

NOT FOR RELEASE, DISTRIBUTION, PUBLICATION, DIRECTLY OR INDIRECTLY IN WHOLE OR IN PART IN THE UNITED STATES, AUSTRALIA, HONG KONG, JAPAN, CANADA, NEW ZEALAND, SWITZERLAND, SINGAPORE, SOUTH AFRICA, RUSSIA, BELARUS OR ANY JURISDICTION WHERE SUCH RELEASE, DISTRIBUTION OR PUBLICATION WOULD BE UNLAWFUL OR WOULD REQUIRE REGISTRATION OR ANY OTHER MEASURES

## **Maha Energy AB (publ) successfully completes a directed new share issue of 23,900,000 shares and raises proceeds of approximately SEK 203 million**

Maha Energy AB (publ) ("Maha" or the "Company") has, in accordance with the Company's press release earlier today, completed an accelerated bookbuilding procedure and resolved on a directed new share issue of 23,900,000 shares at a subscription price of SEK 8.5 per share (the "Directed New Share Issue"). The subscription price for the shares in the Directed New Share Issue has been determined through an accelerated bookbuilding procedure carried out by Pareto Securities ("Pareto Securities" or the "Manager"). The Directed New Share Issue was significantly oversubscribed. Through the Directed New Share Issue, Maha will receive proceeds amounting to approximately SEK 203 million before transaction related costs. A number of Nordic and international institutional investors participated in the Directed New Share Issue. In addition, the Company's main shareholder Turmalina Fundo de Investimento em Participações Multiestratégia Investimento no Exterior ("Turmalina"), an investment fund managed by Starboard Asset Ltda., has been allotted 7,200,000 shares in the Directed New Share Issue.

*"The success of today's Directed New Share Issue represents a great impulse towards a more robust balance sheet. In addition, the Company attracted a high quality and stable base of long-term Nordic, Brazilian and diversified international investors."*, says Paulo Thiago Mendonça, CEO.

### **Summary of the Directed New Share Issue**

- The subscription price in the Directed New Share Issue amounts to SEK 8.5 per share and has been determined through an accelerated bookbuilding procedure carried out by Pareto Securities.
- Through the Directed New Share Issue, Maha will receive proceeds amounting to approximately SEK 203 million, before transaction related costs.
- The Directed New Share Issue was subscribed for by a number of Nordic and international institutional investors. In addition, the Company's main shareholder Turmalina has been allotted 7,200,000 shares.

- Through the Directed New Share Issue, the number of shares in the Company will increase by 23,900,000, from 119,715,696 to 143,615,696 and the share capital will increase by SEK 262,900.000 from SEK 1,316,872.656 to SEK 1,579,772.656.

### **The Directed New Share Issue**

The Board of Directors of Maha has, based on the authorization granted by the annual general meeting held on 31 May 2022, resolved on the Directed New Share Issue which was directed to Nordic and international institutional, and other qualified, investors. The Directed New Share Issue comprises 23,900,000 new shares at a subscription price of SEK 8.5 per share and the Company will hereby receive approximately SEK 203 million before transaction related costs.

The subscription price has been determined through an accelerated bookbuilding procedure and corresponds to a discount of approximately 8.3 per cent compared to the closing price of the Company's share on Nasdaq Stockholm on 14 December 2022. The Board of Directors' assessment is that the subscription price in the Directed New Share Issue is in accordance with market conditions since it has been determined through the bookbuilding procedure led by Pareto Securities as Sole Manager and Sole Bookrunner.

The net proceeds in the Directed New Share Issue are intended mainly for: i) necessary capital expenditures in exploration and production operation in Oman; ii) the Company's general corporate purposes, including potential new business opportunities and M&As; iii) to strengthen the Company's balance sheet and working capital, all aligned with the asset optimisation strategy being implemented by the Company's new management team.

The Directed New Share Issue was carried out as a directed new share issue with deviation from the shareholders' preferential rights to, in a timely and cost-effective manner, secure financing on favorable terms for the Company's continued growth. The Company's Board of Directors has made an overall assessment and carefully considered the possibility of a rights issue to raise the required equity, but believes that this would, inter alia, entail a risk that the Company would not be able to meet its capital needs while maintaining an optimal capital structure. The Board of Directors has concluded that a rights issue would entail significantly longer execution time and thereby increased market risk exposure compared to a directed issue and could lead to loss of the opportunity to carry out potential acquisitions or other investments. In addition, given the market volatility that has been observed in 2022, and which is still ongoing, the Board of Directors has assessed that a rights issue would also require significant underwriting commitments from an underwriting syndicate, which would entail additional costs and/or additional dilution depending on the type of consideration paid for such underwriting commitments. The Board of Directors assesses that the need for additional capital is limited to such an extent that the costs for a preferential rights issue would be high in proportion to the capital raised. The Board of Directors has, in the choice of type of share issue, also considered it positive that Maha's shareholder base, through the Directed New Share Issue, is further strengthened and diversified among Nordic and international institutional, and other qualified, investors. The Board of Directors' overall assessment is therefore that the reasons for conducting the Directed New Share Issue outweighs the reasons for the principal rule to issue shares to shareholders with preferential rights, and that a share issue with deviation from the shareholders' preferential rights therefore lies in the interest of the Company and all of its shareholders. In light of the uncertainties that have been observed in the market and considering the interest expressed by Turmalina to invest a considerable

amount in the Directed New Share Issue on the same terms as other investors, the Company's Board of Directors has considered whether Turmalina should also be allowed to invest in order to ensure that the required capital is obtained through the Directed New Share Issue. Taking the above into account, the Board of Directors has made the assessment that allowing Turmalina to invest is in the best interests of the Company's shareholders.

Through the Directed New Share Issue, the number of shares in the Company will increase by 23,900,000, from 119,715,696 to 143,615,696 and the share capital will increase by SEK 262,900.000 from SEK 1,316,872.656 to SEK 1,579,772.656. The Directed New Share Issue entails a dilution of approximately 16.6 percent based on the total number of shares in Maha after the Directed New Share Issue.

### **Undertakings**

In connection with the Directed New Share Issue, the Company has undertaken, with customary exceptions (including acquisitions, strategic alliance or partnerships), not to issue new shares or sell any of its own shares at a subscription price below the price in the Directed New Share Issue for a period of 6 months from the completion of the Directed New Share Issue. All of the Company's board members and senior executives have undertaken, with customary exceptions, not to sell or in other ways dispose their shares (and other securities) in the Company for a period of 90 calendar days after the announcement of the outcome of the Directed New Share Issue.

### **Advisors**

Pareto Securities acts as Sole Manager and Sole Bookrunner and Setterwalls Advokatbyrå AB acts as legal adviser to the Company and Baker McKenzie Advokatbyrå KB is legal adviser to Pareto Securities in connection with the Directed New Share issue.

### **For additional information, contact:**

Paulo Thiago Mendonça, CEO

Phone: +46 8 611 05 11

E-mail: [info@mahaenergy.ca](mailto:info@mahaenergy.ca)

Bernardo Guterres, CFO

Phone: +46 8 611 05 11

E-mail: [info@mahaenergy.ca](mailto:info@mahaenergy.ca)

*This information constitutes insider information that Maha Energy AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information in this press release was submitted for publication by the contact persons set out above, for publication at the time specified by Maha's news distributor GlobeNewswire Nordic at the time of publication of this press release. The above persons can also be contacted for further information.*

### **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)

### **Important information**

*The release, announcement or distribution of this press release may, in certain jurisdictions, be subject to restrictions. The recipients of this press release in jurisdictions where this press release has been published or distributed shall inform themselves of and follow such restrictions. The recipient of this press release is responsible for using this press release, and the information contained herein, in accordance with applicable rules in each jurisdiction. This press release does not constitute an offer to sell or an offer to buy or subscribe for shares issued by the Company in any jurisdiction where such offer or invitation would be unlawful or require additional registration or other measures.*

*This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States. The information in this press release may not be announced, published, copied, reproduced or distributed, directly or indirectly, in whole or in part, within or into the United States, Australia, Hong Kong, Japan, Canada, New Zealand, Switzerland, Singapore, South Africa, Russia and Belarus or in any other jurisdiction where such announcement, publication or distribution of the information would not comply with applicable laws and regulations or where such actions are subject to legal restrictions or would require additional registration or other measures than what is required under Swedish law. Actions taken in violation of this instruction may constitute a crime against applicable securities laws and regulations.*

*This press release is not a prospectus as set forth in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. The Company has not approved any securities offering to the public in any member state of the EEA and no prospectus has been published or will be published in connection with the Directed New Share issue. In each member state of the EEA, this message is only directed towards "qualified investors" in that member state in accordance with the definition in the Prospectus Regulation.*

*In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, "qualified investors" (within the meaning of Article 86(7) of the Financial Services and Markets Act 2000) who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.*

*This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the shares. Any investment decision in connection with the Directed New Share issue must be made on the basis of all publicly available information relating to the Company and the Company's shares. Such information has not been independently verified by the Manager. The Manager acts for the Company in connection with the transaction and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the transaction or any other matter referred to herein.*

*This press release does not constitute a recommendation for any investors' decisions regarding the Directed New Share issue. Each investor or potential investor should conduct a self-examination, analysis and evaluation of the business and information described in this press release and any publicly available information. The price and value of the securities can decrease as well as increase. Achieved results do not provide guidance for future results. Neither the contents of the Company's website nor any other website accessible through hyperlinks on the Company's website are incorporated into or form part of this press release.*

*Failure to follow these instructions may result in a breach of the Securities Act or applicable laws in other jurisdictions.*

#### *Forward-looking statements*

*This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless this is required under law or Nasdaq Stockholm's rulebook for issuers.*

#### *Information to distributors*

*Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of*

*Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in Maha have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in Maha may decline and investors could lose all or part of their investment; the shares in Maha offer no guaranteed income and no capital protection; and an investment in the shares in Maha is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Directed New Share issue. Thereto, notwithstanding the Target Market Assessment, it shall be noted that the Manager will only provide investors who meet the criteria for professional clients and eligible counterparties.*

*For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in Maha.*

*Each distributor is responsible for undertaking its own target market assessment in respect of the shares in Maha and determining appropriate distribution channels.*