CORRAL PETROLEUM HOLDINGS AB (publ)

REPORT FOR THE FOURTH QUARTER ENDED DECEMBER 31, 2017

No. of pages 14

FOR IMMEDIATE RELEASE
Date: March 15, 2018
Stockholm

This report includes unaudited consolidated financial information of Corral Petroleum Holdings AB (publ) ("Corral Petroleum Holdings") and its consolidated subsidiaries, for the fourth quarter of 2017 and year ended December 2017 and for the comparative periods in 2016. 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 – Fourth Quarter 2017

- Sales revenue for the fourth quarter of 2017 amounted to 19,156 MSEK compared to 17,826 MSEK in the fourth quarter of 2016.
- EBITDA[1] for the fourth quarter of 2017 amounted to 1,646 MSEK compared to 1,879 MSEK in the fourth quarter of 2016.
- Adjusted EBITDA[1] for the fourth quarter of 2017 amounted to 888 MSEK compared to 1,314 MSEK in the fourth quarter of 2016.
- Operating profit for the fourth quarter of 2017 amounted to 1,387 MSEK compared to a profit of 1,623 MSEK in the fourth quarter of 2016.
- Net profit for the fourth quarter of 2017 amounted to 529 MSEK compared to a net loss of 924 MSEK in the fourth quarter of 2016.
- Cash flow from operating activities for the fourth quarter of 2017 amounted to 380 MSEK compared to 1,406 MSEK in the fourth quarter of 2016.
- Weighted refining margin for the fourth quarter of 2017 was 5.00 $/bbl compared to 6.14 $/bbl in the fourth quarter of 2016.

	Oct 1 - Dec 31		Full year	
MSEK	**2017**	**2016**	**2017**	**2016**
Sales revenue	19,156	17,826	68,752	56,041
Gross profit	1,803	2,006	5,312	5,112
EBITDA[1]	1,646	1,879	5,047	4,800
Adjusted EBITDA[1]	888	1,314	4,189	3,399
Operating profit	1,387	1,623	4,047	3,800
Profit/loss before taxes	700	-693	2,926	-291
Net profit/loss	529	-924	2,267	-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

	Oct 1 - Dec 31		Full year	
	2017	**2016**	**2017**	**2016**
Weighted refining margin, $/bbl	5.00	6.14	5.58	4.53
Average Brent Dated crude oil, $/bbl	61	49	54	44
Feedstock throughput, thousand bbls	29,606	32,411	113,512	115,072
Average exchange rate SEK/USD	8.32	9.04	8.54	8.56
Closing exchange rate SEK/USD	8.23	9.10	8.23	9.10

Market Overview – Fourth Quarter 2017

The price of Dated Brent started the fourth quarter at 56 $/bbl and ended the quarter at the highest level during 2017 at 66.5 $/bbl. The production cut of crude oil and increased global demand for products had led to reduced global inventory levels. The tighter balance between supply and demand for crude oil pushed the market higher during the fourth quarter in the same way as it had done during the earlier part of 2017. The market structure remained in backwardation where current prices are higher than future prices. This tends to reduce oil levels in inventories on the basis that it is considered uneconomical to store oil when prices will be lower in the future compared to current prices.

The average price of Dated Brent in the fourth quarter 2017 was 61 $/bbl, compared to an average price of 52 $/bbl in the third quarter 2017. In the fourth quarter of 2016 the average price was 49 $/bbl.

The average price differential for Russian crude oil (“Urals”) versus Dated Brent was -1.0 $/bbl in the fourth quarter of 2017, compared to -1.0 $/bbl in the third quarter of 2017 and -2.2 $/bbl in the fourth quarter of 2016. At the end of the third quarter of 2017 the differential was -2 $/bbl but good demand for typically less expensive high sulphur crude oil and limited supply during the fourth quarter pushed the differential higher. The fourth quarter ended at a level of -0.5 $/bbl or stronger.

European refining margins weakened during the fourth quarter of 2017. The increased value of refined products did not correspond to the increase in the cost of crude oil. The market, including financial speculators, invested relatively more funds in crude oil than products. The possible overreaction to the tighter supply and demand balance pushed crude oil prices higher, and products lagged behind, even as global products demand increased.

The average gasoline margin versus Dated Brent weakened to 11$/bbl in the fourth quarter of 2017, compared to 15 $/bbl in the third quarter of 2017. In the fourth quarter of 2016 the average gasoline margin was 11 $/bbl. The typical seasonal decline in global demand in the fourth quarter meant that gasoline lost strength compared to crude oil. Global inventory levels have reduced to what analysts call the lower end of a typical range. This means the supply and demand balance is more sensitive to disturbances or maintenance in the production part of the supply chain.

The average diesel margin versus Dated Brent was 13 $/bbl in the fourth quarter of 2017, unchanged from the third quarter of 2017. Also in the fourth quarter of 2016 the average diesel margin was 13 $/bbl. Global diesel demand growth has increased due to a strong global economy and the arrival of winter in the northern hemisphere. Inventory levels have come down at a slower pace compared to gasoline. The coverage, however, in “Days of Supply” for the important Americas/Europe-market is tightening.

The average margin for high sulphur fuel oil versus Dated Brent weakened during the fourth quarter of 2017. The high sulphur fuel oil margin was on average -8 $/bbl, compared to -4 $/bbl in the third quarter of 2017. The margin was -8 $/bbl in the fourth quarter of 2016. The combination of increased crude oil prices and good supply from refineries running with high utilisation rates put pressure on the fuel oil margins.

Sales and Results – Fourth Quarter 2017

Sales revenue in the fourth quarter of 2017 amounted to 19,156 MSEK compared to 17,826 MSEK in the fourth quarter of 2016, an increase of 1,330 MSEK. The increase in sales revenue is a result of higher crude and product prices as sales volumes are lower compared to the same period for 2016.

Operating profit for the fourth quarter of 2017 amounted to 1,387 MSEK, a decrease of 236 MSEK, compared to 1,623 MSEK for the fourth quarter of 2016. The weighted refining margin in the fourth quarter of 2017 decreased compared to the fourth quarter of 2016, from 6.14 $/bbl to 5.00 $/bbl. A rising market price for crude oil resulted in a large increase of inventory value in the fourth quarter of 2017, resulting in profits of 834 MSEK compared to profits of 701 MSEK in the fourth quarter of 2016. The exchange rate for krona against the dollar ascended in the fourth quarter of 2017, increasing the result by 10 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

	Oct 1 - Dec 31		**Full year**	
MSEK	**2017**	**2016**	**2017**	**2016**
Supply & Refining	18,177	17,168	66,237	53,808
Marketing	5,468	4,299	18,679	14,776
Exchange rate differences	1	61	-137	95
Group eliminations	-4,490	-3,702	-16,027	-12,638
Total Sales Revenue	**19,156**	**17,826**	**68,752**	**56,041**

Operating profit

	Oct 1 - Dec 31		Full year	
MSEK	**2017**	**2016**	**2017**	**2016**
Supply & Refining	1,514	1,618	4,403	3,779
Marketing	200	155	581	590
Total Segment Operating profit	1,714	1,773	4,984	4,369
Exchange rate differences	10	86	-205	122
Other expenses	-338	-236	-732	-691
Total Operating profit	**1,387**	**1,623**	**4,047**	**3,800**

Supply & Refining

Our Supply & Refining segment reported an operating profit of 1,514 MSEK for the fourth quarter of 2017, a decrease of 104 MSEK, compared to 1,618 MSEK for the fourth quarter of 2016. The weighted refining margin decreased to 5.00 $/bbl for the fourth quarter of 2017 compared to 6.14 $/bbl for the fourth quarter of 2016. The reported price gain in inventory in the fourth quarter of 2017 amounted to 748 MSEK compared to a price gain inventory of 479 MSEK in the fourth quarter of 2016. Excluding price effects, operating profit amounted to 767 MSEK in the fourth quarter of 2017, a decrease of 373 MSEK, compared to 1,140 MSEK in the fourth quarter of 2016.

Operating profit excluding price effects decreased in the fourth quarter due to weaker refining margins. Operations at the refineries were stable during the period with excellent utilization. In the fourth quarter of 2017 throughput was 4.7 million m^3 compared to 5.2 million m^3 in the fourth quarter of 2016. The Gothenburg refinery completed its planned major turnaround in late October, explaining the lower throughput in the fourth quarter of 2017 compared to the fourth quarter of 2016.

Marketing

Our Marketing segment reported an operating profit of 200 MSEK for the fourth quarter of 2017 compared to 155 MSEK for the fourth quarter 2016, an increase of 45 MSEK. The increase in operating profit is attributable to the profit from selling subsidiary Preem Gas. The operating profit excluding extra ordinary effects has declined due to decreased profitability from HVO (Hydrogenated Vegetable Oil). Last year the profit from HVO was very high and it still remains high so far this year, however it has decreased versus last year´s record high figure. Sales volumes were 12% higher in the fourth quarter of 2017 compared to the fourth quarter of the previous year driven by new major contracts within our business-to-business segment as well as our expansion in Norway.

Depreciation

Total depreciation in the fourth quarter of 2017 amounted to 259 MSEK compared to 256 MSEK in the fourth quarter of 2016.

Financing

Financial net for the fourth quarter of 2017 improved by 1,629 MSEK to an expense of 686 MSEK compared to an expense of 2,315 MSEK for the fourth quarter of 2016. Other financial net amounted to an expense of 341 MSEK for the fourth quarter of 2017 which was mostly impacted by exchange rate gains compared to an expense of 1,966 MSEK for the same period in 2016.

Total interest expense for the fourth quarter of 2017 amounted to 347 MSEK compared to 352 MSEK for the same period in 2016 of which depreciation of loan expenditures amounted to 41 MSEK for the fourth quarter in 2017 compared to 40 MSEK in the same period in 2016. Cash interest paid was 47 MSEK for the fourth quarter of 2017 compared to 49 MSEK for the fourth quarter of 2016.

Year ended December 31, 2017

- Sales revenue in 2017 amounted to 68,752 MSEK compared to 56,041 MSEK in 2016.
- EBITDA[1] in 2017 amounted to 5,047 MSEK compared to 4,800 MSEK in 2016.
- Adjusted EBITDA[1] in 2017 amounted to 4,189 MSEK compared to 3,399 MSEK in 2016.
- Depreciation in 2017 amounted to 1,000 MSEK compared to 1,001 MSEK in 2016.
- Operating profit in 2017 amounted to 4,047 MSEK compared to operating profit of 3,800 MSEK in 2016.
- Net profit in 2017 amounted to 2,267 MSEK compared to net loss of 631 MSEK in 2016.
- Cash flow from operating activities in 2017 amounted to 2,159 MSEK compared to 4,287 MSEK in 2016.
- Weighted refining margin in 2017 was 5.58 $/bbl compared to 4.53 $/bbl in 2016.

Cash flow

Profit before taxes, amounted to 2,926 MSEK for the year ended December 31, 2017 compared to loss before taxes of 291 MSEK for the same period in 2016, an increase of 3,217 MSEK. Cash flow from operating activities amounted to 2,159 MSEK in 2017 compared to cash flow from operating activities of 4,287 MSEK for the same period in 2016, a decrease of 2,128 MSEK. Adjustments for non-cash items had a positive impact of 1,758 MSEK in 2017 compared to a positive impact of 4,075 MSEK for the same period in 2016, a decrease of 2,317 MSEK. Please refer to page 11 for further specification of items not included in cash flow.

Taxes paid amounted to 4 MSEK in 2017 compared to 0 MSEK in 2016.

Cash flow was negatively impacted by movements in working capital of 2,521 MSEK in 2017 compared to a positive impact of 503 MSEK in 2016. Cash flow used in inventories amounted to 2,232 MSEK in 2017, primarily due to higher crude oil price. In 2016 cash flow used in

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

inventories amounted to 2,129 MSEK. Cash flow used in operating receivables amounted to 885 MSEK in 2017, primarily due to higher prices on refined products as well as higher volumes sold at year-end. In 2016 cash flow used in operating receivables amounted to 426 MSEK. Cash flow from operating liabilities in 2017 amounted to 596 MSEK primarily due to higher crude oil price. For the same period in 2016 cash flow from operating liabilities amounted to 3,058 MSEK.

Cash flow used in investing activities in 2017 amounted to 2,347 MSEK in 2017, an increase of 991 MSEK, compared to 1,356 MSEK for the same period 2016.

Cash flow from financing activities amounted to 226 MSEK in 2017 compared to cash flow used in financing activities of 2,336 MSEK in 2016. Cash flow from financing activities is attributable to (net) drawings of loans under Preem's revolving credit facility as a consequence of the negative cash flow from operating activities. Cash flow from operating activities includes cash coupon payments on Corral Petroleum Holdings' PIK- Toggle Senior Notes due 2021, totaling 804 MSEK.

Income taxes

Income tax expense for the twelve months ended December 31, 2017 was 659 MSEK, an increase of 319 MSEK compared to 340 MSEK in the same period in 2016. The increase was attributable to the higher operational results in the twelve months ended December 31, 2017. The effective tax rate was 23% in 2017, compared to 117% in 2016. The high tax rate in 2016 was due to a non-deductible write-down of the receivable from Corral Morocco Gas and Oil.

Financial Debt

On December 31, 2017, the Group's financial net debt amounted to 14,793 MSEK, compared to 14,719 MSEK on December 31, 2016, an increase of 74 MSEK. The financial debt consisted primarily of Corral Petroleum Holdings' PIK toggle Senior Notes due 2021 (the "2021 Notes), subordinated shareholder notes, a subordinated shareholder loan (described below) and Preem's Credit Facility. Cash and cash equivalents amounted to 1,083 MSEK at December 31, 2017, an increase of 53 MSEK, compared to 1,030 MSEK for the same period in 2016. A breakdown of the Group's financial debt as at December 31, 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 profit before taxes of 160 MSEK in the year ended 2017 compared to a loss of 1,107 MSEK for the same period in 2016.

Shareholder equity as at December 31, 2017 amounted to 263 MSEK compared to 296 MSEK as of December 31, 2016. Corral Petroleum Holdings had outstanding shareholder loans of 255 MUSD and 12 MEUR (2,218 MSEK) as of December 31, 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 88 MUSD and 196 MEUR (2,654 MSEK) as at

December 31, 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.

A total of 500 MSEK of shareholder loans were converted to equity during 2017.

Recent Developments

Geopolitical risks have to an increasing degree been supporting oil prices. Given the significant reduction in surplus inventories, combined with strong global demand growth and OPEC spare capacity being near historical lows, there is now much less room for supply losses. Uncertainty over the Iranian nuclear deal and escalating tensions between Iran and Saudi Arabia pose real near-term supply risks and have helped to push prices up so far in 2018. In addition, disruptions and reductions are now more likely than production growth in Libya, Venezuela, and Nigeria. Looking ahead, there is a growing risk for a short-term crude price drop, mainly as result of the growing optimism in the US shale industry which could lead to a surge in rig counts and increasing production. This, combined with the current large net long-position in the paper-market have the potential to trigger an accelerated negative price spiral over the coming 1-3 months.

Winter being a seasonally low-demand period for gasoline has kept gasoline prices at a moderate level. Demand is however now increasing and is starting to support prices. Diesel prices have clearly improved compared to prices 12 months ago. This improvement is supported by Atlantic Basin diesel inventories which are trending lower, even though overall inventories still remain ample. Over the coming months we expect to see a shift of yields more towards the gasoline side, which in combination with the spring turnaround season, would be expected to further support diesel prices.

Preem has continued to purchase put options in accordance with its strategy to protect its balance sheet and cash flow.

In early March we decided to move maintenance work on selected units (mainly the Iso-Cracker Unit and fluid catalytic cracker (FCC) Unit), planned for April into March. These maintenance activities are progressing well, and the plan is to have the units back in operation with products to tank from the Iso-Cracker on March 18th, and products to tank from the FCC on March 22nd.

We are aware that the ultimate sole shareholder of Corral Petroleum Holdings, Sheikh Mohammed Al-Amoudi, was one of a large group of Saudi leading figures detained on November 5, 2017 in Riyadh for reasons that have not been made clear at this time. No further confirmed information in the matter is available to us at the date of this report. We are unable to provide further comments other than to say that Corral Petroleum Holdings and its subsidiaries are operating on a normal basis and remain unaffected by this development.

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 March 20 2018 at 3:00 pm CET. The call-in number is US + 1 212 999 6659, UK +44 (0) 20 3003 2666 and Sweden +46 (0) 8 505 204 24 meeting code: Corral.

The Annual Report 2017 for Corral Petroleum Holdings will be released on April 26, 2018. The report for the first quarter of 2018 will be released on May 30, 2018.

Stockholm, March 15, 2018
On behalf of the Board of Directors

Richard Öhman
Managing Director

For further information, please contact:

Amelie Wilson
Investor Relations Manager
Tel: + 46-10-450 10 21
Email: amelie.wilson@preem.se

Peder Zetterberg
Group Treasurer
Tel: + 46-10-450 10 47
Email: peder.zetterberg@preem.se

Gunilla Spongh
Chief Financial Officer
Tel: +46-10-450 17 35
Email: gunilla.spongh@preem.se

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Oct 1 - Dec 31		January 1 - December 31	
MSEK	**2017**	**2016**	**2017**	**2016**
Net sales	21,444	20,414	78,581	66,225
Excise duties	-2,287	-2,588	-9,829	-10,184
Sales revenue	19,156	17,826	68,752	56,041
Cost of goods sold	-17,353	-15,820	-63,440	-50,929
Gross profit	**1,803**	**2,006**	**5,312**	**5,112**
Selling expenses	-249	-213	-866	-820
Administrative expenses	-273	-270	-864	-813
Other operating income	106	100	465	321
Operating profit	**1,387**	**1,623**	**4,047**	**3,800**
Interest income	2	2	6	6
Interest expense	-347	-352	-1,400	-1,560
Other financial, net	-341	-1,966	273	-2,536
Net financial items	-686	-2,315	-1,121	-4,090
Profit/Loss before taxes	**700**	**-693**	**2,926**	**-291**
Taxes	-171	-232	-659	-340
Net profit/loss for the year	**529**	**-924**	**2,267**	**-631**
Attributable to:				
Parent Company's shareholder	529	-924	2,267	-631
Non-controlling interests	-	-	-	-
	529	**-924**	**2,267**	**-631**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME:

	Oct 1 - Dec 31		January 1 - December 31	
	2017	**2016**	**2017**	**2016**
Net profit/loss for the year	529	-924	2,267	-631
Other income	-1	-59	-3	-59
Comprehensive income	**528**	**-983**	**2,264**	**-690**
Attributable to:				
Parent Company Shareholder	528	-983	2,264	-690
Non-controlling Shareholders	-	-	-	-
	528	**-983**	**2,264**	**-690**

CONDENSED CONSOLIDATED BALANCE SHEETS

MSEK	December 31 2017	December 31 2016
ASSETS		
Goodwill	308	308
Other intagible assets	674	261
Tangible assets	9,681	8,705
Financial assets	312	243
Total non-current assets	**10,974**	**9,516**
Inventories	10,691	8,452
Trade receivables	4,674	3,892
Other receivables	569	572
Prepaid expenses and accrued income	372	371
Cash and cash equivalents[1]	1,083	1,030
Total current assets	**17,388**	**14,316**
Total assets	**28,363**	**23,833**
EQUITY AND LIABILITIES		
Share capital	1	1
Other paid-in capital	8,328	7,828
Retained loss including net profit/loss for the year	-6,334	-8,598
	1,995	-769
Non-controlling interests	0	0
Total equity	**1,995**	**-769**
Financial debts	14,973	15,646
Provision for deferred taxes	726	36
Other provisions	251	168
Total non-current liablilites	**15,949**	**15,849**
Financial debts	903	103
Trade payables	3,529	2,695
Other liabilities	1,510	1,544
Accrued expenses and deferred income	4,477	4,410
Total current liablilites	**10,418**	**8,752**
Total liabilities	**26,368**	**24,602**
Total shareholders equity, provisions and liablities	**28,363**	**23,833**

1) 460 MSEK (42 MEUR and 52 MSEK) segregated account

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	Oct 1 - Dec 31		Jan 1 - Dec 31	
MSEK	**2017**	**2016**	**2017**	**2016**
Operating activities				
Profit/loss before taxes	700	-693	2,926	-291
Adjustments for items not included in cash flow [1)]	741	2,172	1,758	4,075
	1,441	1,480	4,684	3,784
Taxes paid	-3	0	-4	0
	1,439	1,480	4,680	3,784
Decrease(+)/Increase(-) in inventories	-3,829	-1,189	-2,232	-2,129
Decrease(+)/Increase(-) in operating receivables	-635	-772	-885	-426
Decrease(-)/Increase(+) in operating liabilities	3,405	1,887	596	3,058
Cash flow from operating activites	380	1,406	2,159	4,287
Investing activities				
Aqustion/disposal of subsidiaries	0	0	-20	0
Capital expenditure of intangible assets	-93	-65	-268	-176
Capital expenditure of property, plant and equipment	-597	-322	-2,069	-1,171
Disposal of property, plant and equipment	17	0	21	0
Decrease(+)/Increase(-) in financial assets	-11	-16	-11	-8
Cash flow used in investing activities	-683	-402	-2,347	-1,356
	-304	1,004	-187	2,931
Financing activities				
New loans	2,002	1,920	6,957	11,367
Repayment of loans	-1,458	-2,434	-6,731	-13,024
Loan expenditures	0	0	0	-679
Cash flow from/used in financing activities	544	-514	226	-2,336
CASH FLOW FOR THE PERIOD	240	490	38	595
Opening cash and cash equivalents	825	544	1,030	422
Effect of exchange rate fluctuations on cash and cash equivalents	18	-3	15	12
Cash and cash equivalents at the end of the period	**1,083**	**1,030**	**1,083**	**1,030**

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

Depreciation of property, plant and equipment	259	256	1,000	1,001
Disposal	0	0	71	0
Write-down of inventory (+)/Reversed inventory write-down(-)	-2	11	-8	-439
Gain on sale of fixed assets	-3	6	-3	12
Gain on sale of subsidiaries	0	0	-105	0
Unrealized losses(+)/gains(-) on derivatives	32	0	70	0
Unrealized exchange losses(+)/gains(-)	-138	-97	-55	-16
Unrealized exchange losses(+)/gains(-) from financing activities	205	99	-127	605
Capitalized loan expenditures deferred as interest expenses	41	40	162	254
Capitalized interest cost financial debt	272	277	720	1,125
Provision for doubtful receivables CMGO	-	1,567	0	1,567
Others	77	13	33	-33
	741	**2,172**	**1,758**	**4,075**

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	-	-	-631	-631	0	-631
Other comprehensive loss[1]	-	-	-59	-59	0	-59
Total comprehensive profit	-	-	-690	-690	0	-690
Shareholder contribution received	-	1,600	-	1,600	0	1,600
Closing equity December 31, 2016	**1**	**7,828**	**-8,598**	**-769**	**0**	**-769**
Opening equity January 1, 2017	**1**	**7,828**	**-8,598**	**-768**	**0**	**-768**
Net profit	-	-	2,267	2,267	0	2,267
Other comprehensive income[1]	-	-	-3	-3	0	-3
Total comprehensive profit	-	-	2,264	2,264	0	2,264
Shareholder contribution received	-	500	-	500	0	500
Closing equity December 31, 2017	**1**	**8,328**	**-6,334**	**1,995**	**0**	**1,995**

*) 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	297
Shareholder contribution received	-	-	500	500
Net loss	-	-	-533	-533
Closing equity December 31, 2017	1	**-**	**263**	**263**

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

CONDENSED INCOME STATEMENT - PARENT COMPANY

	January 1 - December 31	
MSEK	**2017**	**2016**
Operating profit	**0**	**1**
Profit from investment in Group companies	1,205	615
Financial net	-1,046	-1,723
Profit/Loss before taxes	**160**	**-1,107**
Taxes	**-693**	**-234**
Net loss	**-533**	**-1,341**

CONDENSED BALANCE SHEET - PARENT COMPANY

	December 31	December 31
MSEK	**2017**	**2016**
ASSETS		
Participation in Group Companies	10,518	10,028
Deferred tax	115	808
Other receivables	1	1
Cash and cash equivalents [1]	826	907
Total assets	**11,460**	**11,744**
EQUITY AND LIABILITIES		
Restricted equity	1	1
Non-restricted equity	262	296
Total equity	**263**	**296**
Shareholder loans	2,218	2,829
Bond loans, subordinated notes	2,654	2,422
Bond loans, senior notes	5,910	5,688
Loan from subsidiary	55	55
Other short term liabilities	361	453
Total liabilities	**11,197**	**11,447**
Total equity and liabilities	**11,460**	**11,744**

[1)] 460 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.

	Oct 1 - Dec 31		Full year	
MSEK	**2017**	**2016**	**2017**	**2016**
Operating profit	**1,387**	**1,623**	**4,047**	**3,800**
Depreciation	259	256	1,000	1,001
EBITDA	**1,646**	**1,879**	**5,047**	**4,800**
Add back:				
Inventory price gains(-)/losses(+)	-748	-479	-1,064	-1,279
Foreign currency gains(-)/losses(+)	-10	-86	206	-122
Adjusted EBITDA	**888**	**1,314**	**4,189**	**3,399**

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

MSEK	**December 31 2017**	**December 31 2016**
Revolving credit facility[1]	4,464	5,080
Borrowings current [1]	903	103
Transaction expenses	-291	-392
Other liabilities, interest bearing	18	19
Total Financial Debt - Preem	**5,094**	**4,810**
Senior Notes	6,114	5,953
Transaction expenses	-204	-265
Subordinated Notes	2,654	2,422
Other loans from shareholder	2,218	2,829
Total Financial Debt - Corral	**10,781**	**10,939**
Total Financial Debt - Group	**15,875**	**15,749**
Cash and cash equivalents [2]	-1,083	-1,030
Total Financial Net Debt	**14,793**	**14,719**
Leverage ratio [3]	**2.5**	**3.0**

[1] 903 MKR is due within 12 months as at December 31, 2017

[2] 460 MSEK (42 MEUR and 52 MSEK) segregated account

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