Q1

Report for the

THREE MONTHS ENDED

31 March 2022

(org number: 559018-9543)

Highlights

(all amounts are in US dollars unless otherwise noted)

First Quarter 2022

- Daily oil & gas production for Q1 2022 averaged 4,580 BOEPD (Q1 2021: 3,742 BOEPD)
- Revenue of USD 30.8 million (Q1 2021: USD 15.8 million)
- Operating netback of USD 22.5 million or USD 57.90 per BOE (Q1 2021: USD 11.0 million or USD 33.80 per BOE)
- EBITDA of USD 22.1 million (Q1 2021: USD 10.2 million)
- Net result of USD 12.0 million (Q1 2021: USD 5.5 million)
- Basic Earnings per share of USD 0.10 (Q1 2021: USD 0.05)
- Diluted Earnings per share of USD 0.10 (Q1 2021: USD 0.05)
- Cash and cash equivalents balance of USD 29.4 million (Q1 2021: 5.7 million)

Financial Summary

(TUSD, unless otherwise noted)	**Q1 2022**	Q4 2021	Q3 2021	Q2 2021	Q1 2021	**FY 2021**
Net Daily Production (BOEPD)	**4,580**	3,098	3,610	3,104	3,742	**3,387**
Revenue	**30,831**	17,818	19,496	15,178	15,814	**68,306**
Operating netback	**22,528**	11,913	13,568	9,548	11,031	**46,060**
EBITDA	**22,069**	15,615	12,909	8,988	10,213	**47,725**
Net result for the period	**12,030**	7,363	6,083	2,603	5,538	**21,587**
Earnings per share – Basic (USD)	**0.10**	0.06	0.05	0.02	0.05	**0.19**
Earnings per share – Diluted (USD)	**0.10**	0.06	0.05	0.02	0.05	**0.19**
Cash and cash equivalents	**29,416**	25,535	31,778	34,139	5,698	**25,535**

Definitions

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 related terms and 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
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

Letter to shareholders

Dear Friends and Fellow Shareholders of Maha Energy AB,

To say that the first quarter of 2022 was very good for Maha is an understatement. All our previous financial records were broken. First, Maha produced an average of 4,580 BOEPD during the quarter for a record revenue of USD 30.8 million. Previous Company highs were 3,610 BOEPD and USD 19.5 million. Second, the key metric of EBITDA of USD 22.1 million was significantly higher than the previous high of USD 15.6 million reached in 2021. Finally, the price of oil averaged USD 101 per barrel (Brent), a price not seen since the third quarter 2014 which led to a very healthy net result for the quarter of USD 12.0 million.

Notwithstanding the very positive financial development of the Company, it is worth mentioning some of the key events across our assets for the quarter;

Brazil

At our core asset in Brazil, the Tie field, the Tie-4 production well was completed and tied into the production facilities. Shortly thereafter, the Tie-5 horizontal well was spudded. Drilling of the first horizontal well in the Tie field has been slow and difficult. But perseverance pays off, and current depth is 2,548 m, and a total of 271 m of horizontal Agua Grande (AG) sand has been drilled so far. The total length of the AG horizontal is planned to approximately 600 meters, but this may be reduced in case of hole conditions and reservoir quality.

At Tartaruga, production has now returned to pre Q4 2021 workover levels and work is proceeding with planning for a horizontal well starting at the end of this year.

Oman

A drilling rig has now been contracted to initially drill six wells on the Mafraq field. The Mafraq field is a delineated and tested heavy oil field onshore Oman. A previous operator tested 15,700 barrels of heavy oil from a single well over a 23 day well test period in 1991. Maha's plan is to start drilling the first six wells on the field starting at the end of June. The first two wells will gather important reservoir information, whilst the remaining four wells will test oil productivity from the reservoir.

USA

The Company drilled two wells in the Illinois Basin during the first quarter. Both wells are now on production. As activity levels pick up in the region as a result of the high price of oil, we managed to secure a new lease covering 463 acres and containing up to 23 new drill sites. The lease is adjacent to our existing leases in the area and forms a natural extension to our development program in the Illinois Basin. Lastly, work continues to evaluate the production results of the 2021 drilling campaign along with sub-surface mapping of the area to determine future drilling locations.

Price of Oil and Inflation

USD 100/bbl oil is not a new occurrence. In fact, Brent oil price remained above USD 100 per bbl for 45 straight months between January 2011 - September 2014. Since then, the oil industry has endured over 7 years of depressed oil prices. This has led to significant investment reductions which in turn has led to the current crude oil supply shortages. To address the supply shortages, significant investment into the upstream oil and gas sector is immediately required. Unfortunately, this is easier said than done, as it takes a long time for these investments to impact the market. I believe we have entered another 'super-cycle' for the oil and gas commodities.

Even though our product, oil, is fetching healthy prices, we are also subject to the effects of higher oil prices. As we have seen, the combined effects of Government Covid-19 spending, and higher gasoline prices is now fueling inflation. And Maha is not immune. Apart from higher prices on casing, tubing, pumps and services, to name a few, we are experiencing a serious lack of all types of materials. Most equipment we need for our operations have seen increasing delivery times. This may have an impact on our near future operations.

To conclude; the first quarter of 2022 was the best quarter ever for the Company. We made record profits. We grew our quarter end cash balance to USD 29.4 million and we expanded our position in the USA. In Oman, we are poised to start drilling very soon which should deliver more positive news during the second half of the year. It is a very exciting time at Maha!

Finally, I wish to thank my fellow Maha colleagues who work so tirelessly for all of us, and to all loyal shareholders who support us. Thank you!

Yours truly,

“Jonas Lindvall”

Managing Director

Financial Report for the First Quarter Ended 31 March 2022

OPERATIONAL AND FINANCIAL REVIEW

Strategy

The Company's business activities include the exploration for and the development and production of hydrocarbons. The Company's core expertise is in primary, secondary and enhanced oil and gas recovery technologies and, as such, its business strategy is to target and develop underperforming hydrocarbon assets. By focusing on assets with proven hydrocarbon presence and applying modern and tailored technology solutions to recover the hydrocarbons in place, the Company's primary risk is not uncertainty in reservoir content but in the fluid extraction.

Assets

Country	Concession name	Maha Working Interest (%)	Status	Net Area (acres)	BOEPD ([1])	Partner
Brazil	Tie (REC-T 155)	100%	Producing	1,511	3,958	
Brazil	REC-T 155	100%	Exploration	4,276	-	
Brazil	REC-T 129	100%	Exploration	7,241	-	
Brazil	REC-T 142	100%	Exploration	6,856	-	
Brazil	REC-T 224	100%	Exploration	7,192	-	
Brazil	REC-T 117	100%	Exploration	6,795	-	
Brazil	REC-T 118	100%	Exploration	7,734	-	
Brazil	Tartaruga	75%	Producing	5,944	160	Petrobras (25%)
USA	Il Basin (various)	97%	Producing	3,597	462	
USA	LAK Ranch	99%	Pre-Production	6,475	-	SEC (1%)
Oman	Block 70	100%	Pre-Production	157,900	-	-

BRAZIL

<u>Tie Field (Reconcavo Basin)</u>

Maha owns and operates, through a wholly-owned subsidiary, 100% working interests in 6 onshore concession agreements located in the Reconcavo Basin of Brazil, including the oil producing Tie field. The Tie field and the 6 concessions are located in the state of Bahia, onshore Brazil. The 6 concessions are in varying stages of exploration and development. A total of 10 wells have been drilled and 212 km^2 of 3D seismic had been acquired by the previous Operator over the 41,606 total acres when Maha acquired the six concessions.

The Tie field, originally discovered in 2008, was acquired by Maha Energy in the summer of 2017. At the time of acquisition, the field was producing from two free flowing wells, GTE-3 and GTE-4. Production was constrained by well productivity, gas handling capacity and 1,300 BOEPD oil and gas offtake (sales) limitations. The field produce from two separate sandstone reservoirs, the Agua Grande (AG) and Sergi (SG). Since the field is not attached to a pipeline system, all oil and gas production is treated and marketed locally.

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[1] As per the current quarter reported net production volumes to Maha before royalties. 1 BBL = 6,000 SCF of gas. Approximately 87% of Maha's oil equivalent production is crude oil.

In 2018 Maha embarked on an aggressive expansion project to boost production and secure further oil and gas offtake (sales) volumes. Less than two years later, the Company had secured a total of 4,850 BOPD oil offtake capacity, increased associated gas sales, drilled its' first production well on the field and installed artificial lift on GTE-4, all in an effort to increase production. Furthermore, critically needed water injection to maintain reservoir pressure was also initiated the same year. To cater for the expansion, the production facilities were upgraded from 2,000 BOPD to 5,000 BOPD by adding new and larger separation equipment, more storage tanks and a brand new 4 truck loading station. Gas offtake capacity was expanded by increasing compressed natural gas deliveries as well as introducing Gas to Wire (GTW) gas generators.

By the end of 2021, a total of three more wells had been drilled on the field (Tie-2, Tie-3 and Tie-4) to increase production, artificial lift systems had been installed on all producing wells, and two 1,320 HP Ariel gas compressors were commissioned to allow for gas re-injection. The gas re-injection capability decouples oil production from the associated gas production and allows for continuous oil production irrespective of gas delivery constraints.

The Tie field is currently producing from five oil wells using hydraulic jet pumps and one ESP. The oil is trucked to three separate receiving stations, and the gas is disposed through a combination of compressed natural gas and GTW. During the quarter, Tie-3 was converted from an oil producing well to a dual zone water injector. Additional water injection wells are scheduled to be drilled during the second half of 2022 to ensure pressure maintenance in the field.

At the end of January 2022, the Tie-4 well was tied into the permanent production facilities and following a 24-hour test using an Electric Submersible Pump (ESP) produced 4,400 BOPD and 1,766 MSCFPD (4,695 BOEPD1) with a stable tubing-head flowing pressure of 220 psi. Both the (AG) and (SG) zones were perforated with comingled production using an ESP.

Tie-5 (Horizontal well)
Maha spudded the Tie-5 AG horizontal well on 25 January 2022. It is designed as a horizontal well with an ESP and will drain the northern part of the Tie field at the AG level. The well underwent a complete redesign based on the lessons learned from the Tie-4 horizontal attempt. This well will help maintain Tie field long term production plateau. Subsequent to the current quarter, drilling of the Tie-5 well entered the horizontal phase. Seven-inch (7") production casing was successfully set and cemented at 2,277 meters measured depth and at an angle of 80 degrees. This well is scheduled to be completed by the end of the second quarter.

Average production from the Tie field during the current quarter increased to 3,958 BOEPD (3,342 BOPD of oil and 3,700 MSCFPD of gas) as Tie-4 was tied in.

Tartaruga Field (Sergipe-Alagoas Basin)

Maha has a 75% working interest in the Tartaruga development block, located in the Sergipe-Alagoas Basin onshore Brazil. Petrobras holds the remaining 25%. The Tartaruga field is located in the northern half of the Tartaruga Block and produces light (41° API) oil from the Penedo sandstone reservoir. The Penedo sandstone consists of 27 separate stacked sandstone stringers, having all been electrically logged and are believed to contain oil, and of which only 2 of the 27 have been commercially produced (Penedo 1 and Penedo 6).

The Tartaruga oil field, originally discovered in 1994, was acquired by Maha in 2017. At the time of acquisition, the field was producing from a single well, using a hydraulic jet pump. A second well, TTG-2, produced sporadically on free flow which Maha immediately set about converting to an artificial lift system after which production doubled almost overnight. In 2019, the Company converted TTG-2 to a horizontal production sidetrack and field production almost touched 1,000 BOPD (gross). A follow up well (TTG-3) was drilled in 2020 targeting the northern fault block of the structure, primarily to appraise the structure and to obtain important reservoir data. After a series of Drill Stem Tests (DST's), in 4 separate sandstone zones of the Penedo formation, it was decided that the northern fault compartment of the Tartaruga field was likely affected by reservoir degradation. All 4 zones were stimulated but did not flow commercial quantities of oil. Focus thereafter has shifted towards the southern fault block where two wells are currently producing commercial quantities of oil.

The Penedo sandstone reservoir responds extremely well to hydraulic stimulation techniques and flows very little water.

The handling facilities at Tartaruga field allow for approximately 800 BOPD of oil processing and has storage capacity at 1,350 barrels of oil. Currently, crude oil export is with oil trucks as the facility is not linked to a pipeline system.

Since July 2020, the Company commenced selling associated natural gas to a third-party company Geracao E Servicos Ltda ("GTW"). The natural gas feeds six generators which produce electricity for field consumption and to the local power grid.

Average production, net to the Company, from the Tartaruga field during the current quarter was 160 BOEPD (153 BOPD of oil and 42 MSCFPD of gas).

USA

Illinois Basin (IB)

On 31 March, 2020, Maha acquired certain oil producing assets in the Illinois Basin, USA, adding oil and gas leases to Maha's USA footprint. The Illinois Basin is one of the oldest oil producing basins in North America having produced over 4 billion barrels of oil to date. Oil was initially discovered in 1853 according to historical records and oil is found in multiple shallow Dolomite and Sandstone reservoirs. Most producers in the area produce oil from 3 separate reservoirs that act independent of each other. This is a low-risk conventional oil play that requires low-cost drilling and stimulation operations.

On 1 March 2022 Maha begun drilling the Glaze 11-5 well in the Illinois Basin. This 4,000' vertical well is located in the heart of the Mississippi Lime play in Illinois Basin targeting several stacked pay layers. Glaze 11-5 well was drilled and completed during the current quarter and is now contributing to the daily production volumes in the Illinois Basin. Also, during the quarter, the Company signed a 463 acre land lease in Indiana, USA. The lease provides Maha the opportunity to drill up to 23 production wells on the leased land. The land is adjacent to land already held by Maha in the area and is a very good extension of the existing production from the Illinois Basin. The lease requires Maha to drill at least one well during the first three years of the lease and then at least one well every year thereafter to retain the land.

Average net production from the Illinois basin during the current quarter was 462 BOPD of oil following the 12 wells drilling program of 2021.

LAK Ranch (LAK)

The Company owns and operates a 99% working interest in the LAK Ranch oil field, located on the eastern edge of the multi-billion-barrel Powder River Basin in Wyoming, USA.

The LAK Ranch heavy oil asset was shut in at the beginning of 2020 Covid-19 pandemic and remains suspended. For the time being, no work is planned for 2022 other than for regulatory requirements.

Oman

Block 70

On 5 October 2020, the Company entered into an Exploration and Production Sharing Agreement ("EPSA") with the government of the Sultanate of Oman, for Block 70, an onshore block in Oman. The EPSA was subsequently ratified by Royal Decree of His Majesty the Sultan of Oman on 28 October 2020 and Maha became the operator of the block, holding a 100% working interest. The EPSA covers an initial exploration period of three years with an optional extension period of another three years. In case of a commercial oil or gas discovery, the EPSA can be transformed into a fifteen-year production license which can be extended for another five years. The EPSA contains provisions on the parties' entitlement to produced oil, natural gas and condensate.

Block 70 is an onshore block that includes the shallow fully delineated but undeveloped Mafraq oil field. The Mafraq oil field was discovered by Petroleum Development Oman (PDO) in 1988 and was further delineated by four wells and 3D seismic in stages until 2010. Two wells were placed on pump production tests, of which one was placed on a 22-day test and produced a stable and cumulative volume of over 15,700 barrels of 13° API oil before operations were suspended. The Mafraq oil field is estimated by third parties to contain between 185 – 510 million barrels of original oil in place (OOIP). The productive reservoir is shallow, at approximately 430 meters below ground level.

During the quarter, the Company continued to work towards the commencement of its 2022 drilling program, including securing necessary approvals and securing key service providers. During April the Company signed a drilling rig contract to drill six wells. Mobilization of the drilling rig is expected during June 2022. The drilling program will consist of two appraisal wells followed by four horizontal pilot production wells on the Mafraq structure.

Information that will be acquired in the two appraisal wells will include but is not limited to: the Oil Water Contact (OWC), petrophysical properties, cores and identification of possible water disposal zones. After the two appraisal wells are drilled and completed, four horizontal pilot production wells will be drilled. These four wells will be completed with state-of-the-art PCP pumps from Canada and then placed on an extended production well test to further ascertain oil productivity.

Financial Results Review

Result

The net result for the current quarter amounted to TUSD 12,030 (Q1 2021: TUSD 5,538) representing earnings per share of USD 0.10 (Q1 2021: USD 0.05). The net result increase, as compared to the comparative period, was mainly driven by significantly higher revenue from higher oil commodity prices and production volumes, partly offset by higher operating expenses, and higher finance costs resulting from the higher loan amount. The oil commodity prices increased significantly during the current quarter due to supply demand imbalance and geopolitical uncertainty.

The Company also generated higher quarterly earnings before interest, tax, depletion and amortization (EBITDA) for the current quarter of TUSD 22,069 (Q1 2021: TUSD 10,213) mainly due to the same reasons as above.

Production

	Q1 2022	Q1 2021	Full Year 2021
Delivered Oil (Barrels)	**356,086**	306,359	1,104,631
Delivered Gas (MSCF)	**336,778**	182,452	790,532
Delivered Oil & Gas (BOE)[2]	**412,216**	336,768	1,236,386
Daily Volume (BOEPD)	**4,580**	3,742	3,387

Production volumes shown are net working interest volumes before government, gross overriding, and freehold royalties. Approximately 86% (Q1 2021: 91%) of total oil equivalent production was crude oil for Q1 2022.

The average daily production volumes for the current quarter increased by 22% as compared to Q1 2021 mainly due to production volumes added from the Tie-3 and Tie-4 wells and the Illinois Basin drilling program of 12 new wells. This increase in production resulting from new wells was slightly offset by lower production from the Tartaruga field during the current quarter as compared to Q1 2021. Gas volumes have increased predominantly due to an expected

[2] BOE is Barrels of Oil Equivalent and takes into account gas delivered and sold. 1 bbl = 6,000 SCF of gas

increase in Gas-to-Oil Ratio ("GOR") in the Tie field, as volumes are produced from the field with the addition of new wells and larger handling capacity.

Revenue

(TUSD, unless otherwise noted)	**Q1 2022**	Q1 2021	Full Year 2021
Oil and Gas revenue	**30,831**	15,814	68,306
Sales volume (BOE)	**389,019**	326,341	1,206,332
Oil realized price (USD/BBL)	**89.37**	52.91	62.60
Gas realized price (USD/MSCF)	**0.87**	0.61	0.79
Oil Equivalent realized price (USD/BOE)	**79.25**	48.46	56.62
Reference price – Average Brent (USD/BBL)[3]	**100.87**	61.04	70.86
Reference price – Average WTI (USD/BBL)	**95.18**	57.79	68.13

Revenue for the current quarter amounted to TUSD 30,831 (Q1 2021: TUSD 15,814), representing an increase of 95% as compared to Q1 2021. This increase was mainly driven by higher realized oil price by 69%, in line with the higher average Brent oil average price increase, and the higher oil and gas sales volumes by 19% against the comparative quarter.

Crude oil realized prices in Brazil are based on Brent price less applicable contractual discounts, reviewed annually, as follows:

Tie Field crude oil
Crude oil from the Tie field is mainly sold to a nearby refinery Dax Oil Refino S.A. ("DAX") and Petrobras. For crude oil sold to DAX the discount to Brent oil price is as per the following price-based scale:

BRENT Price (USD/bbl)	Discount (USD/bbl
< $30	$5
Between 30.1 and 40	$6
Between 40.1 to 50	$7
Between 50.1 to 80	$8
Over 80.1	10%

Effective 1 April 2022, crude oil sales to Petrobras from the TIE field are sold at a significantly lower discount to Brent oil price of $5.17/bbl. Previously, discount was $6.48/bbl for the first 22,680 monthly delivered barrels, and $5.44/bbl thereafter, plus associated taxes calculated as 5% of the net price after applying the contractual discount which no longer apply under the renewed sales agreement.

Tartaruga Field crude oil
Crude oil from the Tartaruga field is entirely sold to Petrobras. Effective 1 July 2021, crude oil sales to Petrobras from the Tartaruga field are sold at a discount to Brent oil price of $3.40/bbl.

Illinois Basin
Crude oil from the Illinois Basin is sold to a refinery at the benchmark monthly average WTI price minus a discount of approximately $3/bbl.

More revenue information is detailed in Note 4 to the Condensed Consolidated Financial Statements.

[3] Reference price is as per U.S. Energy Information Administration website.

Royalties

(TUSD, unless otherwise noted)	**Q1 2022**	Q1 2021	Full Year 2021
Royalties	**3,967**	2,341	9,384
Per unit (USD/BOE)	**10.20**	7.17	7.78
Royalties as a % of revenue	**12.9%**	14.8%	13.7%

Royalties are settled in cash and based on realized prices before discounts. Royalty expense increased by 69% for the current quarter as compared to the same period in 2021 which is consistent with higher revenue for the same period. Effective royalty rate for the current quarter is lower than the comparative period of 2021 as a result of the successful obtention of the royalty rate reduction in Brazil which came into effect beginning February 2022. This reduced the Company's royalty expense by approximately USD 0.5 million for the current quarter. Royalty rates for IB remained same as the comparative period.

Production expenses

(TUSD, unless otherwise noted)	**Q1 2022**	Q1 2021	Full Year 2021
Operating costs	**3,694**	2,040	11,196
Transportation costs	**642**	402	1,666
Total Production expenses	**4,336**	2,442	12,862
Per unit (USD/BOE)	**11.15**	7.48	10.66

Production expenses are higher by 78% for the current quarter and amounted to TUSD 4,336 (Q1 2021: 2,442).

Operating costs are higher during the current quarter as compared to the same period in 2021 mainly due to higher costs in the Tie field and IB. The Tie field overall operating costs increased due to additional rental equipment and labour costs required when Tie-4 was placed on production and well workover costs incurred. In addition, general inflationary cost increases have also affected the current quarter.

In IB , the overall increase in operating costs is in line with the increase in sales volumes by 200% from the production additions following the 12 new wells that were drilled during 2021. In addition, overall inflation and workovers performed to clean out certain wells also added to the overall increase in operating costs of the Illinois Basin.

Maha's production is trucked to the delivery points therefore transportation costs are directly correlated to the sales volumes. Transportation costs for the current quarter is higher than the comparative period by 60% mainly due to increase in sales volumes by 19% and overall increase in transportation rates due to higher diesel costs.

On a per BOE (or unit) basis, production expenses for the current quarter are USD 11.16 per BOE (Q1 2021: USD 7.48 per BOE) and are higher by 49% as compared to the same period last year mainly due to the same reasons above.

Operating netback

(TUSD, unless otherwise noted)	**Q1 2022**	Q1 2021	Full Year 2021
Operating Netback	**22,528**	11,031	46,060
Netback (USD/BOE)	**57.90**	33.80	38.18

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 current quarter is 104% higher than the comparative period from significantly higher oil realized prices and higher sales volumes during the quarter. This was offset by higher production costs during the current quarter.

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

(TUSD, unless otherwise noted)	**Q1 2022**	Q1 2021	Full Year 2021
DD&A	**4,266**	1,910	8,535
DD&A (USD/BOE)	**10.97**	5.85	7.08

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 current quarter is higher and amounted to TUSD 4,266 (at an average depletion rate of USD $10.97 per BOE) as compared to TUSD 1,910 (at an average depletion rate of USD $5.85 per BOE) for the comparative period. Depletion expense and depletion rate on a per BOE basis increased because of the higher depletable base for Brazil which was impacted by the increase in the future development capital costs at yearend 2021 and reduction in the year end 2021 Brazil reserves. In addition, higher DD&A expense for the Illinois Basin due to higher depletable base and higher sales volumes added to the depletion expense.

General and Administration ("G&A")

(TUSD, unless otherwise noted)	**Q1 2022**	Q1 2021	Full Year 2021
G&A	**1,452**	1,281	5,517
G&A (USD/BOE)	**3.73**	3.92	4.57

G&A amounts are presented net of certain costs allocated to production expenses. G&A expense for the current quarter amounted to TUSD 1,452 which is 13% higher than the same period in 2021. G&A expenses are higher mainly due to increasing operations in Oman and inflationary increases in majority of the costs.

On a per BOE basis, G&A expenses are lower by 5% than the comparative period mainly due to higher sales volumes in the current period.

Exploration and business development costs

Exploration and business development costs amounted to nil for the current quarter as compared to TUSD 50 for the same period in 2021. Exploration and business development costs are related to costs incurred for the maintenance of the exploration blocks in Brazil and Maha's pre-exploration study of new areas or new ventures, including business development efforts.

Foreign currency exchange gain or loss

The net foreign currency exchange loss for the current quarter amount to TUSD 76 as compared to TUSD 76 gain for the same period in 2021. Foreign exchange movements occur on settlement of transactions denominated in foreign currencies. The current quarter foreign exchange loss is mainly due to revaluation of foreign currency bank accounts.

Other income

Other income for the current quarter amount to TUSD 1,139 (Q1 2021: 513). During the current quarter, the Company recognized other income of TUSD 1,139 related to tax credits sold in Brazil known as Imposto sobre Circulação de Mercadorias e Serviços ("ICMS"). ICMS is a tax on the circulation of goods and transportation and communication services, a state sales tax. These tax credits can be applied to importation related duties of the Company or it can be sold to external parties for their utilization.

Net finance costs

Net finance costs for the current quarter amounted to TUSD 2,408 (Q1 2021: TUSD 1,422) and are detailed in Note 5. Net finance costs are higher for the current period as compared to the same period in 2021 mainly due to interest expense from the Term loan amount combined with the amortization of deferred financing fees. This is much higher than the Bond interest expense included in the comparative quarter of 2021.

Income Taxes

The Company recorded a current tax recovery of TUSD 205 for the current quarter as compared to current tax expense of TUSD 625 for the same comparative period. During the current quarter, the Company adopted available accelerated amortization tax deductions in Brazil for the current year to offset higher taxable income from higher production levels and oil and gas prices. Further, the Company applied the accelerated amortization tax deduction to the 2021 tax year which resulted in tax recoveries of USD 0.8 million to be refunded later in the year.

Included in the accounts receivable and other credits of USD 11.3 million is the tax recovery of USD 0.8 million and USD 4.9 million Brazil current tax advances and other tax credits. The Company is assessing if further retroactive application of this accelerated tax amortization for prior periods could be adopted, which would result in further refunds.

Taxation of corporate profits in Brazil is a combined 34% rate (25% corporate income tax and 9% Social contribution); however, Maha Energy Brazil Ltda. has secured certain tax incentives (SUDENE) in both of its fields until fiscal year 2029 allowing for the reduction of 75% of the corporate income tax from 25% to 6.25%, bringing the combined net tax rate to 15.25%.

Deferred tax expense for the current quarter amounted to TUSD 3,494 as compared to deferred tax expense of TUSD 794 for the comparative period. Deferred tax expense increased during the current quarter significantly mainly due to accelerated amortization deduction in Brazil which reduced the available deferred tax asset. A deferred tax amount arises primarily where there is a difference in depletion charge computation for tax and accounting purposes.

The Company operates in various countries and fiscal regimes where corporate income tax rates are different from those in Sweden. Corporate income tax rates for the Company can vary between 15 and 28 percent however the majority of it relates to Brazil where the resulting income tax rate for Maha, following approved incentives, is 15.25% The effective tax rate for the reporting period is affected by several items which do not receive a full tax credit.

Exchange differences on translation of foreign operations

The exchange differences on translation of foreign operations presented in Statement of Comprehensive Earnings amounted to TUSD 20,724 (Q1 2021: -5,376) for the current quarter mainly due to US Dollars exchange rate weakening against Brazilian Reals during the quarter. The functional currency of Company's subsidiary in Brazil is Brazilian Reals; however, for the presentation purpose all assets and liabilities are translated at the period end exchange rate and the Statement of Operations is translated at the average exchange rate of the period. The 31 March 2022 USD/BRL exchange rate decreased by 15% as compared to 31 December 2021 exchange rate.

Liquidity and capital resources

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 actively manages its liquidity through cash and debt management strategies. The Company considers its capital structure to include shareholders' equity of USD 124.3 million (31 December 2021: USD 91.4 million) plus net debt of USD 26.6 million (31 December 2021: USD 29.9 million). At 31 March 2022, the Company's working capital surplus was USD 10.4 million (31 December 2021: USD 5.8 million), which includes USD 29.4 million of cash (31 December 2021: USD 25.5 million).

On 30 March 2021, the Company entered into a credit agreement for a senior secured term loan of USD 60 million (the "Term Loan"), maturing 31 March 2025. The proceeds were used to redeem the outstanding SEK 300 million bond and to fund the Company's oil and gas production expansion program. As part of the closing of the financing transaction, Maha also received an equity contribution of USD 10 million through the Private Placement issuance of 7,470,491 new shares to the same bank.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying petroleum 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.

Share Data

Shares outstanding	A	B	Total
31 December 2021	119,715,696	-	119,715,696
31 March 2022	**119,715,696**	**-**	**119,715,696**

No shares were issued during the current quarter.

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 2021 Annual Report.

In addition, the COVID-19 pandemic could have negative impacts on the Company's financial condition, results of operations, and cash flows. Despite successful vaccine rollouts in many jurisdictions, the risk of a resurgence or additional variant strains remains high and could result in continued fluctuations in the price of oil and conventional natural gas products. The extent to which such events impact the Company's business, financial condition and results of operations will depend on future developments, which are highly uncertain and cannot be predicted with any degree of confidence.

Further, in February 2022, Russian military forces invaded Ukraine and the market faces a highly uncertain future as the Russia-Ukraine conflict develops. We expect the general outlook for oil and gas prices will be volatile and impacted by the duration and severity of the conflict, the extent to which Russian exports are reduced by sanctions, the timing and ability of producers and governments to replace reduced supply, and OPEC+ policy. The long-term impacts of the conflict and the sanctions imposed on Russia remain uncertain and the Company continues to monitor the evolving situation.

Legal matters

The Company has several disclosed legal matters concerning labor, regulatory and operations. All of these are considered routine and consistent with doing business in Brazil. Provisions for lawsuits are estimated in consultation with the Company’s Brazilian legal counsel and have been recorded under current and non-current liabilities and provisions.

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 the website (www.mahaenergy.ca).

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 recycle or reinject produced water at the facilities, which not only reduces having to find water from another source, but also reduces waste water treatment requirements. In Brazil, Maha is 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.

Related Party Transactions

The Company did not enter into any transactions with related parties during the quarter.

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 Q1 2022 amounted to TSEK -13,831 (Q1 2021: TSEK 559) which is lower than the comparative period mainly due to unrealized foreign currency exchange loss of TSEK 647 (Q1 2021: TSEK 6,132 gain) due to US dollar denominated Term loan and higher net finance costs of TSEK 11,464 (Q1 2021: TSEK 3,245) resulting from higher interest expense on the Term loan. This was offset by lower general and administrative costs of TSEK 1,720 (Q1 2021: TSEK 2,328) for the current quarter.

Financial Statements

Condensed Consolidated Statement of Operations

(TUSD) except per share amounts	**Note**	**Q1 2022**	Q1 2021	Full Year 2021
Revenue				
Oil and gas sales	4	**30,831**	15,814	68,306
Royalties		**(3,967)**	(2,341)	(9,384)
Net Revenue		**26,864**	13,473	58,922
Cost of sales				
Production expense		**(4,336)**	(2,442)	(12,862)
Depletion, depreciation and amortization	6	**(4,266)**	(1,910)	(8,535)
Gross profit		**18,262**	9,121	37,525
General and administration		**(1,452)**	(1,281)	(5,517)
Stock-based compensation	11	**(146)**	-	(419)
Exploration and business development costs		**-**	(50)	(6)
Foreign currency exchange gain (loss)		**(76)**	76	30
Other income (loss)		**1,139**	513	2,443
Other gains		**-**	-	5,164
Operating result		**17,727**	8,379	39,220
Net finance costs	5	**(2,408)**	(1,422)	(9,963)
Result before tax		**15,319**	6,957	29,257
Current tax expense		**205**	(625)	(2,311)
Deferred tax (expense) recovery		**(3,494)**	(794)	(5,359)
Net result for the period		**12,030**	5,538	21,587
Earnings per share basic		**0.10**	0.05	0.19
Earnings per share diluted		**0.10**	0.05	0.19
Weighted average number of shares:				
Before dilution		**119,715,696**	101,893,825	112,912,781
After dilution		**119,930,163**	106,865,342	113,080,714

Condensed Consolidated Statement of Comprehensive Earnings

(TUSD)	**Note**	**Q1 2022**	Q1 2021	Full Year 2021
Net Result for the period		**12,030**	5,538	21,587
Items that may be reclassified to profit or loss:				
Exchange differences on translation of foreign operations		**20,724**	(5,376)	(5,914)
Comprehensive result for the period		**32,754**	162	15,673
Attributable to:				
Shareholders of the Parent Company		**32,754**	162	15,673

Condensed Consolidated Statement of Financial Position

(TUSD)	Note	31 March 2022	31 December 2021
ASSETS			
Non-current assets			
Property, plant and equipment	6	**143,662**	117,411
Exploration and evaluation assets	7	**14,470**	13,660
Deferred tax assets		**1,869**	3,583
Other long-term assets		**744**	491
Total non-current assets		**160,745**	135,145
Current assets			
Prepaid expenses and deposits		**1,623**	1,239
Crude oil inventory		**154**	247
Accounts receivable and other credits		**11,310**	5,948
Cash and cash equivalents		**29,416**	25,535
Total current assets		**42,503**	32,969
TOTAL ASSETS		**203,248**	168,114
EQUITY AND LIABILITIES			
Equity			
Shareholder's equity		**124,325**	91,425
Liabilities			
Non-current liabilities			
Bank debt	8	**41,003**	44,234
Decommissioning provision	9	**2,512**	2,264
Lease liabilities	10	**2,502**	2,385
Other long-term liabilities and provisions		**767**	651
Total non-current liabilities		**46,784**	49,534
Current liabilities			
Bank debt	8	**15,000**	11,250
Accounts payable		**8,008**	9,644
Accrued liabilities and provisions		**7,925**	5,189
Current portion of lease liabilities	10	**1,206**	1,072
Total current liabilities		**32,139**	27,155
TOTAL LIABILITIES		**78,923**	76,689
TOTAL EQUITY AND LIABILITIES		**203,248**	168,114

Condensed Consolidated Statement of Cash Flows

(TUSD)	**Note**	**Q1 2022**	Q1 2021	Full Year 2021
Operating Activities				
Net result		**12,030**	5,538	21,587
Depletion, depreciation, and amortization	6	**4,266**	1,910	8,535
Stock based compensation	11	**146**	-	419
Accretion of decommissioning provision	5,9	**32**	28	122
Accretion of bond payable		**-**	298	497
Amortization of deferred financing fees	8	**477**	-	1,233
Other gains		**-**	-	(5,164)
Interest expense		**1,990**	1,107	6,920
Income tax expense		**(205)**	625	2,311
Deferred tax expense		**3,494**	794	5,359
Unrealized foreign exchange amounts		**(392)**	779	1,576
Interest received		**80**	10	43
Interest paid		**(1,913)**	-	(7,223)
Tax paid		**(1,878)**	(524)	(2,494)
Changes in working capital	15	**(3,422)**	(871)	(2,716)
Cash from operating activities		**14,705**	9,694	31,005
Investing activities				
Capital expenditures - property, plant, and equipment	6	**(10,951)**	(10,090)	(44,334)
Capital expenditures - exploration and evaluation assets	7	**(810)**	(209)	(2,645)
Restricted cash		**-**	-	(16)
Cash used in investment activities		**(11,761)**	(10,299)	(46,995)
Financing activities				
Lease payments	10	**(329)**	(333)	(1,235)
Repayment of bonds payable		**-**	-	(35,919)
Bank debt borrowing	8	**-**	-	60,000
Paid financing fees		**-**	-	(5,132)
Shares subscription (net of issue costs)	11	**-**	-	9,047
Exercise of warrants (net of issue costs)	11	**-**	140	9,188
Cash from (used in) financing activities		**(329)**	(193)	35,949
Change in cash and cash equivalents		**2,615**	(798)	19,959
Cash and cash equivalents at the beginning of the period		**25,535**	6,681	6,681
Currency exchange differences in cash and cash equivalents		**1,266**	(185)	(1,105)
Cash and cash equivalents at the end of the period		**29,416**	5,698	25,535

Condensed Consolidated Statement of Changes in Equity

(TUSD)	Share Capital	Contributed Surplus	Other Reserves	Retained (Deficit) Earnings	Total Shareholders' Equity
Balance at 1 January 2021	**122**	**66,120**	**(34,096)**	**23,410**	**55,556**
Comprehensive result					
Result for the period	-	-	-	5,538	5,538
Currency translation difference	-	-	(5,376)	-	(5,376)
Total comprehensive result	-	-	(5,376)	5,538	162
Transactions with owners					
Exercise of warrants (net of issue costs)	-	138	-	-	138
Balance at 31 March 2021	**122**	**66,258**	**(39,472)**	**28,948**	**55,856**
Comprehensive result					
Result for the period	-	-	-	16,049	16,049
Currency translation difference	-	-	(538)	-	(538)
Total comprehensive result	-	-	(538)	16,049	15,511
Transactions with owners					
Stock based compensation	-	419	-	-	419
Share issuance (net of issue costs)	10	10,493	-	-	10,503
Exercise of warrants (net of issue costs)	14	9,122	-	-	9,136
Total transactions with owners	24	20,034	-	-	20,058
Balance at 31 December 2021	**146**	**86,292**	**(40,010)**	**44,997**	**91,425**
Comprehensive result					
Result for the period	-	-	-	12,030	12,030
Currency translation difference	-	-	20,724	-	20,724
Total comprehensive result	-	-	20,724	12,030	32,754
Transactions with owners					
Stock based compensation	-	146	-	-	146
Balance at 31 March 2022	**146**	**86,438**	**(19,286)**	**57,027**	**124,325**

Parent Company Statement of Operations

(Expressed in thousands of Swedish Krona)		**Q1 2022**	Q1 2021	Full Year 2021
Revenue		-	-	-
Expenses				
General and administrative		**(1,720)**	(2,328)	(9,365)
Foreign currency exchange (loss) gain		**(647)**	6,132	32,069
Operating result		**(2,367)**	3,804	22,704
Net finance costs	8	**(11,464)**	(3,245)	(79,861)
Impairment of loans and investments		**-**	-	(69,304)
Result before tax		**(13,831)**	559	(126,461)
Income tax		**-**	-	
Net and comprehensive result for the period		**(13,831)**	559	(126,461)

Parent Company Balance Sheet

(Expressed in thousands of Swedish Krona)	**Note**	**31 March 2022**	31 December 2021
Assets			
Non-current assets			
Investment in subsidiaries		**9,365**	8,003
Loans to subsidiaries		**663,278**	644,044
		672,643	652,047
Current assets			
Accounts receivable and other		**188**	-
Restricted cash		**50**	50
Cash and cash equivalents		**73,159**	88,170
		73,397	88,220
Total Assets		**746,040**	740,267
Equity and Liabilities			
Restricted equity			
Share capital		**1,316**	1,316
Unrestricted equity			
Contributed surplus		**687,758**	686,398
Retained earnings		**(477,726)**	(463,895)
Total unrestricted equity		**210,032**	222,503
Total equity		**211,348**	223,819
Non-current liabilities			
Bank debt	8	**392,847**	412,964
Current liabilities			
Accounts payable and accrued liabilities		**1,595**	1,406
Bank debt	8	**140,250**	102,078
		141,845	103,484
Total liabilities		**534,692**	516,448
Total Equity and Liabilities		**746,040**	740,267

Parent Company Statement of Changes in Equity

	Restricted equity	Unrestricted equity		
(Thousands of Swedish Krona)	Share capital	Contributed surplus	Retained Earnings	Total Equity
Balance at 1 January 2021	**1,117**	**516,500**	**(337,434)**	**180,183**
Total comprehensive income	-	-	559	559
Transaction with owners				
Exercise of warrants (net of issuance costs)	4	1,167	-	1,171
Balance at 31 March 2021	**1,121**	**517,667**	**(336,875)**	**181,913**
Total comprehensive income	-	-	(127,020)	(127,020)
Transaction with owners				
Stock based compensation	-	3,627	-	3,627
Share issuance (net of issuance costs)	82	88,178	-	88,260
Exercise of warrants (net of issuance costs)	113	76,926	-	77,039
Total transaction with owners	**195**	**168,731**	**-**	**168,926**
Balance at 31 December 2021	**1,316**	**686,398**	**(463,895)**	**223,819**
Total comprehensive income	-	-	(13,831)	(13,831)
Transaction with owners				
Stock based compensation	-	1,360	-	1,360
Balance at 31 March 2022	**1,316**	**687,758**	**(477,726)**	**211,348**

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 Brazil, Oman and the United States. The head office is located at Strandvägen 5A, SE-114 51 Stockholm, Sweden. The Company's subsidiary, Maha Energy Inc., maintains its technical office in Calgary, Canada. The Company has an office in Rio de Janeiro, Brazil and operations offices in Grayville, IL and Newcastle, WY, USA.

2. Basis of presentation

The unaudited 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 unaudited 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 unaudited interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are stated at fair value.

The accounting principles as described in the Annual Report 2021 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 unaudited interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2021.

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.

Changes in Accounting Policies
During the current quarter 2022, the Company did not adopt any new standards and interpretations or amendments thereto applicable for financial periods beginning on or after 1 January 2022.

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.

3. Segment Information

Operating segments are based on a geographic perspective and reported in a manner consistent with the internal reporting provided to the executive management as follows:

- *Brazil:* Includes all oil and gas activities of exploration and production in Tie field and Tartaruga field.

- *United States of America (USA):* Includes all oil and gas activities in the Illinois Basin and LAK field.

- *Corporate:* The Corporate segment aggregates costs incurred at the Company's corporate office in Sweden and the technical and support office in Canada as well as initial costs related to activities in Oman. These operating segments have similar economic characteristics as they do not currently generate revenue.

"Adjustments" segment primarily includes consolidation adjustments and eliminations between segments.

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

TUSD	Brazil	USA	Corporate	Consolidated
Q1 2022				
Revenue	**27,115**	**3,716**	**-**	**30,831**
Royalties	**(3,070)**	**(897)**	**-**	**(3,967)**
Production and operating	**(3,440)**	**(896)**	**-**	**(4,336)**
Depletion, depreciation, and amortization	**(3,548)**	**(701)**	**(17)**	**(4,266)**
General and administration	**(228)**	**(45)**	**(1,179)**	**(1,452)**
Stock-based compensation	**-**	**-**	**(146)**	**(146)**
Foreign currency exchange loss	**(65)**	**-**	**(11)**	**(76)**
Other income	**1,139**	**-**	**-**	**1,139**
Operating results	**17,903**	**1,177**	**(1,353)**	**17,727**
Net finance costs	**(484)**	**(6)**	**(1,918)**	**(2,408)**
Current tax recovery	**205**	**-**	**-**	**205**
Deferred tax expense	**(3,494)**	**-**	**-**	**(3,494)**
Net results	**14,130**	**1,171**	**(3,271)**	**12,030**

TUSD	Brazil	USA	Corporate	Adjustments	Consolidated
Q1 2021			-		
Revenue	14,640	1,174	-	-	15,814
Royalties	(2,051)	(290)	-	-	(2,341)
Production and operating	(2,098)	(344)	-	-	(2,442)
Depletion, depreciation and amortization	(1,577)	(317)	(16)	-	(1,910)
General and administration	(159)	(16)	(1,106)	-	(1,281)
Exploration and business development cost	-	-	(50)	-	(50)
Foreign currency exchange (loss)gain	7	-	(2,127)	2,196	76
Other income	513	-	-	-	513
Operating results	9,275	207	(3,299)	2,196	8,379
Net finance costs	(610)	(5)	(807)	-	(1,422)
Current tax expense	(625)	-	-	-	(625)
Deferred tax expense	(794)	-	-	-	(794)
Net results	7,246	202	(4,106)	2,196	5,538

4. Revenue

The Company derives revenue from the transfer of goods at a point in time in the following major commodities from oil and gas production in the geographic regions of Brazil and the USA:

TUSD	**Q1 2022**	Q1 2021	Full Year 2021
Brazil			
Crude oil	**26,872**	14,532	61,986
Natural gas	**243**	108	588
Brazil oil and gas sales	**27,115**	14,640	62,574
United States oil sales	**3,716**	1,174	5,732
Total revenue from contracts with customers	**30,831**	15,814	68,306

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 Company had three main customers during Q1 2022 (Q1 2021: two) that individually accounted for more than 10 percent of the Company's consolidated gross sales. Total sales to these customers for the current quarter were approximately USD $26.6 million (Q1 2021: $14.4 million). 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 at 31 March 2022, accounts receivable and other credits included $5.5 million of sales revenue which related to the current quarter's production.

5. Finance Costs

TUSD	**Q1 2022**	Q1 2021	Full Year 2021
Interest on bond payable	**-**	1,073	1,463
Accretion of bond payable	**-**	298	497
Accretion of decommissioning provision (Note 9)	**32**	28	122
Amortisation of deferred financing fees (Note 8)	**477**	-	1,233
Financing transaction cost (Note 8)	**-**	-	505
Foreign currency exchange loss (gain)	**-**	-	784
Interest expense (Note 8)	**1,990**	34	5,456
Interest income	**(91)**	(11)	(97)
	2,408	1,422	9,963

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

TUSD	Oil and gas properties	Equipment and Other	Right-of-use assets	Total
Cost				
31 December 2020	**96,746**	**2,157**	**6,018**	**104,921**
Additions	41,161	214	-	41,375
Disposition	-	-	(30)	(30)
Change in decommissioning cost	(360)	-	-	(360)
Currency translation adjustment	(7,000)	(190)	(14)	(7,204)
31 December 2021	**130,547**	**2,181**	**5,974**	**138,702**
Additions	11,565	-	469	12,034
Change in decommissioning cost	61	-	-	61
Currency translation adjustment	21,476	103	182	21,761
31 March 2022	**163,649**	**2,284**	**6,625**	**172,558**
Accumulated depletion, depreciation and amortization				
31 December 2020	**(12,513)**	**(751)**	**(612)**	**(13,876)**
DD&A	(7,000)	(142)	(1,267)	(8,409)
Currency translation adjustment	951	19	24	994
31 December 2021	**(18,562)**	**(874)**	**(1,855)**	**(21,291)**
DD&A	(3,798)	(10)	(335)	(4,143)
Currency translation adjustment	(3,318)	(61)	(83)	(3,462)
31 March 2022	**(25,678)**	**(945)**	**(2,273)**	**(28,896)**
Carrying amount				
31 December 2021	111,985	1,307	4,119	117,411
31 March 2022	**137,971**	**1,339**	**4,352**	**143,662**

7. Exploration and Evaluation Assets (E&E)

	TUSD
31 December 2020	**11,014**
Additions in the period	2,646
31 December 2021	**13,660**
Additions in the period	810
31 March 2022	**14,470**

Additions during the current quarter are mainly related to Oman Block 70.

8. Bank debt

	TUSD	*TSEK*
Bank debt	60,000	547,800
Deferred financing costs	(3,997)	(27,903)
Currency translation adjustment		13,200
31 March 2022	**56,003**	**533,097**
Less: Current portion	15,000	140,250
Non current	41,003	392,847

On 30 March 2021, the Company entered into a credit agreement for a senior secured term loan of USD 60 million (the "Term Loan"), maturing 31 March 2025. The proceeds were used to redeem the outstanding SEK 300 million bond and to fund the Company's oil and gas production expansion program.

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. From the date of the credit agreement and up to disbursement on 23 April 2021 a commitment fee equal to an annual rate of 12.60% was payable. Following disbursement, the Company redeemed the Senior Secured Bond on 5 May 2021 for a total amount of SEK 315.6 million, including accrued interest.

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.

As part of the closing of the financing transaction, Maha also received an equity contribution of USD 10 million through the Private Placement issuance of 7,470,491 new shares to the same bank, at a price of SEK 11.59 per share, representing a 10% discount to the last 15 days volume weighted average share price prior to the closing. This discount amounted to USD $1.1 million and was proportionately allocated to deferred financing cost and equity issuance cost.

The Company recorded directly attributable transaction costs of USD 5.2 million as deferred financing costs which also includes part of the 10% discount on the Private Placement of Maha shares. Deferred financing costs will be amortized over the life of the Term loan. Other transactions costs of USD 0.5 million incurred as a result of the refinancing activities and which were not directly attributable to the actual financing that took place have been expensed.

9. Decommissioning Provision

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

	TUSD
31 December 2020	**2,597**
Accretion expense	122
Additions	251
Change in estimate	(611)
Foreign exchange movement	(95)
31 December 2021	**2,264**
Accretion expense	32
Additions	61
Foreign exchange movement	155
31 March 2022	**2,512**

10. Lease Liability

(TUSD)	
31 December 2020	**4,693**
Additions	-
Interest expense	122
Lease payments	(1,236)
Foreign currency translation	(122)
31 December 2021	**3,457**
Additions	469
Interest expense	34
Lease payments	(329)
Foreign currency translation	77
31 March 2022	**3,708**
Less current portion	1,206
Lease liability – non current	2,502

11. Share Capital

Shares outstanding	A	B	Total
31 December 2020	**101,146,685**	**483,366**	**101,630,051**
Exercise of bond warrants	10,134,916	-	10,134,916
Exercise of incentive warrants	480,238	-	480,238
Share subscription	7,470,491	-	7,470,791
Conversion of convertible B shares	483,366	(483,366)	-
31 December 2021	**119,715,696**	**-**	**119,715,696**
31 March 2022	**119,715,696**	**-**	**119,715,696**

Warrant Incentive Program

The Company has an incentive program as part of the remuneration package for management and employees. Following incentive warrants were outstanding at 31 March 2022:

Warrants incentive programme	Exercise period	Exercise price, SEK	1 Jan 2022	Issued 2022	Exercised 2022	Expired or Cancelled 2022	**31 March 2022**
2019 incentive programme	1 September 2022 – 28 February 2023	28.10	500,000	-	-	-	**500,000**
2020 incentive programme	1 September 2023 – 29 February 2024	10.90	460,000	-	-	-	**460,000**
2021 incentive programme	1 June 2021 – 28 February 2025	12.40	1,048,286	-	-	-	**1,048,286**
2021 incentive programme	1 June 2023 – 29 February 2024	12.40	524,143	-	-	-	**524,143**
Total			**2,532,429**	**-**	**-**	**-**	**2,532,429**

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.

Weighted average assumptions and fair value are as follows:

	2021 incentive programme
Risk free interest rate (%)	-0.03
Average Expected term (years)	3.25
Expected volatility (%)	55
Forfeiture rate (%)	10.0
Weighted average fair value (SEK)	4.32

Total share-based compensation expense for Q1 2022 was TUSD 146 (Q1 2021: nil).

12. Financial assets and liabilities

For financial instruments measured at fair value in the balance sheet, the following fair value measurement hierarchy is used:
– Level 1: based on quoted prices in active markets;
– Level 2: based on inputs other than quoted prices as within level 1, that are either directly or indirectly observable;
– Level 3: based on inputs which are not based on observable market data.

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. The bank debt is carried at amortized cost and which approximates the fair value.

13. 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 2021 Annual Report.

14. 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 considers its capital structure to include shareholders' equity of USD 124.3 million (31 December 2021: USD 91.4 million) plus net debt of USD 26.6 million (31 December 2021: 29.9 million). At the end of the quarter, the Company's working capital surplus was USD 10.4 million (31 December 2021: USD 5.8 million), which includes USD 29.4 million of cash (31 December 2021: USD 25.5 million).

The Company may adjust its capital structure by issuing new equity or debt and adjusting its capital expenditure program, as allowed pursuant to contracted work commitments. 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 industry conditions. The annual and updated budgets are approved by the Board of Directors.

15. Changes in non-cash Working Capital

(TUSD)	**31 March 2022**	31 March 2021
Change in:		
Accounts receivable	**(5,443)**	(120)
Inventory	**(168)**	27
Prepaid expenses and deposits	**(384)**	575
Accounts payable and accrued liabilities	**2,573**	(1,353)
Total	**(3,422)**	(871)

16. Pledged Assets

As at 31 March 2022, the Company has pledged assets in relation to the security of the Term Loan whereby the Parent Company has pledged shares of all its subsidiaries and concessions rights and other assets in Brazil with a book value for the Group of USD 63.9 million and MSEK 9.4 for the parent company, including adjustments for the consolidation purposes.

The Company also has financial guarantees in relation to its work commitments in Brazil and has contractual commitments in the USA and Oman (See Note 17).

17. Commitments and Contingencies

The Company has 7 concession agreements with the National Agency of Petroleum, Natural Gas and Biofuels in Brazil (“ANP”). Certain of these blocks are subject to work and abandonment commitments in relation to these exploration blocks which are guaranteed with certain credit instruments. These commitments are in the normal course of the Company’s exploration business and the Company plans to fund any related work or penalty, if necessary, with existing cash balances, cash flow from operations and available financing sources.

During the fourth quarter 2021, the Company was granted a full waiver on the related work commitments on Block 224 minimum work and was granted extensions until November 2024 on its minimum work commitments for Blocks 117 and 118. The Company is working towards a waiver application for the minimum work obligations related to these blocks.

In the Illinois Basin, for the current year the Company has commitments to drill one operated and one non-operated well. In addition, as part of the recent land acquisition the Company has committed to drill at least one well on this new lease during the first three years and then at least one well every year thereafter to retain the lease. Further, a contingent consideration of USD 3.0 million is possible if certain oil prices and production level milestones are met before 2023. Maha and its subsidiaries are under no obligation to reach the production level set out for the production milestone. The company had not recorded this contingent consideration.

With the acquisition of the Block 70 in Oman, the Company will undertake minimum work obligations during the initial exploration period of three years which include interpretation and reprocessing of 3D seismic and drilling 10 (ten) shallow wells. Costs for these activities are estimated at USD 20 MUSD.

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	**Q1 2022**	Q1 2021	Full Year 2021
Revenue	**30,831**	15,814	68,306
Operating netback	**22,528**	11,031	46,060
EBITDA	**22,069**	10,213	47,725
Net result	**12,030**	5,538	21,587
Cash flow from operations	**14,705**	9,694	31,005
Free cash Flow	**2,944**	(605)	(15,990)
Net debt	**26,587**	28,514	29,949

Key ratios

	Q1 2022	Q1 2021	Full Year 2021
Return on equity (%)	**10**	10	24
Equity ratio (%)	**61**	47	54
NIBD/EBITDA	**0.45**	1.30	0.63
TIBD/EBITDA	**0.94**	1.56	1.16

Data per share

	Q1 2022	Q1 2021	Full Year 2021
Weighted number of shares (before dilution)	**119,715,696**	101,893,825	112,912,781
Weighted number of shares (after dilution)	**119,930,163**	106,865,342	113,080,714
Earnings per share before dilution, USD	**0.10**	0.05	0.19
Earnings per share after dilution, USD	**0.10**	0.05	0.19
Dividends paid per share	**n/a**	n/a	n/a

Relevant reconciliation of Alternative Performance Measures:

Operating Netback

(TUSD)	**Q1 2022**	Q1 2021	Full Year 2021
Revenue	**30,831**	15,814	68,306
Royalties	**(3,967)**	(2,341)	(9,384)
Operating Expenses	**(4,336)**	(2,442)	(12,862)
Operating netback	**22,528**	11,031	46,060

EBITDA

(TUSD)	**Q1 2022**	Q1 2021	Full Year 2021
Operating results (*)	**17,727**	8,379	39,220
Depletion, depreciation and amortization	**4,266**	1,910	8,535
Foreign currency exchange loss / (gain)	**76**	(76)	(30)
EBITDA	**22,069**	10,213	47,725

(*) Full year 2021 Operating results includes 5,164 TUSD of provision reversal gains (non-cash).

Free cash flow

(TUSD)	**Q1 2022**	Q1 2021	Full Year 2021
Cash flow from operating activities	**14,705**	9,694	31,005
Less: cash used in investing activities	**(11,761)**	(10,299)	(46,995)
Free cash flow	**2,944**	(605)	(15,990)

Net debt

(TUSD)	**Q1 2022**	Q1 2021	Full Year 2021
Bank debt	**56,003**	-	54,484
Bonds payable	**-**	34,212	-
Less: cash and cash equivalents	**(29,416)**	(5,698)	(25,535)
Net debt	**26,587**	28,514	29,949

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.

Board Assurance

The Managing Director and the Chairman of the Board certify that the interim report for the period ended 31 March 2022 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, 19 May 2022

__``Jonas Lindvall``____________________
Jonas Lindvall, Director

__``Harald Pousette``____________________
Harald Pousette, Chairman

Financial calendar

2022 Second Quarter: 15 August 2022
2022 Third Quarter: 14 November 2022

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