

CORRAL PETROLEUM HOLDINGS AB (publ)

REPORT FOR THE FIRST QUARTER ENDED MARCH 31, 2018

No. of pages 14

FOR IMMEDIATE RELEASE

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Stockholm

This report includes unaudited consolidated financial information of Corral Petroleum Holdings AB (publ) ("Corral Petroleum Holdings") and its consolidated subsidiaries, for the first quarter of 2018 and for the comparative periods in 2017 and for the other periods indicated. Note that due to the rounding of figures in the tables to the nearest SEK million (MSEK), the sum is not always exactly equal to the sum of all components.

Financial Highlights – First Quarter 2018

- Sales revenue for the first quarter of 2018 amounted to 20,609 MSEK compared to 18,159 MSEK in the first quarter of 2017.
- EBITDA¹ for the first quarter of 2018 amounted to 230 MSEK compared to 1,429 MSEK in the first quarter of 2017.
- Adjusted EBITDA¹ for the first quarter of 2018 amounted to 326 MSEK compared to 1,184 MSEK in the first quarter of 2017.
- Operating loss for the first quarter of 2018 amounted to 22 MSEK compared to an operating profit of 1,182 MSEK in the first quarter of 2017.
- Net loss for the first quarter of 2018 amounted to 614 MSEK compared to a net profit of 728 MSEK in the first quarter of 2017.
- Cash flow from operating activities for the first quarter of 2018 amounted to 2,461 MSEK compared to 1,227 MSEK in the first quarter of 2017.
- Weighted refining margin for the first quarter of 2018 was 3.94 \$/bbl compared to 5.49 \$/bbl in the first quarter of 2017.

MSEK	Jan 1 - Mar 31		Full year
	2018	2017	2017
Sales revenue	20,609	18,159	68,752
Gross profit	343	1,451	5,312
EBITDA ¹	230	1,429	5,047
Adjusted EBITDA ¹	326	1,184	4,189
Operating profit	-22	1,182	4,047
Loss/profit before taxes	-787	934	2,926
Net loss/profit	-614	728	2,267

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

	Jan 1 - Mar 31		Full year
	2018	2017	2017
Weighted refining margin, \$/bbl	3.94	5.49	5.58
Average Brent Dated crude oil, \$/bbl	67	54	54
Feedstock throughput, thousand bbls	29,480	30,776	113,512
Average exchange rate SEK/USD	8.11	8.93	8.54
Closing exchange rate SEK/USD	8.36	8.93	8.23

Market Overview – First Quarter 2018

The price of Dated Brent started the first quarter of 2018 at 67 \$/bbl and was over 70 \$/bbl for a couple of days during the quarter: a price which has not been seen since 2014. Geopolitical risks were high during the first quarter and continue to be so. In such a situation the crude oil price is pushed higher not least from speculative actors putting their money into the financial oil market. The production cut of crude oil and increased global demand for products continued to reduce global inventory levels. The market structure remained in backwardation where current prices are higher than future prices.

The average price of Dated Brent in the first quarter of 2018 was 67 \$/bbl, compared to an average price of 61 \$/bbl in the fourth quarter of 2017. In the first quarter of 2017 the average price was 54 \$/bbl.

The average price differential for Russian crude oil (“Urals”) versus Dated Brent was -1.6 \$/bbl in the first quarter of 2018, compared to -1.0 \$/bbl in the fourth quarter of 2017 and -2.1 \$/bbl in the first quarter of 2017. In the beginning of the quarter the market was strong with a differential of -0.5 \$/bbl but weakened to end the quarter at -2.1 \$/bbl.

European refining margins were generally weaker during the first quarter of 2018 than 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 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 10\$/bbl in the first quarter of 2018, compared to 11 \$/bbl in the fourth quarter of 2017. In the first quarter of 2017 the average gasoline margin was 12 \$/bbl. At the end of the first quarter seasonally the demand increased (as tends to occur seasonally) and gasoline strengthened and ended the quarter at a margin of 15 \$/bbl. Global inventory levels are lower than in previous years.

The average diesel margin versus Dated Brent was 13 \$/bbl in the first quarter of 2018, unchanged from the fourth quarter of 2017. In the first quarter of 2017 the average diesel margin was 11 \$/bbl. Global diesel demand growth has increased due to a strong global economy. 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 continuing to tighten.

The average margin for high sulphur fuel oil versus Dated Brent weakened during the first quarter of 2018. The high sulphur fuel oil margin was on average -11 \$/bbl, compared to -8 \$/bbl in the fourth quarter of 2017. In the first quarter of 2017 the average margin for high sulphur fuel oil was -8 \$/bbl. 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 – First Quarter 2018

Sales revenue in the first quarter of 2018 amounted to 20,609 MSEK compared to 18,159 MSEK in the first quarter of 2017, an increase of 2,450 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 2017.

Operating loss for the first quarter of 2018 amounted to 22 MSEK, a decrease of 1,204 MSEK, compared to a profit of 1,182 MSEK for the first quarter of 2017. The lower result is mainly due to weaker refining margins and maintenance stop in Lysekil. The weighted refining margin in the first quarter of 2018 decreased compared to the first quarter of 2017, from 5.49 \$/bbl to 3.94 \$/bbl. On the other hand a slightly increased market price for crude oil resulted in a small increase of inventory value in the first quarter of 2018, resulting in profits of 44 MSEK compared to a loss of 299 MSEK in the first quarter of 2017. The exchange rate for Swedish Krona against the US Dollar ascended in the first quarter of 2018, increasing the result by 20 MSEK.

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

MSEK	Jan 1 - Mar 31		Full year
	2018	2017	2017
Supply & Refining	19,620	17,611	66,237
Marketing	5,166	4,232	18,679
Exchange rate differences	18	-27	-137
Group eliminations	-4,195	-3,658	-16,027
Total Sales Revenue	20,609	18,159	68,752

Operating profit

MSEK	Jan 1 - Mar 31		Full year
	2018	2017	2017
Supply & Refining	76	1,229	4,403
Marketing	109	119	581
Total Segment Operating profit	186	1,348	4,984
Exchange rate differences	20	-16	-205
Other expenses	-227	-150	-732
Total Operating profit	-21	1,182	4,047

Supply & Refining

Our Supply & Refining segment reported an operating profit of 76 MSEK for the first quarter of 2018, a decrease of 1,153 MSEK, compared to 1,229 MSEK for the first quarter of 2017. The weighted refining margin decreased to 3.94 \$/bbl for the first quarter of 2018 compared to 5.49 \$/bbl for the first quarter of 2017. The reported price loss in inventory in the first quarter of 2018 amounted to 116 MSEK compared to a price gain inventory of 186 MSEK in the first quarter of 2017. Excluding price effects, operating profit amounted to 192 MSEK in the first quarter of 2018, a decrease of 851 MSEK, compared to 1,043 MSEK in the first quarter of 2017. Operating profit excluding price effects decreased in the first quarter due to weaker refining margins.

In early March we had an unplanned shutdown of one of the Lysekil units (Vacuum Distillation Unit). We decided to utilize this opportunity by also moving other planned maintenance work on selected units (mainly the Iso-Cracker Unit and fluid catalytic cracker (FCC) Unit), from April into March. These maintenance activities were completed as planned, and all units are now back at full capacity again. In the first quarter of 2018 throughput was 4.7 million m³ compared to 4.9 million m³ in the first quarter of 2017.

Marketing

Our Marketing segment reported an operating profit of 109 MSEK for the first quarter of 2018 compared to 119 MSEK for the first quarter of 2017, a decrease of 10 MSEK. The decrease in operating profit is mainly attributable to higher selling expenses due to amortizations from the purchase of YX Bulk AS in Norway. Sales volumes were 13% higher in the first quarter of 2018 compared to the first 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 first quarter of 2018 amounted to 252 MSEK compared to 246 MSEK in the first quarter of 2017.

Financing

Financial net for the first quarter of 2018 decreased by 516 MSEK to an expense of 765 MSEK compared to an expense of 249 MSEK for the first quarter of 2017 due to the

weakening of the Swedish Krona against the Euro and US Dollar. The exchange rate difference on financial items resulted in a loss of 377 MSEK for the first quarter of 2018 compared to a gain of 127 MSEK for the same period in 2017.

Total interest expense for the first quarter of 2018 amounted to 350 MSEK compared to 351 MSEK for the same period in 2017 of which depreciation of loan expenditures amounted to 41 MSEK for the first quarter in 2018 which was the same amount as for the first quarter of 2017. Cash interest paid was 407 MSEK for the first quarter of 2018 compared to 499 MSEK for the first quarter of 2017.

Cash Flow

Loss before taxes amounted to 787 MSEK for the first quarter of 2018 compared to profit before taxes of 934 MSEK for the same period in 2017, a decrease of 1,721 MSEK. Cash flow from operating activities amounted to 2,461 MSEK in 2018 compared to cash flow from operating activities of 1,227 MSEK for the same period in 2017, an increase of 1,234 MSEK. Adjustments for non-cash items had a positive impact of 1,191 MSEK in 2018 compared to a positive impact of 565 MSEK for the same period in 2017, an increase of 626 MSEK. Please refer to page 11 for further specification of items not included in cash flow.

Taxes paid amounted to -3 MSEK in the first quarter of 2018 compared to -2 MSEK in the same period in 2017.

Cash flow was positively impacted by movements in working capital of 2,059 MSEK for the first quarter of 2018 compared to a negative impact of 270 MSEK for the first quarter in 2017. Cash flow from inventories amounted to 1,238 MSEK in 2018, primarily due to decreasing inventory volume in the first quarter. In the first quarter of 2017 cash flow used in inventories amounted to 66 MSEK. Cash flow from operating receivables amounted to 161 MSEK for the first quarter of 2018, primarily due to lower volumes sold in March 2018 than in December 2017. In the first quarter of 2017 cash flow from operating receivables amounted to 320 MSEK. Cash flow from operating liabilities in 2018 amounted to 661 MSEK primarily due to higher volumes of unpaid crude oil by the end of March. For the same period in 2017 cash flow used in operating liabilities amounted to 523 MSEK.

Cash flow used in investing activities amounted to 487 MSEK in the first quarter of 2018, an increase of 84 MSEK, compared to 403 MSEK for the same period 2017.

Cash flow used in financing activities amounted to 2,235 MSEK for the first quarter of 2018 compared to cash flow used in financing activities of 1,017 MSEK for the first quarter of 2017. 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. Cash flow from operating activities includes cash coupon payments on Corral Petroleum Holdings' PIK- Toggle Senior Notes due 2021 (the "2021 Notes"), totaling 359 MSEK.

Income Taxes

Deferred income tax for the first three months ended March 31, 2018 was 173 MSEK compared to an expense of 206 MSEK in the same period in 2017. The decrease was attributable to the lower operational results in the three months ended March 31, 2018. The

effective tax rate was 22% for the first three months ending March 31, 2018 the same as for the three months ending March 31, 2017.

Financial Debt

On March 31, 2018, the Group's financial net debt amounted to 13,777 MSEK, compared to 14,798 MSEK as of the first quarter of 2017, a decrease of 1,021 MSEK. The financial debt consisted primarily of the 2021 Notes, subordinated shareholder notes, a subordinated shareholder loan (described below) and Preem's Credit Facility. Cash and cash equivalents amounted to 847 MSEK at March 31, 2018, an increase of 13 MSEK, compared to 834 MSEK at the first quarter of 2017. A breakdown of the Group's financial debt as at March 31, 2018 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 loss before taxes of 671 MSEK for the first quarter in 2018 compared to a loss of 210 MSEK for the first quarter in 2017.

Shareholder equity as at March 31, 2018 amounted to 139 MSEK compared to 263 MSEK as of December 31, 2017. Corral Petroleum Holdings had outstanding shareholder loans of 207 MUSD and 12 MEUR (1,856 MSEK) as of March 31, 2018. 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 90 MUSD and 201 MEUR (2,821 MSEK) as at March 31, 2018. 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 400 MSEK of shareholder loans were converted to equity in March 2018.

Recent Developments

Geopolitical risks continue to impact the crude oil price. 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. Recent development related to the Iranian nuclear deal and escalating tensions between Iran and Israel, and Iran and Saudi Arabia pose real near-term supply risks, and have helped to push prices up so far in 2018. In addition, disruptions continue to reduce production in Venezuela and Nigeria. These effects have contributed to the price increase we have seen lately, with Brent crude near to the 80 USD/bbl mark.

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. These improvements are supported by continued strong demand and Atlantic Basin inventories which are trending lower.

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

On March 31, 2018, Preem satisfied one of the required tests under the Credit Facilities to upstream excess cash to Corral Petroleum Holdings in June for the July 1, 2018 scheduled interest payment on the 2021 Notes. The other test under the Credit Facilities, to determine minimum liquidity, will be performed in May 2018.

The Indenture governing the 2021 Notes contains certain provisions relating to optional redemption. In very brief summary, such provisions include that Corral Petroleum Holdings, on or after 15 May 2019, may redeem, at its option, all or a portion of each series of the 2021 Notes at specified redemption prices (plus accrued and unpaid interest and additional amounts, if any, to the redemption date). In light of these provisions, Corral Petroleum Holdings and Preem will now start the process of evaluating a potential re-financing of the Group, in which a redemption of the 2021 Notes according to the aforesaid may be one possible component.

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 2017, 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, 2017. For further information regarding accounting principles applied, please see Corral Petroleum Holdings Annual Report 2017, 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 June 4, 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 with meeting code: Corral.

The report for the second quarter and six months ending June 30, 2018 will be released on August 29, 2018.

Stockholm, May 30, 2018
On behalf of the Board of Directors

Richard Öhman
Managing Director

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CONDENSED CONSOLIDATED INCOME STATEMENTS

MSEK	Jan 1 - Mar 31		Full year	Rolling 12 Months	
	2018	2017	2017	Apr 1 - Mar 31	2017
Revenue	22,961	20,637	78,581	80,904	72,801
Excise duties	-2,352	-2,478	-9,829	-9,702	-10,328
Sales revenue	20,609	18,159	68,752	71,202	62,473
Cost of goods sold	-20,266	-16,707	-63,440	-66,998	-56,946
Gross profit	343	1,451	5,312	4,204	5,528
Selling expenses	-210	-195	-866	-881	-831
Administrative expenses	-245	-176	-864	-933	-826
Other operating income	90	102	465	453	337
Operating profit/loss	-22	1,182	4,047	2,843	4,208
Interest income	2	2	6	6	7
Interest expense	-350	-351	-1,400	-1,399	-1,518
Exchange rate differences	-377	127	397	-107	-884
Other financial, net	-41	-27	-124	-138	-1,684
Net financial items	-765	-249	-1,121	-1,638	-4,079
Profit/Loss before income tax	-787	934	2,926	1,205	128
Income tax	173	-206	-659	-281	-425
Net profit/loss for the year	-614	728	2,267	924	-297
Attributable to:					
Parent Company's shareholder	-614	728	2,267	924	-297
Non-controlling interests	-	-	-	-	-
Net profit/loss for the year	-614	728	2,267	924	-297

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME:

	Jan 1 - Mar 31		Full year	Rolling 12 Months	
	2018	2017	2017	Apr 1 - Mar 31	2017
	2018	2017	2017	2018	2017
Net profit/loss for the year	-614	728	2,267	924	-297
Other income	8	0	-3	5	-59
Comprehensive income	-607	728	2,264	929	-356
Attributable to:					
Parent Company Shareholder	-607	728	2,264	929	-356
Non-controlling Shareholders	-	-	-	-	-
Comprehensive income	-607	728	2,264	929	-356

CORRAL PETROLEUM HOLDINGS AB INTERIM REPORT, JANUARY 1 – MARCH 31, 2018
Unaudited

CONDENSED CONSOLIDATED BALANCE SHEETS

MSEK	March 31	March 31	December 31
	2018	2017	2017
ASSETS			
Goodwill	308	308	308
Other intangible assets	747	312	674
Tangible assets	9,845	8,800	9,681
Financial assets	317	266	312
Total non-current assets	11,217	9,685	10,974
Inventories	9,440	8,522	10,691
Trade receivables	4,195	3,475	4,674
Other receivables	641	584	569
Prepaid expenses and accrued income	717	444	372
Cash and cash equivalents ¹	847	834	1,083
Total current assets	15,839	13,860	17,388
Total assets	27,056	23,545	28,363
EQUITY AND LIABILITIES			
Share capital	1	1	1
Other paid-in capital	8,728	7,828	8,328
Retained loss including net profit/loss for the year	-6,941	-7,870	-6,334
	1,788	-41	1,995
Non-controlling interests	0	0	0
Total equity	1,788	-41	1,995
Financial debts	13,295	14,798	14,973
Provision for deferred taxes	553	12	726
Other provisions	246	166	251
Total non-current liabilities	14,095	14,976	15,949
Financial debts	482	0	903
Trade payables	4,107	2,613	3,529
Other liabilities	1,681	1,881	1,510
Accrued expenses and deferred income	4,903	4,116	4,477
Total current liabilities	11,173	8,610	10,418
Total liabilities	25,268	23,585	26,368
Total shareholders equity, provisions and liabilities	27,056	23,545	28,363

¹⁾ 478 MSEK (41 MEUR and 52 MSEK) segregated account

CORRAL PETROLEUM HOLDINGS AB INTERIM REPORT, JANUARY 1 – MARCH 31, 2018
Unaudited

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

MSEK	Jan 1 - Mar 31		Full year 2017	Rolling 12 Months Apr 1 - Mar 31	
	2018	2017		2018	2017
Operating activities					
Profit/loss before taxes	-787	934	2,926	1,205	128
Adjustments for items not included in cash flow ¹⁾	1,191	565	1,758	2,385	4,708
	404	1,499	4,684	3,590	4,837
Taxes paid	-3	-2	-4	-5	-1
	402	1,497	4,680	3,585	4,834
Decrease(+) / Increase(-) in inventories	1,238	-66	-2,232	-928	-3,078
Decrease(+) / Increase(-) in operating receivables	161	320	-885	-1,044	-372
Decrease(-) / Increase(+) in operating liabilities	661	-523	596	1,781	1,479
Cash flow from operating activities	2,461	1,227	2,159	3,393	2,863
Investing activities					
Acquisition/disposal of subsidiaries	0	0	-20	-20	0
Capital expenditure of intangible assets	-72	-51	-268	-289	-194
Capital expenditure of tangible assets	-408	-342	-2,069	-2,135	-1,316
Sales of intangible and tangible assets	0	0	21	21	0
Decrease(+) / Increase(-) in financial assets	-7	-10	-11	-8	-18
Cash flow used in investing activities	-487	-403	-2,347	-2,431	-1,528
	1,974	824	-187	962	1,335
Financing activities					
New loans	801	557	6,957	7,201	11,459
Repayment of loans	-3,036	-1,574	-6,731	-8,193	-11,416
Loan expenditures	0	0	0	0	-679
Cash flow from/used in financing activities	-2,235	-1,017	226	-992	-636
CASH FLOW FOR THE PERIOD					
Opening cash and cash equivalents	1,083	1,030	1,030	834	124
Effect of exchange rate fluctuations on cash and cash equivalents	25	-2	15	42	10
Cash and cash equivalents at the end of the period	847	834	1,083	847	834

¹⁾ Specification of items not included in cash flow

Depreciation of property, plant and equipment	252	246	1,000	1,005	1,000
Disposal	0	0	71	71	0
Write-down of inventory (+)/Reversed inventory write-down(-)	14	-4	-8	10	1
Gain on sale of fixed assets	0	1	-3	-4	10
Gain on sale of subsidiaries	0		-105	-105	0
Unrealized losses(+) / gains(-) on derivatives	-46	31	70	-7	31
Unrealized exchange losses(+) / gains(-)	227	29	-55	144	57
Unrealized exchange losses(+) / gains(-) from financing activities	428	-34	-127	334	737
Capitalized loan expenditures deferred as interest expenses	41	41	162	162	250
Capitalized interest cost financial debt	278	269	720	729	1,168
Provision for doubtful receivables CMGO	0	0	0	0	1,567
Others	-3	-15	33	45	-113
	1,191	565	1,758	2,385	4,708

CORRAL PETROLEUM HOLDINGS AB INTERIM REPORT, JANUARY 1 – MARCH 31, 2018
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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, 2017	1	7,828	-8,598	-769	0	-769
Net profit	-	-	728	728	0	728
Other comprehensive loss ¹	-	-	0	0	0	0
Total comprehensive profit	-	-	728	728	0	728
Shareholder contribution received	-	-	-	0	0	0
Closing equity March 31, 2017	1	7,828	-7,870	-41	0	-41
Opening equity January 1, 2018	1	8,328	-6,334	1,995	0	1,995
Net loss	-	-	-614	-614	0	-614
Other comprehensive income ¹	-	-	8	8	0	8
Total comprehensive profit	-	-	-607	-607	0	-607
Shareholder contribution received	-	400	-	400	0	400
Closing equity March 31, 2018	1	8,728	-6,941	1,788	0	1,788

¹ Evaluation 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, 2018	1	-	263	263
Shareholder contribution received	-	-	400	400
Net loss	-	-	-524	-524
Closing equity March 31, 2018	1	-	139	139

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

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CONDENSED INCOME STATEMENT - PARENT COMPANY

MSEK	January 1 - March 31		Full year
	2018	2017	2017
Operating profit	-1	-1	0
Profit from investment in Group companies	-	-	1,205
Financial net	-671	-209	-1,046
Profit/Loss before taxes	-671	-210	160
Taxes	148	46	-693
Net loss	-524	-164	-533

CONDENSED BALANCE SHEET - PARENT COMPANY

MSEK	March 31	March 31	December 31
	2018	2017	2017
ASSETS			
Participation in Group Companies	10,518	10,028	10,518
Deferred tax	263	854	115
Other receivables	1	1	1
Cash and cash equivalents ¹	483	452	826
Total assets	11,265	11,335	11,460
EQUITY AND LIABILITIES			
Restricted equity	1	1	1
Non-restricted equity	139	132	262
Total equity	139	133	263
Shareholder loans	1,856	2,780	2,218
Bond loans, subordinated notes	2,821	2,466	2,654
Bond loans, senior notes	6,178	5,692	5,910
Loan from subsidiary	55	55	55
Other short term liabilities	216	210	361
Total liabilities	11,125	11,202	11,197
Total equity and liabilities	11,265	11,335	11,460

¹⁾ 478 MSEK (41 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.

RECONCILITATION OF OPEATING PROIFT TO EBITDA AND EBITDA TO ADJUSTED EBITDA

MSEK	Jan 1 - Mar 31		Full year 2017	Rolling 12 months	
	2018	2017		Apr 1 - Mar 31	2018
Operating profit	-22	1,182	4,047	2,843	4,208
Depreciation	252	246	1,000	1,005	1,000
EBITDA	230	1,429	5,047	3,848	5,207
Add back:					
Inventory price gains(-)/losses(+)	116	-261	-1,064	-687	-1,326
Foreign currency gains(-)/losses(+)	-20	16	206	170	-171
Adjusted EBITDA	326	1,184	4,189	3,331	3,710

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	March 31		Full year 2017
	2018	2017	
Revolving credit facility ¹	2,688	4,209	4,464
Borrowings current ¹	482	-	903
Transaction expenses	-265	-367	-291
Other liabilities, interest bearing	18	19	18
Total Financial Debt - Preem	2,923	3,861	5,094
Senior Notes	6,367	5,941	6,114
Transaction expenses	-189	-250	-204
Subordinated Notes	2,821	2,466	2,654
Other loans from shareholder	1,856	2,780	2,218
Total Financial Debt - Corral	10,854	10,937	10,781
Total Financial Debt - Group	13,777	14,798	15,875
Cash and cash equivalents ²	-847	-834	-1,083
Total Financial Net Debt	12,931	13,963	14,793
Leverage ratio³	2.6	2.5	3.0

¹ 482 MKR is due within 12 months as at March 31, 2018

² 478 MSEK (41 MEUR and 52 MSEK) segregated account

³ Transaction expenses are excluded in the leverage ratio.