Q4

Report for the

YEAR ENDED

31 December 2021

(org number: 559018-9543)

Highlights
(all amounts are in US dollars unless otherwise noted)

Fourth Quarter 2021

- Daily oil & gas production for Q4 2021 averaged 3,098 BOEPD (Q4 2020: 2,738 BOEPD)
- Revenue of USD 17.8 million (Q4 2020: USD 8.7 million)
- Operating netback of USD 11.9 million or USD 42.37 per BOE (Q4 2020: USD 4.2 million or USD 17.66 per BOE)
- EBITDA of USD 15.6 million (Q4 2020: USD 2.7 million)
- Net result of USD 7.4 million (Q4 2020: USD -15.7 million)
- Basic Earnings per share of USD 0.06 (Q4 2020: USD -0.15)
- Diluted Earnings per share of USD 0.06 (Q4 2020: USD -0.15)
- Subsequent to year end, the company announced 24-hour test results of 4,400 BOPD and 1,766 MSCFPD (4,695 BOEPD1) on the Tie-4 well using an Electric Submersible Pump (ESP).
- On January 25th 2022, the Tie-5 Agua Grande (AG) horizontal well in Brazil was spudded.

Full Year 2021

- Daily oil & gas production for 2021 averaged 3,387 BOEPD (2020: 3,301 BOEPD)
- Revenue of USD 68.3 million (2020: USD 39.0 million)
- Operating netback of USD 46.1 million or USD 38.18 per BOE (2020: USD 23.5 million or USD 20.06 per BOE)
- EBITDA of USD 47.7 million (2020: USD 18.1 million)
- Net result for the period of USD 21.6 million (2020: USD -10.3 million)
- Basic Earnings per share of USD 0.19 (2020: USD -0.10)
- Diluted Earnings per share of USD 0.19 (2020: USD -0.10)
- Cash and cash equivalents balance of USD 25.5 million (2020: USD 6.7 million)

Financial Summary

(TUSD, unless otherwise noted)	**Q4 2021**	Q3 2021	Q2 2021	Q1 2021	Q4 2020	**FY 2021**	FY 2020
Net Daily Production (BOEPD)	**3,098**	3,610	3,104	3,742	2,738	**3,387**	3,301
Revenue	**17,818**	19,496	15,178	15,814	8,659	**68,306**	39,018
Operating netback	**11,913**	13,568	9,548	11,031	4,247	**46,060**	23,523
EBITDA	**15,615**	12,909	8,988	10,213	2,720	**47,725**	18,104
Net result for the period[1]	**7,363**	6,083	2,603	5,538	(15,702)	**21,587**	(10,259)
Earnings per share – Basic (USD)	**0.06**	0.05	0.02	0.05	(0.15)	**0.19**	(0.10)
Earnings per share – Diluted (USD)	**0.06**	0.05	0.02	0.05	(0.15)	**0.19**	(0.10)
Cash and cash equivalents	**25,535**	31,778	34,139	5,698	6,681	**25,535**	6,681

[1] Net result of Q4 2020 and full year 2020 includes an impairment charge of USD 21.0 million.

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,

Tie-4 4,695 BOEPD

After experiencing severe hole problems trying to land the Tie-4 well as a horizontal producer in the Agua Grande (AG) reservoir, it was decided to reconfigure the well to a vertical producer. Once the well was plugged back and sidetracked, it did not take long to reach the total depth of 2,221 m on December 17th, 2021. Initial rig based production tests gave preliminary indications of what was to come, and when the new Electric Submersible Pump (ESP) was finally engaged a month later, it quickly became evident that Tie-4 was to become a record well for Maha. It is the best producing well ever drilled in the Company's short history, and in Brazil it ranks as the third best well ever drilled onshore Brazil. In fact, during the testing operations, all but one well had to be temporarily shut in to accommodate the oil production from Tie-4.

Niclas Biornstad, Maha's Production Manager in Brazil, laughed and said: "We had a little friendly wager going to see who could predict the production rate of Tie-4 before we started the ESP. One of our Operators, Ronald Santos, came closest by estimating 3,600 BOEPD."

The ESP, a first for Maha in the Tie field, was only working at a third of its' potential power suggesting there is more production available. But with a rate of 4,695 BOEPD, the production facility was being put through its' paces.

Maha Tie field staff celebrating the excellent test results of Tie-4.

Tie-4 is now hooked up to the Tie production facilities and producing according to plan. All wells are back on production and the field staff are busy balancing production from all six producers.

Tie Field

Going forward on the Tie field, the GTE-3 well requires a workover to fix a leak in the tubing. This well will also be recompleted with an ESP. The ESP allows for greater drawdown of the reservoir, which translates to higher production volumes compared to a hydraulic jet pump. A drawback of the ESP, however, is that if it breaks it requires a rig assisted intervention, which is costly and takes valuable time.

Furthermore, the Tie-3 well is being converted to a edge water injector to provide important reservoir pressure maintenance. Reservoir pressure maintenance benefits ultimate oil recovery and reduces gas production from the wells. Finally, the ALV-2 water injector requires a tubing change to accommodate gas re-injection.

These planned workovers and the planned hook up of the Tie-5 well will affect Tie production volumes during 2022.

Tie-5 - an important horizontal well

The Tie-5 well was spudded on January 25, 2022 and is currently drilling in the main 12-1/4" hole. Significant changes have been made to the well design to address the drilling obstacles encountered whilst trying to land the Tie-4 well. Changes include; deepening of the 9-5/8" casing shoe, drilling the troublesome Lower Candeias in a shorter section and maintaining a wellbore inclination less than 60 degrees. The Tie-5 well will also be completed using an ESP.

Completion of the Tie-5 well is expected during the second quarter of this year and will provide important spare production capacity to the Tie field. The 500 meter horizontally completed well will access up to 4 times more oil than a conventional vertical producer. And more importantly, it will also serve as swing producer so that the production plateau can be maintained even if a well goes down for maintenance.

Oman

The Mafraq team have been busy procuring long lead items and services for the upcoming drilling program in Oman. At the moment, three drilling rigs are being evaluated with a view to start drilling sometime during the second quarter of 2022.

Illinois Basin (IB)

At our IB properties, Hayden Ott and his team have been busy hooking up all the wells drilled last year to production tanks. At the end of 2021, all wells had been hooked up and all but one were producing oil. Production rates are as expected and although five wells took longer to dewater stimulation fluids than expected, February (to date) average production is 476 BOPD. The last well, Ford-35-3, is now hooked up to a pump and is showing signs of good oil production as well.

Even though the price of oil is conducive for drilling more wells in IB, the Company will continue to further evaluate production results from the twelve wells drilled during 2021 before deciding on further drilling in 2022. However, two commitment wells will be drilled during the first half of 2022.

Since the oil price collapse of 2014, and the ensuing pandemic of 2020/21, the oil industry has been hit hard. Capital investment into the industry has suffered and as demand continues to grow unabated, despite calls for the great energy transition, the world is now finding it-self short of oil and gas. Maha is well positioned in this very exciting industry to deliver more barrels and more gas as demand continues to increase. With the addition of Oman, where approximately half of the Company's future reserves and resources are located, Maha is poised for further growth. Maha has gone from 1,000 BOEPD in 2017 to 4,275 BOEPD in January, 2022 - and that with a pandemic to boot.

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 Fourth Quarter ended 31 December 2021

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 ([2])	Partner
Brazil	Tie (REC-T 155)	100%	Producing	1,511	2,725	
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	127	Petrobras (25%)
USA	Il Basin (various)	100%	Producing	3,134	247	
USA	LAK Ranch	99%	Pre-Production	6,475	-	SEC (1%)
Oman	Block 70	100%	Pre-Production	157,900	-	-

BRAZIL

Tie Field (Reconcavo Basin)

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 8 wells had been drilled and 212 km² of 3D seismic had been acquired by the previous Operator over the 41,606 total acres when Maha acquired the 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 disposed off locally.

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[2] As per the current quarter reported net production volumes to Maha before royalties. 1BBL = 6000SCF 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, badly 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 bigger 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 six oil wells using hydraulic jet pumps and one ESP. The oil is trucked to three separate receiving stations, and the gas is disposed in a combination of compressed natural gas and GTW. Water reinjection is done through a single injector and plans are progressing to convert the Tie-3 hybrid oil well to an injector during 2022. Additional water injection wells are scheduled to be drilled during the second half of 2022 to ensure pressure maintenance in the field.

Average production from the Tie field during the current quarter was 2,725 BOEPD (2,313 BOPD of oil and 2,472 MSCFPD of gas). Production during the quarter was affected by a production tubing leak in GTE-3.

Tie-4 flows 4,695 BOEPD on test

Maha spudded its first (planned) horizontal well, Tie-4, in July 2021 with a planned Electric Submersible Pump (ESP) artificial lift system. The Tie-4 well was originally designed as a horizontal well in the Agua Grande reservoir, but the well had to be reconfigured at the end of 2021 as a vertical comingled dual zone oil producer after encountering severe drilling problems in the L. Candaias formation. On 20 January 2022, the Tie-4 well was tied into the permanent production facilities at Tie and underwent a 24 hour pump test using the ESP. The results were 4,400 BOPD and 1,766 MSCFPD with a stable tubing-head flowing pressure of 220 psi. This is the third highest production rate from any onshore oil well in Brazil, and the highest rate recorded onshore Brazil since 1985.

Tie-5 (Horizontal well)

Maha immediately followed up the Tie-4 well by spudding the Tie-5 Agua Grande 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 Agua Grande 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.

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. Maha immediately set about converting TTG-2 to an artificial lift system, and 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 degregration. All 4 zones were stimulated but did not flow commercial quantities of oil. Focus thereafter 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 127 BOEPD (126 BOPD of oil and 3 MSCFPD of gas). Production was affected during the quarter due to 7-TTG-1D-SES being shut-in for safety reasons as a result of a tubing leak in the downhole completion. This leak was subsequently repaired at the end of the year.

USA

Illinois Basin

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.

During the quarter, Maha's 2021 twelve well drilling and stimulation program was completed with clean up and ramp up of oil production commencing as wells came onstream on a regular basis through the fourth quarter. Initial production rates vary between 50 - 75 BOPD for each stimulated well. Current production was curtailed in certain areas where stimulations were being carried out to optimise results. The Company is currently producing oil from a total of 34 wells in the area.

Average net production from the Illinois basin during the fourth quarter was 247 BOPD of oil. Production from IB during the quarter was affected by delays in stimulation and hook up work.

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 is currently 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. Initial consideration for Block 70 was USD 10 million along with USD 0.3 million in certain annual payment obligations.

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 2021, progress has been made towards obtaining necessary approvals and the purchasing of long lead equipment to allow for drilling activities to commence during the first half of 2022. The increased rate of new Covid-19 infections in Oman during the first half of 2021 led to tighter Covid-19 restrictions, including curfews and suspension of entry into the country for non-Omanis, and is likely to have an impact on the Company's initially planned activity timeline.

Financial Results Review

Result

The net result for the current quarter amounted to TUSD 7,363 (Q4 2020: TUSD -15,702) representing earnings per share of USD 0.06 (Q4 2020: USD -0.15). The net result increased compared to the comparative period and was mainly driven by significantly higher revenue from higher oil commodity prices partly offset by higher operating costs, depreciation, depletion and amortization expense, and finance costs resulting from higher loan amount. Also contributing to the higher net result were other one-time gains mainly related to reversal of provisioned minimum work penalties for $4.6 MUSD and lower general and administrative costs. The comparative period net loss included a one-time non-cash impairment charge on the LAK assets for $21.0 MUSD.

The net result for the full year 2021 amounted to TUSD 21,587 (2020: TUSD -10,259) representing earnings per share of USD 0.19 (2020: USD -0.10). Higher net result for the full year was mainly driven by significantly higher revenue from higher oil commodity prices with production volumes increasing slightly against comparative period, and for the same reasons described above affecting current quarter results versus the comparable quarter.

The Company also generated higher quarterly earnings before interest, tax, depletion and amortization (EBITDA) for the fourth quarter of TUSD 15,615 (Q4 2020: TUSD 2,720) and for the full year 2021 of TUSD 47,725 (2020: TUSD 18,104) mainly due to the same reasons as above.

Production

	Q4 2021	Q4 2020	**Full Year 2021**	Full Year 2020
Delivered Oil (Barrels)[3]	**247,065**	231,420	**1,104,631**	1,113,785
Delivered Gas (MSCF)	**227,757**	123,053	**790,532**	566,437
Delivered Oil & Gas (BOE)[4]	**285,025**	251,929	**1,236,386**	1,208,191
Daily Volume (BOEPD)	**3,098**	2,738	**3,387**	3,301

[3] Full Year 2020 Includes LAK Ranch Oil delivered during the period.

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

Production volumes shown are net working interest volumes before government, gross overriding, and freehold royalties. Approximately 87% (Q4 2020: 92%) of total oil equivalent production was crude oil for Q4 2021.

The average daily production volumes for Q4 2021 increased by 13% as compared to Q4 2020 mainly due to increased production in the TTG field and Illinois Basin. In addition, production at the Tie field was restored to normal production volumes with all wells onstream and has remained stable at predicted volumes.

Average daily production volumes for the full Year 2021 were mainly in line with the same period in 2020. Lower production volumes due to production interruptions mainly at the Tie field during the second and fourth quarters lowered the average production volumes for the full year of 2021. The Company was anticipating an increase in production volumes in 2021 with the Tie-4 well coming on production during the third quarter; however, the well had suffered significant setbacks during drilling the production hole which has resulted in deferral of 469 BOEPD of production on an annualized basis.

Revenue

(TUSD, unless otherwise noted)	**Q4 2021**	Q4 2020	**Full Year 2021**	Full Year 2020
Oil and Gas revenue	**17,818**	8,659	**68,306**	39,018
Sales volume (BOE)	**281,144**	242,029	**1,206,332**	1,174,386
Oil realized price (USD/BBL)	**71.77**	38.81	**62.60**	36.05
Gas realized price (USD/MSCF)	**0.81**	0.69	**0.79**	0.67
Oil Equivalent realized price (USD/BOE)	**63.38**	35.78	**56.62**	33.22
Reference price – Average Brent (USD/BBL)[5]	**79.61**	44.29	**70.86**	41.76
Reference price – Average WTI (USD/BBL)	**77.45**	42.45	**68.13**	39.16

Revenue for the current quarter amounted to TUSD 17,818 (Q4 2020: TUSD 8,659), an increase of 106% as compared to Q4 2020. This increase was mainly driven by higher realized oil prices by 85%, in line with the higher average Brent oil price for the current quarter and higher oil and gas sales by 16% against the comparative quarter.

Revenue for the full year 2021 amounted to TUSD 68,306 (2020: TUSD 39,018), an increase of 75% as compared to the full year 2020 from significantly higher by 74% oil realized prices while sales volumes were 3% higher than the comparative period. Higher realized oil prices resulted from the improved market conditions for oil and gas commodity prices after significant price declines suffered during 2020 due to the effects of the COVID-19 pandemic.

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 sold to Petrobras and a nearby refinery. For crude oil sold to the refinery, effective 1 April 2021, 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
Over 40.1	$8

Crude oil sales to Petrobras from the TIE field are sold at a discount to Brent oil price of $11.53/bbl for the first 22,680 monthly delivered barrels, and $7.01 thereafter. Effective 1 April 2021, crude oil sales to Petrobras from the

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

TIE field are sold at a discount to Brent oil price of $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.

Tartaruga Field crude oil
Crude oil from the Tartaruga field is entirely sold to Petrobras. Up and until 1 July, 2021 crude oil from the Tartaruga field was sold at a discount to Brent of USD $2.91/bbl. (Q2 2020: 0.16/bbl premium). 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.

Royalties

(TUSD, unless otherwise noted)	**Q4 2021**	Q4 2020	**Full Year 2021**	Full Year 2020
Royalties	**2,293**	1,437	**9,384**	5,829
Per unit (USD/BOE)	**8.16**	5.94	**7.78**	4.96
Royalties as a % of revenue	**12.9%**	16.6%	**13.7%**	14.9%

Royalties are settled in cash and based on realized prices before discounts. Royalty expense increased by 60% and 61% for Q4 2021 and the full year 2021, respectively, as compared to the same periods in 2020. This increase in royalty expense is consistent with higher revenue for the same periods. Effective royalty rate for Q4 2021 and the full year 2021 were lower than the comparative periods of 2020 due to lower sales from the Tartaruga field which has a higher royalty rate as compared to the other fields.

ANP Resolution 853/2021 – Reduction of Royalties Rate for Small and Medium-sized Companies

The National Agency of Petroleum, Natural Gas and Biofuels in Brazil ("ANP") published a resolution allowing for the reduction of the royalty rates on fields operated by small or medium-sized companies which became effective on 1 November 2021. The royalty reduction shall be applied for by the operator and for each producing field.

In early November, Maha applied for the royalty rate reduction for its producing fields in Brazil. On 28 December 2021 ANP issued a resolution approving Maha's request of reduction of royalties. The reduced royalty rate will become effective February 2022. The new royalties will remain effective for the remaining term of the respective Concession Agreements as long as Maha is considered a medium sized company. Since Maha is considered a medium sized company (average annual global production of less than 10,000 BOEPD) the government royalty rate has been reduced to 7.5% from 10% currently.

Had the new royalty rate been enacted at the beginning of the fiscal year, Maha would have paid approximately USD 1.4 million less in total royalty expense during 2021.

Production expenses

(TUSD, unless otherwise noted)	**Q4 2021**	Q4 2020	**Full Year 2021**	Full Year 2020
Operating costs	**3,246**	2,591	**11,196**	7,536
Transportation costs	**366**	384	**1,666**	2,130
Total Production expenses	**3,612**	2,975	**12,862**	9,666
Per unit (USD/BOE)	**12.85**	12.30	**10.66**	8.23

Production expenses are higher by 21% for the current quarter and amounted to TUSD 3,612 (Q4 2020: 2,975) and higher by 33% for the full year 2021 and amounted to TUSD 12,862 (Full Year 2020: 9,666) as compared to the same periods in 2020.

Operating costs are higher during the current quarter and the full year 2021 as compared to the same periods in 2020 due to several reasons: first, the Tie field had additional costs during the current quarter for multiple slickline operations; second, repairs, spares and maintenance costs of certain producing wells were higher due to a focus on improved maintenance and increased uptime during the current quarter and 2021 in general, the Company's consumption of electricity also continued to be higher than prior periods due to the addition of new wells on artificial lift.

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 lower than the comparative period mainly due to Q4 2020 transportation costs included a one-time full year cost reclassification relating to oil storage and transportation costs. For the full year 2021 transportation costs decreased as compared to the same period in 2020 due to same reasons as above.

On a per BOE (or unit) basis, production expenses were USD 12.85 per BOE (USD 12.30 per BOE) for the current quarter which is in line with the comparative period as higher production expenses were in accordance with higher sales volumes. On a per BOE (or unit) basis, production expenses for the full year 2021 were USD 10.66 per BOE representing an increase by 30% against the comparative year due to the same reasons as above.

Operating netback

(TUSD, unless otherwise noted)	**Q4 2021**	Q4 2020	**Full Year 2021**	Full Year 2020
Operating Netback	**11,913**	4,247	**46,060**	23,523
Netback (USD/BOE)	**42.37**	17.54	**38.18**	20.03

Operating netback is calculated as revenue less royalties and production expenses and is a metric used in the oil and gas industry to compare performance internally and with industry peers. Operating netback for the current quarter and the full year 2021 is 181% and 96%, respectively, higher than the comparative periods from significantly higher oil realized prices and higher sales volumes during the quarter. This was offset by higher production costs during 2021. Oil prices were significantly lower during 2020 due to the COVID-19 pandemic.

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

(TUSD, unless otherwise noted)	**Q4 2021**	Q4 2020	**Full Year 2021**	Full Year 2020
DD&A	**2,739**	1,606	**8,535**	5,624
DD&A (USD/BOE)	**9.74**	6.64	**7.08**	4.79

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 amounted to TUSD 2,739 (at an average depletion rate of USD $9.74 per BOE) which is higher by 71% than the comparative period of Q4 2020 that amounted to TUSD 1,606 (at an average depletion rate of USD $6.64 per BOE). 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. Illinois Basin DD&A expense was relatively similar to the comparable period.

DD&A expense increased by 52% for the full year 2021 and amounted to TUSD 8,535 (at an average rate of USD $7.08 per BOE) as compared to TUSD 5,624 (at an average rate of USD $4.79 per BOE) mainly due to the same reason as above.

General and Administration ("G&A")

(TUSD, unless otherwise noted)	**Q4 2021**	Q4 2020	**Full Year 2021**	Full Year 2020
G&A	**1,826**	2,486	**5,517**	5,939
G&A (USD/BOE)	**6.50**	10.27	**4.57**	5.06

G&A amounts are presented net of certain costs allocated to production expenses. G&A expense for the current quarter amounted to TUSD 1,826 which is 27% lower than the same period in 2020. During Q4 2020, the Company had incurred one-time G&A expenses related to main market listing fees, refinancing efforts and associated legal costs.

G&A expense for the full year 2021 amount to TUSD 5,517 (USD 4.57 per BOE) which is lower by 7% from the comparative year of TUSD 5,939 (USD 5.06 per BOE) mainly due to additional costs incurred in 2020 as explained above.

On a per BOE basis, G&A expenses are lower by 37% than the comparative periods mainly due to higher sales volumes in the current period and lower G&A amounts. For the full year, on a per BOE basis, G&A expenses are lower by 10% than the comparative periods mainly due to lower G&A expense by 7%.

Exploration and business development costs

Exploration and business development costs amounted to nil for the current quarter and TUSD 6 for the full year 2021 as compared to TUSD 22 and TUSD 208, respectively, for the comparative periods. 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 30 (Q4 2020: TUSD 159 loss) and TUSD 30 gain (2020: TUSD 245 loss) for the full year 2021. Foreign exchange movements occur on settlement of transactions denominated in foreign currencies. As of July 1, 2021, Maha Energy AB ("the Parent Company") changed its functional currency from Swedish Krona to US Dollars to better reflect the Company's business activities. This change eliminates the translation of the Parent Company to US Dollars for the presentation purposes. The change in functional currency was accounted for prospectively from 1 July 2021. In accordance with the Swedish Annual Accounts Act (1995:1554), the presentation currency of the Parent Company's financial statements is Swedish Krona.

Other income

Other income for the current quarter amount to TUSD 518 (Q4 2020: 1,066) and for the full year 2021 amount to TUSD 2,443 (Full Year 2020: 1,066). During the current quarter and the full year, the Company recognized other income of TUSD 518 and TUSD 2,443, respectively, 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.

Other gains

Other gains for the current quarter and the full year 2021 amount to TUSD 5,164 (Q4 and full year 2020: nil) due to provisions reversals and adjustments. During the current quarter, the Company reversed a minimum work penalty provision on its Block 224 in Brazil, as the Company was granted a full waiver on the related outstanding work commitment on the block. In addition, the Company reversed the long-term provisions for the minimum work commitments penalties of the Blocks 117 and 118 in Brazil, as the Company was granted extensions until November 2024 on these blocks and these contracts are no longer considered onerous contracts. The Company also adjusted labor and contractor claims related provisions as per the updated assessments.

Net finance costs

Net finance costs for the current quarter amounted to TUSD 2,867 (Q4 2020: TUSD 1,339) and for the full year 2021 amount to TUSD 9,963 (Full Year 2020: TUSD 4,982) and are detailed in Note 5. Net finance costs are higher for the current periods as compared to the comparative periods mainly due to the additional interest expense from the higher loan amount, amortization of deferred financing fees in connection with the new bank debt (See Note 9) and transactions costs of TUSD 505 related to the financing activities. Net finance costs for the full year 2021 also includes foreign exchange loss of TUSD 784 due to the Parent Company's increased exposure to US dollars fluctuation resulting from the US dollars debt financing in the Parent Company, which had Swedish Krona as the functional currency until 30 June 2021. During the second quarter, Swedish Krona weakened in comparison to US dollar from the time the funds were received by the Company to the end of the quarter resulting in unrealized foreign exchange loss.

Income Taxes

Current tax expense amounted to TUSD 74 for the current quarter and TUSD 2,311 for the full year 2021 as compared to TUSD 121 and TUSD 1,106 for the same comparative periods. Current tax expense is lower by 39% for the current quarter as compared to the same period in 2020. Higher taxable income in Brazil resulting from higher oil and gas prices realized during the quarter was offset by higher credits relating to tax incentives at yearend. 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 2,542 and for the full year 2021 amounted to TUSD 5,359 as compared to deferred tax recovery of TUSD 5,803 and TUSD 4,594 for the same comparative periods. 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.

Brazil tax reform:
On 1 September 2021, Brazil's House of Deputies approved Bill 2,337 as the comprehensive reform to the Brazilian tax system. If enacted, the bill would reduce the corporate income tax rate, from a combined 34% to 27% (may be reduced further to 26%, subject to certain budgetary targets being met). It would require corporate income taxes to be calculated and paid on a quarterly basis, rather than an annual basis, would establish a 15% withholding tax rate on dividends (currently, zero), eliminate the interest on net equity (i.e., similar to a dividend payment that is deductible in Brazil), require taxpayers to carry out capital reductions at fair market value (currently allowed at book value), and strengthen the rules on disguised distributions of profits, which would require domestic transactions between related parties to be at arm's length (additional compliance requirements).

The legislative process usually takes time in Brazil, and the current wording of the bill may still be amended in the next steps of this process. This bill was sent to the Federal Senate, where it has remained and therefore, it is difficult to predict the approval of this bill during 2022.

Exchange differences on translation of foreign operations

The exchange differences on translation of foreign operations presented in Statement of Comprehensive Earnings amounted to loss of TUSD 2,901 for the current quarter mainly due to US Dollars exchange rate strengthening 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 December 2021 USD/BRL exchange rate increased by 2% as compared to 30 September 2021 exchange rate.

The exchange differences on translation of foreign operations presented in the Statement of Comprehensive Earnings amounted to a loss of TUSD 5,914 for the full year 2021 mainly due to the US Dollar exchange rate strengthening against Brazilian Reals during the period. The 31 December 2021 USD/BRL exchange rate increased by 7% as compared to 31 December 2020 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 considers its capital structure to include shareholders' equity of USD $91.4 million (31 December 2020: USD $55.6 million) plus net debt of USD $29.9 million (31 December 2020: USD $29.3 million). At 31 December 2021, the Company's working capital surplus was USD $5.8 million (31 December 2020: Deficit of USD $10.0 million), which includes USD $25.5 million of cash (31 December 2020: USD $6.7 million).

The Company may adjust its capital structure by issuing new equity or debt and adjusting its capital expenditure program, within its 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 market and industry conditions. The annual budget and subsequent updates are approved by the Board of Directors.

On 30 March 2021, the Company entered into a loan agreement (the "Term Loan") and equity financing subscription with Brazilian Investment Bank BTG Pactual S.A. for total proceeds of USD 70 million before customary fees and expenses. The proceeds were used to redeem the SEK 300 million bonds payable during the second quarter. The remaining funds are being used to finance capital expenditures across Maha's portfolio and general corporate purposes. The Company's bond holders also exercised the bond warrants during the year, prior to warrants expiration, which provided additional approximately USD 9.0 million cash for the Company. The Company does not have any externally imposed material capital requirements to which it is subject except for the loan covenants (See Note 9).

Share Data

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

During 2021, a total of 10,134,916 bond warrants were exercised at a strike price of SEK 7.45 prior to their expiration on 30 June 2021 and the same number of new class A shares were issued. The remainder of the bond warrants are now expired. The total proceeds from this transaction were SEK 75.5 million (approximately USD 9.0 million) before issuance costs. In addition, 300,000 incentive warrants were converted to class A shares during the year. During the current quarter, all outstanding class B shares (483,366) were converted to Class A shares.

As part of the Term Loan financing during the second quarter of 2021, Maha received an equity contribution of USD 10 million through a private placement issuance of 7,470,491 new class A shares, at a price of SEK 11.59 per share (See Note 9 for further details).

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 2020 Annual Report.

Ongoing COVID-19 Crisis

Maha has managed to maintain a proactive approach in safeguarding the wellbeing of the Company's employees and contractors and ensuring the virus has minimal impact on its operations. Where possible Maha has temporarily scaled back headcount, implemented work from home policies, implemented practices to monitor and control access to our operation sites via typical COVID monitoring protocols and continue to, at a very minimum, comply with local country legislations. To date Maha has been able to operate all our facilities throughout the pandemic and believe that it will continue to do so going forward. The increased rate of new Covid-19 infections in Oman over the past months, leading to tighter Covid-19 restrictions, including curfews and suspension of entry into the country for non-Omanis, will likely have an impact on the Company's initially planned activity timeline in Oman.

Even after the COVID-19 outbreaks have subsided, the Company may continue to experience materially adverse impacts to the business as a result of the global economic impact. The Company will continue to monitor this situation and will work to adapting its business to further developments as determined necessary or appropriate.

The current and any future COVID-19 outbreaks may increase the Company's exposure to, and magnitude of, each of the risks and uncertainties identified in our Annual Report for the year ended December 31, 2020.

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 must entail doing 'what is right', in addition to adhering to laws and regulations.

<u>Environment</u>

As part of the business culture, Maha implements the philosophy of being proactive rather than reactive in its environmental management. By preventing costly and impactful scope changes in development plans, Maha can anticipate and identify potential risks and reduce, if not eliminate, potential environmental and social impacts prior to them possibly happening. Proactive management can also address potential irreversible impacts and allow for decisions to be made on strategy and management, rather than responding out of necessity to a situation. Part of the proactive environmental management strategy is to maximize the use of all resources and reduce waste wherever economically possible. 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. 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.

Governance

Maha has a zero-discrimination tolerance and is committed to promote equal opportunities for employees. Additionally, personal and business ethics are taken seriously at Maha and underlie all the regulations in Corporate Governance. 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. All of Maha's Corporate Governance policies, procedures and guidelines are readily available to employees.

Related Party Transactions

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

Subsequent Events

There are no subsequent events to report.

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 Q4 2021 amounted to TSEK -45,685 (Q4 2020: TSEK -222,452) which is higher than the comparative period mainly due to lower impairment of loans and investment in a subsidiary of TSEK 25,476 (Q4 2020: TSEK 202,748), lower general and administrative expenses of TSEK 2,152 (Q4 2020: TSEK 2,764), and unrealized foreign currency exchange gain of TSEK 26,434 (Q4 2020: TSEK 10,203 loss). This was offset by higher net finance costs of TSEK 44,491 (Q4 2020: TSEK 6,737) resulting from higher interest expense on the Term loan and higher foreign exchange loss resulting from the exposure to US dollars debt financing.

Financial Statements

Condensed Consolidated Statement of Operations

(TUSD) except per share amounts	Note	Q4 2021	Q4 2020	Full Year 2021	Full Year 2020
Revenue					
Oil and gas sales	4	**17,818**	8,659	**68,306**	39,018
Royalties		**(2,293)**	(1,437)	**(9,384)**	(5,829)
Net Revenue		**15,525**	7,222	**58,922**	33,189
Cost of sales					
Production expense		**(3,612)**	(2,975)	**(12,862)**	(9,666)
Depletion, depreciation and amortization	6	**(2,739)**	(1,606)	**(8,535)**	(5,624)
Gross profit		**9,174**	(2,641)	**37,525**	(17,899)
General and administration		**(1,826)**	(2,486)	**(5,517)**	(5,939)
Stock-based compensation	12	**(154)**	(85)	**(419)**	(338)
Exploration and business development costs		**-**	(22)	**(6)**	(208)
Impairment of exploration and evaluation assets		**-**	(21,000)	**-**	(21,000)
Foreign currency exchange gain (loss)		**(30)**	(159)	**30**	(245)
Other income		**518**	1,066	**2,443**	1,066
Other gains		**5,164**	-	**5,164**	-
Operating result		**12,846**	(20,045)	**39,220**	(8,765)
Net finance costs	5	**(2,867)**	(1,339)	**(9,963)**	(4,982)
Result before tax		**9,979**	(21,384)	**29,257**	(13,747)
Current tax expense		**(74)**	(121)	**(2,311)**	(1,106)
Deferred tax expense		**(2,542)**	5,803	**(5,359)**	4,594
Net result for the period		**7,363**	(15,702)	**21,587**	(10,259)
Earnings per share basic		**0.06**	(0.15)	**0.19**	(0.10)
Earnings per share diluted		**0.06**	(0.15)	**0.19**	(0.10)
Weighted average number of shares:					
Before dilution		**119,715,696**	101,582,139	**112,912,781**	101,357,757
After dilution		**119,830,538**	101,582,139	**113,080,714**	101,357,757

Condensed Consolidated Statement of Comprehensive Earnings

(TUSD)	**Note**	**Q4 2021**	Q4 2020	**Full Year 2021**	Full Year 2020
Net Result for the period		**7,363**	(15,702)	**21,587**	(10,259)
Items that may be reclassified to profit or loss:					
Exchange differences on translation of foreign operations		**(2,901)**	3,042	**(5,914)**	(23,324)
Comprehensive result for the period		**4,462**	(12,660)	**15,673**	(33,583)
Attributable to:					
Shareholders of the Parent Company		**4,462**	(12,660)	**15,673**	(33,583)

Condensed Consolidated Statement of Financial Position

(TUSD)	**Note**	**31 December 2021**	31 December 2020
ASSETS			
Non-current assets			
Property, plant and equipment	6	**117,411**	91,045
Exploration and evaluation assets	7	**13,660**	11,014
Deferred tax assets		**3,583**	9,978
Other long-term assets		**491**	432
Total non-current assets		**135,145**	112,469
Current assets			
Prepaid expenses and deposits		**1,239**	1,434
Crude oil inventory		**247**	347
Accounts receivable and other credits		**5,948**	3,092
Cash and cash equivalents		**25,535**	6,681
Total current assets		**32,969**	11,554
TOTAL ASSETS		**168,114**	124,023
EQUITY AND LIABILITIES			
Equity			
Shareholder's equity	12	**91,425**	55,556
Liabilities			
Non-current liabilities			
Bank debt	9	**44,234**	-
Decommissioning provision	10	**2,264**	2,597
Lease liabilities	11	**2,385**	3,450
Other long-term liabilities and provisions		**651**	4,825
Total non-current liabilities		**49,534**	10,872
Current liabilities			
Bonds payable	8	**-**	36,022
Bank debt	9	**11,250**	-
Accounts payable		**9,644**	10,731
Accrued liabilities and provisions		**5,189**	9,599
Current portion of lease liabilities	11	**1,072**	1,243
Total current liabilities		**27,155**	57,595
TOTAL LIABILITIES		**76,689**	68,467
TOTAL EQUITY AND LIABILITIES		**168,114**	124,023

Condensed Consolidated Statement of Cash Flows

(TUSD)	Note	**Q4 2021**	Q4 2020	**Full Year 2021**	Full Year 2020
Operating Activities					
Net result		**7,363**	(15,702)	**21,587**	(10,259)
Depletion, depreciation, and amortization	6	**2,739**	1,606	**8,535**	5,624
Impairment		**-**	21,000	**-**	21,000
Stock based compensation	12	**154**	85	**419**	338
Accretion of decommissioning provision	5,10	**31**	28	**122**	108
Accretion of bond payable	5	**-**	286	**497**	1,063
Amortization of deferred financing fees	9	**400**	-	**1,233**	-
Other gains		**(5,164)**	-	**(5,164)**	-
Interest expense		**1,965**	1,046	**6,920**	3,930
Income tax expense		**74**	121	**2,311**	1,106
Deferred tax expense		**2,542**	(5,803)	**5,359**	(4,594)
Unrealized foreign exchange amounts		**513**	(45)	**1,576**	567
Interest received		**2**	21	**43**	117
Interest paid		**(1,955)**	(2,081)	**(7,223)**	(3,930)
Tax paid		**(684)**	(432)	**(2,494)**	(2,556)
Changes in working capital	16	**(1,048)**	5,321	**(2,716)**	6,470
Cash from operating activities		**6,932**	5,451	**31,005**	18,984
Investing activities					
Asset acquisition (net of cash)		**-**	-	**-**	(4,152)
Capital expenditures - property, plant, and equipment	6	**(10,962)**	(7,961)	**(44,334)**	(19,776)
Capital expenditures - exploration and evaluation assets	7	**(1,332)**	(10,551)	**(2,645)**	(10,798)
Restricted cash		**(16)**	1,015	**(16)**	1,146
Cash used in investment activities		**(12,310)**	(17,497)	**(46,995)**	(33,580)
Financing activities					
Lease payments	11	**(283)**	(285)	**(1,235)**	(450)
Repayment of bonds payable	8	**-**	-	**(35,919)**	-
Bank debt borrowing	9	**-**	-	**60,000**	-
Paid financing fees	9	**(30)**	-	**(5,132)**	-
Shares subscription (net of issue costs)	12	**-**	-	**9,047**	-
Exercise of warrants (net of issue costs)	12	**(3)**	106	**9,188**	942
Cash from (used in) financing activities		**(316)**	(179)	**35,949**	492
Change in cash and cash equivalents		**(5,694)**	(12,225)	**19,959**	(14,104)
Cash and cash equivalents at the beginning of the period		**31,778**	18,034	**6,681**	22,450
Currency exchange differences in cash and cash equivalents		**(549)**	872	**(1,105)**	(1,665)
Cash and cash equivalents at the end of the period		**25,535**	6,681	**25,535**	6,681

Condensed Consolidated Statement of Changes in Equity

(TUSD)	Share Capital	Contributed Surplus	Other Reserves	Retained (Deficit) Earnings	Total Shareholders' Equity
Balance at 1 January 2020	**122**	**64,840**	**(10,772)**	**33,669**	**87,859**
Comprehensive result					
Result for the period	-	-	-	(10,259)	(10,259)
Currency translation difference	-	-	(23,324)	-	(23,324)
Total comprehensive result	-	-	(23,324)	(10,259)	(33,583)
Transactions with owners					
Stock based compensation	-	338	-	-	338
Exercise of warrants (net of issue costs)	-	942	-	-	942
Total transactions with owners	-	1,280	-	-	1,280
Balance at 31 December 2020	**122**	**66,120**	**(34,096)**	**23,410**	**55,556**
Comprehensive result					
Result for the period	-	-	-	21,587	21,587
Currency translation difference	-	-	(5,914)	-	(5,914)
Total comprehensive result	-	-	(5,914)	21,587	15,673
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	9,260	-	-	9,274
Total transactions with owners	24	20,172	-	-	20,194
Balance at 31 December 2021	**146**	**86,292**	**(40,010)**	**44,997**	**91,425**

Parent Company Statement of Operations

(Expressed in thousands of Swedish Krona)	**Q4 2021**	Q4 2020	**Full Year 2021**	Full Year 2020
Revenue	-	-	-	-
Expenses				
General and administrative	**(2,152)**	(2,764)	**(9,365)**	(13,360)
Foreign currency exchange gain(loss)	**26,434**	(10,203)	**32,069**	(22,906)
Operating result	**24,282**	(12,967)	**22,704**	(36,266)
Net finance costs	**(44,491)**	(6,737)	**(79,861)**	(24,828)
Impairment of loans and investments	**(25,476)**	(202,748)	**(69,304)**	(202,748)
Group contribution	**-**	-	**-**	-
Result before tax	**(45,685)**	(222,452)	**(126,461)**	(263,842)
Income tax	**-**	-		-
Net and comprehensive result for the period	**(45,685)**	(222,452)	**(126,461)**	(263,842)

Parent Company Balance Sheet

(Expressed in thousands of Swedish Krona)	**Note**	**31 December 2021**	31 December 2020
Assets			
Non-current assets			
Investment in subsidiaries		**8,003**	4,368
Loans to subsidiaries		**644,044**	471,839
		652,047	476,207
Current assets			
Accounts receivable and other		**-**	116
Restricted cash		**50**	50
Cash and cash equivalents		**88,170**	7,292
		88,220	7,458
Total Assets		**740,267**	483,665
Equity and Liabilities			
Restricted equity			
Share capital		**1,316**	1,117
Unrestricted equity			
Contributed surplus		**686,398**	516,500
Retained earnings		**(463,895)**	(337,434)
Total unrestricted equity		**222,503**	179,066
Total equity		**223,819**	180,183
Non-current liabilities			
Bank debt	9	**412,964**	-
Current liabilities			
Accounts payable and accrued liabilities		**1,406**	7,658
Bank debt	9	**102,078**	-
Bonds Payable	8	**-**	295,824
		103,484	303,482
Total liabilities		**516,448**	303,482
Total Equity and Liabilities		**740,267**	483,665

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 2020	**1,113**	**504,682**	**(79,092)**	**426,703**
Total comprehensive income	-	-	(258,342)	(258,342)
Transaction with owners				
Stock based compensation	-	3,143	-	3,143
Exercise of bond warrants (net of issuance costs)	10	6,928	-	6,938
Exercise of incentive warrants	3	1,747		1,750
C2 shares cancellation	(9)	-	-	(9)
Total transaction with owners	4	11,818	-	11,822
Balance at 31 December 2020	**1,117**	**516,500**	**(337,434)**	**180,183**
Total comprehensive income	**-**	**-**	(126,461)	(126,461)
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)	117	78,093	-	78,210
Total transaction with owners	**199**	**169,898**	**-**	**170,097**
Balance at 31 December 2021	**1,316**	**686,398**	**(63,895)**	**223,819**

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 2020 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 2020.

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 2021, the Company did not adopt any new standards and interpretations or amendments thereto applicable for financial periods beginning on or after 1 January 2021.

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	Adjustments	Consolidated
Full Year 2021					
Revenue	**62,574**	**5,732**	**-**	**-**	**68,306**
Royalties	**(8,043)**	**(1,341)**	**-**	**-**	**(9,384)**
Production and operating	**(11,353)**	**(1,509)**	**-**	**-**	**(12,862)**
Depletion, depreciation, and amortization	**(7,202)**	**(1,270)**	**(63)**	**-**	**(8,535)**
General and administration	**(945)**	**(147)**	**(4,425)**	**-**	**(5,517)**
Stock-based compensation	**-**	**-**	**(419)**	**-**	**(419)**
Exploration and business development cost	**-**	**-**	**(6)**	**-**	**(6)**
Foreign currency exchange (loss)gain	**21**	**76**	**189**	**(256)**	**30**
Other income	**2,443**	**-**	**-**	**-**	**2,443**
Other gains	**5,164**	**-**	**-**	**-**	**5,164**
Operating results	**42,659**	**1,541**	**(4,724)**	**(256)**	**39,220**
Net finance costs	**(2,420)**	**(20)**	**(7,523)**	**-**	**(9,963)**
Current tax	**(2,311)**	**-**	**-**	**-**	**(2,311)**
Deferred tax	**(4,359)**	**-**	**-**	**(1,000)**	**(5,359)**
Net results	**33,569**	**1,521**	**(12,247)**	**(256)**	**21,587**

(TUSD)	Brazil	USA	Corporate	Adjustments	Consolidated
Full Year 2020					
Revenue	29,484	875	-	-	30,359
Royalties	(4,184)	(208)	-	-	(4,392)
Production and operating	(6,159)	(532)	-	-	(6,691)
Depletion, depreciation and amortization	(3,656)	(341)	(21)	-	(4,018)
General and administration	(68)	(211)	(3,174)	-	(3,453)
Stock-based compensation	-	-	(253)	-	(253)
Exploration and business development cost	-	(40)	(146)	-	(186)
Foreign currency exchange (loss)gain	533	(5)	(472)	(142)	(86)
Operating results	15,950	(462)	(4,066)	(142)	11,280
Net finance costs	(1,706)	(14)	(1,923)	-	(3,643)
Current tax	(985)	-	-	-	(985)
Deferred tax	(1,209)	-	-	-	(1,209)
Net results	12,050	(476)	(5,989)	(142)	5,443

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	**Q4 2021**	Q4 2020	**Full Year 2021**	Full Year 2020
Brazil				
Crude oil	**15,669**	7,946	**61,986**	37,104
Natural gas	**171**	88	**588**	414
Brazil oil and gas sales	**15,841**	8,034	**62,574**	37,518
United States oil sales	**1,978**	625	**5,732**	1,500
Total revenue from contracts with customers	**17,818**	8,659	**68,306**	39,018

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 Q4 2021 (Q4 2020: two) and two main customers during the full year 2021 (Full Year 2020: two) that individually accounted for more than 10 percent of the Company's consolidated gross sales. Total sales to these customers for Q4 2021 were approximately USD $17.7 million (Q4 2020: $8.0 million). For the full year 2021 total sales to the two customers combined were approximately USD 61.9 million (Full Year 2020: $29.1 million), which are included in the Company's Brazil operating segment. 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 December 2021, accounts receivable included $2.1 million of sales revenue which related to the current quarter production.

5. Finance Costs

TUSD	**Q4 2021**	Q4 2020	**Full Year 2021**	Full Year 2020
Interest on bond payable (Note 8)	**-**	1,039	**1,463**	3,909
Accretion of bond payable (Note 8)	**-**	286	**497**	1,063
Accretion of decommissioning provision (Note 10)	**31**	28	**122**	108
Amortisation of deferred financing fees (Note 9)	**400**	-	**1,233**	-
Financing transaction cost	**505**	-	**505**	-
Foreign currency exchange loss (gain)	**-**	-	**784**	-
Interest expense (Note 9)	**1,965**	7	**5,456**	21
Interest income	**(34)**	(21)	**(97)**	(119)
	2,867	1,339	**9,963**	4,982

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

(TUSD)	Oil and gas properties	Equipment and Other	Right-of-use assets	Total
Cost				
31 December 2019	**83,917**	**2,163**	**813**	**86,893**
Additions	26,967	114	5,510	32,591
Acquisition	4,538	-	-	4,538
Change in decommissioning cost	614	-	-	614
Currency translation adjustment	(19,290)	(120)	(305)	(19,715)
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**
Accumulated depletion, depreciation and amortization				
31 December 2019	(9,751)	(697)	(202)	(10,650)
DD&A	(5,033)	(68)	(475)	(5,576)
Currency translation adjustment	2,271	14	65	2,350
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)**
Carrying amount				
31 December 2020	84,233	1,406	5,406	91,045
31 December 2021	**111,985**	**1,307**	**4,119**	**117,411**

7. Exploration and Evaluation Assets (E&E)

	TUSD
31 December 2019	**21,216**
Additions in the period	400
Oman acquisition	10,350
Impairment	(21,000)
Change in estimates	48
31 December 2020	**11,014**
Additions in the period	2,646
31 December 2021	**13,660**

Of the total additions during the current year, additions related to Oman Block 70 amounted to TUSD 1,886 and additions related to the LAK Ranch amounted to TUSD 760. At yearend 2020, the carrying value of the LAK Ranch was written down to the estimated recoverable amount, resulting in a non-cash impairment charge of USD $21.0 million.

8. Bonds payable

	TUSD	TSEK
31 December 2019	**30,621**	**286,037**
Accretion of bond liability	1,063	9,787
Effect of currency translation	4,338	-
31 December 2020	**36,022**	**295,824**
Accretion of bond liability	497	4,176
Repayment of bonds	(35,919)	(300,000)
Effect of currency translation	(600)	-
30 September 2021	**-**	**-**

The bonds were set to mature on 29 May 2021; however, on May 5, 2021, the Company redeemed the outstanding Bonds. The Bonds redeemed at an amount equal to 100.00 per cent of the nominal amount (i.e. SEK 100,000 per Bond) plus, as at May 5, 2021, accrued interest of TSEK 15,600 was disbursed to the Bondholders. No early redemption premiums were paid as the Bonds were redeemed at 100 percent of their nominal amount.

9. Bank debt

	TUSD	TSEK
Bank debt	60,000	547,800
Deferred financing costs	(4,516)	(32,758)
31 December 2021	**55,484**	**515,042**
Less: Current portion	11,250	102,078
Non current	44,234	412,964

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 (see Note 8).

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, 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 5.7 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.

10. Decommissioning Provision

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

	(TUSD)
31 December 2019	**2,175**
Accretion expense	108
Additions	168
Dome Acquisition (Note 6)	68
Change in estimate	378
Foreign exchange movement	(300)
31 December 2020	**2,597**
Accretion expense	122
Additions	251
Change in estimate	(611)
Foreign exchange movement	(95)
31 December 2021	**2,264**

11. Lease Liability

(TUSD)	
31 December 2019	**611**
Additions	4,974
Interest expense	21
Lease payments	(450)
Foreign currency translation	(463)
31 December 2020	**4,693**
Additions	-
Interest expense	122
Lease payments	(1,236)
Foreign currency translation	(122)
31 December 2021	**3,457**
Less current portion	1,072
Lease liability – non current	2,385

12. Share Capital

Shares outstanding	A	B	Total
31 December 2019	**92,456,550**	**7,960,318**	**100,416,868**
Exercise of bond warrants	949,853	-	949,853
Conversion of convertible B shares	7,476,952	(7,476,952)	-
Exercise of incentive warrants	263,330	-	263,330
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**

As at 31 December 2021 Maha A TO2 share purchase warrants outstanding were as follows:

	Number of Warrants	Exercise Price	Exercise Price
	#	SEK	USD
31 December 2019	**11,352,182**	**7.45**	**0.80**
Exercised – Q1	(827,500)	7.45	0.78
Exercised – Q2	(6,446)	7.45	0.74
Exercised – Q4	(5,684)	7.45	0.82
Exercised – Q4	(110,223)	7.45	0.86
31 December 2020	**10,402,329**	**7.45**	**0.91**
Exercised – Q1	(136,963)	7.45	0.90
Exercised – Q2 [6]	(9,997,953)	7.45	0.88
Expired	(267,413)	7.45	0.88
31 December 2021	**-**	**-**	**-**

Warrant Incentive Program

The Company has an incentive program as part of the remuneration package for management and employees.

Warrants incentive programme	Exercise period	Exercise price, SEK	1 Jan 2021	Issued 2021	Exercised 2021	Expired or Cancelled 2021	**31 December 2021**
2018 incentive programme	1 May 2021 – 30 November 2021	9.20	750,000	-	300,000	450,000	-
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			**1,710,000**	**1,572,429**	**(300,000)**	**450,000**	**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 Q4 2021 was TUSD 159 (Q4 2020: TUSD 93).

[6] Q2 exercised warrants include 2,881,345 warrants exercised during Q1 for which shares were issued in Q2.

13. 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.

14. Management of financial risk

The Company thoroughly examines the various risks to which it is exposed and assesses the impact and likelihood of those risks. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and to monitor market conditions and the Company's activities. This approach actively addresses risk as an integral and continual part of decision making within the Company and is designed to ensure that all risk is identified, fully acknowledged, understood and communicated well in advance. Nevertheless, oil and gas exploration, development and production involve high operational and financial risks, which even a combination of experience, knowledge and careful evaluation may not be able to fully eliminate or which are beyond the Company's control. The Board of Directors has overall responsibility for establishment and oversight of the Company's risk management.

A detailed analysis of Maha's operational, financial, and external risks and mitigation of those risks through risk management is described in Maha Energy's 2020 Annual Report. The current and any future COVID-19 outbreaks may increase the Company's exposure to, and magnitude of, each of the risks and uncertainties identified in our Annual Report for the year ended December 31, 2020. The extent to which the COVID-19 impacts Maha's business, results of operations and financial conditions will depend on future developments, which are highly uncertain and are difficult to predict. Even after the COVID-19 outbreaks have subsided, the Company may continue to experience materially adverse impacts to the business as a result of the global economic impact. The Company will continue to monitor this situation and will work to adapting its business to further developments as determined necessary or appropriate.

15. Management of Capital

The Company manages its capital structure to support the Company's strategic growth. The Company's objectives when managing its capital structure are to maintain financial flexibility, preserve access to capital markets, ensure its ability to finance internally generated growth and to fund potential acquisitions while maintaining the ability to meet the Company's financial obligations as they come due. The Company considers its capital structure to include shareholders' equity of USD $91.4 million (31 December 2020: USD $55.6 million) plus net debt of USD $29.9 million (31 December 2020: 29.3 million). At 31 December 2021, the Company's working capital surplus was USD $5.8 million (31 December 2020: Deficit of USD $10.0 million), which includes USD $25.5 million of cash (31 December 2020: USD $6.7 million).

On 30 March 2021, the Company entered into a credit agreement for a senior secured Term loan of USD 60 million maturing 31 March 2025. In addition, the Company issued shares for additional USD 10 million equity financing. Proceeds from the debt financing was used to redeem the outstanding bonds payable of SEK 300 million. The remaining funds are being used to finance capital expenditures across Maha's portfolio and general corporate purposes. The Company's bond holders also exercised the bond warrants during the year, prior to warrants expiration, which provided additional approximately USD 9.0 million cash for the Company. The Company does not have any externally imposed material capital requirements to which it is subject except for the loan covenants (See Note 9).

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.

16. Changes in non-cash Working Capital

(TUSD)	**31 December 2021**	31 December 2020
Change in:		
Accounts receivable	**(2,898)**	1,625
Inventory	**61**	(9)
Prepaid expenses and deposits	**195**	(176)
Accounts payable and accrued liabilities	**(74)**	5,030
Total	**(2,716)**	6,470

17. Pledged Assets

As at 31 December 2021, 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 63.5 million and MSEK 8.0 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 18).

18. 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 current quarter, the Company was granted a full waiver on the related work commitments on Block 224 minimum work. Additionally, the Company was granted extensions until November 2024 on its minimum work commitments for Blocks 117 and 118. This allows the Company to work towards a waiver application for the minimum work obligations related to these blocks.

In the Illinois Basin, the Company completed its commitment to drill and complete four gross wells (3 net wells) during 2021. For 2022, the Company has commitments to drill one operated and one non-operated well. In addition, a future 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	**Q4 2021**	Q4 2020	**Full Year 2021**	Full Year 2020
Revenue	**17,818**	8,659	**68,306**	39,018
Operating netback	**11,913**	4,247	**46,060**	23,523
EBITDA	**15,615**	2,720	**47,725**	18,104
Net result	**7,363**	(15,702)	**21,587**	(10,259)
Cash flow from operations	**6,932**	5,451	**31,005**	18,984
Free cash Flow	**(5,378)**	(12,046)	**(15,990)**	(14,596)
Net debt (TUSD)	**29,949**	29,341	**29,949**	29,341

Key ratios

	Q4 2021	Q4 2020	**Full Year 2021**	Full Year 2020
Return on equity (%)	**8**	(28)	**24**	(18)
Equity ratio (%)	**54**	45	**54**	45
NIBD/EBITDA	**0.63**	1.62	**0.63**	1.62
TIBD/EBITDA	**1.16**	1.99	**1.16**	1.99

Data per share

	Q4 2021	Q4 2020	**Full Year 2021**	Full Year 2020
Weighted number of shares (before dilution)	**119,715,696**	101,582,139	**112,912,781**	**101,357,757**
Weighted number of shares (after dilution)	**119,830,538**	101,582,139	**113,080,714**	**101,357,757**
Earnings per share before dilution, USD	**0.06**	(0.15)	**0.19**	**(0.10)**
Earnings per share after dilution, USD	**0.06**	(0.15)	**0.19**	**(0.10)**
Dividends paid per share	**n/a**	n/a	**n/a**	n/a

Relevant reconciliation of Alternative Performance Measures:

Operating Netback

(TUSD)	**Q4 2021**	Q4 2020	**Full Year 2021**	Full Year 2020
Revenue	**17,818**	8,659	**68,306**	39,018
Royalties	**(2,293)**	(1,437)	**(9,384)**	(5,829)
Operating Expenses	**(3,612)**	(2,975)	**(12,862)**	(9,666)
Operating netback	**11,913**	4,247	**46,060**	23,523

EBITDA

(TUSD)	**Q4 2021**	Q4 2020	**Full Year 2021**	Full Year 2020
Operating results (*)	**12,846**	(20,045)	**39,220**	(8,765)
Depletion, depreciation and amortization	**2,739**	1,606	**8,535**	5,624
Impairment on E&E assets	**-**	21,000	**-**	21,000
Foreign currency exchange loss / (gain)	**30**	159	**(30)**	245
EBITDA	**15,615**	2,720	**47,725**	18,104

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

Free cash flow

(TUSD)	**Q4 2021**	Q4 2020	**Full Year 2021**	Full Year 2020
Cash flow from operating activities	**6,932**	5,451	**31,005**	18,984
Less: cash used in investing activities	**(12,310)**	(17,497)	**(46,995)**	(33,580)
Free cash flow	**(5,378)**	(12,046)	**(15,990)**	(14,596)

Net debt

(TUSD)	**Q4 2021**	Q4 2020	**Full Year 2021**	Full Year 2020
Bank debt	**54,484**	-	**54,484**	-
Bonds payable	**-**	36,022	**-**	36,022
Less: cash and cash equivalents	**(25,535)**	(6,681)	**(25,535)**	(6,681)
Net debt	**29,949**	29,341	**29,949**	29,341

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 full year ended 31 December 2021 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, 28 February 2022

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

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

Financial calendar

2021 Annual Report: 11 April 2022
2022 First Quarter: 19 May 2022
2022 Second Quarter: 15 August 2022
2022 Third Quarter: 14 November 2022

Contact information

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