CORRAL PETROLEUM HOLDINGS AB (publ)

REPORT FOR THE SECOND QUARTER ENDED JUNE 30, 2018

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 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 – Second Quarter 2018

- Sales revenue for the second quarter of 2018 amounted to 23,401 MSEK compared to 15,112 MSEK in the second quarter of 2017.
- EBITDA[1] for the second quarter of 2018 amounted to 1,670 MSEK compared to 428 MSEK in the second quarter of 2017.
- Adjusted EBITDA[1] for the second quarter of 2018 amounted to 847 MSEK compared to 614 MSEK in the second quarter of 2017.
- Operating profit for the second quarter of 2018 amounted to 1,413 MSEK compared to an operating profit of 181 MSEK in the second quarter of 2017.
- Net profit for the second quarter of 2018 amounted to 362 MSEK compared to a net profit of 38 MSEK in the second quarter of 2017.
- Cash flow from operating activities for the second quarter of 2018 amounted to -1,197 MSEK compared cash flow from operating activities of 71 MSEK in the second quarter of 2017.
- Weighted refining margin for the second quarter of 2018 was 4.65 $/bbl compared to 4.90 $/bbl in the second quarter of 2017.

	Apr 1 - Jun 30		Jan 1 - Jun 30		Full year	
MSEK	**2018**	**2017**	**2018**	**2017**	**2017**	**2016**
Sales revenue	23,401	15,112	44,010	33,270	68,752	56,041
Gross profit	1,839	404	2,182	1,856	5,312	5,112
EBITDA[1]	1,670	428	1,901	1,857	5,047	4,800
Adjusted EBITDA[1]	847	614	1,175	1,873	4,189	3,399
Operating profit	1,413	181	1,391	1,364	4,047	3,800
Profit/loss before taxes	412	39	-375	973	2,926	-291
Net profit/loss	362	38	-252	766	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

	Apr 1 - Jun 30		Jan 1 - Jun 30		Full year
	2018	**2017**	**2018**	**2017**	**2017**
Weighted refining margin, $/bbl	4.65	4.90	4.30	5.23	5.58
Average Brent Dated crude oil, $/bbl	74	50	71	52	54
Feedstock throughput, thousand bbls	30,713	24,732	60,193	55,508	113,512
Average exchange rate SEK/USD	8.67	8.81	8.39	8.86	8.54
Closing exchange rate SEK/USD	8.96	8.47	8.96	8.47	8.23

Market Overview – Second Quarter 2018

The price of Dated Brent started the second quarter of 2018 at 67 $/bbl and ended the second quarter at 78 $/bbl. Dated Brent exceeded 80 $/bbl for a few days in May, a price which has not been seen since 2014. Several different factors pushed the price higher: fundamental factors such as increased global demand, crude oil production cuts from the “OPEC+” group, which includes Russia, and reduced global petroleum inventory levels. Prices were also influenced by non-fundamental factors such as high geopolitical risks. The discussion around whether the high price levels will lead to demand destruction intensified during the second quarter. The OPEC+ group met June 22nd -23rd and decided to commonly increase production. Their actual production cut has so far been larger than earlier decided due to the very difficult situation in each of Libya, Venezuela and Iran. What level of production increase the OPEC+ decision will lead to and the allocation between the members is unclear, which adds to market uncertainty.

The average price of Dated Brent in the second quarter of 2018 was 74 $/bbl, compared to an average price of 67 $/bbl in the first quarter of 2018. In the second quarter of 2017 the average price was 50 $/bbl.

The average price differential for Russian crude oil (“Urals”) versus Dated Brent was -2.2 $/bbl in the second quarter of 2018, compared to -1.6 $/bbl in the first quarter of 2018 and -1.5 $/bbl in the second quarter of 2017. In the beginning of the second quarter 2018 the market traded below -3 $/bbl for a period but later strengthened and traded at -1.5 $/bbl at the end of the second quarter of 2018.

European refining margins were generally stronger during the second quarter of 2018 than during the first quarter of 2018. Gasoline and diesel margins improved but the increase was limited by high product production from the high refinery utilization, especially in the US where refiners had high capacity available and gained from domestic crude oil at low price. In the US crude oil production strongly increased but there are logistical constraints for export which put pressure on the price for the domestic crude oil which is land locked.

The average gasoline margin versus Dated Brent strengthened to 13$/bbl in the second quarter of 2018, compared to 10 $/bbl in the first quarter of 2018. In the second quarter of 2017 the average gasoline margin was 15 $/bbl. In the second quarter the demand increases seasonally. In the important markets of the US and Europe, production has kept the inventory levels during the second quarter 2018 in the middle of the historical range for 2006-2014 but much tighter than 2016 when they were at a high.

The average diesel margin versus Dated Brent strengthened to 14 $/bbl in the second quarter of 2018, compared to 13 $/bbl in the first quarter of 2018. In the second quarter of 2017 the average diesel margin was 11 $/bbl. Global diesel demand is growing even if forward projections is modestly reduced due to expected softer economic growth. During the second quarter of 2018 the margin was supported by some unplanned refinery outages and by lower levels of imports coming to Europe from Asia and the US. In the important markets of the US and Europe the inventory levels during the second quarter of 2018 were below the historical range for 2006-2014 and far below the recent years.

The average margin for high sulphur fuel oil versus Dated Brent was -11 $/bbl in the second quarter of 2018, unchanged from the first quarter of 2018. In the second quarter of 2017 the average margin for high sulphur fuel oil was -5 $/bbl. At the end of the second quarter of 2018 the margin improved to stronger than -8 $/bbl. This is mainly attributable to strong demand from the Middle East for fuel oil for electrical power production during the hot weather period. In combination with the demand for bunker fuel this increases the demand for supply with very large ships to the major fuel oil hub Singapore.

Sales and Results – Second Quarter 2018

Sales revenue in the second quarter of 2018 amounted to 23,401 MSEK compared to 15,112 MSEK in the second quarter of 2017, an increase of 8,289 MSEK. The increase in sales revenue is primarily a result of higher crude and product prices, but also supported by an 11% increase in sales volumes compared to the same period for 2017.

Operating profit for the second quarter of 2018 amounted to 1,413 MSEK, an increase of 1,232 MSEK, compared to a profit of 181 MSEK for the second quarter of 2017. Higher sales volumes, inventory price gains and positive exchange rate effects all contributed to the improved result. The weighted refining margin in the second quarter of 2018 decreased slightly compared to the second quarter of 2017, to 4.65 $/bbl from 4.90 $/bbl. On the other hand a higher market price for crude oil resulted in an increase of inventory value in the second quarter of 2018, adding profits of 992 MSEK compared to a loss of 406 MSEK in the second quarter of 2017. The exchange rate for Swedish Krona against the US Dollar ascended in the second quarter of 2018, increasing the result by 183 MSEK, compared to a negative effect of 191 MSEK for the second quarter of 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	**2018**	**2017**	**2018**	**2017**	**2017**
Supply & Refining	22,324	14,632	41,945	32,244	66,237
Marketing	6,332	4,373	11,498	8,605	18,679
Exchange rate differences	114	-57	132	-84	-137
Group eliminations	-5,370	-3,836	-9,565	-7,494	-16,027
Total Sales Revenue	**23,401**	**15,112**	**44,010**	**33,270**	**68,752**

Operating profit

	Apr 1 - Jun 30		Jan 1 - Jun 30		Full year
MSEK	**2018**	**2017**	**2018**	**2017**	**2017**
Supply & Refining	1,388	306	1,464	1,535	4,403
Marketing	143	114	252	233	581
Total Segment Operating profit	1,530	420	1,716	1,768	4,984
Exchange rate differences	183	-191	202	-207	-205
Other expenses	-300	-48	-527	-197	-732
Total Operating profit	**1,413**	**181**	**1,391**	**1,364**	**4,047**

Supply & Refining

Our Supply & Refining segment reported an operating profit of 1,388 MSEK for the second quarter of 2018, an increase of 1,082 MSEK, compared to 306 MSEK for the second quarter of 2017. The weighted refining margin increased to 4.65 $/bbl for the second quarter of 2018 compared to 4.90 $/bbl for the second quarter of 2017. The reported price gain in inventory in the second quarter of 2018 amounted to 640 MSEK compared to a price gain inventory of 5 MSEK in the second quarter of 2017. Excluding price effects, operating profit amounted to 748 MSEK in the second quarter of 2018, an increase of 447 MSEK, compared to 301 MSEK in the second quarter of 2017. Operating profit excluding price effects increased in the second quarter due to increased throughput.

In the second quarter of 2018 throughput was 4.9 million m^3 compared to 3.9 million m^3 in the second quarter of 2017. The increase is mainly due to no major shutdown in Q2 2018 versus the planned shutdown of Lysekil in Q2 2017.

Marketing

Our Marketing segment reported an operating profit of 143 MSEK for the second quarter of 2018 compared to 114 MSEK for the second quarter 2017, an increase of 28 MSEK. The increase in operating profit is mainly driven by 12% higher sales volumes than the prior year period. This is due to new major contracts within our business-to-business segment as well as our expansion in Norway.

Depreciation

Total depreciation in the second quarter of 2018 amounted to 257 MSEK compared to 246 MSEK in the second quarter of 2017.

Financing

Financial net for the second quarter of 2018 weakened by 858 MSEK to an expense of 1,001 MSEK compared to an expense of 143 MSEK for the second 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 593 MSEK for the second quarter of 2018 compared to a gain of 248 MSEK for the same period in 2017.

Total interest expense for the second quarter of 2018 amounted to 377 MSEK compared to 359 MSEK for the same period in 2017 of which depreciation of loan expenditures amounted to 41 MSEK for the second quarter in 2018 which was the same amount as for the second quarter of 2017. Cash interest paid was 69 MSEK for the second quarter of 2018 compared to 54 MSEK for the second quarter of 2017. Cash interests increased due to the weakening of the Swedish Krona against the US Dollar.

Six Months Ending June 30, 2018

- Sales revenue for the first six months of 2018 amounted to 44,010 MSEK compared to 33,270 MSEK for the first six months of 2017.
- EBITDA[1]for the first six months of 2018 amounted to 1,901 MSEK compared to 1,857 MSEK for the first six months of 2017.
- Adjusted EBITDA [1] for the first six months of 2018 amounted to 1,175 MSEK compared to 1,873 MSEK for the first six months of 2017.
- Depreciation for the first six months of 2018 amounted to 509 MSEK compared to 493 MSEK for the first six months of 2016.
- Operating profit for the first six months of 2018 amounted to 1,391 MSEK compared to operating profit of 1,364 MSEK for the first six months of 2017.
- Net loss for the first six months of 2018 amounted to 252 MSEK compared to net profit of 766 MSEK for the first six months of 2017.
- Cash flow from operating activities for the first six months of 2018 amounted to 1,264 MSEK compared to 1,298 MSEK for the first six months of 2017.
- Weighted refining margin for the first six months of 2018 was 4.30 $/bbl compared to 5.23 $/bbl for the first six months of 2017.

Cash Flow

Loss before taxes amounted to 375 MSEK for the first six months of 2018 compared to profit before taxes of 973 MSEK for the same period in 2017, a decrease of 1,348 MSEK. Cash flow from operating activities amounted to 1,264 MSEK in 2018 compared to cash flow from operating activities of 1,298 MSEK for the same period in 2017, a decrease of 34 MSEK. Adjustments for non-cash items had a positive impact of 2,071 MSEK in 2018 compared to a positive impact of 782 MSEK for the same period in 2017, an increase of 1,289 MSEK. Please refer to page 11 for further specification of items not included in cash flow.

Taxes paid amounted to -5 MSEK for the first six months of 2018 compared to -2 MSEK in the same period in 2017.

Cash flow was negatively impacted by movements in working capital of 427 MSEK for the first six months of 2018 compared to a negative impact of 455 MSEK for the first six months in 2017. Cash flow used in inventories amounted to 761 MSEK in 2018, primarily due to higher market prices on crude oil and refined products compared to year end 2017. In the first six months of 2017 cash flow used in inventories amounted to 671 MSEK. Cash flow from operating receivables amounted to 72 MSEK for the first six months of 2018, primarily due to lower volumes sold in June 2018 than in December 2017. In the first six months of 2017 cash flow from operating receivables amounted to 11 MSEK. Cash flow from operating liabilities in 2018 amounted to 262 MSEK primarily due to higher crude oil market price by the end of June. For the same period in 2017 cash flow used in operating liabilities amounted to 1,136 MSEK.

Cash flow used in investing activities amounted to 991 MSEK in the first six months of 2018, an increase of 131 MSEK, compared to 860 MSEK for the same period of 2017.

Cash flow used in financing activities amounted to 108 MSEK for the first six months of 2018 compared to cash flow used in financing activities of 553 MSEK for the first six months 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

Income tax for the first six months ended June 30, 2018 was 123 MSEK compared to an expense of 206 MSEK in the same period in 2017.

The high effective tax rate, 33% for the first six months of 2018 is due to a recalculation of the provision for deferred tax. The recalculation is done because the Swedish tax rate will be reduced to 21.4% in 2019 and then to 20.6% in 2021 compared to today´s rate of 22%.

Financial Debt

On June 30, 2018, the Group's financial net debt amounted to 14,681 MSEK, compared to 13,808 MSEK as of the second quarter of 2017. 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 1,260 MSEK at June 30, 2018, an increase of 343 MSEK, compared to 917 MSEK for the second quarter of 2017. A breakdown of the Group's financial debt as at June 30, 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 872 MSEK for the first six months in 2018 compared to a loss of 425 MSEK for the first six months in 2017.
Shareholder equity as at June 30, 2018 amounted to 482 MSEK compared to 263 MSEK as of December 31, 2017. Corral Petroleum Holdings had outstanding shareholder loans of 166 MUSD and 12 MEUR (1,620 MSEK) as of June 30, 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 92 MUSD and 206 MEUR (2,973 MSEK) as at June 30, 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 816 MSEK of shareholder loans were converted to equity during the first six months of 2018.

Recent Developments

So far in 2018 crude prices have increased by around 10-15%, but fluctuations have been significant at times. Over the few weeks prior to the date of this report, the price has gone more or less sideways. In addition to the general market concern around trade wars, and the impact this may have on demand, the prices have also come under pressure from increased production following the OPEC production-increase decision in their June 22 meeting. The US Energy Information Administration (EIA) also issued a report in June that stated that America's crude output had risen beyond 11 million barrels per day for the first time. A rapid increase in shale drilling has added around 1 million barrels per day of crude-production only since November of last year. These fast increases in crude volume have put the crude price under some short-term pressure. However, over the coming months it is expected that Iranian export volumes will start to drop due to the US embargo, which will most likely put new pressure on the market.

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

On the products side we are now in the middle of the driving season with good demand for both gasoline and diesel. The strong demand in combination with low inventories has pushed the prices for gasoline and diesel higher. So far in 2018, diesel cracks have been consistently stronger than gasoline cracks, which is positive for a diesel producer like Preem.

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 are now in 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 normally 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 September 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 third quarter and nine months ending September 30, 2018 will be released on November 29, 2018.

Stockholm, August 29, 2018
On behalf of the Board of Directors

Richard Öhman
Managing Director

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CONDENSED CONSOLIDATED INCOME STATEMENTS

	Apr 1 - Jun 30		January 1 - June 30		Full year	Rolling 12 Months Jul 1 - Jun 30	
MSEK	**2018**	**2017**	**2018**	**2017**	**2017**	**2018**	**2017**
Revenue	25,874	17,646	*48,834*	*38,283*	78,581	89,132	75,284
Excise duties	-2,473	-2,534	*-4,825*	*-5,013*	-9,829	-9,641	-10,223
Sales revenue	23,401	15,112	*44,010*	*33,270*	68,752	79,491	65,061
Cost of goods sold	-21,562	-14,707	*-41,828*	*-31,415*	-63,440	-73,853	-60,596
Gross profit	**1,839**	**404**	***2,182***	***1,856***	**5,312**	**5,638**	**4,464**
Selling expenses	-250	-219	*-459*	*-414*	-866	-912	-824
Administrative expenses	-304	-196	*-549*	*-371*	-864	-1,041	-818
Other operating income	128	192	*217*	*293*	465	389	459
Operating profit	**1,413**	**181**	***1,391***	***1,364***	**4,047**	**4,074**	**3,282**
Interest income	2	2	*4*	*4*	6	6	6
Interest expense	-377	-359	-727	*-711*	-1,400	-1,416	-1,418
Exchange rate differences	-593	248	-969	*376*	397	-948	-261
Other financial, net	-33	-34	*-74*	*-60*	-124	-138	-1,686
Net financial items	-1,001	-143	*-1,766*	*-391*	-1,121	-2,496	-3,359
Profit/Loss before income tax	**412**	**39**	***-375***	***973***	**2,926**	**1,578**	**-77**
Income tax	-50	-1	*123*	*-206*	-659	-330	-371
Net profit/loss for the year	**362**	**38**	***-252***	***766***	**2,267**	**1,248**	-448
Attributable to:							
Parent Company's shareholder	362	38	*-252*	*766*	2,267	1,248	-448
Non-controlling interests	-	-	-	-	-	-	-
	362	**38**	***-252***	***766***	**2,267**	**1,248**	**-448**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME:

	Apr 1 - Jun 30		January 1 - June 30		Full year	Rolling 12 Months Jul 1 - Jun 30	
	2018	**2017**	**2018**	**2017**	**2017**	**2018**	**2017**
Net profit/loss for the year	362	38	-252	766	2,267	1,248	-448
Other income	-9	0	-1	0	-3	-4	10
Comprehensive income	**353**	**38**	**-254**	**767**	**2,264**	**1,244**	**-437**
Attributable to:							
Parent Company Shareholder	353	38	-254	767	2,264	1,244	-437
Non-controlling Shareholders	-	-	-	-	-	-	-
	353	**38**	**-254**	**767**	**2,264**	**1,244**	**-437**

CONDENSED CONSOLIDATED BALANCE SHEETS

MSEK	June 30 2018	June 30 2017	December 31 2017
ASSETS			
Goodwill	308	308	308
Other intagible assets	804	382	674
Tangible assets	10,045	9,000	9,681
Financial assets	339	298	312
Total non-current assets	**11,496**	**9,988**	**10,974**
Inventories	11,445	7,794	10,691
Trade receivables	4,335	3,746	4,674
Other receivables	713	555	569
Prepaid expenses and accrued income	571	425	372
Cash and cash equivalents[1]	1,260	917	1,083
Total current assets	**18,323**	**13,437**	**17,388**
Total assets	**29,819**	**23,425**	**28,363**
EQUITY AND LIABILITIES			
Share capital	1	1	1
Other paid-in capital	9,145	8,328	8,328
Retained loss including net profit/loss for the year	-6,588	-7,831	-6,334
	2,557	498	1,995
Non-controlling interests	0	0	0
Total equity	**2,557**	**498**	**1,995**
Financial debts	15,014	14,589	14,973
Provision for deferred taxes	429	0	726
Other provisions	269	162	251
Total non-current liablilites	**15,712**	**14,751**	**15,949**
Financial debts	926	137	903
Trade payables	4,475	2,620	3,529
Other liabilities	1,940	1,762	1,510
Accrued expenses and deferred income	4,207	3,658	4,477
Total current liablilites	**11,549**	**8,177**	**10,418**
Total liabilities	**27,262**	**22,928**	**26,368**
Total shareholders equity, provisions and liablities	**29,819**	**23,425**	**28,363**

1) 483 MSEK (41 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	**2018**	**2017**	**2018**	**2017**	**2017**	**2018**	**2017**
Operating activities							
Profit/loss before taxes	412	39	-375	973	2,926	1,578	-77
Adjustments for items not included in cash flow [1)]	880	217	2,071	782	1,758	3,048	3,702
	1,292	256	1,696	1,754	4,684	4,626	3,624
Taxes paid	-2	0	-5	-2	-4	-7	-2
	1,290	256	1,691	1,753	4,680	4,619	3,623
Decrease(+)/Increase(-) in inventories	-1,999	737	-761	671	-2,232	-3,664	-1,588
Decrease(+)/Increase(-) in operating receivables	-89	-309	72	11	-885	-824	-392
Decrease(-)/Increase(+) in operating liabilities	-398	-613	262	-1,136	596	1,995	1,808
Cash flow uesd in/from operating activites	-1,197	71	1,264	1,298	2,159	2,126	3,451
Investing activities							
Aqustion/disposal of subsidiaries	-27	120	-27	120	-20	-167	120
Capital expenditure of intangible assets	-62	-71	-133	-122	-268	-280	-216
Capital expenditure of tangible assets	-422	-525	-830	-867	-2,069	-2,033	-1,493
Sales of intangible and tangible assets	16	2	16	2	21	35	2
Decrease(+)/Increase(-) in financial assets	-9	16	-16	6	-11	-33	-2
Cash flow used in investing activities	-504	-457	-991	-860	-2,347	-2,477	-1,588
	-1,701	-387	273	437	-187	-352	1,863
Financing activities							
New loans	3,747	2,855	4,548	3,412	6,957	8,093	6,548
Repayment of loans	-1,620	-2,391	-4,656	-3,965	-6,731	-7,422	-8,106
Loan expenditures	0	0	0	0	0	0	-2
Cash flow from/used in financing activities	2,127	464	-108	-553	226	671	-1,560
CASH FLOW FOR THE PERIOD	426	77	165	-116	38	319	303
Opening cash and cash equivalents	847	834	1,083	1,030	1,030	917	606
Effect of exchange rate fluctuations on cash and cash equivalents	-13	5	12	3	15	24	9
Cash and cash equivalents at the end of the period	**1,260**	**917**	**1,260**	**917**	**1,083**	**1,260**	**917**

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

Depreciation of property, plant and equipment	258	246	510	493	1,000	1,017	1,000
Disposal	-10	71	-10	71	71	-10	71
Write-down of inventory (+)/Reversed inventory write-down(-)	4	-10	18	-14	-8	24	-4
Gain on sale of fixed assets	0	0	0	1	-3	-4	10
Gain on sale of subsidiaries	0	-113	0	-113	-105	8	-113
Unrealized losses(+)/gains(-) on derivatives	35	20	-10	52	70	9	52
Unrealized exchange losses(+)/gains(-)	-5	-89	222	-60	-55	227	-193
Unrealized exchange losses(+)/gains(-) from financing activities	284	-203	712	-237	-127	822	70
Capitalized loan expenditures deferred as interest expenses	41	41	81	81	162	162	160
Capitalized interest cost financial debt	286	272	564	540	720	744	1,091
Provision for doubtful receivables CMGO	-	-	0	-	0	0	1,567
Others	-13	-17	-15	-32	33	50	-8
	879	**217**	**2,071**	**782**	**1,758**	**3,048**	**3,702**

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**	**-768**	**0**	**-768**
Net profit	-	-	766	766	0	766
Other comprehensive loss[1]	-	-		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**
Opening equity January 1, 2018	**1**	**8,328**	**-6,334**	**1,995**	**0**	**1,995**
Net loss	-	-	-252	-252	0	-252
Other comprehensive income[1]	-	-	-1	-1	0	-1
Total comprehensive profit	-	-	-254	-254	0	-254
Shareholder contribution received	-	816	-	816	0	816
Closing equity June 30, 2018	**1**	**9,144**	**-6,588**	**2,557**	**0**	**2,557**

[1] Evalution of pensions obligations according to IAS 19 and translationdifference.

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	-	-	816	816
Net loss	-	-	-597	-597
Closing equity June 30, 2018	1	**-**	**482**	**482**

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

MSEK	January 1 - June 30 2018	January 1 - June 30 2017	Full year 2017
Operating profit	**-2**	**-2**	**0**
Profit from investment in Group companies	-	-	1,205
Financial net	-1,250	-423	-1,046
Profit/Loss before taxes	**-872**	**-425**	**160**
Taxes	**275**	**93**	**-693**
Net loss	**-597**	**-331**	**-533**

CONDENSED BALANCE SHEET - PARENT COMPANY

MSEK	June 30 2018	June 30 2017	December 31 2017
ASSETS			
Participation in Group Companies	10,518	9,673	10,518
Deferred tax	391	902	115
Other receivables	1	1	1
Cash and cash equivalents [1]	867	812	826
Total assets	**11,776**	**11,387**	**11,460**
EQUITY AND LIABILITIES			
Restricted equity	1	1	1
Non-restricted equity	482	465	262
Total equity	**482**	**465**	**263**
Shareholder loans	1,620	2,220	2,218
Bond loans, subordinated notes	2,973	2,512	2,654
Bond loans, senior notes	6,266	5,779	5,910
Loan from subsidiary	55	55	55
Other short term liabilities	380	355	361
Total liabilities	**11,294**	**10,922**	**11,197**
Total equity and liabilities	**11,776**	**11,387**	**11,460**

1) 483 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.

	Apr 1 - Jun 30		Jan 1 - Jun 30		Full year	Rolling 12 months Jul 1 - Jun 30	
MSEK	**2018**	**2017**	**2018**	**2017**	**2017**	**2018**	**2017**
Operating profit	**1,413**	**181**	**1,391**	**1,364**	**4,047**	**4,074**	**3,282**
Depreciation	257	246	509	493	1,000	1,016	1,000
EBITDA	**1,670**	**428**	**1,901**	**1,857**	**5,047**	**5,091**	**4,281**
Add back:							
Inventory price gains(-)/losses(+)	-640	-5	-524	-191	-1,064	-1,583	-524
Foreign currency gains(-)/losses(+)	-183	191	-202	207	206	-187	19
Adjusted EBITDA	**847**	**614**	**1,175**	**1,873**	**4,189**	**3,321**	**3,776**

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	**2018**	**2017**	**2017**
Revolving credit facility	4,378	4,399	4,464
Borrowings current	926	137	903
Transaction expenses	-240	-341	-291
Other liabilities, interest bearing	18	19	18
Total Financial Debt - Preem	**5,082**	**4,213**	**5,094**
Senior Notes	6,440	6,014	6,114
Transaction expenses	-174	-235	-204
Subordinated Notes	2,973	2,512	2,654
Other loans from shareholder	1,620	2,220	2,218
Total Financial Debt - Corral	**10,859**	**10,512**	**10,781**
Total Financial Debt - Group	**15,941**	**14,725**	**15,875**
Cash and cash equivalents [1]	-1,260	-917	-1,083
Total Financial Net Debt	**14,681**	**13,808**	**14,793**
Leverage ratio [2]	**3.2**	**2.6**	**2.5**

[1] 483 MSEK (41 MEUR and 52 MSEK) segregated account

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