MAHA ENERGY

2023

CORPORATE GOVERNANCE REPORT

20

Corporate Governance Report

Corporate Governance is an integral part of Maha's foundation which guides our corporate culture, business objectives, and enables the accommodation of stakeholder interests. Maha is committed to delivering value to all our stakeholders (including shareholders, employees, contractors, and the communities in which we operate) by prioritizing transparency and accountability. For Maha, strong corporate governance ensures anticipation and mitigation of risks, as well as oversight of our operational protocols and practices to ensure activities are undertaken in an ethical, safe, reliable, and responsible manner.

This Corporate Governance Report has been prepared in accordance with the Swedish Companies Act (SFS 2005:551), the Annual Accounts Act (SFS 1995:1554) and the Swedish Corporate Governance Code (the "Code") and has been subject to a review by the Company's statutory auditor.

The Swedish Corporate Governance Code is based on the tradition of self-regulation and the principle of "comply or explain". It acts as a complement to the corporate governance rules contained in the Swedish Companies Act, the Annual Accounts Act, EU rules and other regulations such as the Rulebook for Issuers and good practice on the securities market. The Code is published on www.bolagsstyrning.se, where a description of the Swedish Corporate Governance model can be found.

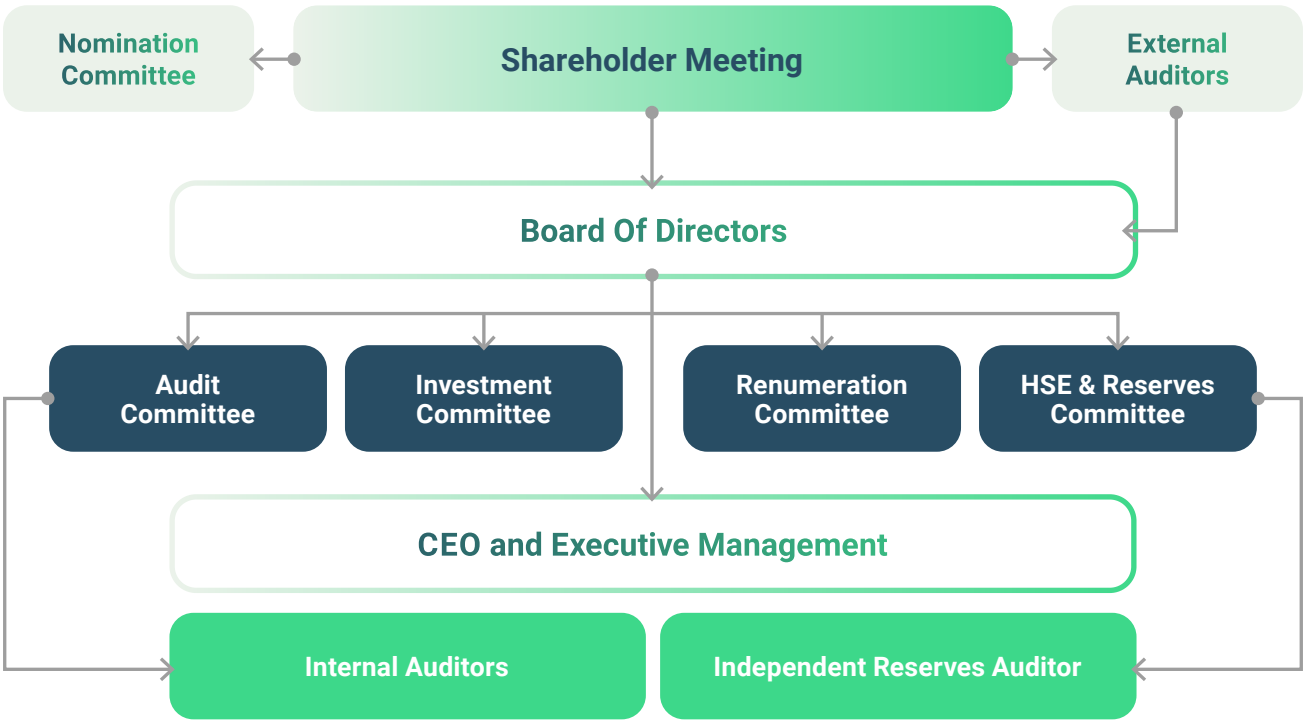
As a Swedish public company listed on Nasdaq Stockholm (under symbol MAHA-A) Maha Energy is subject to the Rulebook for Issuers of Nasdaq Stockholm which can be found on www.nasdaqomxnordic.com. In addition, the Company abides by principles of corporate governance found in several internal and external documents to build trust on how Maha responsibly conducts its business.

The Company is not aware of any deviations from Nasdaq Stockholm's Rulebook for Issuers, recommendations from the Swedish Securities Council, decisions from Disciplinary Committee at Nasdaq Stockholm or statements from the Swedish Securities Council. The Company does not report any deviations from the Code. The report has been examined by the Company's auditors, please see page 97.

Maha Energy AB (publ), company registration number 559018-9543, has its corporate head office at Eriksbergsgatan 10, SE-114 30 Stockholm, Sweden and the registered seat of the Board of Directors is Stockholm, Sweden. The Company's website is www.maha-energy.com.

This 2023 Corporate Governance Report is submitted in accordance with the Swedish Annual Accounts Act and the Code. It explains how Maha has conducted its corporate governance activities during 2023.

Maha's business model is built on the corporate governance foundation, which aims to decrease associated risk of unethical behavior, unclear responsibilities, and avoid potential conflicts of interests. Our Corporate Governance Framework further strengthens and clarifies Maha's corporate governance foundation and ensures that business is conducted in a responsible manner. Our governance structure includes our Board of Directors and its committees, together with our executive team.



External and Internal governance framework

The Company observes good corporate governance practices in accordance with the laws and regulations of Swedish legislation, the Company's own Articles of Association and policies. The Company's Articles of Association do not contain any provisions for a special procedure for changing the Articles of Association. The Company issues Annual Consolidated Financial Statements and interim reports in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and Swedish Annual Accounts Act.

Maha adheres to both the internal and external rules for Corporate Governance principles; thus, decreasing potential risks associated with unclear individual and company responsibilities and avoiding conflicts of interests between its shareholders, managers, and Board of Directors.

External Corporate Governance Rules

- The Annual Accounts Act
- The Exchange Rules for Issuers
- NASDAQ Rules and Regulations
- The Swedish Companies Act
- Swedish Code of Corporate Governance
- Statements of the Swedish Securities Council

Internal Corporate Governance Rules

- Anti-Corruption Policy
- Articles of Association
- Code of Conduct
- Corporate Governance Policy
- Health, Safety, and Environment Policy
- Internal Control and Risk Management
- Business Partner Code of Conduct
- Other Company Policies, Guidelines, and Procedures

Shareholders

The Company's shares (MAHA-A) are listed on Nasdaq Stockholm. At year-end 2023 the share capital amounted to SEK 1,962,892.283, represented by 178,444,753 shares. All shares represent one vote each. At 31 December 2023, the number of shareholders was 8,608 (2022: 10,761). Of the total number of shares, foreign shareholders accounted for approximately 76 percent. Turmalina Fundo De Investimento Em Participacoes Multiestrategia and DBO Invest S.A. are the only shareholders with a holding in excess of 10 percent of shares and votes, with a holding of 33,101,674 and 21,936,598 shares respectively, representing approximately 18.55 and 12.29 percent of shares and votes respectively. For further information on share, share capital development and shareholders, see page 18 and the Company's website.

Annual General Meeting

According to the Swedish Companies Act (2005:551), the general meeting is the Company's highest decision-making body. At the general meeting, the shareholders exercise their voting rights in key issues, such as changes to the Articles of Association, the election of the Board of Directors and auditors, adoption of the income statement and balance sheet, discharge from liability of the Board of Directors, the CEO and Managing Director, the appropriation of profit or loss and the principles for the appointment of the nomination committee. The Annual General Meeting ("AGM") must be held within six (6) months of the close of the fiscal year. The Company calls the meeting through announcements in the Swedish Official Gazette, the Svenska Dagbladet and the Company's website.

Right to attend AGMs

All shareholders who are listed in the share registry on the record date, and who have notified the Company of their participation in due time, are entitled to participate in the AGM. Shareholders are entitled to exercise their respective voting rights in accordance with the description above (item entitled "Shareholders").

Annual General Meeting 2023

The 2023 AGM was held in Stockholm on 24 May 2023. The AGM was attended by 26 shareholders, personally or by proxy, representing 33.97 percent of the Company's share capital. The Chairman of the Board of Directors and all Board members, including the CEO and Managing Director, were present, as well as the Company's auditor and a member of the Nomination Committee for the 2023 AGM.

The submissions and resolutions passed by the 2023 AGM included the following major items:

- Fabio Vassel, Paulo Thiago Mendonça, Enrique Peña, Viktor Modigh, Richard Norris, Halvard Idland and Kjetil Solbraekke were re-elected as members of the Board of Directors.
- Fabio Vassel was re-elected as Chairman of the Board.
- Remuneration of the Board of Directors.
- Approval of the Company's remuneration report
- Approval on the policy for remuneration and other employment conditions for senior executives of the group
- The accounting firm Deloitte AB was re-elected as the auditor of the Company
- Authorization of the Board of Directors to resolve upon issuance of new shares, warrants and/or convertible debentures.

For more information about the Annual General Meeting, including the minutes, see Maha's website.

The suggested incentive program through issuance of warrants for employees and consultants was withdraw by the Board of Directors. The suggested incentive program through issuance of warrants for the Board of Directors was likewise withdraw by the Nomination Committee.

Extra General Meetings 2023

EXTRAORDINARY GENERAL MEETING IN MARCH 2023

An Extraordinary General Meeting ("EGM") was held in Stockholm on 29 March 2023. The EGM was attended by 20 shareholders, representing 6.87 percent of the votes and share capital in the Company. The Chairman of the Board of Directors and enough Board members, including the CEO and Managing Director, for a quorum were present, as well as a member of the Nomination Committee. The major resolutions passed by the EGM included the following:

- Resolution on changes to the Articles of Association;
- Resolution on issue of new shares against payment in kind regarding the acquisition of all shares in DBO 2.0 S.A.;
- Election of new Board members Halvard Idland and Kjetil Solbraekke. Harald Pousette was, upon his own request, discharged from the Board of Directors.

EXTRAORDINARY GENERAL MEETING IN SEPTEMBER 2023

An Extraordinary General Meeting ("EGM") was held in Stockholm on 18 September 2023. The EGM was attended by 27 shareholders, representing 39.75 percent of the votes and share capital in the Company. The Chairman of the Board of Directors and enough Board members, including the CEO and Managing Director, for a quorum were present, as well as a member of the Nomination Committee. The resolutions passed by the EGM included the following:

- Resolution on changes to the Articles of Association with respect to share capital and number of shares
- Resolution regarding an incentive program and issuance of warrants to employees and consultants (LTIP 8);
- Resolution regarding an incentive program and issuance of warrants to the members of the Board of Directors (LTIP 9). According to the Nomination Committee's revised proposal presented at the general meeting all Board members except Halvard Idland and Svein Harald Øygard shall be comprised by the program;
- Election of Paulo Thiago Mendonça as chairman of the Board of Directors
- Election of new Board member Svein Harald Øygard. Kjetil Solbraekke was on his own request discharge from his assignment as ordinary Board member. Effective as of the general meeting's resolution, Kjetil Solbraekke took the position as CEO of Maha.

For more information about the General Meetings, including the minutes, see Maha's website.

Annual General Meeting 2024

The Annual General Meeting (AGM) of Maha Energy AB (publ) is planned to be held on 29 May 2024 in Stockholm, Sweden.

Nomination Committee and its Function

The duties of the nomination committee include the preparation and drafting of proposals regarding the election of members of the Board of Directors, the chairman of the Board of Directors, the chairman of the general meeting and auditors. The nomination committee shall also propose fees for Board members and the auditor. The composition of the nomination committee is publicly announced at least six months ahead of the AGM.

The principles for the appointment of and instructions regarding a nomination committee adopted at the Annual General Meeting in 2019, and have since then not been changed. In accordance with these, the Nomination Committee for the 2024 AGM consists of members appointed by three (3) of the largest shareholders of the Company based on shareholdings as at 30 September 2023 and the Chairman of the Board of Directors. The names of the members of the Nomination Committee were announced and posted on the Company's website on 28 November 2023 (within the time frame of six (6) months before the AGM, as prescribed by the Code).

The Nomination Committee for the 2024 AGM consists of:

- Rodrigo Pires, appointed by Turmalina Fundo de Investimento em Participações Multiestratégia;
- Luis Araujo, appointed by DBO Invest S.A.
- Edwyn Neves, appointed by Banco BTG Pactual S.A; and
- Paulo Thiago Mendonça, Chairman of the Company's Board.

At the Nomination Committee's first meeting, Edwyn Neves was elected as Chairman of the Nomination Committee.

The Nomination Committee Report, including the final proposals to the 2024 AGM, is published on the Company's website at the same time the Notice of the AGM is given.

The Nomination Committee's purpose is to produce proposals for certain matters including, amongst others, the following (which will be presented to the 2024 AGM for consideration):

- Number of members of the Board of Directors;
- Remuneration to the Chairman of the Board of Directors, the other members of the Board of Directors and auditors respectively;
- Election of auditors;
- Remuneration, if any, for committee work;
- The composition of the Board of Directors;
- The Chairman of the Board of Directors;
- Resolution regarding the process of the Nomination Committee 2025;
- Chairman at the AGM.

The work of the Nomination Committee includes evaluation of the Board's work, competence and composition, as well as the independence of the members. The Nomination Committee will also consider criteria such as the background and experience of the Board of Directors, and evaluate the ongoing work.

The Board of Directors and its work

Board of Directors' composition

After the general meeting, the Board of Directors is the highest decision-making body. According to the Swedish Companies Act, the Board of Directors is responsible for the organization and management of the company's affairs, which means that the Board of Directors is responsible for, among other things, establishing targets and strategies, securing procedures and systems for monitoring of set targets, continuously assessing the company's financial position and evaluating the operational management. Furthermore, the Board of Directors is responsible for ensuring that proper information is given to the company's shareholders, that the company complies with laws and regulations and that the company develops and implements internal policies and ethical guidelines. Moreover, the Board of Directors is responsible for ensuring that annual reports and interim reports are prepared in a timely matter. The Board of Directors also appoints the company's CEO and Managing Director and determines its salary and other compensation.

The members of the Board of Directors, including the Chairman of the Board, are elected annually at the annual general meeting for the period until the end of the next annual general meeting. Pursuant to the Company's Articles of Association, the Board shall consist of not less than three (3) and not more than seven (7) ordinary members, without any deputy members. There are no specific stipulations in the Company's Articles of Association on how the Board members should be assigned or dismissed. The Company aims to promote diversity at all levels of the Company. In 2023, two EGMs were convened to resolve upon i.a. proposed elections of new Board of Directors of the company (for more information, see Extra General Meetings 2023 above). Up to March 29, 2023, the Company's Board consisted of 6 ordinary members, appointed until the end of the next annual shareholders' meeting. This number was increased to seven (7) Board Members, as per a resolution approved during an Extraordinary Board Meeting held on 29 March 2023 which removed Mr. Harald Pousette, upon his own request, from his position, and elected Halvard Idland and Kjetil Solbraekke as new ordinary Board members until the end of the next annual general meeting. At an Extraordinary Board Meeting held on 18 September 2023, Svein Harald Øygard was elected as new ordinary Board member until the close of the annual general meeting to be held in 2024. At the same EGM, it was resolved to elect Paulo Thiago Mendonça as chairman of the Board of Directors and thereby, upon his own request, replace Fabio Vassel. It was also resolved, upon his own request, to discharge Kjetil Solbraekke from his assignment as ordinary board member. Effective as of the general meeting's resolution, Kjetil Solbraekke took the position as CEO of Maha. Maha's existing members of the Board of the Directors include seven Board members and no deputy Board Member: Mr. Paulo Mendonça (Chairman), Mr. Halvard Idland, Mr. Viktor Modigh, and Mr. Richard Norris, Mr. Svein Harald Øygard, Mr. Enrique Peña and Mr. Fabio Vassel (see bios in section "The Board of Directors and Management"). The majority of the Directors are independent of the company and its executive management and two (2) of the members of the Board who are independent of the company and its executive management are also to be independent in relation to the company's major shareholders.

EVALUATION OF THE BOARD'S WORK

The Board of Directors' work was evaluated in a structured process conducted by a third party. The evaluation during 2023 was conducted by means of a questionnaire that each Board member was requested to complete, in the aim of gaining an idea about the Board members' views on how the Board work has been conducted and which measures can be taken to improve the Board work as well as which matters the directors feel should be given more attention and in which areas it could possibly be suitable to have additional expertise on the Board. The results of this evaluation were reported to and discussed by the Board.

BOARD OF DIRECTORS 2023

The Board of Directors in Maha Energy AB consist of Paulo Thiago Mendonça (Chairman), Fabio Vassel, Enrique Peña, Viktor Modigh, Richard Norris, Halvard Idland and Svein Harald Øygard. Previous Board members during 2023 also include Kjetil Solbraekke (took the position as CEO of Maha in connection with the EGM on September 18, 2023, when he also resigned from the Board (and Harald Pousette (resigned from the Board on the EGM held in March 2023). For more information about Maha's Board of Directors, please see page 12.

RULES OF PROCEDURE

The Board of Directors' work is governed by the approved Rules of Procedure for BoD. The Board of Directors supervises the work of the Managing Director by monitoring the Company's operational and financial activities. The Board of Directors ensures that the Company's organisation, administration, and controls are properly managed. The Board of Directors adopts strategies and goals and provides review and approval of larger investments, acquisitions and disposals of business activities or assets. The Board of Directors also appoints the Managing Director and determines the Managing Director's salary and other compensation. The Chairman of the Board of Directors supervises the Board's activities and is responsible for it functioning well. The Chairman, among other things, is regularly updated on the Company's operations, meets with the Managing Director and is responsible to ensure information and documentation is provided by the Company to ensure high quality discussions and proper consideration of matters.

Board of Directors' Yearly Work Cycle:

Q1 / Q2 targeted main activities:

- Approval of the fourth quarter report;
- Approval of the Annual Report and other annual reports;
- Review of the Auditor's Report and meeting with the Auditor (excluding Management) to discuss the audit process, risk management and internal controls;
- Review of the Policy on Remuneration for submission to the AGM;
- Determination of the AGM details and approval of the AGM materials;
- Approval of the first quarter report;
- Annual investor relations assessment;
- Review of the Rules of Procedure.

Q3 / Q4 main activities:

- Adoption of the budget and work programme;
- Consideration of the Board self-evaluation to be submitted to the Nomination Committee;
- Approval of the second and third quarter reports;
- Review of the third quarter Auditor's Report and meeting with the Auditor (excluding Management) to discuss interim review results;
- Performance assessment of the CEO and Managing Director;
- Consideration of the performance review of Group management and Remuneration Committee remuneration proposals;
- Long-term strategy discussions;
- Evaluation of internal controls;
- Insurance Program renewal.

THE BOARD OF DIRECTORS' WORK IN 2023

During 2023, the Board of Directors held thirty (30) meetings, in person, via telephone or digitally and per capsulam meetings. Attendance for the in-person meetings is shown in the tables below. The Company's Chief Legal Officer, Barbara Bittencourt, acted as corporate secretary. Prior to each meeting, Board members were provided with an agenda and written information on the matters to be covered. Each meeting has included the possibility to discuss without management representatives being present. The Company's Auditor also met at least once with the Board of Directors or respective board committee.

Board Member	Board attendence	Audit Committee attendance	Remuneration Committee attendance	Reserves/ HSE Committee attendance	Investment Committee attendance
Paulo Mendonça (Chairman)	28/30		0/0	2/2	1/1
Halvard Idland*	21/21	4/4			1/1
Enrique Peña	30/30	5/5			
Viktor Modigh	30/30	5/5	2/2	2/2	1/1
Richard Norris	30/30	5/5		2/2	
Svein Harald Øygard**	8/8		0/0		1/1
Fabio Vassel	28/30		1/2		
Kjetil Solbraekke***	13/13				
Harald Pousette****	9/9	1/1	2/2		

** Elected on March 29, 2023*
*** Elected on September 18, 2023*
**** Elected on March 29, 2023, resigned on September 18, 2023*
***** Resigned on March 29, 2023*

Board Committees

In order to increase the efficiency of its work and enable a more detailed analysis of certain matters, the Board of Directors has formed four (4) committees, being: Audit Committee; Remuneration Committee; Reserves/HSE Committee; and Investment Committee. Committee's members are appointed by the Board of Directors within the Board members up to the next AGM. The Committee's duties and authorities are governed by those Mandates, Policies and Terms of Reference described below. The committees perform monitoring and evaluations, resulting in recommendations to the Board of Directors, where all decision-making takes place.

AUDIT COMMITTEE

The Board of Directors has established an Audit Committee for the period up to and including the AGM 2024. The present members of the Audit Committee are Enrique Peña (Chairman), Halvard Idland, Richard Norris and Viktor Modigh. Following changes in the composition of the Board of Directors, the Audit Committee members have changed during the year. Previously in 2023, Harald Pousette was a member of the Audit Committee. The Committee convened five (5) times during 2023.

The Audit Committee is a supervisory body within the Board of Directors of Maha. The Audit Committee shall ensure compliance with the Board of Director's monitoring responsibilities pertaining to financial reporting, risk management and assessing the efficiency of the Company's internal controls over financial reporting. The Audit Committee shall thereby, in particular, contribute to sound and regular financial reporting to ensure the market's trust in Maha. The Audit Committee shall furthermore regularly liaise with the Company's external auditors as part of the annual audit process and review their fees, as well as the auditors' qualifications, independence and impartiality. The Audit Committee also assists the Nomination Committee with proposals for resolutions on the election and remuneration of the auditor. The Audit Committee shall also ensure that good communication is maintained between the Board and the external auditor(s). As per the Audit Committee's functions and responsibilities, Audit Committee met with the external auditors more than once during the year, and also met without the presence of the management.

REMUNERATION COMMITTEE

The Board of Directors has established a Remuneration Committee for the period up to and including the AGM 2024. The present members of the Remuneration Committee are Paulo Mendonça (Chairman), Viktor Modigh and Svein Harald Øygard. Following changes in the composition of the Board of Directors, the Remuneration Committee members have changed during the year. Previously in 2023, Fabio Vassel and Harald Pousette were members of the Remuneration Committee. The Committee convened two (2) times during 2023.

The Remuneration Committee is a preparatory body within the Board of Directors with the main duties to prepare resolutions to be adopted by the Board of Directors pertaining to matters regarding remuneration principles, remuneration policies and other terms of employment for executive management; monitor and evaluate current and during the year finalized programs for variable compensations for the executive management, and monitor and evaluate the compliance with the guidelines for remuneration for the executive management which the general meeting by law shall adopt, and applicable remuneration structures and remuneration levels in the Company. The work of the Remuneration Committee is governed by established rules of procedures that have been set by the Board of Directors.

RESERVES/HSE COMMITTEE

The Board has established a Reserves/HSE Committee for the period up to and including the 2024 AGM. The present members of the Remuneration Committee are Richard Norris (Chairman), Paulo Mendonça and Viktor Modigh. The Committee convened two (2)times during 2023.

The Reserves & HSE Committee is responsible for the following functions:

- assisting the Board of Directors in fulfilling its oversight responsibilities generally with respect to the oil and natural gas reserves evaluation process of the Company and public disclosure of reserves data and related information in connection with the Company's oil and gas activities;
- evaluating and recommending on appointment of independent qualified reserve auditor, oversight of the reserves audit process;
- developing, implementing and monitoring policies, standards and practices of the Company with respect to matters concerning health, safety and environment, including public disclosures.

INVESTMENT COMMITTEE

In October 2023, the Board established an Investment Committee for the period up to and including the 2024 AGM. The members of the Investment Committee are Paulo Mendonça, Halvard Idland, Svein Harald Øygard and Viktor Modigh. In addition, CEO Kjetil Solbraekke and Maha's M&A Director Roberto Marchiori (Chairman) are members of the Investment Committee. The Committee convened one time during 2023.

The purpose of the Investment Committee is to, on behalf of the Company, assist the Board in fulfilling their responsibilities with regards to investments proposed by the management of the Company. To accomplish this purpose, the Investment Committee will analyze and decide on investments proposed by the management of the Company. The Investment Committee continuously report to the Board regarding its work and the investments.

Remuneration of Board of Directors members

The remuneration of the Chairman and other Board of Directors' members follows the resolution adopted by the AGM. The Board of Directors members, except for the CEO and Managing Director up to the EGM in September 2023, are not employed by the Company, and therefore do not receive any salary from the Company. The EGM in September 2023 resolved in accordance with the proposal of the Nomination Committee on an incentive program for the members of the Board of Directors through issuance of warrants entitling to subscription of new shares in the Company. No warrants were issued in 2023. The Policy on Remuneration approved by the AGM also comprises remuneration paid to Board members for work performed outside their directorships.

The 2023 AGM resolved that remuneration of the chairman of the Board of Directors shall be TSEK 415 per annum and of the other members TSEK 300 per member per annum. Remuneration is not paid for service of the Boards or directors of subsidiaries. Paulo Thiago Mendonça (until he stepped down on September 18 2023), who was employed by Maha, did not receive any remuneration for his service on the Board of Directors. The annual fee for Board committee members is TSEK 40 per committee assignment. The annual fee for the chairman of the respective committees is TSEK 60. Further, if a member of the Board of Directors, following a resolution by the Board of Directors, performs tasks which are outside the regular Board of Directors work, separate remuneration will apply, based on the company's Remuneration Policy and in accordance with resolution at the AGM 2023.

Management

The executive management in Maha in 2023 has consisted of (i) the Managing Director and Chief Executive Officer (Paulo Mendonça) until he stepped down September 18, 2023 and was succeeded by Kjetil Solbraekke, (ii) the Chief Financial Officer (Bernardo Guterres), until he stepped down March 10, 2023 and was succeeded by Guilherme Guidolin de Campos, (iii) the Chief Operating Officer Alan Johnson until he stepped down November 30, 2023 and was succeeded by, Javier Gremes Cordero (iv) the Chief Legal Officer Barbara Bittencourt, from February 1, 2023. The Board of Directors has adopted an instruction for the Managing Director which clarifies the responsibilities and authority of the Managing Director. According to the instruction, the Managing Director shall provide the Board of Directors with decision data to enable the Board of Directors to make well-founded decisions and with documents to enable it to continually monitor the activities for the year. The Managing Director is responsible for the day-to-day business of the Company and shall take the decisions needed for developing the business – within the legal framework, the business plan, the budget and the instruction for the Managing Director adopted by the Board of Directors, as well as in accordance with other guidelines and instructions communicated by the Board of Directors. The Board evaluates the work of the Chief Executive Officer. The Board examines this issue formally at least once a year, and without any member of the executive management present during this evaluation process.

Remuneration for Management

At the AGM 2023 it was resolved to adopt a policy for remuneration and other employment conditions for the Executive Management, which is available at the Company's website.

For additional information on Board of Directors' member and Executive Management compensation, please refer to Note 31 of the Financial Statements, as well as the Company's Remuneration Report available at the Company's website.

External Auditors

At the 2023 AGM and for the period until the conclusion of the next Annual General Meeting, the accounting firm Deloitte AB was elected as Maha's independent auditor. The Auditor in charge is Andreas Frountzos.

Financial Reporting and Internal Controls

The Board of Directors has the ultimate responsibility of the internal controls over financial reporting. Maha's systems of internal control, with regard to financials reporting, is designed to minimize risks involved in financial reporting process and ensure a high level of reliability in the financial reporting. Furthermore, the system of internal control ensures compliance with applicable accounting requirements and other disclosure requirements that Maha is required to meet as a publicly listed company

INTERNAL CONTROLS

While the Board of Directors (with assistance from the Audit Committee), in accordance with the Swedish Companies Act, has the ultimate responsibility for the internal controls over the Company's financial reporting; front line responsibility for such is with the CEO and CFO under the approved Instructions for Financial Reporting and the Instructions to Managing Director. In line with listed companies of similar size in the oil and gas sector, Maha maintains a system of internal controls for its financial reporting that is designed to minimize risks of error and ensure a high level of reliability and compliance with applicable accounting principles. The Company's CFO and CEO continually work on improving the financial reporting process through evaluating the risk of errors in the financial reporting and related control activities. Control activities include close monitoring and approval by the Company's executive team, in line with the authorization guidelines of invoices, other payables, contracts and legal commitments, and other financial and treasury activities in relation to the oil and gas operations of the Company in Brazil, Oman, Venezuela and the United States. The purpose of these activities is to ensure and monitor that control activities are in place for the areas of identi-

fied risks related to financial reporting and potentially fraudulent activities. The Audit Committee, the CFO, and the CEO follow up on the compliance and effectiveness of the Company's internal controls to ensure the quality of internal processes is appropriate and develop controls as considered necessary.

INFORMATION AND COMMUNICATION

The Board of Directors has adopted an Information and Communication Policy for the purpose of ensuring that the external information is correct and complete. There are also instructions regarding information security and how to communicate financial information.

MONITORING

Both the Board of Directors (with assistance from the Audit Committee) and the Company's management follow up on the compliance and effectiveness of the Company's internal controls to ensure the quality of internal processes. The Audit Committee ensures and monitors that adequate controls are in place for the identified areas of risk related to financial reporting activities. For this purpose, an independent consultant reporting directly to the Audit Committee is engaged to monitor and test effectiveness of internal controls.

The Board of Directors

Readers are referred to page 12 in this Annual Report for details on the Company's Board of Directors and Management team.

The Auditor's Report on the Corporate Governance Statement can be found in this Annual Report on page 97.

Auditor's Report

To the general meeting of the shareholders of Maha Energy AB (publ) corporate identity number 559018-9543

Report on the annual accounts and consolidated accounts

OPINIONS

We have audited the annual accounts and consolidated accounts of Maha Energy AB (publ) for the financial year 2023-01-01 - 2023-12-31. The annual accounts and consolidated accounts of the company are included on pages 30-91 and 96 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act.

The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

BASIS FOR OPINIONS

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

KEY AUDIT MATTERS

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

BUSINESS COMBINATIONS

Several transactions has been performed during 2023. Maha acquired 100 % of shares in DBO 2.0 in may 2023, which later changed name to Maha Energy (Holding) Brazil Ltda. Through the Transaction, Maha acquired all outstanding shares in Maha Energy Offshore. Maha Energy Offshore owns 15 % of the shares in 3R Offshore, which holds operated working interests in producing oil and gas offshore fields in Brazil. Maha's investment in the common shares of Maha Offshore has been treated as an investment in an associate and has been accounted for using the equity method.

- evaluated whether all assets acquired and liabilities assumed have been recognized in accordance with IFRS
- evaluated whether the consideration transferred by the acquirer has been recognized in accordance with IFRS
- performed detail testing of acquired assets and liabilities to determine the nature and extent of opening valuation testing
- evaluated whether the equity interest as of the acquisition date and subsequent valuation has been recognized in accordance with IAS 28
- evaluation of the disclosures in the annual report and its compliance with IFRS and the Annual Accounts Act.

Information on accounting principles for business combinations are disclosed in note 2 in the annual report. Further information on financial assets is disclosed in note 21 and shares in subsidiaries in note 30 in the annual report.

VALUATION OF ASSETS AND LIABILITIES HELD FOR SALE AND DISCONTINUING OPERATIONS

On December 1, 2023, Maha announced the divestment of their 65% share in block 70 in Oman (Maha Energy Oman Ltda.) to Mafraq Energy LLC. As a result, Maha Energy Oman Ltda. has been classified as assets held for sale and amounted to US$ 9,8 million as of December 31, 2023. The decision to divest the Omani segment has further led to Maha Energy Oman Ltda. being presented as discontinued operations in the consolidated income statement, separated from continuing operations. Accounting for discontinued operations requires the identification and sepa-

ration of the financial effects from continuing and discontinued operations as well as ensuring that the criteria in IFRS are fulfilled to account for discontinued operations.

Information on accounting principles for assets held for sale and discontinued operations are disclosed in note 2 in the annual report. Further information on asset held for sale and discontinued operations is disclosed in note 8 in the annual report.

Our audit procedures included, but were not limited to:

- assessing the appropriateness of the classification for the operations as held for sale and discontinued operations in compliance with IFRS,
- assessing the valuation before initial classification as held for sale in accordance with IFRS,
- assessment of the financial effects from the discontinued operations and that they have been appropriately separated from continuing operations,
- evaluation of the disclosures in the annual report and its compliance with IFRS and the Annual Accounts Act.

OTHER INFORMATION THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-19, 92-95 and 101-102. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company

and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

OPINIONS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Maha Energy AB (publ) (publ) for the financial year 2023-01-01 - 2023-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

BASIS FOR OPINIONS

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

AUDITOR'S RESPONSIBILITY

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

The auditor's examination of the Esef report

OPINION

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Maha Energy AB (publ) for the financial year 2023-01-01 - 2023-12-31.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

BASIS FOR OPINION

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Maha Energy AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHMTL format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

THE AUDITOR'S EXAMINATION OF THE CORPORATE GOVERNANCE STATEMENT

The Board of Directors is responsible for that the corporate governance statement on pages 20-29 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s standard Rev 16 The auditor´s examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared.

Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Deloitte AB, was appointed auditor of Maha Energy AB (publ) by the general meeting of the shareholders on the 2023-05-24 and has been the company's auditor since 2016-04-22.

Stockholm April 19, 2024
Deloitte AB

Signature on Swedish original

Andreas Frountzos
Authorized Public Accountant

MAHA ENERGY

Maha Energy AB (publ)

Maha Energy AB

Head Office
Eriksbergsgatan 10
SE-114 30
Stockholm, Sweden

+46 8 611 05 11

Technical Office
Ataulfo de Paiva street, 1165
5th Floor - Leblon
Rio de Janeiro, RJ / BRAZIL
22440-032

+46 8 611 05 11

Email: info@maha-energy.com
Website: www.maha-ehergy.com