

## Maha Energy AB Announces Filing of Second Quarter Report 2021 & Live Webcast

Maha Energy AB (publ) (“Maha” or the “Company”) is pleased to announce its second quarter results. The report is attached to this press release and available on the Company’s website at [www.mahaenergy.ca](http://www.mahaenergy.ca).

### Second Quarter 2021

- Daily oil & gas production for Q2 2021 averaged 3,104 BOEPD (Q2 2020: 3,602 BOEPD)
- Production at the Tie filed was interrupted during the second quarter and restored back to normal production volumes by mid-June
- The Company spudded its first horizontal well at the Tie field on 9 July and has so far spudded 4 wells out of the 12 oil well program in the Illinois Basin
- Revenue of USD 15.2 million (Q2 2020: USD 7.9 million)
- Operating netback of USD 9.5 million or USD 35.46 per BOE (Q2 2020: USD 4.4 million or USD 13.80 per BOE)
- EBITDA of USD 9.0 million (Q2 2020: USD 3.4 million)
- Net result of USD 2.6 million (Q2 2020: USD 0.4 million)
- Basic Earnings per share of USD 0.02 (Q2 2020: USD 0.00)
- Diluted Earnings per share of USD 0.02 (Q2 2020: USD 0.00)
- Cash and cash equivalents balance of USD 34.1 million (Q2 2020: 15.7 million)

### Six Months Ended 30 June 2021

- Daily oil & gas production for H1 2021 averaged 3,421 BOEPD (H1 2020: 3,445 BOEPD).
- Revenue of USD 31.0 million (H1 2020: USD 19.1 million)
- Operating netback of USD 20.6 million or USD 34.56 per BOE (H1 2020: USD 12.2 million or USD 20.42 per BOE)
- EBITDA of USD 19.2 million (H1 2020: USD 9.9 million)
- Net result for the period of USD 8.1 million (H1 2020: USD 3.6 million)
- Basic Earnings per share of USD 0.08 (H1 2020: USD 0.04)
- Diluted Earnings per share of USD 0.08 (H1 2020: USD 0.03)
- Cash and cash equivalents balance of USD 34.1 million (2020: USD 6.7 million)

### Financial Summary

| <i>(TUSD, unless otherwise noted)</i>  | <b>Q2 2021</b> | Q1 2021 | Q4 2020  | Q3 2020 | Q2 2020 | <b>H1 2021</b> | H1 2020 | FY 2020  |
|--|----------------|---------|----------|---------|---------|----------------|---------|----------|
| Net Daily Production (BOEPD)           | <b>3,104</b>   | 3,742   | 2,738    | 3,580   | 3,602   | <b>3,421</b>   | 3,445   | 3,301    |
| Revenue                                | <b>15,178</b>  | 15,814  | 8,659    | 11,226  | 7,926   | <b>30,992</b>  | 19,133  | 39,018   |
| Operating netback                      | <b>9,548</b>   | 11,031  | 4,247    | 7,041   | 4,377   | <b>20,579</b>  | 12,235  | 23,523   |
| EBITDA                                 | <b>8,988</b>   | 10,213  | 2,720    | 5,514   | 3,436   | <b>19,201</b>  | 9,870   | 18,104   |
| Net result for the period <sup>1</sup> | <b>2,603</b>   | 5,538   | (15,702) | 1,845   | 407     | <b>8,141</b>   | 3,598   | (10,259) |
| Earnings per share – Basic (USD)       | <b>0.02</b>    | 0.05    | (0.15)   | 0.02    | 0.00    | <b>0.08</b>    | 0.04    | (0.10)   |
| Earnings per share – Diluted (USD)     | <b>0.02</b>    | 0.05    | (0.15)   | 0.02    | 0.00    | <b>0.08</b>    | 0.03    | (0.10)   |
| Cash and cash equivalents              | <b>34,139</b>  | 5,698   | 6,681    | 18,034  | 15,699  | <b>34,139</b>  | 15,699  | 6,681    |

<sup>1</sup> Net result of Q4 2020 and full year 2020 includes an impairment charge of USD 21.0 million.

## Letter to shareholders

Dear Friends and Fellow Shareholders of Maha Energy AB,

- Maha's 15<sup>th</sup> consecutive profitable quarter<sup>2</sup>
- Two of the top three onshore producing wells in Brazil belong to Maha
- Production fully restored after mechanical issues on a key well in Brazil
- 98% of TO-2 (2017) warrants converted to shares
- 2021 work program expanded and accelerated in response to strong price of oil

The second quarter saw continued strengthening of the price of oil. The average Brent oil price for the quarter landed at USD 68.97 per barrel, up some 11% compared to the previous quarter. The average production for the Company during the quarter was 13% lower compared to the first quarter; but because of the strong price of oil, Company revenue was comparable to the year's first three months. The EBITDA for the quarter suffered slightly due to unplanned workovers at the Tie field which impacted operational expenditures. But, despite these temporary setbacks, Maha remains profitable and this quarter marks the 15<sup>th</sup> straight profitable quarter, if you ignore the non-cash write down of the LAK oil field in December last year.<sup>2</sup>

Four events dominated the quarter and are worth expanding on;

Firstly, two wells in the Tie field continue to dominate production for the Company and are listed in the top three performing wells onshore Brazil, according to the ANP. One of these wells suffered mechanical setbacks during the quarter which in turn required a series of rig based interventions to remediate. The loss of production from this well during the quarter contributed to lower than planned production. But as at the end of May, the well was restored to routine production, and at the end of the second quarter, the Brazilian fields were back to normal operations.

Secondly, planned and unplanned shutdowns at the Tie and Tartaruga facilities along with the unplanned well interventions mentioned above led to unexpected expenditures to restore production. This in turn impacted production volumes and operating expenses. The compounded effect of higher costs and lower production numbers is what caused the Company's high operating expenses for the quarter. Since the middle of June, production has been restored and has remained at planned levels at all fields with all wells onstream and producing. Operating costs has also returned to a more normal USD 5 - 6/BOE range.

Thirdly, the SEK 300 million bond from 2017 was redeemed and replaced by the announced USD 70 million BTG Pactual financing. A direct consequence of the financing was that the 2017 issued warrants (TO-2) remained 'in the money', which in turn generated SEK 53,018,729 of cash to the Company as warrant holders converted warrants to shares. All in all, close to 98% of the outstanding warrants were converted to shares, which is an excellent ratio and demonstrates a very strong interest in the Company. Coupled with the US\$ 10 million private placement of shares to BTG and the strong oil price environment, the Company now sits in a position of very low net debt and a strong cash balance.

Lastly, the development pace in the Illinois Basin (IB) increased. At the end of the quarter a total of four production wells and one water disposal well had been drilled. All of these 4 production wells require initial stimulation and as at the same date, 3 wells had already been stimulated and the fourth was under way. The work program was accelerated in view of the strong price of oil and favourable economic conditions with the result of higher production volumes already being recorded. A total of 12 wells will be drilled in IB this year, and we expect to end the year between 600 - 700 BOPD coming from the IB area alone.

As always, a big thank you to all Maha employees that I know work so hard for all of us. And to all fellow shareholders – thank you for your continued support.

*Jonas Lindvall*  
*Managing Director*

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<sup>2</sup> The LAK Ranch asset was impaired by USD 21 million in a non-cash write down at the end of 2020 due to the low oil price environment which impacted the net result of the Company for the fourth quarter 2020.

## **Q2 Webcast today at 16:00 CET**

There will be a live webcast today, 23 August at 16:00 CET (Sweden time) to present the quarterly results and provide an operational update. A link to the webcast is available on the Company's website: [www.mahaenergy.ca](http://www.mahaenergy.ca). Questions posted on the day of the presentation should be made directly in the YouTube Comments/Questions field. The webcast will be broadcast live on Nyhetsbyrån Direkts Youtube Channel and is hosted by Laikas' Mr. Kaarlo Airaxin, and will feature Maha's CEO Jonas Lindvall and CFO Andres Modarelli.

*This information is such information as Maha Energy AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, at 07:30 CET on 23 August, 2021.*

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### **About Maha**

*Maha Energy AB (publ) is a listed, international upstream oil and gas company whose business activities include exploration, development and production of crude oil and natural gas. The strategy is to target and develop underperforming hydrocarbon assets on global basis. Maha operates four oil fields: Tartaruga and Tie in Brazil, Powder River (LAK Ranch) and Illinois Basin in the United States. The shares are listed on Nasdaq Stockholm ([MAHA-A](#)). The head office is in Stockholm, Sweden with a technical office in Calgary, Canada, as well as operations offices in Grayville, Illinois, USA and Rio De Janeiro, Brazil. For more information, please visit our website [www.mahaenergy.ca](http://www.mahaenergy.ca)*