0.03)	(0.04)	(0.07)
Dividends paid per share	n/a	n/a	n/a	n/a

Relevant reconciliation of Alternative Performance Measures:

Operating Netback from continuing operations

(TUSD)	Q3 2023	Q3 2022	Nine Months 2023	Nine Months 2022
Revenue	1,250	2,567	4,061	10,336
Royalties	(306)	(625)	(1,045)	(2,502)
Operating Expenses	(417)	(563)	(1,371)	(2,313)
Operating netback	527	1,379	1,645	5,521

EBITDA from continuing operations

(TUSD)	Q3 2023	Q3 2022	Nine Months 2023	Nine Months 2022
Operating results	(3,086)	(1,627)	(6,121)	(1,783)
Depletion, depreciation and amortization	471	1,182	1,490	2,587
Impairment of E&E Assets	2,459	-	2,459	-
Foreign currency exchange loss / (gain)	(167)	211	(176)	111
EBITDA	(323)	(234)	(2,348)	915

Free cash flow from continuing operations

(TUSD)	Q3 2023	Q3 2022	Nine Months 2023	Nine Months 2022
Cash flow from operating activities	51,239	9,679	44,632	40,598
Less: cash from (used) in investing activities	(17,387)	(17,788)	(57,998)	(45,481)
Free cash flow	33,852	(8,109)	(13,366)	(4,883)

Net debt

(TUSD)	Q3 2023	Q3 2022	Nine Months 2023	Nine Months 2022
Bank debt	39,516	49,408	39,516	49,408
Less: cash and cash equivalents	(94,962)	(11,338)	(94,962)	(11,338)
Net debt (net cash)	(55,446)	38,070	(55,446)	38,070

Glossary

Key Ratio Definition

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.

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.

Free cash flow: Cash flow from operating activities less cash flow from investing activities in accordance with the consolidated statement of cash flow.

Net debt: Interest bearing debt, excluding leases, less cash and cash equivalents.

Net debt to EBITDA ratio (NIBD/EBITDA): Net interest-bearing debt divided by trailing 4 quarters EBITDA.

Operating netback: Operating netback is defined as revenue less royalties and operating expenses.

Return on equity: Net result divided by ending equity balance.

Total debt to EBITDA ratio (TIBD/EBITDA): Total interest-bearing debt divided by trailing 4 quarters EBITDA.

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.

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.

Currency Definitions

Currency 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

Oil Measurements

BOE or boe	Barrels of Oil Equivalents
BBL or bbl	Barrel
BOEPD	Barrels of Oil Equivalents Per Day
BOPD	Barrels of Oil Per Day
Mbbl	Thousand barrels of Oil
MMbbl	Million barrels of Oil
Mboe	Thousand barrels of oil equivalents
MMBoe	Millions of barrels of oil equivalents
Mboepd	Thousand barrels of oil equivalents per day
Mbopd	Thousand barrels of oil per day
MCF	Thousand Cubic Feet
MSCF	Thousand Standard Cubic Feet
MSCFPD	Thousand Standard Cubic Feet per day
MMSCF	Million Standard Cubic Feet
MMSCFPD	Million Standard Cubic Feet Per Day
BWPD	Barrels of Water Per Day
Gas to oil conversion	6,000 cubic feet = 1 barrel of oil equivalent

Other Related Terms

2P Refers to proven reserves (P90) plus probable reserves (P50).

3R Offshore Refers to 3R Petroleum Offshores S.A., company which DBO 2.0 (re-named Maha Energy Offshore (Brasil) Ltda.) has 15% shareholding interest.

ANP Refers to the National Agency of Petroleum, Natural Gas and Biofuels in Brazil, Agência Nacional do Petróleo, Gás Natural e Biocombustíveis.

API Refers to the weight measurement of oil with the name American Petroleum Institute gravity.

Block 70 Refers to Block 70, located in Oman, operated by Maha Oman which holds 65% working interests.

DBO Refers to DBO 2.0 S.A. (re-named Maha Energy Offshore (Brasil) Ltda.).

EPSA Refers to the Exploration and Production Sharing Agreement for Block 70, Mafraq oil field, Oman.

ESG Refers to environmental, social and governance.

Group Refers to the Company and its subsidiaries.

Heavy oil field Refers to an oil field that contains oil of less than 20° API gravity or more than 200 centipoise viscosity at reservoir conditions.

Illinois Basin Refers to the Company's Light oil field in Illinois/Indiana, USA.

Initial Phase Refers to the initial phase for the EPSA for Block 70.

JOA Refers to the joint operating agreement with Mafraq for Block 70 in Oman

LAK Ranch Refers to the Company's Heavy oil field in Wyoming, USA.

Mafraq Refers to Mafraq Energy LLC.

Maha or the Company Refers to, depending on the context, Maha Energy AB registration number 559018-9543, a Swedish public limited company, the group which the Company is parent company or a subsidiary in the Group.

Papa Terra cluster Refers to Papa Terra cluster, which comprises oil field located offshore Brazil, operated by 3R Offshore.

Peroá cluster Refers to Peroá cluster comprised by Peroá and Cangoá fields, Malombe discovery, located offshore Brazil and operated by 3R Offshore.

Petrobras Refers to the Brazilian mixed-capital oil company Petróleo Brasileiro S.A. – Petrobras.

PetroRecôncavo Refers to PetroRecôncavo S.A., which on 28 February 2023 acquired Maha's Brazilian subsidiary which had working interest on Tie field and Tartaruga field.

Second Phase Refers to the second phase for the EPSA for Block 70.

Working Interest Refers to a percentage ownership of the drilling and extraction operation, providing the owner(s) with a right to participate in such activities and a right to the resources produced from that activity.

Board Assurance

The Board of Directors and the Managing Director and the Chairman of the Board certify that the nine months report for the period ended 30 September 2023 gives a fair view of the performance of the business, position, and income statements of Maha Energy AB (publ.) and Maha Energy Group and describes the principal risks and uncertainties to which the Company and the Group are exposed.

Approved by the Board

Stockholm, 14 November 2023

Paulo Mendonça
Chairman

Halvard Idland
Director

Fabio Vassel
Director

Viktor Modigh
Director

Richard Norris
Director

Enrique Peña
Director

Svein Harald Øygard
Director

Review Report

Independent Auditor's Report on the review of the quarterly report as of September 30, 2023 and the nine-month period then ended.

To the board of Directors of Maha Energy AB (publ) Corp. Reg.No. 559018-9543.

Introduction

We have reviewed the interim report for Maha Energy AB (publ) for the period January 1 – September 30, 2023 and the nine-month period then ended. The Board of Directors and the Chief Executive Officer are responsible for the preparation and presentation of this quarterly report in accordance with the Annual Accounts Act. Our responsibility is to express a conclusion on this quarterly report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, November 14, 2023

Deloitte AB

Signature on the Swedish original

Andreas Frountzos
Authorized Public Accountant

This is a translation of the Swedish language original. In the events of any differences between this translation and the Swedish original the latter shall prevail.

Financial Calendar

- Report for fourth quarter 2023 (January – December 2023) on 26 February 2024
- Report for Year End Annual Report 2023 on 15 April 2024
- Report for first quarter 2024 (January – March 2024) on 28 May 2024
- The Annual General Meeting 2024 is to be held in Stockholm on 29 May 2024
- Report for the second quarter 2024 (January- June 2024) on 12 August 2024
- Report for third quarter 2024 (January – September 2024) on 18 November 2024

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This information is information that Maha Energy AB is required to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the contact persons set out above, at 07.30 CEST on 11 August 2023.

Forward-Looking Statements in this report relating to any future status or circumstances, including statements regarding future performance, growth and other trend projections are forward-looking statements. These statements may generally, but not always, be identified by the use of words such as “anticipate”, “believe”, “expect”, “intend”, “plan”, “seek”, “will”, “would” or similar expressions. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that could occur in the future. There can be no assurance that actual results will not differ materially from those expressed or implied by these forward-looking statements due to several factors, many of which are outside the company’s control. Any forward looking statements in this report speak only as of the date on which the statements are made and the company has no obligation (and undertakes no obligation) to update or revise any of them, whether as a result of new information, future events or otherwise.