CORRAL PETROLEUM HOLDINGS AB (publ)

REPORT FOR THE SECOND QUARTER ENDED JUNE 30, 2017

No. of pages 14

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This report includes unaudited consolidated financial information of Corral Petroleum Holdings AB (publ) ("Corral Petroleum Holdings") and its consolidated subsidiaries, for the second quarter of 2017, the comparative period in 2016 and for the other periods indicated. Note that due to the rounding of figures in the tables to the nearest SEK million, the sum is not always exactly equal to the sum of all components.

Financial highlights – Second Quarter 2017

- Sales revenue for the second quarter of 2017 amounted to 15,112 MSEK compared to 12,524 MSEK in the second quarter of 2016.
- EBITDA[1] for the second quarter of 2017 amounted to 428 MSEK compared to 1,355 MSEK in the second quarter of 2016.
- Adjusted EBITDA[1] for the second quarter of 2017 amounted to 614 MSEK compared to 624 MSEK in the second quarter of 2016.
- Operating profit for the second quarter of 2017 amounted to 181 MSEK compared to 1,107 MSEK in the second quarter of 2016.
- Net profit for the second quarter of 2017 amounted to 38 MSEK compared to a net profit 189 MSEK in the second quarter of 2016.
- Cash flow from operating activities for the second quarter of 2017 was 71 MSEK compared to cash flow used in operating activities of -516 MSEK in the second quarter of 2016.
- Weighted refining margin for the second quarter of 2017 was 4.90 $/bbl compared to 4.50 $/bbl in the second quarter of 2016.

	Apr 1 - Jun 30		Jan 1 - Jun 30		Full year
MSEK	**2017**	**2016**	**2017**	**2016**	**2016**
Sales revenue	15,112	12,524	33,270	24,250	56,041
Gross profit	404	1,468	1,856	2,503	5,112
EBITDA[1]	428	1,354	1,857	2,376	4,800
Adjusted EBITDA[1]	614	624	1,873	1,496	3,399
Operating profit	181	1,107	1,364	1,882	3,800
Profit/loss before taxes	39	244	973	759	-291
Net profit/loss	38	189	766	583	-631

[1] For a reconciliation of our operating profit to EBITDA and EBITDA to Adjusted EBITDA, please see the financial statements section on page 14.

Key indicators

	Apr 1 - Jun 30		Jan 1 - Jun 30		Full year
	2017	**2016**	**2017**	**2016**	**2016**
Weighted refining margin, $/bbl	4.90	4.50	5.23	4.24	4.53
Average Brent Dated crude oil, $/bbl	50	46	52	40	44
Feedstock throughput, thousand bbls	24,732	25,348	55,508	54,740	115,072
Average exchange rate SEK/USD	8.81	8.21	8.86	8.33	8.56
Closing exchange rate SEK/USD	8.47	8.48	8.47	8.48	9.10

Market Overview – Second Quarter 2017

During the second quarter of 2017, the price of Dated Brent traded in a range between 55 $/bbl in the early part of April to below 45 $/bbl in the later part of June. The OPEC meeting on May 25th resulted in a decision to extend previously announced production adjustments for a further period of nine months, ending March 31st 2018. The market remained uncertain regarding the extent to which reduced production from OPEC and cooperating non-OPEC nations would be enough to balance the market.

The average price in the second quarter 2017 was 50 $/bbl, compared to an average price of 54 $/bbl in the first quarter 2017. In the second quarter of 2016 the average price was 46 $/bbl.

The average price differential for Russian crude oil (“Urals”) versus Dated Brent was -1.5 $/bbl in the second quarter of 2017, compared to -2.1 $/bbl in the first quarter of 2017 and -2.6 $/bbl in the second quarter of 2016. Urals traded in a range between -2.5 $/bbl and -1.0 $/bbl. The market strengthened in the later part of the second quarter when supply was limited due to maintenance in the Russian crude oil export system and demand was high for High Sulphur Crude Oil grades due to the very strong High Sulphur Fuel Oil market.

European refining margins improved during the second quarter of 2017. The support for the margins came mainly from the strong demand globally for gasoline reducing the gasoline inventory levels and the unusual strength in fuel oil. The continued well supplied crude oil market kept the differentials versus Dated Brent for Low Sulphur crude oil grades on the weak side which also supported the margins.

The average gasoline margin versus Dated Brent was 15 $/bbl in the second quarter of 2017, compared to 12 $/bbl in the first quarter of 2017. In the second quarter of 2016 the average gasoline margin was 16 $/bbl. The global demand growth for gasoline has reduced the inventory levels of gasoline. Refinery problems in Latin America have attracted gasoline supply from the US and from Europe leading to stronger gasoline margins.

The average diesel margin versus Dated Brent remained at 12 $/bbl in the second quarter of 2017, unchanged from the first quarter of 2017. In the second quarter of 2016 the average diesel margin was 11 $/bbl. Global diesel demand growth has not been enough to balance the market in the pace needed to strengthen the market. Stocks are still high both in absolute and in coverage terms, but are lower than last year.

The average margin for high sulphur fuel oil versus Dated Brent continued to strengthen during the second quarter of 2017. The high sulphur fuel oil margin was on average -7 $/bbl, compared to -8 $/bbl in the first quarter of 2017. The margin was -14 $/bbl in the second quarter of 2016. The fuel oil supply reduced due to refinery maintenance, as well as unplanned outages, a structural change in the industry with more upgrading of fuel oil to more valuable products and the season for bitumen production for road pavement. Good demand from the bunker market and also for electrical power production in regions where very hot weather occurred kept the margin versus Dated Brent at much stronger levels than typically seen for this product.

Sales and Results – Second Quarter 2017

Sales revenue in the second quarter of 2017 amounted to 15,112 MSEK compared to 12,524 MSEK in the second quarter of 2016, an increase of 2,588 MSEK. The increase in sales revenue is primarily a result of higher crude and product prices compared to the comparable period for 2016.

Operating profit for the second quarter of 2017 amounted to a profit of 181 MSEK, a decrease of 926 MSEK, compared to 1,107 MSEK for the second quarter of 2016. Operating profit was impacted by the sale of a subsidiary, Preem Gas AB. The refining margins in the second quarter of 2017 increased slightly compared to the second quarter of 2016, 4.90 $/bbl to 4.50 $/bbl. A falling market price for crude oil resulted in a relatively large reduction of inventory value in the second quarter of 2017, resulting in a loss of 406 MSEK compared to profits of 887 MSEK in the second quarter of 2016. The exchange rate for krona against the dollar fell in the second quarter of 2017, reducing the result with -191 MSEK in 2017.

Segment reporting

The Group divides its business into two segments – Supply & Refining and Marketing. The sales revenue and operating profit for both of these segments are shown below. In the below table, exchange rate differences included in operating profit/loss consist of foreign exchange gains or losses related to our inventory and our trade payables/receivables. Other expenses consist mainly of administrative and personnel-related expenses in our corporate cost center.

Sales Revenue

	Apr 1 - Jun 30		Jan 1 - Jun 30		Full year
MSEK	**2017**	**2016**	**2017**	**2016**	**2016**
Supply & Refining	14,632	11,933	32,244	23,191	53,808
Marketing	4,373	3,689	8,605	6,762	14,776
Exchange rate differences	-57	35	-84	12	95
Group eliminations	-3,836	-3,133	-7,494	-5,715	-12,638
Total Sales Revenue	**15,112**	**12,524**	**33,270**	**24,250**	**56,041**

Operating profit

	Apr 1 - Jun 30		Jan 1 - Jun 30		Full year
MSEK	**2017**	**2016**	**2017**	**2016**	**2016**
Supply & Refining	306	1,133	1,535	1,980	3,779
Marketing	114	148	233	276	590
Total Segment Operating profit	420	1,281	1,768	2,256	4,369
Exchange rate differences	-191	-2	-207	-66	122
Other expenses	-48	-172	-197	-308	-691
Total Operating profit	**181**	**1,107**	**1,364**	**1,882**	**3,800**

Supply & Refining

Our Supply & Refining segment reported an operating profit of 306 MSEK for the second quarter of 2017, a decrease of 827 MSEK, compared to 1,133 MSEK for the second quarter of 2016. The weighted refining margin increased to 4.90 $/bbl for the second quarter of 2017 compared to 4.50 $/bbl for the second quarter of 2016. The price gain in inventory reported in the second quarter of 2017 amounted to 5 MSEK compared to a price gain in inventory of 732 MSEK in the second quarter of 2016. Excluding price effects, operating profit amounted to a profit of 301 MSEK in the second quarter of 2017, a decrease of 99 MSEK, compared to 400 MSEK in the second quarter of 2016.

Outside of the planned shutdown window the refineries in Lysekil and Gothenburg had a good operational performance and high utilization in the second quarter of 2017, with a throughput of 3.9 million m^3 compared to 4.0 million m^3 second quarter of 2016.

Marketing

Our Marketing segment reported an operating profit of 114 MSEK for the second quarter of 2017 compared to 148 MSEK for the second quarter 2016, a decrease of 34 MSEK. The decrease in operating profit is mainly attributable to decreased profitability from HVO (Hydrogenated Vegetable Oil). Last year the profit from HVO was high and it remains high so far this year, even though it has decreased versus last year. Sales volumes were 5 % higher in the second quarter of 2017 compared to the second quarter of the previous year driven by our expansion in Norway.

Depreciation

Total depreciation in the second quarter of 2017 amounted to 246 MSEK compared to 247 MSEK in the second quarter of 2016.

Financing

Financial net for the second quarter of 2017 improved by 720 MSEK to an expense of 143 MSEK compared to an expense of 863 MSEK for the second quarter of 2016. Other financial net was impacted by exchange rate gains and amounted to 215 MSEK for the second quarter of 2017 compared to -406 MSEK for the same period in 2016.

Total interest expense for the second quarter of 2017 amounted to 359 MSEK compared to 459 MSEK for the same period in 2016 of which depreciation of loan expenditures amounted to 41 MSEK for the second quarter in 2017 compared to 130 MSEK in the same period in 2016. Cash interest paid was 54 MSEK for the second quarter of 2017 compared to 47 MSEK for the second quarter of 2016.

Six months ended June 30, 2017

- Sales revenue for the first six months of 2017 amounted to 33,270 MSEK compared to 24,250 MSEK for the first six months of 2016.
- EBITDA[1] for the first six months of 2017 amounted to 1,857 MSEK compared to 2,376 MSEK for the first six months of 2016.
- Adjusted EBITDA[1] for the first six months of 2017 amounted to 1,873 MSEK compared to 1,496 MSEK for the first six months of 2016.
- Depreciation for the first six months of 2017 amounted to 493 MSEK compared to 494 MSEK for the first six months of 2016.
- Operating profit for the first six months of 2017 amounted to 1,364 MSEK compared to operating profit of 1,882 MSEK for the first six months of 2016.
- Net profit for the first six months of 2017 amounted to 766 MSEK compared to net profit of 583 MSEK for the first six months of 2016.
- Cash flow from operating activities for the first six months of 2017 amounted to 1,298 MSEK compared to 2,134 MSEK for the first six months of 2016.
- Weighted refining margin for the first six months of 2017 was 5.23 $/bbl compared to 4.24 $/bbl for the first six months of 2016.

Cash flow

Profit before taxes, amounted to 973 MSEK for the first six months of 2017 compared to profit before taxes of 759 MSEK for the same period in 2016, an increase of 214 MSEK. Cash flow from operating activities amounted to 1,298 MSEK for the first six months of 2017 compared to cash flow from operating activities of 2,134 MSEK for the same period in 2016, a decrease of 836 MSEK. Adjustments for non-cash items had a positive impact of 782 MSEK for the first six months of 2017 compared to a positive impact of 1,155 MSEK for the same period in 2016, a decrease of 373 MSEK. Please refer to page 11 for further specification of items not included in cash flow.

Taxes paid amounted to -2 MSEK in 2017 compared to 0 MSEK in 2016.

Cash flow was negatively impacted by movements in working capital of 455 MSEK for the first six months of 2017 compared to a positive impact of 220 MSEK for the first six months of 2016. Cash flow from inventories amounted to 671 MSEK for the first six months of 2017, primarily due to the increase in the price of crude oil. In the first six months of 2016 cash flow from inventories amounted to 129 MSEK. Cash flow from operating receivables amounted to 11 MSEK for the first six months of 2017, primarily due to an increase in sales. In the first six months of 2016 cash flow used in operating receivables amounted to 24 MSEK. Cash flow used in operating liabilities for the first six months of 2017 amounted to 1,136 MSEK primarily due to the increase in the price of crude oil. For the same period in 2016 cash flow from operating liabilities amounted to 114 MSEK.

Cash flow used in investing activities in 2017 amounted to 860 MSEK for the first six months of 2017, an increase of 232 MSEK, compared to 628 MSEK for the same period 2016.

Cash flow used in financing activities amounted to 553 MSEK for the first six months of 2017 compared to cash flow used in financing activities of 1,329 MSEK for the first six months of 2016. Cash flow used in financing activities is attributable to (net) repayment of loans under Preem's revolving credit facility as a consequence of the positive cash flow from operating activities.

Income taxes

Income tax expense for the first six months ended June 30, 2017 was 206 MSEK, an increase of 85 MSEK compared to 176 MSEK in the same period in 2016. The increase was attributable to the higher operational results in the six months ended June 30, 2017. The effective tax rate was 21% for the first six months ending June 30, 2017, compared to 23% for the six months ending June 30, 2016.

Financial Debt

On June 30, 2017, the Group's financial net debt amounted to 13,808 MSEK, compared to 16,090 MSEK June 30, 2016, a decrease of 2,282 MSEK. The decrease in financial net debt was mainly a consequence of the net effect of continued revaluation caused by the strengthening of the SEK against the USD as well as positive cash flow from operating activities. The financial debt consisted primarily of Corral Petroleum Holdings' PIK toggle Senior Notes due 2021, subordinated shareholder notes, a subordinated shareholder loan (described below) and Preem's Credit Facility. Cash and cash equivalents amounted to 917 MSEK at June 30, 2017, an increase of 311 MSEK, compared to 606 MSEK for the same period in 2016. A breakdown of the Group's financial debt as at June 30, 2017 is included in the financial statements section on page 14.

Corral Petroleum Holdings AB (publ)

Corral Petroleum Holdings AB (publ) is wholly owned by Moroncha Holdings Co. Ltd and is the Parent Company of the Corral Petroleum Holdings Group. Corral Petroleum Holdings incurred losses before taxes of 425 MSEK for the first six months of 2017 compared to 777 MSEK for the first six months of 2016.

Shareholder equity as at June 30, 2017 amounted to 465 MSEK compared to 296 MSEK as of December 31, 2016. Corral Petroleum Holdings had outstanding shareholder loans of 249

MUSD and 12 MEUR (2,220 MSEK) as at June 30, 2017. The shareholder loans are subordinated and carry a non-cash interest rate of 5% per annum. The interest expense related to the shareholder loans is paid in kind semi-annually. Corral Petroleum Holdings had outstanding subordinated shareholder notes of 83 MUSD and 187 MEUR (2,512 MSEK) as at June 30, 2017. The subordinated shareholder notes carry a non-cash interest rate of 10% per annum. The interest expense related to the subordinated shareholder notes is paid in kind each quarter.

In May a capital contribution in the amount of 500 MSEK was made to Corral Petroleum Holdings by converting indebtedness of the same amount from the shareholder loans.

Recent Developments

There is currently more confidence in the crude market, in our opinion. We believe this is partly based on Saudi Arabia's new commitment to reduce their crude exports further and partly due to signs that the physical market is starting to tighten. Russia also appears to be delivering on its share of the production cut deal. US crude oil inventories have dropped since the end of June, and imports to the US have declined compared to the same period last year. On top of this there is summer-maintenance in the North Sea which is also contributing to lower global crude production.

Both Lysekil and Gothenburg refineries have been running well during the summer period with high throughput. The Gothenburg refinery is planned to enter turnaround starting in the beginning of September, which is scheduled for approximately eight weeks.

The closure of the announced acquisition of YX bulk business in Norway is expected on Monday 25th of September, 2017. Preparations are ongoing in good cooperation with Uno-X Group including supply and depot agreements.

Preem has continued to purchase put options in accordance with its strategy to protect its balance sheet and cash flow. Current option positions have an average strike price of 38-39 $/bbl with expiry in September/October.

On June 30, 2017 Preem up streamed excess cash to Corral Petroleum Holdings to service the July 1, 2017 interest payment on the Notes.

Risk factors

For information on risks relating to our business and our capital structure, please see Corral Petroleum Holdings' Annual Report 2016, available at
http://www.preem.se/en/in-english/investors/corral/

Accounting principles and legislations

The consolidated financial information in this report has been prepared in accordance with International Financial Reporting Standards (IFRS), IAS 34 "Interim Financial Reporting". The accounting policies adopted are consistent with those of the Group´s annual financial statements for the year ended December 31, 2016. For further information regarding accounting principles applied, please see Corral Petroleum Holdings Annual Report 2016, available at http://www.preem.se/en/in-english/investors/corral/

Additional information

An international conference call for investors and analysts will be held on August 31 2017 at 3:00 pm CET. The call-in number is +46 8 5052 0110 meeting code: Preem.

The report for the third quarter and nine months ending September 30, 2017 will be released on November 27, 2017.

London, August 29, 2017
On behalf of the Board of Directors

Richard Öhman
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CONDENSED CONSOLIDATED INCOME STATEMENTS

	Apr 1 - Jun 30		Jan 1 - Jun 30		Full year	Rolling 12 Months Jul 1 - Jun 30	
MSEK	**2017**	**2016**	**2017**	**2016**	**2016**	**2017**	**2016**
Net sales	17,646	15,163	38,283	29,225	66,225	75,284	65,182
Excise duties	-2,534	-2,639	-5,013	-4,974	-10,184	-10,223	-9,853
Sales revenue	15,112	12,524	33,270	24,250	56,041	65,061	55,329
Cost of goods sold	-14,707	-11,057	-31,415	-21,747	-50,929	-60,596	-51,606
Gross profit	**404**	**1,468**	**1,856**	**2,503**	**5,112**	**4,464**	**3,723**
Selling expenses	-219	-226	-414	-411	-820	-824	-844
Administrative expenses	-196	-204	-371	-366	-813	-818	-849
Other operating income	192	69	293	156	321	459	329
Operating profit	**181**	**1,107**	**1,364**	**1,882**	**3,800**	**3,282**	**2,359**
Interest income	2	2	4	3	6	6	85
Interest expense	-359	-459	-711	-853	-1,560	-1,418	-1,633
Other financial, net	215	-406	316	-273	-2,536	-1,947	-1,446
Net financial items	-143	-863	-391	-1,122	-4,090	-3,359	-2,994
Profit/Loss before taxes	**39**	**244**	**973**	**759**	**-291**	**-77**	**-635**
Taxes	-1	-55	-206	-176	-340	-371	-109
Net profit/loss for the year	**38**	**189**	**766**	**583**	**-631**	**-448**	-744
Attributable to:							
Parent Company's shareholder	38	189	766	583	-631	-448	-744
Non-controlling interests	-	-	-	-	-	-	-
	38	**189**	**766**	**583**	**-631**	**-448**	**-744**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME:

	Apr 1 - Jun 30		Jan 1 - Jun 30		Full year	Rolling 12 Months Jul 1 - Jun 30	
	2017	**2016**	**2017**	**2016**	**2016**	**2017**	**2016**
Net profit/loss for the year	38	189	766	583	-631	-448	-744
Other income	0	-69	0	-69	-59	10	-14
Comprehensive income	**38**	**120**	**767**	**514**	**-690**	**-438**	**-758**
Attributable to:							
Parent Company Shareholder	38	120	767	514	-690	-438	-758
Non-controlling Shareholders	-	-	-	-	-	-	-
	38	**120**	**767**	**514**	**-690**	**-438**	**-758**

CONDENSED CONSOLIDATED BALANCE SHEETS

MSEK	June 30 2017	June 30 2016	December 31 2016
ASSETS			
Goodwill and other intangable assets	690	474	568
Property, plant and equipment	9,000	8,595	8,705
Financial non-current assets	298	2,014	243
Total non-current assets	**9,988**	**11,083**	**9,516**
Inventories	7,794	6,202	8,452
Trade receivables	3,746	3,346	3,892
Other receivables	555	621	572
Prepaid expenses and accrued income	425	483	371
Cash and cash equivalents[1]	917	606	1,030
Total current assets	**13,437**	**11,258**	**14,316**
Total assets	**23,425**	**22,341**	**23,833**
EQUITY AND LIABILITIES			
Share capital	1	1	1
Other paid-in capital	8,328	7,328	7,828
Retained loss	-7,831	-7,394	-8,598
	498	-65	-769
Non-controlling interests	0	0	0
Total equity	**498**	**-65**	**-769**
Financial debts	14,725	16,695	15,749
Provision for deferred taxes	0	0	36
Other provisions	162	129	168
Trade payables	2,620	1,262	2,695
Other liabilities	1,762	1,622	1,544
Accrued expenses and deferred income	3,658	2,699	4,410
Total liabilities	**22,928**	**22,407**	**24,602**
Total equity and liabilities	**23,425**	**22,341**	**23,833**

[1)] 454 MSEK (42 MEUR and 52 MSEK) segregated account

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	Apr 1 - Jun 30		Jan 1 - Jun 30		Full year	Rolling 12 Months Jul 1 - Jun 30	
MSEK	**2017**	**2016**	**2017**	**2016**	**2016**	**2017**	**2016**
Operating activities							
Profit/loss before taxes	39	244	973	759	-291	-77	-635
Adjustments for items not included in cash flow [1)]	217	1,224	782	1,155	4,075	3,702	3,681
	256	1,468	1,754	1,914	3,784	3,624	3,046
Taxes paid	0	0	-2	0	0	-2	0
	256	1,468	1,753	1,914	3,784	3,623	3,046
Decrease(+)/Increase(-) in inventories	737	-753	671	129	-2,129	-1,588	1,387
Decrease(+)/Increase(-) in operating receivables	-309	-289	11	-24	-426	-392	305
Decrease(-)/Increase(+) in operating liabilities	-613	-942	-1,136	114	3,058	1,808	-2,236
Cash flow from/used in operating activites	71	-516	1,298	2,134	4,287	3,451	2,502
Investing activities							
Disposal of subsidiaries	120	0	120	0	0	120	0
Capital expenditure of intangible assets	-71	-49	-122	-83	-176	-216	-79
Capital expenditure of property, plant and equipment	-525	-348	-867	-546	-1,171	-1,493	-1,045
Disposal of property, plant and equipment	2	0	2	0	0	2	4
Decrease(+)/Increase(-) in financial assets	16	0	6	0	-8	-2	5
Cash flow used in investing activities	-457	-397	-860	-628	-1,356	-1,588	-1,115
	-387	-913	437	1,506	2,931	1,863	1,387
Financing activities							
New loans	2,855	7,766	3,412	8,231	11,367	6,548	11,106
Repayment of loans	-2,391	-5,700	-3,965	-8,883	-13,024	-8,106	-11,460
Loan expenditures	0	-677	0	-677	-679	-2	-677
Cash flow from/used in financing activities	464	1,389	-553	-1,329	-2,336	-1,560	-1,031
CASH FLOW FOR THE PERIOD	77	475	-116	177	595	303	355
Opening cash and cash equivalents	834	124	1,030	422	422	606	244
Effect of exchange rate fluctuations on cash and cash equivalents	5	6	3	6	12	9	5
Cash and cash equivalents at the end of the period	**917**	**606**	**917**	**606**	**1,030**	**917**	**606**

[1)] Specification of items not included in cash flow

Depreciation of property, plant and equipment	246	247	493	494	1,001	1,000	995
Scrapping	71	0	71	0	0	71	0
Write-down of inventory (+)/Reversed inventory write-down(-)	-10	-4	-14	-448	-439	-4	-5
Loss on sale of fixed assets	0	0	1	3	12	10	12
Gain on sale of subsidiaries	-113	0	-113	0	0	-113	0
Unrealized losses(+)/gains(-) on derivatives	20	0	52	0	0	52	-1
Unrealized exchange losses(+)/gains(-)	-89	328	-60	117	-16	-193	95
Unrealized exchange losses(+)/gains(-) from financing activities	-203	297	-237	297	605	70	177
Capitalized loan expenditures deferred as interest expenses	41	130	81	174	254	160	263
Capitalized interest cost financial debt	271	348	540	575	1,125	1,091	1,234
Provision for doubtful receivables CMGO	-	-	-	-	1,567	1,567	946
Others	-17	-123	-32	-57	-33	-8	-36
	217	**1,224**	**782**	**1,155**	**4,075**	**3,702**	**3,681**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

MSEK	Share capital *)	Other paid-in capital	Retained earnings	Total	Non-controlling interest	Total equity
Opening equity January 1, 2016	**1**	**6,228**	**-7,908**	**-1,679**	**0**	**-1,679**
Net profit	-	-	583	583	0	583
Other comprehensive loss[1]	-	-	-69	-69	0	-69
Total comprehensive profit	-	-	514	514	0	514
Shareholder contribution received	-	1,100	-	1,100	0	1,100
Closing equity June 30, 2016	**1**	**7,328**	**-7,394**	**-65**	**0**	**-65**
Opening equity January 1, 2017	**1**	**7,828**	**-8,598**	**-768**	**0**	**-768**
Net profit	-	-	766	766	0	766
Other comprehensive income[1]	-	-	0	0	0	0
Total comprehensive profit	-	-	767	767	0	767
Shareholder contribution received	-	500	-	500	0	500
Closing equity June 30, 2017	**1**	**8,328**	**-7,831**	**498**	**0**	**498**

*) 5,000 shares were issued with a par value of 100 SEK.
[1] Evalution of pensions obligations according to IAS 19.

STATEMENT OF CHANGES IN EQUITY - PARENT COMPANY

MSEK	Share capital *)	Restricted reserves	Unrestricted reserves	Total equity
Opening equity January 1, 2017	1	-	296	296
Shareholder contribution received	-	-	500	500
Net loss	-	-	-331	-331
Closing equity June 30, 2017	1	**-**	**465**	**465**

*) 5,000 shares were issued with a par value of 100 SEK.

CONDENSED INCOME STATEMENT - PARENT COMPANY

	Jan 1 - Jun 30		Full year
MSEK	**2017**	**2016**	**2016**
Operating loss	**-2**	**-1**	**1**
Profit from investment in Group companies		-	614
Financial net	-423	-776	-1,722
Loss before taxes	**-425**	**-777**	**-1,107**
Taxes	**93**	**171**	**-234**
Net loss	**-331**	**-606**	**-1,341**

CONDENSED BALANCE SHEET - PARENT COMPANY

	June 30	June 30	December 31
MSEK	**2017**	**2016**	**2016**
ASSETS			
Participation in Group Companies	9,673	9,866	10,028
Deferred tax	902	1,213	808
Other receivables	1	1	1
Cash and cash equivalents [1]	812	448	907
Total assets	**11,387**	**11,527**	**11,744**
EQUITY AND LIABILITIES			
Restricted equity	1	1	1
Non-restricted equity	465	531	296
Total equity	**465**	**531**	**296**
Shareholder loans	2,220	3,033	2,829
Bond loans, subordinated notes	2,512	2,234	2,422
Bond loans, senior notes	5,779	5,574	5,688
Loan from subsidiary	55	55	55
Other short term liabilities	355	100	453
Total liabilities	**10,922**	**10,996**	**11,447**
Total equity and liabilities	**11,387**	**11,527**	**11,744**

1) 454 MSEK (42 MEUR and 52 MSEK) segregated account

Reconciliation of operating profit to EBITDA and EBITDA to Adjusted EBITDA

We define Adjusted EBITDA as EBITDA adjusted to exclude inventory gains and losses and foreign currency gains and losses and reflect the adjustments permitted in calculating covenant compliance under Preem's 2011 Credit Facility. The following table presents a reconciliation of EBITDA to Adjusted EBITDA.

	Apr 1 - Jun 30		Jan 1 - Jun 30		Full year	Rolling 12 months Jul 1 - Jun 30	
MSEK	**2017**	**2016**	**2017**	**2016**	**2016**	**2017**	**2016**
Operating profit	**181**	**1,107**	**1,364**	**1,882**	**3,800**	**3,282**	**2,359**
Depreciation	246	247	493	494	1,001	1,000	995
EBITDA	**428**	**1,354**	**1,857**	**2,376**	**4,800**	**4,281**	**3,354**
Add back:							
Inventory price gains(-)/losses(+)	-5	-732	-191	-946	-1,279	-524	758
Foreign currency gains(-)/losses(+)	191	2	207	66	-122	19	22
Adjusted EBITDA	**614**	**624**	**1,873**	**1,496**	**3,399**	**3,776**	**4,134**

Adjusted EBITDA is a non-IFRS measure. We present Adjusted EBITDA in this report because we believe that it and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. Our Adjusted EBITDA may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS. In particular, Adjusted EBITDA is not a measurement of our performance or liquidity under IFRS and should not be considered as an alternative to operating profit or net profit or any other performance measures derived in accordance with IFRS or any other generally accepted accounting principles or as alternatives to cash flow from operating, investing or financing activities.

Financial debt breakdown

	June 30		Full year
MSEK	**2017**	**2016**	**2016**
Revolvning credit facility[1]	4,399	5,689	5,080
Term loan	-	280	-
Bank overdraft	137	304	103
Transaction expenses	-341	-441	-392
Other liabilities, interest bearing	19	23	19
Total Financial Debt - Preem	**4,213**	**5,854**	**4,810**
Senior Notes [2]	6,014	5,867	5,953
Transaction expenses	-235	-293	-265
Subordinated Notes	2,512	2,234	2,422
Other loans from shareholder	2,220	3,033	2,829
Total Financial Debt - Corral	**10,512**	**10,841**	**10,939**
Total Financial Debt - Group	**14,725**	**16,695**	**15,749**
Cash and cash equivalents [3]	-917	-606	-1,030
Total Financial Net Debt	**13,808**	**16,090**	**14,719**
Leverage ratio [4]	**2.6**	**2.8**	**3.0**

[1] None is due within 12 months as at June 30, 2017

[2] New notes from May 9th 2016

[3] 454 MSEK (42 MEUR and 52 MSEK) segregated account

[4] Transaction expenses are excluded in the leverage ratio.