Annual Report 2024

Preem Holding AB (publ)

Content

Directors' Report Preem Holding AB

Facts
Preem Holding AB (publ)
Corporate ID number 559210-7410

Business: Preem Holding AB (publ) and its subsidiaries together form Sweden's largest fuel group. Preem Holding AB (publ) is based in Stockholm, Sweden.

Owner: Preem Holding AB (publ) is wholly owned by Corral Petroleum Holdings AB (publ).

Figures in parentheses refer to the previous year.

General information about the business

Preem Holding Group (Peem's) business is operated by Peem AB (publ), Sweden's largest fuel company. It refines and sells fossil and renewable fuels, heating and lubricating oil and other products to companies and private individuals. Preem's two refineries in Gothenburg and Lysekil are among Europe's most energy-efficient and modern. Together, they account for about 80 percent of the Swedish refinery capacity and around a third of the Nordic capacity. The refineries have an annual refining capacity of over 18 million cubic meters of crude oil and renewable raw materials. Preem has produced renewable fuels since 2010 and has begun a large-scale transition from fossil fuels to renewables.

Much of the production is exported to the international market, mainly to northwestern Europe, making Preem one of Sweden's largest export companies. Preem sells fuel, heating and lubricating oil, and other products to companies and private individuals in Sweden and Norway. The sale of the company's products in the Swedish market takes place through Preem's nationwide station network, which has over 500 fuel stations for consumer and commercial traffic and is done via certified dealers. Preem's products in Norway are mainly sold through retailers and direct sales. Preem's operations are conducted through two business areas: Supply & Refining and Marketing & Sales.

The Group's results

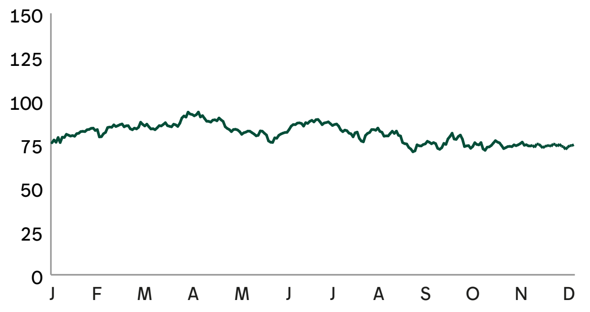
International production margins for diesel and gasoline decreased significantly in 2024 compared to 2023, while the profitability of renewable production in the Swedish market decreased due to the sharply reduced greenhouse gas reduction obligation level. The crude oil market remained volatile, partly driven by uncertainty related to conflicts in Ukraine and Israel and uncertainty about demand, particularly from China and the US. During 2024, the price of crude oil moved between about USD 71/bbl to USD 93/bbl, with an average of just under USD 81/bbl for the full year. The year closed at about USD 75/bbl, which was no more than USD 1/bbl lower than what 2024 started. Preem continued to report very strong results in this turbulent market situation.

Sales revenue decreased in 2024 to SEK 130,765 million from SEK 137,711 million the previous year, a decrease of five percent. The proportion of products sold outside of Sweden amounted to 58 (65) percent, with a value of SEK 75,407 (89,608) million.

The gross profit for the business decreased by SEK 6,841 million to SEK 3,383 (10,225) million. Refining margins remained strong during the year, peaking in the third quarter. The average refining margin for the year decreased to USD 6.08/bbl from USD 11.52/bbl.

The operating profit decreased to SEK 2,147 (7,905) million. Net financial items amounted to SEK -771 (-898) million. The change in net financial items compared to the previous year is mainly due to increased interest income of SEK 231 (138) million, lower interest expenses of SEK -650 (-796) million and increased exchanged rate differences SEK -113 (-25) million.

Oil price trend 2024
USD/bbl North Sea oil



The profit before tax amounted to SEK 1,375 (7,007) million. Profit after tax amounted to SEK 995 (5,971) million.

Business Segment Supply & Refining

Supply & Refining's operations consist mainly of purchasing and processing crude oil in the refineries in Lysekil and Gothenburg. Most of the crude oil that Preem buys comes from the North Sea. Other crude oil comes mainly from South America, West Africa and the US. In contrast to 2023, Preem saw an increase in crude oil from South America. Since February 2022, no crude oil has been purchased from Russia. In 2024, total production amounted to 18.4 (18.6) million cubic meters[1].

In 2024, 420,000 cubic meters of renewable products were produced, of which 290,000 cubic meters were HV0100. The raw materials used for production of HVO are mainly tall oil and animal fats. The increased production and sales of HV100 make Preem one of the largest players in renewable products based on so-called "advanced" raw materials (as defined in the Renewable Energy Directive).

This year, contracts were secured for time charter vessels Caroline Essberger and Thun Reliance, further strengthening Preem's focus on efficient logistics and more sustainable transport.

1) Preem's definition of production includes products produced at its refineries, where some volumes may be produced first as a component and later as a refined product.

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Supply & Refining reported an operating profit for 2024 of SEK 2,528 million, compared with SEK 8,700 million the previous year. The lower result in 2024 is explained by lower refining margins for mainly renewable products due to the reduced Swedish greenhouse gas reduction obligation level in Sweden. However, the fossil segment has also been weaker than last year. Operating profit has also been negatively affected by price effects of approximately SEK 1.6 billion due to the difference in price between the purchase of raw materials and the cost of products at the time of sale.

Business Segment Marketing & Sales

In 2024, the Swedish market stabilized with declining inflation, and household consumption showed signs of a gradual recovery compared to 2023. The total fuel market in Sweden shows an increase of two percent, according to preliminary figures from Statistics Sweden. The revised greenhouse gas reduction obligation level that entered into force at the beginning of the year has contributed to lower market prices. This, and a weakening of the Swedish krona, also resulted in increased demand from international customers in 2024.

With continued stable bulk sales and increased demand from international customers, which contributed to increased sales volume within Preem's station network, Marketing & Sales reports strong results with continued solid market share. This is the result of successful marketing strategies and strengthened customer relationships. During the year, Preem entered into a five-year agreement with The Swedish Association of Road Transport Companies, with Preem becoming the exclusive fuel partner of the Swedish haulage industry's largest trade organization. The agreement, which will come into force in 2025, is an important part of Preem's strategy to increase use of renewable fuels and support energy transition in commercial transport.

Marketing & Sales in e-mobility continued to focus on developing customer offers and meeting customers' growing need for accessible charging structures. Through the Preem app or Preem's company card, electric vehicle charging is now available at over 1,000 external charging points throughout the country.

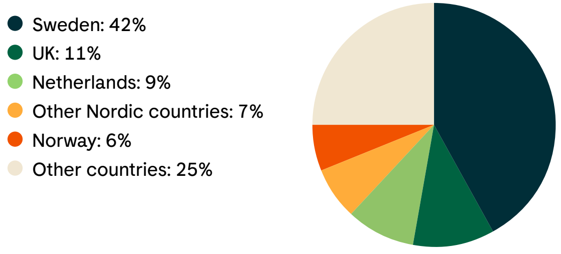
Marketing & Sales, in collaboration with an external partner, has continued to develop an electricity offer at Preem's facilities. By the end of December 2024, Preem had installed chargers at a total of 27 of its stations, with a total of 136 charging points. In addition, a dedicated e-mobility team was established, primarily focusing on preparing the establishment of Preem's facilities, mainly for commercial road traffic. Preem was also granted funding support from Klimatklivet to establish charging points until 2027. This support is crucial for continued investment and development of future energy stations for commercial road traffic. The first charging points adapted for commercial road traffic are expected to be operational in 2025. This marks a major step forward for Preem's long-term strategy and ambition to implement a large-scale expansion of charging stations for both commercial road transport and light traffic by 2030.

The revised greenhouse gas reduction obligation level has led to lower and stable consumer prices in 2024. The year began with prices for gasoline at SEK 17.29/liter and diesel at SEK 17.89/liter. In December, prices were SEK 17.49/liter for gasoline and SEK 17.89/liter for diesel.

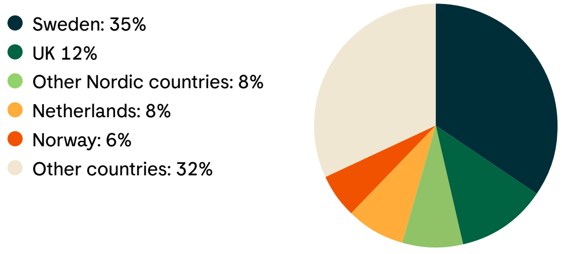
In 2024, the operating margin normalized compared to the previous year's price development, which had positive effects on the operating margin.

During the financial year 2024, the Marketing & Sales business segment continued to deliver stable profitability and maintained its market position. Operating profit amounted to SEK 778 million, representing a decrease compared to the previous year's profit of SEK 924 million. This decrease reflects the expected development and prevailing market conditions during the year.

Sales by country 2024



Sales by country 2023



Cash flow and financing

Cash flow from operating activities amounted to SEK 1,707 (8,288) million. The decrease was due to lower refining margins. Changes in inventories positively impacted the cash flow of SEK 973 (-1,159) million, driven by lower crude oil purchase prices. Changes in operating receivables affected the cash flow positively by SEK 383 (1,953) million, driven by lower market prices for outstanding trade receivables. The operating payables generated positive cash flow of SEK 218 (-3,096) million, driven by higher dollar exchange rates.

Cash flow used in investing activities decreased to SEK -3,677 (-3,998) million. Cash flow from financing activities amounted to SEK -1,018 (-2,148) million.

At the end of the period, the Group had a Net debt amounting to SEK 4,343 million, compared to a Net debt of SEK 1,592 million as of December 31, 2023. The Net debt ratio includes lease liabilities. Liabilities to credit institutions amounted to SEK 114 (123) million. Loans from the Swedish Export Credit Cooperation, which finances the rebuilding of the SynSat facility, amounted to SEK 2,889 (3,000) million. The value of the

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Senior note in the Parent Company amounted to SEK 3,124 (3,395) million (For further information on loans, see Note 26. Lease liabilities amounted to SEK 845 (651) million, see Note 34.

Liquidity

Cash and cash equivalents at the end of the year amounted to SEK 2,684 (5,634) million. As of the end of December 2024, Preem had SEK 13,506 (13,842) million in unused credit lines.

Investments

Investments in tangible fixed assets during the year amounted to SEK 3,755 (4,084) million. It was divided into investments of SEK 741 million in turnaround and shutdowns, SEK 2,857 million in profitability-improving measures and SEK 157 million in environmental and safety-improving measures. Investments in financial assets amounted to SEK 14 (16) million and consisted mainly of purchases of emission rights.

Employees

The average number of employees in the Group amounted to 1,824 (1,642), of which 1 (1) was employed by the Parent Company. Of these, roughly 1,100 people work at the refineries. Everything Preem does is based on its values: responsibility, innovation and inclusion.

The market

Market development — crude oil and products

In 2024, the price of crude oil traded around USD 80 per barrel, with an average price of USD 80.76 per barrel (Dated Brent). The year began and ended with a price close to USD 75, but there were a lot of macroeconomic and geopolitical forces at play. The highest price, just above USD 93, was reached in April, while the lowest price, close to USD 71, was recorded in September. This is a relatively normal price variation for crude oil.

Oil prices were affected by many factors during the year. The strong first quarter was marked by geopolitical turmoil and the escalation of conflicts in the Middle East, which effectively closed the Suez route due to rebel attacks on civilian vessels off the coast of Yemen. As new logistics stabilized, the surplus of crude oil took over the narrative. OPEC+ planned to increase production but was forced to withdraw its plans. Other oil producers seized the opportunity, increasing production. 2024 became the year when Guyanese oil established itself on the European market as a popular substitute for WAF and Johan Sverdrup oil. Financial players started to go short to a greater extent in the second and third quarter of the year, which is unusual and reflects the weak economic backdrop. Volatility decreased at the end of the year as focus was on the US election and the market adopted a wait-and-see approach. At the end of the year, the correlation between long-term interest rates and oil prices was strong. Inflation concerns pushed up interest rates and oil prices followed in the aftermath of the presidential election.

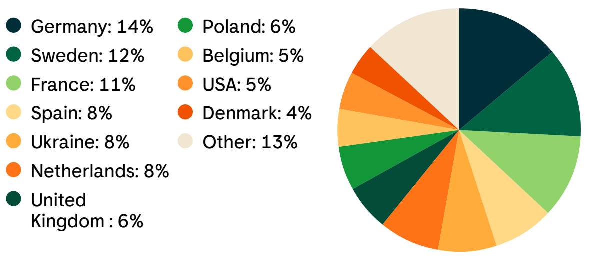
The product market initially followed crude oil price movements; strong crack spreads and margins were recorded in the first quarter, driven by geopolitics, while fundamentals increasingly took over. However, the US driving season was not as strong as expected and the gasoline crack never took off. Instead, US refineries invested in aviation fuel, which negatively affected the European diesel market and led to diesel trading in contango in August. Gasoline premiums out of Europe deteriorated as the new Nigerian refinery Dangote's production gradually increased and margins reached rock bottom. In the fourth quarter, the situation improved somewhat with reduced product volumes from China due to changes in VAT rules. Poor margins and various logistical constraints supported the heavy oil market, and high-sulphur heavy oil had a positive crack for a short period.

Market development — renewable raw material and products

The market for renewable materials is much more volatile than its fossil counterpart. We have to live with this phenomenon, and in the first half of 2024, renewable margins were under severe pressure as the price of diesel fell. El Niño strongly impacted harvests in 2023/24, including rapeseed, thus contributing to stable feedstock prices. At the end of the year, prices started to rise on news of upcoming tariffs and the removal of VAT rebates for UCO exports from China.

Purchase of renewable products 2024

By geographic origin in %



The HVO market started the year on a low note with a sharply reduced greenhouse gas reduction obligation level in Sweden. The market for HVO100 lived its own life, expanding strongly in the wake of the reduced Swedish greenhouse gas reduction obligation level. In the year's second half, the market turned upwards, exploding in the last quarter. The market is highly dependent on political decisions and disruptions. Anti-dumping duties against Chinese UCOME and the Swedish decision to increase greenhouse gas reduction obligation level boosted the market. The rally was further boosted by BP's and Shell's decision to reduce investments in renewables. When Germany decided on a two-year moratorium on saved tickets in combination with production disruptions at major producers, renewable margins strengthened further before normalizing at the end of the year but now at a higher level.

Environment

Preem conducts several activities that, according to the Environmental Code, are subject to permission or notification. The main environmental impact occurs through air emissions of carbon dioxide, nitrogen oxides, sulphur oxides, and volatile hydrocarbons, as well as emissions to water and noise. Preem's Safety, Health and Environment Policy describes the overall direction of Preem's work in terms of safety, health, and the environment. Compliance with the policy is achieved

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through the application of routines and instructions in the company's management system. Control and compliance with the management system take place through internal and external audits, safety rounds and reporting and handling of deviations. The refineries in Lysekil and Gothenburg have licenses for so-called A operations. The permits are subject to conditions and control programs. In 2024, Preem passed all conditions with the exception of a benchmark, whereby measures were taken. The licensing authority was notified of this exceedance.

An application to change environmental licensing for the refinery in Lysekil was submitted to the Land and Environment Court in 2023. The amendment involves adapting the ICR plant to process renewable raw materials, replacing parts of the fossil production. The change also includes a facility for the pre-treatment of renewable raw materials. A hearing in the Land and Environment Court was held in February 2024, and licensing was granted in March 2024.

For the refinery in Gothenburg, an application was submitted to change the permit that Preem received in June 2022, but has not yet been used. The change means that a different pre-treatment technology than the licensed one, with a lower environmental impact, is planned, as well as the installation of carbon dioxide capture (CCS). Permission was granted in November 2023, but Preem appealed one condition of the ruling concerning the formulation of permit requirements for downstream handling of captured carbon dioxide. The Land and Environment Court decided in October that the conditions should be changed according to Preem's appeal. On July 1, 2024, Preem submitted an application to the Land and Environment Court for an extension of the start-up times for the environmentally hazardous activities at the HVO and CCS/HCU plants by five years, i.e. until November 16, 2034

Carbon dioxide emissions from Preem's refineries are included in the EU's Emission Trading System for carbon dioxide. For the current trading period 2021-2025, the number of the allowances for free emission rights is decided based on the respective refinery's level of activity/production during the previous two years. Allocation decisions are made annually by the Swedish Environmental Protection Agency. During the year, the allocation to Preem's two refineries has been adjusted, which means a reduced allocation compared to before. The system is structured so that the proportion of freely allocated emission rights decreases continuously and the difference between free allocation and need increases steadily. Any deficit is covered by the purchase of emission rights on the market.

Preem's depots, with the exception of the Halmstad depot, have licenses for so-called B operations with associated conditions and control programs. The depot in Halmstad is not subject to a license. Conditions for releasing hydrocarbons into water were exceeded on a few occasions in 2024 at the depot in Norrköping. The regulatory authorities were notified of these exceedances and actions were taken. During the year, the depots in Helsingborg and Norrköping received change permits from the Environmental Assessment Delegation at the County Administrative Boards in Skåne and Östergötland, respectively, and an application for a new environmental permit for the depot in Gävle was submitted to the Environmental Assessment Delegation at the County Administrative Board in Dalarna.

Sustainability report

The subsidiary Preem AB (publ) has prepared a Sustainability Report in line with the requirements of the Annual Accounts Act chapter 6. The Sustainability Report is posted as a pdf-file at preem.com/en/investor-relations/financial-reports-and-calendar/, and can also be ordered as a printed version.

Product development

For many years, Preem has envisioned leading the transformation towards a sustainable society. The company has been producing renewable diesel at the refinery in Gothenburg for over ten years. Preem's vision is manifested through the company's strategies and the target of becoming climate-neutral throughout the value chain by 2035.

Preem is gradually increasing its renewable production capacity. In addition to production in Gothenburg, which has quadrupled, Preem now has renewable production at the refinery in Lysekil. During 2023, two more facilities in Lysekil and one in Gothenburg were adapted to low-blend renewables. After a few years of operation with low interference to SynSat in Lysekil, a major reconstruction of the facility has been completed, with the aim of increasing the renewable production capacity to almost 1 million cubic meters per year. However, technical challenges in the launch of the facility delayed its start-up. The aim is for the facility to be fully operational in the first half of 2025, bringing Preem's total renewable capacity to just over 1.4 million cubic meters per year.

In 2024, the next major reconstruction project commenced. Within this project, a renewable raw material pre-treatment facility will be built, broadening the raw material base. The intention is for the facility to be put into operation at the beginning of 2027. In addition, the ICR facility in Lysekil will be adapted to large-scale renewable production, up to 1.2 million cubic meters per year. This facility will also be adapted to produce a high proportion of renewable aviation fuel, known as SAF. A feasibility study has also been carried out to install carbon capture (CCS) in Lysekil, which will be included in the upcoming environmental application for the refinery in Lysekil.

Outlook

The geopolitical turbulence continues in 2025. The new administration in USA has high ambitions. This is expected to lead to volatility, especially in interest and currency markets. However, the baseline scenario is a soft landing for the US economy, with policy rates expected to be between 2.75 percent and 3.50 percent. Nevertheless, there is an upside risk if tariffs cause inflation to accelerate. Beyond 2025, the US economy is expected to remain robust after a period of high investment.

Preem predicts slightly subdued global growth in 2025. China struggles to increase domestic consumption, while Europe has structural problems and political divisions. This results in modest growth in oil demand. Crude oil prices are expected to be between USD 75 and 80 per barrel, slightly lower than in 2024. There is ample spare capacity within OPEC+, but the potential for geopolitically motivated price increases above USD 80 also exists.

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A peace process should also be taken into account. A détente between Russia and Ukraine could lead to sanctions relief and new product flows. In the Middle East, we could see a reopening of the Suez Canal and new arbitrage opportunities. The general trend towards onshoring, reduced globalization and increased national security is expected to strengthen as new alliances are formed.

OPEC+ remains a significant factor, with large production cuts and reserves affecting the market. Weak oil demand growth is expected to keep Saudi Arabia and Russia's production at a maximum of 9.5 million barrels daily. However, Saudi Arabia's growing budget deficit may necessitate changes in OPEC strategy in 2025, as non-OPEC countries such as Guyana, Brazil, and Canada grow at OPEC's expense.

New refineries will have a significant impact on the market in 2025. Gasoline-heavy additions in Nigeria and Mexico, with a combined capacity of just below 1 Mbd, will accelerate the need for consolidation in Europe, where gasoline-heavy refineries are at risk. However, lower production or potential closures in the UK and Germany are expected to support the diesel market locally.

Renewable materials are more sensitive to tariffs. Preem is already seeing disruption as the US restricts the intake of Chinese UCO, drawing animal fats from the EU to the US. Meanwhile, tariffs against Canada could create a surplus in the rapeseed market. Higher renewables volatility is expected in 2025. However, the fundamentals for biofuels remain strong, with the RED III energy directive replacing RED II. Tariffs on UCOME from China, reduced surplus of German tickets and increased Swedish greenhouse gas reduction obligation level are positive factors for 2025, while HVO capacity looks limited as Chevron, Shell and BP postpone projects.

Parent Company result

Operating profit amounted to SEK -4 (-4) million. The Company has received dividends amounting to SEK 1,790 (1,324) million, group contributions of 633 (2,710) million and reported an impairment loss of SEK -503 (-2,476) million. Financial income and expenses amounted to SEK -560 (-522) million. Profit/loss after tax amounted to SEK 1,263 (-205) million.

In 2024, a strategic review of Preem was underway, the purpose of which is to investigate a potential sale of the company. The process is ongoing at the time of writing, and no new owner has yet been announced.

Proposed allocation of profit

Unrestricted equity in the Parent Company amounts to (SEK):

Unrestricted equity	6,867,987,207
Result for the year	1,262,593,679
Total	**8,130,580,885**

The Board proposes that it be allocated as follows (SEK):

Carried forward	8,130,580,885
Total	**8,130,580,885**

Consolidated Financial Statements AMOUNTS IN MILLION SEK

Consolidated Income Statement and Consolidated Statement of Comprehensive Income

Consolidated Income Statement	Note	2024	2023
Sales including excise duties		142,073	149,125
Excise duties[1]		-11,309	-11,415
Net sales	4,14	**130,765**	**137,711**
Cost of goods sold	8, 9, 14	-127,381	-127,486
Gross profit	5	**3,383**	**10,225**
Selling expenses		-989	-981
Administrative expenses		-1,165	-1,230
Shares in associated company's profit after tax	17	-5	36
Other operating income	10	967	768
Other operating expenses	11	-45	-913
Operating profit	4, 6–9, 33, 34	**2,147**	**7,905**
Financial income		231	138
Financial expenses		-1,002	-1,036
Financial items, net	4, 12, 14	**-771**	**-898**
Profit before tax	4	**1,375**	**7,007**
Income tax	13	-380	-1,036
Profit for the year		**995**	**5,971**

Consolidated Statement of Comprehensive Income	Note	2024	2023
Profit for the year		**995**	**5,971**
Other comprehensive income			
Items that may be reclassified to the income statement:			
Translation difference	23	-11	-33
Fair value changes on cash flow hedges	23	-154	-478
Hedging result reclassified to profit for the year	23	-79	-93
Tax attributable to items that may be reclassified	13, 23	48	118
Items that will not be reclassified to the income statement:			
Actuarial gains/losses on defined benefit pension plans	24	66	-93
Tax attributable to the item that will not be reclassified	13, 24	-13	19
Total other comprehensive income for the year, net of tax		**-144**	**-561**
Total comprehensive income for the year		**852**	**5,410**

1) Excise duties refer to energy tax, carbon dioxide tax, sulfur tax and alcohol tax.

Consolidated Financial Statements AMOUNTS IN MILLION SEK

Consolidated Statement of Financial Position

Assets	Note	2024-12-31	2023-12-31
Non-current assets			
Intangible assets	15	322	373
Property, plant and equipment	16, 30, 34	17,227	14,537
Shares in associated companies	17	374	391
Deferred tax assets	13	56	–
Long-term receivables from Parent company	32	265	181
Long-term derivatives	27, 32	2	19
Other long-term receivables	18, 32,33	195	95
Total non-current assets		**18,441**	**15,596**
Current assets			
Inventory	19	19,433	18,876
Trade receivables	20, 30, 32	4,415	3,927
Derivatives	27, 32	147	209
Receivables from Parent company	32, 33	76	58
Other receivables	32	844	1,005
Prepaid expenses and accrued income	21	2,137	3,018
		27,051	**27,093**
Cash and cash equivalents	22, 32	2,684	5,634
Total current assets		**29,735**	**32,727**
Total assets		**48,177**	**48,323**

Equity and liabilities	Note	2024-12-31	2023-12-31
Equity			
Equity attributable to Parent Company shareholders			
Share capital		1	1
Reserves		-39	157
Profit brought forward including profit for the year		24,643	23,532
Total equity	23	**24,605**	**23,690**
Liabilities			
Non-current liabilities			
Pension obligations	24	199	180
Deferred tax liabilities	13	1,758	1,474
Other provisions	25	175	154
Long-term interest-bearing liabilities	26, 32	5,317	5,693
Long-term lease liabilities	32, 34	449	445
Other interest-bearing liabilities	26, 32	56	57
		7,954	**8,002**
Current liabilities			
Provisions	25	559	147
Short-term interest-bearing liabilities	26, 32	444	488
Current lease liabilities	32, 34	396	206
Advance payments from customers		9	317
Account payables	32, 33	5,649	5,119
Liabilities to associates	32, 33	3	269
Current tax liabilities	13	766	2,547
Derivatives	27, 32	13	3
Other liabilities	28, 32	1,524	1,587
Accrued expenses and deferred income	29	6,255	5,948
		15,618	**16,632**
Total liabilities		**23,572**	**24,634**
Total equity and liabilities		**48,177**	**48,323**
Pledged assets and contingent liabilities	30		

Consolidated Financial Statements AMOUNTS IN MILLION SEK

Consolidated Statement of Changes in Equity

	Attributable to Parent Company shareholders					
Note 23	Share capital	Reserves	Retained earnings incl. profit for the year	Total equity	Non-controlling interests	Equity
Opening equity 2023-01-01	**1**	**644**	**17,635**	**18,280**	**0**	**18,280**
Profit for the year	–	–	5,971	5,971	–	5,971
Other comprehensive income	–	-487	-74	-561	–	-561
Total comprehensive income for the year	**–**	**-487**	**5,897**	**5,410**	**–**	**5,410**
Divestiture of subsidiary with minority	–	–	–	–	-0	-0
Closing equity 2023-12-31	**1**	**157**	**23,532**	**23,690**	**–**	**23,690**
Opening equity 2024-01-01	**1**	**157**	**23,532**	**23,690**	**–**	**23,690**
Profit for the year	–	–	995	995	–	995
Other comprehensive income	–	-196	52	-144	–	-144
Total comprehensive income for the year	**–**	**-196**	**1,048**	**852**	**–**	**852**
Group contributions 2024, tax[1)]	–	–	63	63	–	63
Closing equity 2024-12-31	**1**	**-39**	**24,643**	**24,605**	**–**	**24,605**

1) For tax year 2024, Group contributions have been submitted to the Parent Company Corral Petroleum Holdings AB (publ), totaling SEK -304 million. Tax on this amounts to SEK 63 million. Shareholder contributions have then been received in the amount of SEK 304 million from Corral Petroleum Holdings AB (publ).

Consolidated Financial Statements AMOUNTS IN MILLION SEK

Consolidated Cash Flow Statement

	Note	2024	2023
Operating activities			
Profit before tax		1,375	7,007
Adjustments for non-cash items	31	590	4,417
		1,966	**11,424**
Tax paid		-1,833	-834
Cash flow from operating activities before changes in working capital		**132**	**10,590**
Cash flow from changes in operating activities			
Increase (-)/Decrease (+) in inventories		973	-1,159
Increase (-)/Decrease (+) in operating receivables		383	1,953
Increase (+)/Decrease (-) in operating liabilities		218	-3,096
Cash flow from operating activities		**1,707**	**8,288**
Investing activities			
Acquisitions of intangible assets	15	-14	-16
Acquisitions of property, plant and equipment	16	-3,659	-3,983
Sales of property, plant and equipment		3	0
Investment in financial assets	18	-7	0
Cash flow from investing activities		**-3,677**	**-3,998**
Financing activities			
Borrowings	31	1,410	5,407
Transaction costs		-207	-23
Amortization of loans	31	-1,923	-7,233
Amortization of lease liabilities	31	-299	-300
Cash flow from financing activities		**-1,018**	**-2,148**
Cash flow for the year		**-2,988**	**2,141**
Opening cash and cash equivalents		5,634	3,484
Exchange rate difference in cash and cash equivalents		39	9
Closing cash and cash equivalents	22	**2,684**	**5,634**

Notes to the Consolidated Financial Statements

Note 1. Significant accounting policies

On March 26, 2025, the Board and the CEO approved these annual and consolidated accounts for publication and to be submitted to the annual general meeting for approval on March 26, 2025.

The most important accounting principles applied when these consolidated accounts were prepared are stated below. These principles are applied consistently unless otherwise stated.

Basis on which the financial statements have been prepared

The consolidated accounts for the Preem Holding AB Group have been prepared by International Financial Reporting Standards (IFRS) as adopted by the EU. IAS 33 is not applied as the shares in Preem Holding AB (publ) are not subject to public trading. Furthermore, RFR 1, "Supplementary Accounting Rules for Groups", issued by the Swedish Financial Reporting Board, has been applied.

Assets and liabilities are reported at historical acquisition costs, except for certain financial assets and liabilities and other shares and participations that are reported at fair value.

The financial statements are presented in Swedish kronor (SEK), which is also the functional currency of the Parent Company. Unless otherwise stated, all amounts are rounded to the nearest million. Due to the rounding of amounts in tables to the nearest million kronor, the sum of the total amount may, in some cases, not be exactly equal to the sum of all sub-amounts.

Preparing reports by IFRS requires the use of some important estimates for accounting purposes. Furthermore, management must make certain judgments when applying the Group's accounting principles. The areas involving a higher degree of assessment, which are complex or such areas where assumptions and estimates are of significant importance to the consolidated accounts, are disclosed in Note 3.

The accounting principles stated below have been applied consistently to all periods presented in the Group's financial reports.

Standards, amendments and interpretations effective from 2024

None of the changes in IFRS that the IASB has published, and the EU has approved (IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current, IAS 7 Statement of Cash Flows, IFRS 7 Financial Instruments: Disclosure of Trade Payables, IFRS 16 Leases: Lease Liability in a Sale and Leaseback Transaction) have had any significant effect on the Group's financial reports.

Standards, amendments and interpretations adopted by the EU which have not yet entered into force and have not yet been applied by the Group

Several new or amended IFRS will only come into force in the coming financial year and have not been applied in preparing these financial statements. These new or amended IFRS will not have any material effect on the Group's financial statements.

Classification in the statement of financial position

Fixed assets consist essentially of amounts expected to be recovered or paid after more than 12 months from the balance sheet date. Non-current liabilities consist essentially of amounts that Preem, at the end of the reporting period, has an unconditional right to choose to pay more than 12 months after the balance sheet date. If Preem does not have such a right at the end of the balance sheet date, the liability is recognized as a current liability.

Current assets and current liabilities essentially consist of amounts expected to be recovered or paid within 12 months of the balance sheet date.

Consolidation principles and business combinations

Business combinations

The Group assesses for each transaction whether a business combination or an asset acquisition exists when the company obtains controlling influence over a business. Transactions where, the fair value of the acquired assets consists of an asset or a group of similar assets, are accounted for using a simplified assessment as an asset acquisition.

Subsidiaries

Subsidiaries are companies that are under a controlling influence of Preem Holding AB (publ). Control means, directly or indirectly, a right to shape a company's financial and operational strategies to obtain financial benefits. When assessing whether a controlling influence exists, potential voting shares that can be exercised or converted without delays are taken into account. Subsidiaries are included in the consolidated accounts from and including the day when the controlling influence is transferred to the Group. They are excluded from the consolidated accounts from and including the day when the controlling influence ceases.

The acquisition method is used to account for the Group's acquisitions of subsidiaries. The acquisition value in an acquisition consists of the fair value of assets given as compensation, equity instruments issued, and liabilities incurred or taken over as of the date of transfer. Transaction expenses attributable to acquisitions are expensed when the expense is incurred. Identifiable acquired assets and assumed and contingent liabilities in a business combination are initially valued at fair value on the acquisition date, irrespective of the extent of any non-controlling interest. The surplus, which consists of the difference between the acquisition value and the fair value of the Group's share of identifiable assets, liabilities, and contingent liabilities acquired, is reported as goodwill. When the difference is negative, it is reported directly in the year's result.

Intra-group transactions, balance sheets, and unrealized profits on transactions between group companies are eliminated. Unrealized losses are also eliminated, but any losses are considered an indication of impairment of the ceded asset. Where applicable, the accounting principles for subsidiaries have been changed to guarantee consistent application of the Group's principles.

Associated companies

Associated companies are all companies in which the Group has significant but not controlling influence, mainly to shareholdings comprising between 20 percent and 50 percent of the votes. At the time when the significant influence is obtained, shares in associate companies are reported according to the equity method in the consolidated accounts and are initially measured at cost. The Group's recorded value of holdings in associated companies includes goodwill identified at the time of acquisition, net of any write-downs.

Any difference during the acquisition between the acquisition value of the holding and the owner company's share of the net fair value of the associated company's identifiable assets, liabilities and contingent liabilities is reported according to the same principles as when acquiring subsidiaries.

The Group's share of profit that arose in the associated company after the acquisition is reported in the year's profit. Accumulated changes after the acquisition are reported as a change in the holding's reported value. When the Group's share in an associated company's losses amounts to or exceeds its holding in the associated company, including any unsecured claims, the Group does not report additional losses unless the Group has assumed obligations or made payments on behalf of the associated company.

Unrealized profits on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associate. Unrealized losses are also eliminated, unless the transaction constitues evidence that an impairment requirement exists for the transferred asset.

The equity method is applied until the time when the significant influence ceases.

Notes to the Consolidated Financial Statements

Note 1. cont.

Joint ventures
Joint ventures, usually conducted in company form, are cooperative arrangements where the Group and one or more cooperation partners are entitled to all financial benefits related to the operation's assets. Furthermore, the settlement of the business's debts depends on the parties' purchase of output from the business or capital contributions to it. Joint ventures are recognized according to the "proportionate consolidation principle," which means that each party to a joint operation recognizes its share of assets, liabilities, income and expenses. The Group reports one of its holdings in associated companies in this way.

Segment reporting
An operating segment is a part of the Group that engages in activities from which it can generate income and incur costs and for which independent financial information is available. An operating segment's results are further followed up by the company's top executive decision-maker to evaluate the results and allocate resources to the operating segment. See note 4 for further description of division and presentation of the segments.

Foreign currency
Transactions and balance items in foreign currency
Transactions in foreign currency are converted to functional currency at the exchange rate prevailing on the day of the transaction. Monetary assets and liabilities in foreign currency are converted to functional currency at the exchange rate prevailing on the balance sheet date. Exchange rate gains/losses arising from the payment of such transactions and the translation of monetary assets and liabilities in foreign currency at the exchange rate on the balance sheet date are reported in the year's profit. Exchange rate differences on operating receivables and operating liabilities are included in operating profit. Other exchange rate changes affect the Group's financial net. The Group does not hedge transactions or investments in foreign currency to any great extent. Non-monetary assets and liabilities are recorded at the exchange rates that are valid on the transaction date.

Foreign operations' financial reports
Assets and liabilities in foreign operations, including group-related undervalues and surpluses, are converted from the foreign operations' functional currency to the Group's reporting currency, Swedish kronor, at the exchange rate prevailing on the balance sheet date. Income and expenses are translated at average exchange rates. Translation differences arising from currency translation of foreign operations are reported in other comprehensive income and accumulated in a separate component of equity called the translation reserve.

When selling a foreign operation, in whole or in part, the translation differences reported in the translation reserve in equity are transferred to the profit for the year and reported as part of the capital gain/loss.

Revenue recognition
Revenue is valued based on the remuneration specified in the agreement with the customer. The Group reports the revenue when control over a product or service is transferred to the customer. Revenues are reported excluding value-added tax, returns, and discounts after eliminating intragroup sales. Invoicing to certain customers includes excise taxes, net sales are therefore reported both including and excluding excise taxes.

Sale of goods
The Group's main income derives from the sale of goods in the form of fossil and renewable fuels. The products are sold to companies operating in Sweden and on the international market, mainly in northwestern Europe. The sale of gasoline, diesel, heating, and lubricating oils on the Swedish market takes place through Preem's nationwide station network, certified dealers, and, in bulk, through its direct sales. Preem's products in Norway are mainly sold via retailers and in bulk via its direct sales.

A large proportion of the Group's sales of products takes place through shipping. These sales usually take place with the transport terms CIF (Cost Insurance Freight) and FOB (Free on Board), which means that the revenues are normally reported on the day the goods are loaded onto the boat, i.e. on the B/L day (Bill of Lading). In the case of other sales, the revenue is reported in connection with delivery to the customer.

Government grants
For 2024, Preem has been granted SEK 173 million in support from Klimatklivet (local climate investments) for charging infrastructure for commercial road transport. Of this, SEK 108 million has been disbursed. For 2023, government grants have been received for electricity and electric vehicle charging infrastructure. A total of SEK 84 million, of which SEK 59 million has been paid out. The government grants for both 2024 and 2023 are recorded as deferred income, see Note 29. When the facilities are completed, the government grants will reduce the cost of the assets.

Financial income and expenses
Financial income consists of interest on invested funds, dividend income, and profit from changes in financial assets valued at fair value via profit for the year.

Interest income on financial instruments is reported using the effective interest method. Dividend income is reported when the right to receive dividends has been established. The result from the disposal of a financial instrument is reported when the risks and benefits associated with the ownership of the instrument have been transferred to the buyer, and the Group no longer has control over the instrument.

Financial costs consist of interest costs on loans, including the year's expensed portion of transaction expenses in connection with taking out loans, the effect of dissolution of present value calculations of provisions, loss in the event of a change in the value of financial assets valued at fair value through profit and loss.

Generally, borrowing costs are charged to the result for the period they relate to. Borrowing costs directly attributable to the purchase, construction or production of an asset that necessarily takes a significant amount of time to complete for intended use or sale must be included in the asset's acquisition value.

Intangible assets
Goodwill
Goodwill is the amount at which cost exceeds the fair value of the Group's share of the acquired subsidiary's net identifiable assets on the acquisition date. Goodwill on the acquisition of subsidiaries is recognized as an intangible asset. Goodwill on the acquisition of associated companies is included in the carrying value of shares in associated companies. The useful life of goodwill is indefinite. Instead, goodwill is tested annually to identify impairment requirements and is recognized at cost minus accumulated impairment losses. Impairment of goodwill is not reversed. Gains or losses on a unit's disposal include the remaining carrying amount of the goodwill relating to the disposed unit.

Goodwill is allocated to cash-generating units in connection with impairment testing. This allocation is applied to cash-generating units or groups of cash-generating units expected to benefit from the business combination that gave rise to the goodwill item. The Group allocates goodwill among segments. The Group's carrying amount of goodwill of SEK 308 (308) million is allocated to the business segment Supply & Refining. See Note 15.

Internally developed computer software
The assets are valued at acquisition value less depreciation and write-downs. Borrowing costs are included in internally generated IT systems in the same way as for property, plant and equipment. Depreciation is made on a straight-line basis over the useful life of the intangible fixed asset and begins when it is brought into use. The useful life has been estimated to be five years. The value is tested at least annually and written down if such a test shows that the value in use is less than the accounted value.

Emission rights
Emission rights are reported at acquisition value, and emission rights obtained at no cost are reported at nominal value, i.e. at zero value. Emission rights that do not have a fixed useful period are tested quarterly to identify any need for write-downs.

The Group has no other capitalizable intangible assets. For example, expenditures on internally generated goodwill and trademarks are expensed when they arise.

Notes to the Consolidated Financial Statements

Note 1. cont.

Property, plant and equipment

Owned assets

All property, plant and equipment are recognized at cost less accumulated depreciation and any impairment losses. Property, plant and equipment consisting of elements with different useful lives are treated as separate components of property, plant and equipment.

The acquisition value includes expenses that can be directly attributed to asset acquisition. Additional expenses are added to the asset's carrying amount or accounted for as a separate asset, as applicable. The expenses are added to the asset's reported value only when it is likely that the future financial benefits associated with the asset will benefit the Group, and the acquisition value of the asset can be reliably measured. The book value for the replaced part has been removed from the balance sheet.

All other forms of repairs and maintenance are reported as costs in the period they arise. The acquisition value includes estimated expenses for dismantling and restoration of land or area in cases where provisions for such expenses have been made. Depreciation is charged as and when restoration takes place.

Depreciation of other assets, to distribute their acquisition value down to the estimated residual value over the estimated useful life, takes place on a straight-line basis as follows:

Buildings and storage chambers	10–50 years
Land improvements	10 or 20 years
Plant and machinery	5–30 years
Refinery turn around and shutdowns	4–6 years
Equipment, tools, fixtures and fittings	3–20 years

The refinery facilities consist of several components with different useful lives. The main classification is machinery and other facilities. There are, however, several components with different useful lives within this main classification. The following main component groups have been identified and form the basis for depreciation of refinery facilities.

Electrical installations and instruments	5–25 years
Heat exchangers	15 years
Steam boilers	20 years
Steel structures	30 years
Pressure vessels	6 or 30 years
Rotating equipment	15 years
Tanks and vessels	30 years

No depreciation is applied to land and precious metals (which are included in Plant and machinery), as their useful life is indefinite.

The residual values and useful lives of assets are reviewed at each balance sheet date and adjusted if necessary. An asset's reported value is immediately written down to its recovery value if the asset's reported value exceeds its assessed recovery value. This is tested when indicated.

The reported value for property, plant and equipment is removed from the balance sheet upon retirement or disposal or when no future financial benefits are expected from the use or retirement/disposal of the asset. Gains and losses on disposal are determined through a comparison between the sales revenue and the reported value. They are reported net in the statement of comprehensive income as other operating income/expenses.

Borrowing costs attributable to the construction of so-called qualifying assets are capitalized as part of the acquisition value of the qualifying asset. A qualifying asset is an asset that necessarily takes a significant amount of time to complete. In the first instance, the borrowing costs incurred on loans specific to the qualified asset are capitalized. Alternatively, borrowing costs incurred on general loans, which are not specific to any other qualified asset, are capitalized.

Impairment

Property, plant and equipment that are depreciated are assessed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment is recorded with the amount by which the asset's reported value exceeds its recoverable value. Impairment is recorded in profit and loss. The recoverable amount is the higher of the asset's fair value less selling costs and its value in use. When assessing the need for impairment, assets are grouped at the lowest levels where there are separate identifiable cash flows (cash-generating units). For property, plant and equipment that have previously been impaired, an assessment is made on each balance sheet day as to whether a reversal should be made. The reported value after the reversal of impairment losses may not exceed the reported value that would have been reported if no impairment had been recorded.

Leases

When an agreement is entered into, the Group assesses whether the agreement is or contains a lease agreement. An agreement is a lease agreement if the agreement transfers the right to control the use of an identified asset for a certain period in exchange for compensation.

If an agreement contains several lease or non-lease components, the Group distributes the remuneration according to the agreement to each component based on the stand-alone price.

Lease agreements where the Group is the lessee

The Group reports a right-of-use asset and a lease liability at the beginning of the lease agreement. The right-of-use asset is initially valued at acquisition value, which consists of the initial value of the lease liability with additions for prepaid lease fees and any direct fees. The right-of-use asset is depreciated on a straight-line basis throughout the lease period.

The lease liability is initially valued at the present value of remaining lease payments during the assessed lease period. There are no variable lease fees linked to an index or price. The lease period consists of the non-cancellable period with additions for additional periods in the agreement if it is deemed reasonably certain at the commencement date that these will be used.

The lease fees are discounted with the agreements' implicit interest rate. In the absence of such an interest rate, the lease fees are discounted at the Group's marginal borrowing rate.

The value of the lease liability is increased by interest costs for the respective period and reduced by the lease payments. The interest cost is calculated as the value of the debt multiplied by the discount rate.

Certain lease agreements contain extension and termination options, respectively, which the Group can exercise or not exercise, up to three months before the end of the non-cancellable lease period. Whenever possible, the Group tries to include such options in new leasing agreements as it contributes to operational flexibility. The options can only be exercised by the Group, not by the lessor. Whether it is reasonably certain that an extension option will be exercised is determined on the lease inception date. The Group reassesses whether it is reasonably certain that an extension option will be exercised if an important event or significant changes in circumstances within the Group's control occur.

For lease agreements that have a lease period of 12 months or less or with an underlying asset of low value, less than approximately SEK 50,000, no right-of-use assets and lease liabilities are reported. Lease fees for these lease agreements are reported as an expense linearly over the lease period.

Lease agreements where the Group is the lessor

A lease agreement is an agreement under which a lessor, under agreed terms, grants a lessee the right to use an asset in exchange for payments. Assets leased out, according to an operational leasing agreement, are reported in the balance sheet as an asset. The leasing fee is recognized as revenue linearly over the leasing period. The Group only has operational leasing agreements.

When a leased asset is sub-leased, the main lease agreement and the sublease agreement are reported as two separate agreements. The Group classifies the sublease agreement based on the right of use arising from the head lease agreement, not based on the underlying asset.

Inventories

Inventories are measured at the lower cost and net realizable value. The acquisition value is determined using the first in, first out method (FIFU). The cost of raw materials consists of the purchase price.

The cost of finished goods consists of raw materials, direct wages, other direct expenses and attributable indirect manufacturing expenses (based on normal manufacturing capacity). Net realizable value is the estimated selling price from operating activities, less production and disposal costs.

For crude oil, the recoverable amount is used as the best available measure of net realizable value. Where the net realizable value is less than the cost of crude oil, no impairment loss is recognized if the end product into which it is to be incorporated is expected to be sold at a price equal to or above its cost.

Notes to the Consolidated Financial Statements

Note 1. cont.

Income taxes

Income taxes consist of current and deferred tax. Current tax is tax payable or receivable in respect of the current year. This also includes adjustment of current tax attributable to previous periods. Taxes are reported in the profit for the year except when the underlying transaction is reported in other comprehensive income or directly against equity, in which case the associated tax effect is reported in other comprehensive income or in equity.

The current tax expense is calculated based on the tax rules that are decided or, in practice, decided on the balance sheet date in the countries where the Parent Company's subsidiaries and associated companies operate and generate taxable income. Management regularly evaluates the claims made in income tax returns regarding situations where applicable tax rules are subject to interpretation and, when deemed appropriate, makes provisions for amounts that are likely to be paid to the tax authorities.

Deferred tax is calculated using the balance sheet method, based on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, the deferred tax is not recognized if it arises as a result of a transaction constituting the first recognition of an asset or liability that is not a business combination and that, at the time of the transaction, affects neither reported nor tax profit. Deferred income tax is calculated using tax rates (and laws) decided on or announced as of the balance sheet date and that are expected to apply when the relevant deferred tax asset is realized, or the deferred tax liability is settled. Deferred tax assets are recognized to the extent that it is likely that future tax surpluses will be available, against which the temporary differences can be utilized. The value of deferred tax assets is reduced when it is no longer considered probable that they can be utilized.

Provisions

Provisions for environmental restoration measures and legal requirements are accounted for when the Group has a legal or informal obligation due to past events; it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are valued at the present value of the amount expected to be required to settle the obligation. A pre-tax discount rate reflects a current market assessment of the time-dependent value of money and the risks associated with the provision. The provision is reported as an additional acquisition cost for the asset.

Emission rights

Preem participates in the EU Emissions Trading Scheme. The allocation of emission rights within the period is at no cost to the company; no cost will arise if emissions do not exceed the allocation of free emission rights. A provision is made if a deficit is identified between allocated/acquired rights and the rights that must be delivered due to emissions made. Preem does not make provisions for any projected deficits in future periods. Instead, a provision is made when a deficit is confirmed and needs to be settled. As allowances are allocated in June and surrendered in September, the allocation/annulling of allowances overlaps and the newly allocated allowances can help cover any shortfalls from the previous year. See Note 15 for current holdings and Note 25 for provisions.

Contingent liabilities

Information on contingent liability is provided when a possible obligation arises from events that have occurred and the existence of which is confirmed only by one or more uncertain future events or when there is an obligation not recognized as a liability or provision because it is not likely that an outflow of resources will be required or that the outflow cannot be calculated with sufficient reliability.

Employee benefits

Short-term benefits are calculated without discounting and recognized as an expense when the related services are obtained.

Profit sharing plans

The Group reports a liability and an expense for profit shares, based on the return on capital employed. The Group reports a provision when there is a legal obligation or an informal obligation due to past practice.

Pension obligations

The Group has defined benefit and defined contribution pension plans. A defined contribution pension plan is a pension plan according to which the Group pays fixed contributions to a separate legal entity. The Group has no legal or informal obligations to pay additional fees if this legal entity does not have sufficient assets to pay all employee benefits related to the employees' service during the current or previous periods. A defined benefit pension plan is a pension plan that is not a define contribution. A characteristic of defined benefit plans is that they state an amount for an employee's pension benefit after retirement based on length of service and salary at retirement. Pension plans are usually financed through payments to insurance companies or nominee-managed funds, according to periodic actuarial calculations. The pension commitments have been secured through occupational pension insurance, indebtedness to an account set aside for pensions (PRI) or payment to a pension foundation KP-Stiftelsen (pension foundation) in accordance with the provisions in the Pension Obligations Vesting Act. The defined benefit pension plans are both funded and unfunded. In cases where the plans are funded, assets have been separated in KP-stiftelsen (pension foundation). These plan assets can only be used to pay benefits under the pension agreements. Fixed assets are measured at fair value as of the reporting date.

The liability recognized in the balance sheet under defined benefit pension plans is the present value of the defined commitment at the balance sheet date. The defined benefit pension obligation is calculated annually by independent actuaries who apply the projected unit credit method. The present value of the defined benefit obligation is determined by the discounted cash flow method using interest rates for first-class mortgage bonds issued in the same currency as the payments made in and with maturities comparable to the relevant pension liability.

Revaluation effects comprise actuarial gains and losses, the difference between the actual yield on plan assets and the amount included in net interest income/expenses and any changes in effects of asset restrictions (excluding interest included in net interest income/expenses). The revaluation effects are recognized in other comprehensive income.

The special payroll tax forms part of the actuarial assumptions and is therefore recognized as part of net obligations/assets.

Expenses in respect to service during earlier periods are recognized in profit/loss for the year unless the changes in the pension plan are conditional upon the employees remaining in service for a specified period (qualification period). In such cases, expenses for past service are allocated on a straight-line basis over the qualification period.

For defined contribution pension plans, the Group pays contributions into publicly or privately managed pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions are paid. The cost is recognized in the Consolidated income statement as the benefits are earned. Prepaid contributions are recognized as an asset to the extent that cash repayment or a reduction in future payments may benefit the Group.

Severance pay

Severance pay is paid when the Group serves notice to terminate an employee's employment before the normal retirement age or when an employee accepts voluntary termination in exchange for such compensation. The Group recognizes severance payments when it is documented that the Group is obliged to terminate employees per a detailed, formal plan that cannot be revoked or to pay severance pay because of an offer made to encourage voluntary termination.

Financial instruments

Recognition and initial measurement

Trade receivables and issued debt instruments are recognized when issued. Other financial assets and liabilities are recognized when the Group becomes a party to the financial instrument's contractual terms.

A financial asset (except trade receivables that do not have a significant financing component) or financial liability is measured at initial recognition at fair value plus, in the case of financial instruments not measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue. A trade receivable without a significant financing component is measured at the transaction price.

Notes to the Consolidated Financial Statements

Note 1. cont.

Classification and subsequent measurement
At the first reporting date, a financial asset is classified as valued at amortized cost or fair value through profit and loss.

Financial liabilities are classified in the following categories: financial liabilities valued at fair value through profit and loss, or other financial liabilities valued at amortized cost.

Financial assets measured at amortized cost
A financial asset shall be measured at amortized cost if it fulfills both of the following conditions and is not identified as measured at fair value through profit or loss for the year:
- it is held within a business model whose objective is to hold financial assets in order to receive contractual cash flows, and
- the contractual terms of the financial asset give rise to cash flows at set times that are solely payments of principal amounts and interest on the principal amount outstanding.

The Group has classified trade receivables, other receivables and cash and cash equivalents as financial assets valued at amortized cost. They are valued at the first reporting date at accrued acquisition value. Any impairment needs are estimated at subsequent valuations.

Financial assets are removed from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred, and the Group has transferred substantially all the risks and rewards associated with ownership.

Financial assets and liabilities at fair value through profit/loss for the year
Financial assets and liabilities valued at fair value through profit and loss for the year are financial assets that are not classified as being valued at amortized cost or fair value through other comprehensive income.

The Group uses financial derivatives. The contracts are short-term and classified in the company's Statement of Financial Position as either current assets or short-term liabilities under the heading Derivative instruments and in the Consolidated Income Statement and Other Comprehensive Income under the heading Cost of goods sold, unlike the result of other financial instruments which are reported within the financial net. Derivative contracts with contractual terms for physical delivery have not been deemed to meet the conditions for own use and are therefore reported at fair value. The Group has classified other shares and equites valued at fair value through profit and loss.

Hedge accounting
The Group uses derivatives to hedge against electricity price risk. The Group has identified these derivatives as hedging instruments to secure the price of the electricity that will most likely be consumed within the business. The Group has designated these derivatives as cash flow hedges.

When the Group initially identifies hedging conditions, the risk management objectives and the hedging strategy are documented. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether changes in the value of the hedged item and the hedging instrument are expected to offset each other.

When a derivative is identified as a hedging instrument, the effective part of the change in the fair value of the derivative is recognized in other comprehensive income and accumulated in the hedging reserve. The effective part of changes in the fair value of derivatives reported in other comprehensive income is limited to the cumulative change in the hedged item's fair value. Ineffective parts of changes in the fair value of the derivative are reported immediately in the profit and loss.

The accumulated amount in the hedging reserve is reclassified to the result in the same period that the hedged item affects the result. If the hedged item is no longer expected to occur, the hedging reserve is immediately reclassified to profit or loss.

The contracts are short and long-term and classified in the Statement of Financial Position as financial fixed assets, current assets or short-term liabilities under the heading Derivative instruments.

Other financial liabilities
The Other financial liabilities category includes borrowings, account payables and other liabilities.

Borrowings are initially recognized at fair value, net of transaction expenses. Borrowings are subsequently recognized at amortized cost, and any difference between the amount received (net of transaction expenses) and the repayment amount is recognized as a financial expense accrued over the loan term.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer payment of the debt for at least 12 months after the balance sheet date.

Other liabilities are initially recognized at fair value and subsequently at amortized cost.

Impairment of financial assets
The Group only has trade receivables that are within the scope of the model for expected credit losses. The Group assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. The method means that expected losses during the entire term of the receivable are used as a starting point for trade receivables. Provisions for trade receivables are described in Note 20.

Note 2. Financial risk management

The Group is exposed to several different financial risks during its operations: credit, liquidity, and market risks (including currency, price, and interest rate risks in fair value and cash flow). The Group's Board annually sets policies for risk management focusing on the unpredictability of the financial markets and strives to control potential adverse effects on the Group's financial performance.

Risk policy and objectives
The Group's financial risk management policy aims to reduce volatility in earnings and cash flow while retaining a high level of operational efficiency.

All operations associated with managing financial instrument risks are handled by Preem's Treasury department, except financial derivatives, which are handled by the Supply & Refining segment. Management of financial risks is governed by Group-wide policies established by the Board or Group-wide committees. The aim of the company's trading in derivatives is to ensure that financial risks are kept within limits determined by the Board.

Credit risk
Credit risks arise through investments in cash and cash equivalents, derivative instruments, and credit exposures to many customers to whom sales are made on credit. Group-wide credit policies are in place to limit these exposures, which include only accepting banks and financial institutions with a minimum credit rating of "BBB+" (long-term) by Standard and Poor's or equivalent independent appraisers. Individual risk limits are established based on internal or external credit assessments. The Group also works with collateral, e.g., Letter of Credit, bank guarantees, deposits, and Parent Company guarantees. The use of credit limits is regularly monitored. The credit risk is monitored at the group level by a credit committee.

Most of the credit exposure in terms of amount is toward financially strong counterparties. Based on the analysis that the Group continuously makes of its customers, the credit quality is assessed as good. The Group has estimated the value of expected credit losses at SEK 10 (14) million, compared with sales revenue of SEK 130,765 (137,711) million. For further information, see also Note 20.

Regarding trading in financial derivatives, other players, such as banks and trading companies, act as counterparties. To limit counterparty risks in derivatives trading, the company enters into so-called ISDA agreements. When signing agreements for electricity derivatives and emission rights, OTC contracts are used with counterparties with high credit ratings and use of ISDA agreements or standardized trade agreements.

Liquidity risk
Liquidity risk is the risk that the Group does not have the opportunity to conduct its business due to a lack of liquidity. The Group manages liquidity risk by holding sufficient cash and short-term investments in a liquid market and offering financing through agreed credit facilities. In 2024, the Group paid approximately SEK 1,700 million in excise taxes and VAT on a

Notes to the Consolidated Financial Statements

Note 2. cont.

monthly basis, which, combined with fluctuations in purchasing and sales patterns, can place demands on the availability of short-term credit loans.

The Group's policy is that loan renegotiation must occur no later than 12 months before maturity. The Group has syndicated loans subject to a clause requiring the fulfilment of a number of key figures (so-called covenants). See note 26 Financial liabilities, fulfillment of specific conditions. As of 31/12, 2024, the Group has SEK 13,506 (13,842) million in undrawn committed facilities. Available cash and cash equivalents amounted to SEK 2,684 (5,634) 2,424 million.

The table below analyzes the Group's financial liabilities and derivative instruments that constitute financial liabilities, broken down by the time remaining on the balance sheet date until the contractual maturity date. The amounts shown in the table are the contractual, undiscounted cash flows. Interest is also included for financial liabilities; therefore, these amounts do not correspond to the balances shown in the balance sheet. The amounts due within 12 months are consistent with book amounts, as the discounting effect is immaterial. Derivatives are reported at fair value.

As of December 31, 2024	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Senior Note	387	387	3,321	–
Liabilities to credit institutions	18	18	56	–
Liability to Swedish Export Credit Corporation	571	550	2,147	–
Lease liability	396	240	212	101
Other interest-bearing liabilities	–	–	–	56
Derivatives	13	–	–	–
Accounts payable	5,649	–	–	–
Other liabilities	1,524	–	–	–
Total	**8,557**	**1,195**	**5,736**	**157**

At December 31, 2023	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Senior Note	970	372	3,767	–
Liabilities to credit institutions	21	20	56	67
Liability to Swedish Export Credit Corporation	294	610	1,668	1,143
Lease liability	206	174	252	19
Other interest-bearing liabilities	–	–	–	57
Derivatives	3	–	–	–
Accounts payable	5,119	–	–	–
Other liabilities	1,586	–	–	–
Total	**8,200**	**1,176**	**5,743**	**1,285**

Capital risk management

The Group's capital structure goal is to secure the Group's access to capital markets and to maintain an optimal capital structure to keep the cost of capital low and to balance the company's business risk with the cost of capital.

The Board continuously monitors the Group's financial position and the net debt against expected future profitability and cash flow, investment and expansion plans, and developments in the fixed-income and credit markets.

The Group's net debt/net cash is shown in the table below:

	2024	2023
Total borrowings	7,028	7,226
Less cash and cash equivalents	-2,684	-5,634
Net debt	**4,343**	**1,592**
Total equity	**24,605**	**23,690**
Net debt	**0.18**	**0.07**

Total borrowing includes liabilities to credit institutions, leasing liabilities, and other interest-bearing liabilities. Total borrowing excludes capitalized transaction costs of SEK 365 (337) million.

Market risk

Market risk is the risk that the fair value of or future cash flows from a financial instrument will vary due to changes in market prices. Market prices are divided into three types: currency risk, interest rate risk and other price risks.

Currency risk

The Group operates internationally and is exposed to currency risks arising from exposure to various currencies, mainly the USD. Transaction risks within the Group arise from future business transactions. Translation risk arises on remeasurement of recognized assets and liabilities.

Transaction risk

Transaction exposure means a risk of negatively affecting profitability by changing exchange rates, mainly in USD, without the possibility of obtaining comparable compensation through commercial activities. Preem's transaction exposure arises when a sale or purchase of raw materials and refined products takes place in foreign currency and when it affects the income statement.

Translation risk

Translation risk is the risk that the value of the Group's recognized monetary assets and liabilities in foreign currency is negatively impacted by changes in exchange rates. The Group aims to reduce the translation risk in working capital by balancing assets and liabilities in foreign currency. To reduce the translation risk in the Group's working capital in USD, the Group takes out loans in USD. The Group also strives to invoice and be invoiced in the same currency, where possible, from a business perspective.

The Group has a currency hedging policy that permits currency risk hedging, which is only permitted to protect currency flows from significant currency risks.

The table below shows the Group's net exposure at the balance sheet date by currency translated into SEK regarding monetary assets and liabilities in trade receivables, cash and cash equivalents, accounts payables and other loans raised in foreign currency. In addition to trade receivables and accounts payable, working capital also includes the Group's inventory value. The size of the net exposure to the monetary items must, therefore, be put in relation to the stock's value in USD as of the balance sheet date. As the inventory is a non-monetary asset, it is not translated to the exchange rate on the balance sheet date but is recorded at the exchange rate at the time of purchase. A change in the exchange rate does not normally affect the inventory value; thus, this affects the year's profit only when the item is sold. If a change in the exchange rate would lead to the inventory's net sales in SEK being lower than the acquisition value due to a fall in the exchange rate, a write-down of the inventory will take place and directly affect profit and loss.

All amounts in SEK million

Net exposure at balance sheet date	2024	2023
EUR	-2,887	-3,407
USD	-1,831	-2,507
NOK	423	697
Other	0	88
Total	**-4,294**	**-5,128**

If the Swedish krona had been stronger/weaker by 10 percent in relation to the US dollar at the balance sheet date with all other variables remained constant, profit/loss for the year after tax as of December 31 would have been SEK 1,398 (793) million higher/lower as a result of gains/losses on translation of monetary assets and liabilities shown in the table above, taking into account the indirect currency effect on the Group's inventories. If the Swedish krona hade been stronger/weaker by 10 percent in relation to the EUR at the balance sheet day, profit/loss for the year after tax would have been affected with SEK -229 (-270) million.

Interest risk

The Group's interest rate risk for negative change as a result of interest rate fluctuations of interest-bearing assets and liabilities.

Loans with variable interest rates expose the Group to interest rate risk regarding cash flow. Loans that run at a fixed interest rate expose the Group to fair value interest rate risk. As of December 31, 2024, the remaining fixed interest period was approximately 30 months. During 2024, the Group's borrowing mainly consisted of fixed interest of EUR and variable interest of SEK. The Group's interest-bearing assets are in the form of loans

Notes to the Consolidated Financial Statements

Note 2. cont.

to related companies and, to a lesser extent, short-term investments in cash and cash equivalents.

The Group's outstanding borrowing as of the balance sheet date for loans taken out from credit institutions amounts to SEK 6,238 (6,517) million. The Group's loan terms, effective interest rate and the maturity structure of the loans are shown in Note 26.

If the interest rates on borrowings during the year had been 1.0 percent higher/lower with all other variables constant, the profit after tax for the financial year would have been SEK 42 (20) million lower/ higher.

Price risk of raw materials and refined products

The Group is exposed to price risk on its inventories of raw materials and refined products. Price changes in crude oil and refined oil products affect the Group's sales revenue, cost of goods sold, gross profit and operating profit. The Group has a defined risk position in inventory, which is the volume of priced inventory[1)] that the Board has accepted is exposed to price risk. The risk position is defined as 1,840,000 m^3 for fossil products and 240,000 m^3 for renewable goods. The price risk on this volume is the company's business risk accepted by the Board. The Group trades financial derivatives to counteract the price risk arising when a priced stock deviates from the risk position.

Sensitivity analysis price risk raw materials and refined products

The Board has established risk limits defining the extent to which volume exposure may deviate from the risk position and the maximum risk expressed in USD that the Group is prepared to accept in volume deviations from the risk position. The deviation in volume may amount to +240,000 m^3 or -190,000 m^3. Preem uses the value-at-risk method to measure the raw material price risk on the deviation position divided by product line. Using this method, the maximum potential loss is calculated with a certain probability during a set period.

The table below shows how the position would change in SEK million if the price increases or decreases by 10 percent on the balance sheet date. The impact of such a change on the company's profit or loss depends on whether the profit or loss effect arises on the physical or derivative position. This is because inventories and derivatives are valued using different accounting policies. However, over time, the change in the price of the total position will affect the company's profit or loss. Thus, the total position represents the company's price risk, but, in the meantime, accrual effects arise in the profit for the year due to different valuation principles for inventories and derivatives.

1) Only the priced inventory is exposed to a price risk. Purchases of raw materials and products are included in the position only when the purchased goods are priced. The products are removed from the position when priced in conjunction with sales. If an item is priced for several days, a percentage of the load will be included in or removed from the position in relation to the number of days the load is priced. This means that the Group's physical inventory may differ to some extent from the company's physical location.

Year	Change in price	Physical position	Derivative position	Total position	Of which risk position
2024	+10%	1,760	-215	1,545	1,329
2024	-10%	-1,760	215	-1,545	-1,329
2023	+10%	1,616	-184	1,432	-1,244
2023	-10%	-1,616	184	-1,432	1,244

Changes in the value of the derivative position will always have a direct effect on profit and loss for the year, as the derivatives are valued at market value as of the balance sheet date and the gain/loss is reported through profit and loss.

Change in the value of the physical position in some cases directly impacts the result; in other cases, the result is affected only in subsequent periods. This is because inventories are valued at a lower cost or net realizable value.

In the event of a price increase, the impact on profit or loss is normally only felt at the time of sale; the price gains are only reported in the year's profit when they are realized. If the original net sales value is less than the acquisition value, a price increase can directly affect the year's results. However, this effect can amount to a maximum of the previously written-down value of the stock.

In the event of a price drop, the result is normally directly affected, meaning an inventory write-down is made, and a cost of goods is reported in the report on the comprehensive income. However, the write-down will only take place to the amount that the changed net sales value will fall below the inventory's previously reported value as of the balance sheet date.

In addition to price risk management of the stock position, there is room for speculative trading with derivative instruments determined by the Board. These transactions are limited by maximum loss limits for such trades.

Emission rights price risk

As the free allocation of emission rights decreases, Preem's costs for rights will increase. The price risk linked to future deficits is managed with derivatives.

Electricity price risk

The Group consumes a large amount of electricity in its operations. Price changes in electricity affect the Group's cost of goods sold, gross profit and operating profit. Electricity is purchased at spot prices in the relevant electricity region in Sweden. Prices will vary based on both the Nordpool system price and EPAD (electricity price area differential). To minimize the price risk for the electricity the Group uses in its refineries and depots, financial hedges are used. The company's credit policy regulates how electricity consumption is to be secured. Hedging of the system price is initiated when market prices rise. The position may vary but never outside 0–95 percent compared to forecasted actual consumption.

The Group's purchases of electricity at refineries and depots amounted to 665,831 MWh in 2024. Volume levels secured per year amounted to:

	2025	2026	2027
Hedged proportion %	36	25	5

The impact of hedge accounting on the Group's financial reports

Preem classifies its future contracts used to hedging forecasted transactions as cash flow hedges. The impact of hedge accounting of electricity price risk on the Group's financial statements and profit/loss is shown below.

Electricity derivatives	2024	2023
Reported amount in the balance sheet	-7	226
Volume MWh	464,980	392,878
Hedge ratio	1:1	1:1
Change in outstanding hedge instruments carrying value since inception of the hedge	-7	226
Change in value to determine inefficiency	7	-226

No inefficiency existed at the time of closing the accounts. The electricity derivatives are reported in the Statement of Financial Position as a long-term receivable of SEK 2 (19) million, a short-term receivable of SEK – (207) million and a current liability of SEK -9 (–) million. For information on hedging reserve and its changes, see Note 23.

Calculation of fair value

The fair value of derivatives traded on an active market is based on listed market prices on the balance sheet date. The listed market price used for the Group's financial assets is the current bid price. The fair value of derivatives is determined using the listed prices of oil futures on the balance sheet date.

The fair value of financial instruments not traded on an active market (e.g. OTC derivatives) is determined using measurement techniques. The fair value of interest rate swaps is calculated as the present value of estimated future cash flows. Other unlisted holdings are measured at a cost where fair value cannot be measured reliably.

For disclosure purposes, the fair value of borrowings is calculated by discounting the future contracted cash flow to the current market interest rate available to the Group for similar financial instruments.

The carrying amount, after any impairment losses, of trade receivables and account payables, is considered to correspond to their fair values, as these items are current by nature. For disclosure purposes, the fair value of financial liabilities is calculated by discounting the future contracted cash flow to the current market interest rate available to the Group for similar financial instruments.

Note 3. Critical accounting estimates and judgements

Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events considered reasonable under the current circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions about the future. The resulting accounting estimates will, by definition, rarely correspond to actual outcomes.

The estimates and assumptions that involve a significant risk of material adjustments in the carrying amounts of assets and liabilities for subsequent financial years are explained below.

Goodwill

The Group's assets include an item of goodwill that is not amortized on an ongoing basis but is tested at least annually with regard to any need for impairment. Impairment tests include important assumptions and estimates. In 2024, no write-down was made. Even if the assumptions are changed as follows: Refining margin 20 percent lower, growth rate of -1 percentage and a discount rate before tax 2 percent higher than management's assessment, the Group would not have recognized impairment in the goodwill. For further details on the impairment test, see Note 15.

Inventories

Inventories are reported at the lower of cost and net realizable value. Inventories are sensitive to fluctuations in market prices. If market prices fall compared with the acquisition value at the end of the reporting period, the Group may need to write-down the carrying amount of the inventory during the coming period. Note 2 contains information on price risk and sensitivity analysis.

Pensions

Pension obligations are based on actuarial calculations based on assumptions about the discount rate, inflation and life expectancy.

The expected return on investment assets is determined at the same percentage as the discount rate, in accordance with IAS19 regulations. Actual outcome may differ from the estimated values and result in an adjustment of the liability, for further information on the calculation of the value of the pension liability, see Note 24.

Provisions for environmental obligations

Provisions are made for environmental obligations for known and planned remediation works. Book value is based on estimates of the cost. Management's estimate is based on the opinion of external experts or, if this is not possible, the outcome of previous similar remediation work. See Note 25 for current provisions.

A possible future closure of operations within the Group may require remediation and restoration work. However, this is considered far in the future, and the likely future expenses for this are deemed not to be able to be calculated reliably. Such potential environmental obligations are not included in the Group's balance sheet provisions nor contingent liabilities.

Significant judgments on application of the company's accounting policies

Functional currency

Preem has significant cash flows in USD. In determining the Group's functional currency, management has evaluated the criteria in IAS 21 for determining the functional currency. After carefully considering all indicators, management has judged that Preem's functional currency is SEK.

Note 4. Segment reporting

Operating segments

The Group consists of two operating segments:

Supply & Refining

The two refineries, Preemraff Lysekil and Preemraff Gothenburg, buy crude oil and renewable raw materials that are refined into finished products. Approximately 58 (65) percent of production is sold abroad, mainly to the northern European market. The part of the production sold in Sweden is sold partly through its market channels and partly through other oil companies.

Marketing & Sales

This segment sells refined products purchased from the Supply & Refining segment. Sales take place to consumers through the company's station network and to commercial customers and consumers via direct sales.

Internal pricing

Prices are set on commercial terms and at prices based on official listings in the oil market.

Profit/loss per segment

Segment reporting is done in a way that is consistent with the internal reporting submitted to Group management. Group management is the highest executive decision-maker responsible for allocating resources, assessing the results of operating segments, and making strategic decisions.

2024 Net sales by operating segment	Supply & Refining	Marketing & Sales	Total by segment
Net sales	125,451	26,105	**151,555**
Sales between segments	-20,791	–	**-20,791**
Net external sales	**104,660**	**26,105**	**130,765**

Operating profit by operating segment	Supply & Refining	Marketing & Sales	Total by segment
Operating profit	2,528	778	**3,305**
of which depreciation	-1,337	-193	**-1,530**

2023 Net sales by operating segment	Supply & Refining	Marketing & Sales	Total by segment
Net sales	132,241	35,291	**167,532**
Sales between segments	-29,822	–	**-29,822**
Net external sales	**102,420**	**35,291**	**137,711**

Operating profit by operating segment	Supply & Refining	Marketing & Sales	Total by segment
Operating profit of which	8,700	924	**9,624**
of which depreciation	-1,310	-235	**-1,545**

Reconciliation against the Group's profit before tax	2024	2023
Operating profit for reported segments	3,305	9,624
Exchange rate differences when buying and selling raw materials and products	-374	188
Depreciation Corporate Center	-37	-110
Other[1)]	-747	-1,797
Total operating profit	**2,147**	**7,905**
Interest income	231	138
Interest expense	-699	-841
Exchange rate gains/losses	-113	-25
Other net financial items	-190	-170
Profit before tax	**1,375**	**7,007**

1) Mainly refers to Corporate Center.

Notes to the Consolidated Financial Statements

Note 4. cont.

Other sales information

Revenue from sales comes largely from sales of fuel products.

	2024	2023
Sales of fuel products	130,737	137,563
Other	28	148
Total external sales	**130,765**	**137,711**

During 2024, no sales to an individual customer generated revenue exceeding 10 percent of total Group revenue. In 2023, revenue from a single customer amounted to a total of SEK 14,039 million. The revenue was reported in the Supply & Refining segment.

2024 Investments	Supply & Refining	Marketing & Sales	Other[1]	Group
Investments in property, plant and equipment	3,537	218	–	**3,755**
Investments in intangible fixed assets	14	–	–	**14**

2023 Investments	Supply & Refining	Marketing & Sales	Other[1]	Group
Investments in property, plant and equipment	3,900	184	–	**4,084**
Investments in intangible fixed assets	16	–	–	**16**

1) Mainly refers to Corporate Center.

Distribution by geographic area

The information presented regarding revenue refers to the geographical areas grouped according to where the customer is located. The information regarding the segments' assets is based on geographical areas grouped according to where the assets are located. In the table below, other Nordic countries refer mainly to Denmark and Other countries refers mainly to Poland, Belgium and North America.

	External sales			
2024	Supply & Refining	Marketing & Sales	Total	Intangible and tangible fixed assets
Sweden	31,368	23,989	**55,357**	17,514
Norway	5,230	2,116	**7,346**	36
Other Nordic countries	8,535	–	**8,535**	–
Netherlands	12,122	–	**12,122**	–
UK	14,197	–	**14,197**	–
Other countries	33 208	–	**33,208**	–
Group	**104,660**	**26,105**	**130,765**	**17,550**

	External sales			
2023	Supply & Refining	Marketing & Sales	Total	Intangible and tangible fixed assets
Sweden	15,310	32,793	**48,103**	14,864
Norway	5,656	2,498	**8,154**	47
Other Nordic countries	11,394	–	**11,394**	–
Netherlands	10,598	–	**10,598**	–
UK	15,970	–	**15,970**	–
Other countries	43,492	–	**43,492**	–
Group	**102,420**	**35,291**	**137,711**	**14,911**

Note 5. Gross profit

Purchases and sales of oil products on the market are essentially dollar-based. Exchange differences on sales are reported under net sales, and exchange rate differences on purchases are reported under cost of goods sold. The Group's gross profit includes exchange rate differences on purchases and sales of oil products at a net amount of SEK -374 (188) million.

Net loss on derivatives valued at fair value, reported as an expense for goods sold in profit for the year, amounts to SEK -324 million compared to the previous year's loss of SEK -145 million.

Note 6. Auditors' fee

	2024	2023
PwC		
Audit fees	5	5
Other fees	1	1
	6	**6**

1) Audit fees consist of fees for the annual audit engagement and other audit services that can only be performed by the external auditor, including review of the consolidated financial statements and statutory audit.

2) "Other fees" include fees for other services.

Note 7. Employees, employee benefit expenses and remuneration of senior executives

	2024		2023	
	Salaries and other benefits	Social security expenses (of which pension costs)	Salaries and other benefits	Social security expenses (of which pension costs)
Parent Company	3	0	2	0
		(-)		(-)
Subsidiaries	1,223	649	1,190	599
		(206)		(165)
Group total	**1,225**	**649**	**1,193**	**599**
		(206)		**(165)**

	2024		2023	
Average number of employees	Number of employees	Of which percentage men	Number of employees	Of which percentage men
Parent Company				
Sweden	1	100%	1	100%
Subsidiaries				
Sweden	1,801	68%	1,621	71%
Norway	22	73%	20	70%
Group total	**1,824**	**68%**	**1,642**	**71%**

Salaries and other remuneration split by senior executives and other employees

	2024		2023	
	Board, CEO and other senior executives	Other employees	Board, CEO and other senior executives	Other employees
Parent Company	3	–	2	–
Subsidiaries in Sweden	63	1,143	47	1,124
Subsidiaries abroad	–	17	2	17
Group total	**65**	**1,160**	**51**	**1,141**

Notes to the Consolidated Financial Statements

Note 7. cont.

Senior executives

Senior management refers to partly top management (3 people) and other senior management (7 people).

Top management includes the Chairman of the Board, other Board members who receive remuneration from the company in addition to the usual board fees and who are not employed by the company, as well as the CEO.

Remuneration for senior executives

Remuneration is paid to the Chairman and members of the Board by the decision of the Annual General Meeting. Remuneration to the CEO consists of basic salary.

Pensions

There are no pension agreements/plans for the top management in the Parent Company.

Severance pay

In the Group, there is a mutual notice period of six months between Preem AB (publ) and the subsidiary's CEO.

Between the subsidiary Preem AB (publ) and the subsidiary's other senior executives, there is a mutual notice period which is a maximum of 12 months and six months, respectively. Upon resignation by the senior executive, no severance pay is payable.

Gender distribution in company management	2024 Percentage of women	2023 Percentage of women
Parent Company:		
The Board	0%	0%
Group companies:		
The Board	0%	0%
Other senior executives	29%	29%

2024 Remuneration and benefits	Base pay/ Board fee	Variable remuneration	Other remuneration	Other benefits	Pension cost	Total
Chairman of the Board Jason T. Milazzo	1	–	–	–	–	1
Board member Petter Holland	0	–	–	–	–	0
CEO	2	–	–	–	–	2
	3	**–**	**–**	**–**	**–**	**3**

2023 Remuneration and benefits	Base pay/ Board fee	Variable remuneration	Other remuneration	Other benefits	Pension cost	Total
Chairman of the Board Jason T. Milazzo	0	–	–	–	–	0
Board member Petter Holland	0	–	–	–	–	0
CEO	2	–	–	–	–	2
	2	**–**	**–**	**–**	**–**	**2**

For remuneration and benefits for other senior executives in Group Companies, see Preem AB (publ) Annual Report.

The tables above refer are for the Parent Company.

Notes to the Consolidated Financial Statements

Note 8. Depreciation

Breakdown of depreciation	2024	2023
Intangible assets	50	189
Buildings and land improvements	260	274
Plant and machinery	700	658
Turnaround costs	345	321
Equipment, tools, fixtures and fittings	213	185
	1,567	**1,627**
Breakdown by function		
Cost of goods sold	1,336	1,310
Selling expenses	193	234
Administrative expenses	37	83
	1,567	**1,627**

Note 9. Expenses by type of expense

	2024	2023
Cost of goods	122,122	122,600
Freight costs	1,575	1,397
Costs of employee benefits	1,874	1,791
Impairment of financial fixed assets	–	28
Depreciation	1,567	1,627
Disposal of tangible assets	16	873
Other expenses	2,426	2,294
	129,580	**130,610**
Reconciliation against Consolidated Income Statement		
Cost of goods sold	127,381	127,486
Selling expenses	989	981
Administrative expenses	1,165	1,230
Other operating expenses	45	913
	129,580	**130,610**

Note 10. Other operating income

	2024	2023
Heat deliveries	92	90
Rental income	91	96
Port income	70	76
Storage certificates	475	434
Insurance compensation	131	–
Other	108	72
	967	**768**

Note 11. Other operating expenses

	2024	2023
Disposal of tangible assets	16	873
Market remuneration	19	–
Other	10	40
	45	**913**

Note 12. Financial items, net

	2024	2023
Interest income from instruments measured at amortized cost	231	138
Financial income	**231**	**138**
Interest expenses from defined benefit unfunded pension obligation	-2	-3
Interest expenses from instruments measured at amortized cost[1]	-650	-796
Interest expense from lease liabilities	-47	-41
Net exchange rate differences	-113	-25
Other	-190	-170
Financial expenses	**-1,002**	**-1,036**
Financial items, net	**-771**	**-898**

1) Of which interest costs from accrued transaction costs related to new loan agreements, reported according to the effective interest method SEK -179 (-172) million.

Note 13. Income tax

	2024	2023
Current tax expenses (-)/tax revenue (+)		
Tax expense for the period	-118	-1,546
Tax attributable to previous years [1]	1	405
	-116	**-1,141**
Deferred tax expenses (-)/ tax income (+)		
Deferred tax on temporary differences	-263	107
Deferred tax on tax loss carryforwards	–	-1
	-263	**105**
Total reported tax expense	**-380**	**-1,036**
Reconciliation of effective tax		
Profit before tax	1,375	7,007
Tax calculated at national tax rates applicable for profits in the respective countries	-284	-1,445
Other non-deductible expenses	-95	-53
Non-taxable income	26	29
Standard Income on tax allocation reserve	-17	–
Tax attributable to previous years [1]	1	405
Activation of previously unactivated tax carry loss forwards	–	-1
Other tax adjustments	-10	28
Reported effective tax amounts to	**-380**	**-1,036**
Tax attributable to other comprehensive income		
Tax on changes in value of hedging instruments	48	118
Revaluation of defined benefit pension plans	-13	19
Tax items recognized directly in equity		
Current tax in submitted Group contributions[2]	-63	–

1) For the financial year 2023, a tax appeal decision in Preem AB (publ) for income tax year 2021 has resulted in tax revenue of SEK 121 million. For the income tax year 2022, additional group contributions were submitted to the Parent Company Preem Holding AB (publ) before the income tax return was submitted. This resulted in an amended tax liability for income tax year 2022 of SEK 297 million. Other amounts to SEK -12 million.

2) Further information on group contributions and taxes reported directly against equity can be found in the Consolidated Statement of Changes in Equity.

Reported effective tax rate amounts to 27.6 (-14.8) percent. The high tax rate is mainly due to non-deductible interest expenses in Preem Holding AB (publ). The low tax rate in 2023 is due to tax attributable to previous years which reduced the tax expense by -5.8 percent. Reported tax for the financial year 2023 amounted to 20.6 percent.

Notes to the Consolidated Financial Statements

Note 13. cont.

Global minimum tax

The Group operates in Sweden, which has adopted a global minimum Top-Up Tax Act based on the OECD Pillar 2 model rules. The new law came into force on January 1, 2024. According to the regulation, groups with consolidated revenues exceeding EUR 750 million will be liable to pay a top-up tax on the difference between the effective tax rate calculated according to the rules in each jurisdiction and the minimum tax rate of 15 percent.

The Group is a sub-group to the Moroncha Group, with Moroncha Holdings Co. Limited, Cyprus, as the ultimate Parent Company. The Moroncha Group is subject to OECD's Pillar 2 model rules and is currently analyzing its exposure to the new regulation in relation to all jurisdictions where it is established. This means the additional tax that could potentially apply to Preem's ultimate parent entity in Cyprus is automatically considered zero during the first five financial years.

Concerning the Swedish sub-group, the Group considers that it is covered by the temporary simplification rules introduced (safe-harbor rules), which state that full calculations under regulations do not need to be made during a transitional period. Under these simplification rules, the Group's effective tax rate is estimated to be at least 15 percent for the financial year 2024, according to the so-called ETR test. In light of this, the Group has not made any further calculations for 2024 regarding Pillar 2. The Group continuously evaluates the effects of the applicable regulations.

Deferred tax

2024 Deferred tax assets and tax liabilities	Deferred tax assets	Deferred tax liabilities
Land and buildings	–	-20
Machinery and equipment	–	-1,043
Derivative instruments subject to hedge accounting	2	–
Other derivative instruments	–	-16
Pension provisions	31	-15
Tax allocation reserve	–	-664
Other	23	–
Tax loss carry-forward	1	–
Total asset/liability	**56**	**-1,758**
Net liability		**-1,702**

2023 Deferred tax assets and tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	–	0
Land and buildings	1	-18
Machinery and equipment	–	-770
Derivatives	–	-46
Tax loss carry-forward	1	–
Tax allocation reserve	–	-664
Other	23	-1
Total asset/liability	**25**	**-1,499**
Net liability		**-1,474**

Change in deferred tax in temporary differences and tax loss carry-forwards in 2024	Opening amount	Reported profit for the year	Reported in other total profit	Other changes	Closing amount
Intangible assets	0	-0	–	–	–
Land and buildings	-18	-1	–	–	-20
Machinery and equipment	-770	-273	–	–	-1,043
Derivatives	-46	–	48	–	2
Other derivative instruments	–	-16	–	–	-16
Pension provision	0	28	-13	–	15
Tax allocation reserve	-664	–	–	–	-664
Other	23	-1	–	–	23
Total temporary differences	**-1,475**	**-263**	**35**	**–**	**-1,703**
Tax loss carry-forward	1	–	–	–	1
Total	**-1,474**	**-263**	**35**	**–**	**-1,702**

There are no unactivated tax loss carry-forward in the Group.

Note 14. Exchange differences in profit/loss for the year

Net exchange differences have been reported in profit/loss as follows:

	2024	2023
Net sales	280	-153
Cost of goods sold	-654	342
Financial items, net	-113	-25
	-487	**163**

Note 15. Intangible assets

Goodwill	2024	2023
Opening cost	308	308
Closing accumulated cost	**308**	**308**

Goodwill impairment testing

Identified goodwill is attributable in full to the Group's cash-generating unit (CGU) Supply & Refining and Sweden.

The recoverable amount of a CGU is defined based on calculations of value in use. These calculations are based on estimated future pre-tax cash flows based on financial budgets approved by Group management covering a five-year period. Cash flows beyond the five-year period are extrapolated using estimated growth rates as explained below. The growth rate does not exceed the long-term growth rate of the Supply & Refining segment's market.

Significant assumptions used to calculated value in use	2024	2023
Average refining margin in USD per barrel for the period	7.56–14.22	7.86–12.37
Average rate of growth for extrapolation beyond the budget period	1%	1%
Discount rate before tax	11.9%	12.1%

Management has determined the budgeted refining margin based on previous profit/loss figures and its expectations of market performance. The weighted average growth rate used does not exceed the forecasts contained in industry reports. The discount rates are specified before tax and reflect specific risks that apply to the segment.

No impairment has been identified for goodwill, even if a change in conditions is changed as follows: Refining margin 20 percent lower, growth rate -1 percentage point and a discount rate of 2 percentage points higher for each segment.

Notes to the Consolidated Financial Statements

Note 15. cont.

Internally developed computer software	2024	2023
Opening cost	957	958
Investments for the year	2	0
Exchange rate differences for the year	0	-2
Closing accumulated cost	**958**	**957**
Opening depreciation	907	719
Depreciation for the year	50	189
Exchange rate differences for the year	0	-1
Closing accumulated depreciation	**956**	**907**
Carrying amount	**2**	**51**

Emission rights	2024	2023
Opening cost	15	123
Disposal	-15	-123
Investment during the year	12	15
Carrying amount	**12**	**15**
Total reported intangible assets	**322**	**373**

Emission rights	2024	2023
Opening balance	424,115	581,199
Number of allocated rights for current year	1,798,898	1,448,230
Number of used rights for previous year which are cancelled in current year	-2,047,406	-1,970,982
Number of allocated rights (adjustment activity)	–	350,668
Purchase of emission rights	16,000	15,000
Closing balance[1]	**191,607**	424,115

[1] Closing balance includes both purchased emission rights and emission rights received for free.

Note 16. Property, plant and equipment

Land and buildings	2024	2023
Opening cost	4,560	4,395
Increase in right-of-use-asset	195	140
Disposals/retirements	-82	-135
Completion of construction in progress	142	167
Other changes	25	–
Exchange rate differences for the year	-2	-6
Closing accumulated cost	**4,839**	**4,560**
Opening depreciation	2,530	2,384
Disposals/retirements	-74	-125
Depreciation for the year	260	274
Exchange rate differences for the year	-1	-3
Closing accumulated depreciation	**2,715**	**2,530**
Carrying amount	**2,124**	**2,030**

Plant and machinery[1]	2024	2023
Opening cost	19,658	20,194
Disposals/retirements	-50	-1,355
Completion of construction in progress	5,668	820
Closing accumulated cost	**25,277**	**19,658**
Opening depreciation	13,490	13,330
Disposals/retirements	-39	-498
Depreciation for the year	700	658
Closing accumulated depreciation	**14,151**	**13,490**
Carrying amount	**11,126**	**6,168**

1) The carrying amount includes precious metals of SEK 141 (141) million.

Capatlized turnaround costs	2024	2023
Opening cost	2,971	2,405
Investment during the year	19	–
Completion of construction in progress	–	566
Closing accumulated cost	**2,990**	**2,971**
Opening depreciation	1,997	1,676
Depreciation for the year	345	321
Closing accumulated depreciation	**2,342**	**1,997**
Carrying amount	**648**	**974**

Equipment, tools, fixtures and fittings	2024	2023
Opening cost	2,094	1,959
Increase in right-of-use-asset	254	107
Investments during the year	4	8
Disposals/retirements	-179	-68
Completion of construction in progress	82	89
Exchange rate differences for the year	0	-1
Closing accumulated cost	**2,255**	**2,094**
Opening depreciation	1,542	1,418
Disposals/retirements	-177	-62
Depreciation for the year	213	185
Exchange rate differences for the year	0	0
Closing accumulated depreciation	**1,576**	**1,542**
Carrying amount	**679**	**552**

Construction in progress	2024	2023
Opening cost	4,813	2,394
Disposals/retirements	-1	-16
Investments during the year	3,636	3,975
Capitalized borrowing costs	96	101
Completion of construction in progress	-5,892	-1,642
Carrying amount	**2,652**	**4,813**
Total reported property, plant and equipment	**17,227**	**14,537**

Capitalized interest costs for the year amount to SEK 96 (101) million and relate mainly to the balance sheet item "Construction in progress." The average interest rate is 3.4 (3.7) percent.

Impairment testing of Property, plant and equipment is included in the testing performed for goodwill. See Note 15 for more information.

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Note 17. Participations in associated companies

Swedish companies	Corp. ID no.	Reg. office	Number of shares	Ownership share, %	Carrying amount
AB Djurgårdsberg	556077-3714	Stockholm	366	37	0
Göteborgs Smörjmedelsfabrik, Scanlube AB	556287-6481	Gothenburg	50,000	50	40
SunPine AB	556682-9122	Piteå	16,685	25	334[1)]
					374[2)]

1) Goodwill totalling SEK 54 million is included in the acquisition value for Sunpine.

2024	Assets	Liabilities	Equity	Sales	Net profit/loss
AB Djurgårdsberg	2	2	0	4	0
Göteborgs Smörjmedelsfabrik, Scanlube AB	293	208	84	751	-1
SunPine AB	1,560	449	1,111	2,693	-6

2023	Assets	Liabilities	Equity	Sales	Net profit/loss
AB Djurgårdsberg	3	2	1	4	1
Göteborgs Smörjmedelsfabrik, Scanlube AB	284	194	91	799	2
SunPine AB	1,831	651	1,180	3,958	154

The information above refers to 100 percent of the companies' assets, liabilities, equity, sales and net profit/loss.

	2024	2023
Opening cost	391	394
Dividends	-13	-25
Shareholder contribution	–	15
Impairment	–	-28
Profit share	-5	36
Carrying value	**374**	**391**

Note 18. Other long-term receivables

	2024	2023
Other shares and participations	0	0
Endowment insurance	113	90
Net assets in defined benefit pension plans	69	–
Other long-term receivables	12	5
	195	**95**

For pensions see also Note 24. Other shares and participations consist of:

Company	Corp. ID no.	Reg. office	Number of shares	Ownership %	Carrying amount
Släckmedelscentralen – SMC AB	556488-8583	Stockholm	117	1	0
SPIMFAB – SPI Miljösaneringsfond AB	556539-4888	Stockholm	1	1	0
Götene E.D.F. Elföreningen, ek förening	769000-0612	Götene	100	–	0
					0

Note 19. Inventories

	2024	2023
Raw materials	12,045	9,992
Finished products	7,388	8,884
	19,433	**18,876**

Cost of goods sold for the Group in 2023 includes a write-down of inventory of SEK -1,515 million. This impairment was reversed in 2024. There was no need for a write-down as of December 31, 2024.

From January 1, 2024, there are no longer any inventory loans. The information below applies to 2023.

The acquisition value of the inventory in the Group includes the equivalent of SEK 197 million relating to loaned inventory volumes. The value is net per counterparty.

Note 20. Trade receivables

	2024	2023
Trade receivables	4,426	3,941
Provision for expected credit losses	-11	-14
Fair value of trade receivables	**4,415**	**3,927**

A provision is made for expected credit losses. A claim overdue by more than 90 days is reserved in its entirety. As of the end of December 2023, a receivable in the subsidiary Preem AB (publ) of SEK 96 million was overdue by more than 90 days. On the balance sheet date, there was a payment agreement, and the claim was paid at the beginning of 2024. No reservation was made for this. The age analysis of trade receivables is shown below:

	2024	2023
Not due	3,639	3,712
Less than 5 days	779	87
Between 6 and 30 days	12	37
Between 31 and 60 days	1	4
Between 61 and 90 days	2	2
More than 90 days	-7	98
	4,426	**3,941**

Changes in the provision for expected credit losses are as follows:

	2024	2023
At the beginning of the period	-14	-22
Provision for expected credit losses/reversed unused amounts	-1	-8
Confirmed losses for the year	4	15
Exchange rate differences for the year	0	1
At the end of the period	**-11**	**-14**

Provisions for respective reversals of expected credit losses are included in the functions to which they are attributable in the income statement and other comprehensive income. Amounts reported in the impairment account are usually written off when the Group is not expected to recover additional cash and cash equivalents. Other categories within accounts receivable and other receivables do not include any assets for which impairment is needed. The maximum exposure to credit risk at the balance sheet date is the fair value of each category of receivables mentioned above.

Note 21. Prepaid expenses and accrued income

	2024	2023
Accrued income	1,494	2,223
Prepaid catalyst	496	557
Prepaid expenses	92	49
Other	55	189
	2,137	**3,018**

Note 22. Cash and cash equivalents

Cash and cash equivalents in the balance sheet and cash flow analysis include the following with a maturity date of less than three months after acquisition.

	2024	2023
Short-term investments	–	251
Cash and cash equivalents[1)]	2,684	5,383
	2,684	**5,634**

1) In the subsidiary Preem AB (publ), SEK 66 (61) million consists of client funds and belongs to the deposits reported as long-term debt. In the Parent Companya, Preem Holding AB (publ), additional EUR 20 million is restricted. The amount corresponds to one payment of interests on the Senior Note. See Note 26 for Senior Note and deposits.

Note 23. Equity

Share capital

The Group's share capital amounts to SEK 500,000. The number of shares amounts to 50,000 and refers entirely to class A shares. The shares are fully paid and the number of shares is the same at both the beginning and end of the year. The quota value amounts to SEK 10/share.

Reserves

Reserves include both hedging and translation reserves. The hedge reserve includes a cash flow hedge reserve. The cash flow hedge reserve is used to account for the effective part of the fair value change on the derivatives identified and qualified as a cash flow hedge; explained in note 2. In subsequent periods, the amounts are reclassified to cost of goods sold in the income statement.

The translation reserve consists of exchange rate differences that arise when translation of foreign companies is reported in other comprehensive income and accumulated within equity.

	2024		2023	
	Hedge reserve	Translation reserve	Hedge reserve	Translation reserve
Opening balance	179	-23	633	11
Translation differences during the period	–	-11	–	-33
Fair value changes on hedging instruments reported in other comprehensive income	-154	–	-478	–
Tax attributable to fair value changes on hedging instruments reported in other comprehensive income	32	–	99	–
Reclassified to the income statement	-79	–	-93	–
Tax attributable to items reclassified to the income statement	16	–	19	–
Closing balance	**-6**	**-33**	**179**	**-23**

Retained earnings

Retained earnings includes profit and loss for the year and the part of other comprehensive income that refers to actuarial gains and losses attributable to the group's defined benefit pension plans. Unconditional shareholder contributions are also reported here.

Note 24. Post employment benefits

Defined benefit pension plans

The Group and the Parent Company have defined benefit plans that are no longer active. They are both funded and unfunded.

Wholly or partly funded obligations	2024	2023
Present value of defined benefit obligations	533	569
Fair value of plan assets	-603	-566
Endowment insurance	149	122
Net wholly or partially funded obligations and fair value of plan assets	**79**	**125**
Unfunded obligations:		
Present value of unfunded defined benefit obligations	50	55
Net amount recognized in the balance sheet (obligation +, asset -)	**129**	**180**
The net amount is recognized in the following balance sheet items:		
Pension obligations	199	180
Other long-term receivables	-69	–
Net amount in the statement of financial position	**129**	**180**
The net amount is divided among the following countries:		
Sweden	129	180
Cost reported in profit for the year		
Defined benefit plans		
Interest expense	19	22
Interest income on plan assets	-17	-21
Total cost of defined benefit plans	**2**	**1**
The amount recognized in other comprehensive income is as follows:		
Actuarial gains (-)/losses (+) on defined benefit pension plans	-66	93
Tax attributable to items in other comprehensive income	13	-19
Total other comprehensive income for the year, net of tax	**-52**	**74**

The change in the defined benefit obligation during the year is as follows:	2024	2023
Opening value of defined benefit obligation	624	548
Payment of benefits	-36	-33
Interest expense	19	22
Actuarial gain (-) or loss (+) on the obligation for the year:		
Changed demographic assumptions	–	7
Actuarial gains and losses on changed financial assumptions	-13	48
Experience-based adjustments	4	26
Special payroll tax	-15	7
Closing balance for defined benefit obligation	**583**	**624**

The present value of the obligation is divided by plan members as follows:

Active members: 0% (0%)
Vested beneficiaries: 45% (47%)
Old-age pensioners: 55% (53%)

Change in the fair value of plan assets during the year is as follows:	2024	2023
Opening balance plan assets	-566	-527
Payment of benefits	30	27
Fees from the employer	-5	-39
Interest income	-17	-21
Return on plan assets excluding interest income	-44	-7
Closing fair value of plan assets	**-603**	**-566**

Actuarial assumptions	2024	2023
Discount rate	3.45%	3.15%
Future wage increases	Not applicable	Not applicable
Staff turnover	Not applicable	Not applicable
Inflation	1.75%	1.65%
Expected average remaining period of service of employees	Not applicable	Not applicable
Life expectancy assumption	DUS 23 tjm	DUS 23 tjm
Duration of obligation	12	12
Plan assets consist of the following:		
Interest-bearing securities	49%	51%
Shares	37%	35%
Real estate	12%	12%
Other	3%	2%
	100%	**100%**

Sensitivity analysis	Present value of the obligation	Percentage change
Discount rate +1.0%	507	-13%
Discount rate -1.0%	676	16%
Inflation/Pension indexing +0.5%	632	8%
Inflation/Pension indexing -0.5%	539	-8%
Life expectancy + 1 year	623	7%

Defined contribution plans

Since 2008, there has been no new accrual of pension debt for employees at Preem, and the defined benefit pension plans reported in the balance sheet have been added to Fribrev (paid up pension policy). For white-collar workers in Sweden, the ITP-2 plan's defined benefit pension commitments for old-age pensions are secured through insurance in Alecta. According to a statement from The Swedish Corporate Reporting Board, UFR10 Accounting for ITP-2, financed through the purchase of insurance in Alecta, is a defined benefit plan that covers several employers. For the financial year 2023, the company did not have access to information to report its proportional share of the plan's obligations, management assets and costs, meaning that the plan was not possible to report as a defined benefit plan. The pension plan is reported as a defined contribution plan. The premium for defined-benefit old-age and family pension is calculated individually and depends on salary, previously earned pension and expected remaining service time. Expected fees in the next reporting period for ITP-2 insurance policies taken out in Alecta amount to SEK 26 (25) million. The collective consolidation level consists of the market value of Alecta's assets as a percentage of insurance commitments calculated according to Alecta's

Notes to the Consolidated Financial Statements

Note 24. cont.

actuarial methods and assumptions, which do not comply with IAS19. The collective consolidation level may vary between 125–175 percent. If Alecta's collective consolidation level falls below 125 percent or exceeds 175 percent, measures must be taken to create conditions for the consolidation level to return to the normal range. In case of low consolidation, the agreed price for new insurance and expansion of existing benefits must be raised. In the event of high consolidation, premium reductions or refunds may be introduced, where premium reductions may occur if consolidation exceeds 150 percent. Alecta estimates that as of December 31, 2024, the collective consolidation level provisionally amounts to 162 percent.

	Group		Parent Company	
Million SEK	2024	2023	2024	2023
Costs for defined contribution plans[1)]	194	156	–	–

1) This includes SEK 25 (18) million for ITP plans financed in Alecta, see above.

Note 25. Other provisions

	Environmental restoration[1)]	Other[2)]	Total
Opening balance 2024	195	106	301
Provisions for the year	25	487	512
Amounts utilized	-5	-71	-75
Unused amounts reversed	–	-4	-4
Closing balance 2024	**215**	**519**	**734**
Of which:			
Long-term provision	175	–	175
Short-term provision	40	519	559

	Environmental restoration[1)]	Other[2)]	Total
Opening balance 2023	174	123	298
Provisions for the year	25	106	132
Amounts utilized	-5	-123	-128
Closing balance 2023	**195**	**106**	**301**
Of which:			
Long-term provision	154	–	154
Short-term provision	41	106	147

1) Closing balance for environment restoration includes provisions for decontamination of closed depots of SEK 139 (142) million and SEK 76 (53) million for contamination at refineries.

2) Closing balance for the item Other in 2024 consists of provision for disputes SEK 41 million and a provision for emission rights of SEK 478 million.

Note 26. Interest-bearing liabilities

Long-term interest-bearing liabilities	2024	2023
Senior Note EUR	3,124	3,018
Loans in SEK	2,558	3,011
Total long-term liabilities	**5,682**	**6,030**
Capitalized transaction costs	-365	-337
Total long-term liabilities, net	**5,317**	**5,693**
Deposits	56	57
Total long-term liabilities	**5,374**	**5,750**
Short-term interest-bearing liabilities		
Senior Note EUR	–	377
Loans in SEK	444	111
Total short-term liabilities	**444**	**488**
Total interest-bearing liabilities	**6,183**	**6,575**
Total interest-bearing liabilities, net	**5,818**	**6,238**

For lease liabilities, see note 34.

Loan terms and conditions, effective interest rate and maturity structure

			Maturity structure (in million SEK)		
Interest-bearing liabilities	Nominal value, local currency	Effective interest, %	Less than 1 year	1–5 years	>5 years
EUR, fixed interest[1)]	272	12.36%	–	3,124	–
USD, variable interest[2)]	0	–	–	0	–
SEK, variable interest[3)]	–	3.80%	15	69	29
SEK, variable interest[4)]	–	4.59%	444	2,444	–
Total liabilities			**460**	**2,514**	**29**
Capitalized transaction costs			–	-226	–
Deposits			–	–	56
			460	**2,288**	**85**
Total interest-bearing liabilities, net					**2,833**

The remaining average fixed interest period as of December 31, 2024 was approximately 30 months.

Fulfillment of special loan conditions

1) The Parent Company Preem Holding AB (publ) has a noted bond with a nominal value of EUR 340 million. The Senior Note has been partially redeemed in 2023 and 2024.
2) The subsidiary Preem AB (publ) has a revolving, syndicated loan facility amounting to USD 1,500 million. As of December 31, 2024, this facility was only utilized for Letters of credit of USD 99 million. The loan is subject to a leverage ratio covenant and minimum equity requirements. Both conditions are met as of December 31, 2024.
3) The associated company Pyrocell AB has a debt to credit institutions of SEK 169 (200) million and a utilized overdraft facility of SEK 58 (45) million. Since the company is accounted for using the proportional method, 50 percent of the borrowings are included in the Group's total liabilities.
4) Loans of SEK 3,000 million from the Swedish Export Credit Corporation are earmarked for investment at the refinery in Lysekil. The loan is covered by Riksgälden Swedish National Debt Office's program for green credit guarantees.
5) Preem has a loan facility amounting to EUR 241 million, which is shared between Crédit Agricole Corporate & Investment Bank and the Swedish Export Credit Corporation. The facility is earmarked for investment at the Lysekil refinery. The loan is covered by Riksgälden Swedish National Debt Office's program for green credit guarantees. As of last December, the facility was unutilized.

For information on Liquidity risk, interest rate risk and payment plans, see Note 2. For information on Pledged collateral, see Note 30.

Note 27. Derivatives

	2024		2023	
	Assets	Liabilities	Assets	Liabilities
Electricity derivatives /hedge accounting	2	9	226	–
Currency derivatives no hedge accounting	0	0	2	–
Emission rights no hedge accounting	146	–	–	3
Other derivatives no hedge accounting	–	3	–	–
Closing balance	**149**	**13**	**227**	**3**

Derivative instruments held for trading are classified as financial assets or financial liabilities. The entire fair value of a derivative instrument is classified as a non-current asset or non-current liability if the remaining maturity of the item is greater than 12 months and as a current asset or current liability if the remaining maturity of the item is less than 12 months.

The maximum exposure to credit risk per balance sheet date is the fair value of the derivative instruments reported as assets in the balance sheet.

See Note 2 for further information on derivative instruments.

Note 28. Other liabilities

	2024	2023
VAT	637	733
Excise duties[1]	801	753
Other liabilities	86	101
	1,524	**1,587**

1) Excise duties refer to energy tax, carbon dioxide tax, sulfur tax and alcohol tax.

Note 29. Accrued expenses and deferred income

	2024	2023
Purchases of crude oil and products	5,063	4,507
Prepaid government grants	147	38
Employee expenses	397	472
Interest rates	10	239
Other	637	690
	6,255	**5,948**

Note 30. Pledged assets and contingent liabilities

Pledged assets	2024	2023
Shares in subsidiaries	27,674	27,954
Property mortgages	4,000	4,000
Floating charges	10,000	10,000
Deposits	165	168
Trade receivables	5,151	5,330
	46,991	**47,452**
Contingent liabilities		
Sureties for associated companies	94	70
Guarantee commitments to the Swedish Customs Service	71	41
Preem AB (publ) guarantee to Preem AS	167[1]	22
Guarantee commitments for Pyrocell AB	160	160
Guarantee commitments FPG/PRI	1	1
	492	**294**

[1] Effective January 1, 2025

The deposits refer to primary collateral issued in connection with trading derivatives. The amounts are due in cases where the Group does not fulfill its commitments.

Pledged securities and pledges as above are pledged in connection with the fulfillment of the obligation of the Group's syndicated bank loan. These also include, in addition to the Preem AB (publ) 's inventory and receivables: Norwegian surety for receivables, and inventory and insurance in Norway. Swedish surety for insurance in Sweden. Dutch surety for inventory in the Netherlands. Spanish surety for inventory in Spain. English surety for certain bank accounts.

Other contingent liabilities

A future closure of operations within the Group may require clean-up and restoration work. However, this is considered far in the future, and future expenditures cannot be reliably calculated.

This note also refers to the Parent Company.

Note 31. Supplementary disclosures to the cash flow statement

Interest paid/received	2024	2023
Interest received	175	96
Interest paid	-645	-508
Adjustment for non-cash items		
Depreciation of property, plant and machinery	1,567	1,627
Impairment of financial fixed assets	–	28
Write-down of inventory (+)/reversal of previous write-down of inventory (-)	-1,533	1,515
Unrealized exchange losses (+) / gains (-)	178	-169
Unrealized exchange losses (+) / gains (-), financial items, net	127	-10
Unrealized gains (+) / losses (-) on derivatives	-80	27
Expensed portion of capitalized transaction costs	179	172
Provisions	398	172
Gains/loss on sale/disposal, property, plant, equipment	33	889
Shares in associated company's profit	17	-11
Accrued interests	-200	277
Other	-96	-101
	590	**4,417**
Transactions not involving payments		
Acquisition of assets via financial leases	449	248

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Note 31. cont.

Reconciliation of liabilities arising from financing activities

	Opening balance 2024	Cash flows	Non-cash changes Exchange rate, unrealized	Other	Closing balance 2024
Senior Note [1]	3,395	-392	121	–	3,124
Liabilities to credit institutions [1]	123	-9	–	–	114
Liabilities to Swedish Export Credit Corporation	3,000	-111	–	–	2,889
Other interest-bearing liabilities	57	0	–	–	56
Lease liability	651	-299	6	486	845
Total liabilities arising from financing activities	**7,226**	**-811**	**127**	**486**	**7,028**

1) Excluding capitalized transaction costs.

	Opening balance 2023	Cash flows	Non-cash changes Exchange rate unrealized	Other	Closing balance 2023
Senior Note [1]	3,784	-384	-4	–	3,395
Liabilities to credit institutions [1]	3,264	-3,145	4	–	123
Liabilities to Swedish Export Credit Corporation	1,300	1,700	–	–	3,000
Other interest-bearing liabilities	52	5	–	–	57
Lease liability	680	-300	-10	281	651
Total liabilities arising from financing activities	**9,080**	**-2,125**	**-10**	**281**	**7,226**

1) Excluding capitalized transaction costs.

Other unused lines	2024	2023
Approved credit lines	13,506	13,842
Total unused lines	**13,506**	**13,842**

Note 32. Financial instruments

Financial instruments by category

2024 Assets in the balance sheet	Assets measured at fair value through profit for the year	Derivatives in a hedged relationship	Financial assets measured at amortized cost	Carrying amount	Fair value
Other shares and participations	0	–	–	0	0
Long-term receivables from Parent Company	–	–	265	265	265
Other long-term receivables	–	–	126	126	157
Derivatives	147	2	–	149	149
Receivables from Parent Company	–	–	55	55	55
Trade receivables and other receivables	–	–	5,259	5,259	5,259
Cash and cash equivalents	–	–	2,684	2,684	2,684
	147	**2**	**8,390**	**8,539**	**8,570**

Liabilities in the balance sheet	Liabilities valued at fair value through profit for the year	Derivatives in a hedged relationship	Liabilities measured at amortized cost	Carrying amount	Fair value
Senior Note			3,124	3,124	3,303
Liabilities to credit institutions	–	–	3,003	3,003	3,003
Lease liabilities	–	–	845	845	845
Other interest-bearing liabilities	–	–	56	56	56
Liabilities to associated companies	–	–	3	3	3
Derivatives	4	9	–	13	13
Other liabilities	–	–	7,173	7,173	7,173
	4	**9**	**14,203**	**14,216**	**14,395**

2023 Assets in the balance sheet	Assets measured at fair value through profit for the year	Derivatives in a hedged relationship	Financial assets measured at amortized cost	Carrying amount	Fair value
Other shares and participations	0	–	–	0	0
Long-term receivables from Parent Company	–	–	181	181	181
Other long-term receivables	–	–	95	95	140
Derivatives	2	226	–	227	227
Receivables from Parent Company	–	–	57	57	57
Trade receivables and other receivables	–	–	4,931	4,931	4,931
Cash and cash equivalents	–	–	5,634	5,634	5,634
	2	**226**	**10,897**	**11,125**	**11,170**

Notes to the Consolidated Financial Statements

Note 32. cont.

Liabilities in the balance sheet	Liabilities valued at fair value through profit for the year	Derivatives in a hedged relation	Liabilities measured at amortized cost	Carrying amount	Fair value
Senior Note	–	–	3,395	3,395	3,652
Liabilities to credit institutions	–	–	3,123	3,123	3,123
Lease liabilities	–	–	651	651	651
Other interest-bearing liabilities	–	–	57	57	57
Derivatives	3	–	–	3	3
Other liabilities	–	–	6,975	6,975	6,975
	3	–	**14,200**	**14,203**	**14,460**

Financial instruments measured at fair value in the balance sheet

The table below shows financial instruments measured at fair value in the balance sheet, classified into the following three levels:

Level 1: Fair value is based on quoted market prices on an active market for the same instrument.

Level 2: Fair value is based on quoted market prices in active markets for similar instruments or measurement techniques where all variables are based on quoted market prices.

Level 3: Fair value is based on measurement techniques and the essential variables are not based on quoted market prices.

2024	Level 1	Level 2	Level 3
Assets in the balance sheet			
Currency derivatives	0	–	–
Electricity derivatives	–	2	–
Emission rights derivatives	146	–	–
	147	**2**	**–**
Liabilities in the balance sheet			
Currency derivatives	0	–	–
Electricity derivatives	–	9	–
HVO, RME derivatives	3	–	–
	4	**9**	**–**

2023	Level 1	Level 2	Level 3
Assets in the balance sheet			
Electricity derivatives	–	226	–
Emission rights derivatives	2	–	–
	2	**226**	–
Liabilities in the balance sheet			
Emission rights derivatives	3	–	–
	3	**–**	**–**

Note 33. Transactions with related parties

Relationships with related parties involving control

The Group is under the controlling influence of Corral Petroleum Holdings AB (publ). In addition to the related party transactions listed for the Group below, the Parent Company has related party relationships that include a controlling influence with its subsidiaries, see Note 108.

2024 Relationship with related parties	Sales/ interest	Purchases	Receivables 31 Dec	Liabilities 31 Dec	Other (accrued)
Parent Company	36	–	320	–	20
Associated companies	4	1,765	–	3	–
Other affiliated companies	–	53	–	–	–

2023 Relationship with related parties	Sales/ interest	Purchases	Receivables 31 Dec	Liabilities 31 Dec	Other (accrued)
Parent Company	–	–	238	–	2
Associated companies	7	2,680	–	274	–
Other affiliated companies	2	286	–	31	–

The cost to other related companies includes a compensation of SEK 53.2 (53.9) million to Sparrow Winds Ltd. The company is related to the Chairman of the Board, Jason T. Milazzo.

Another claim exists on the related company Corral Marocco Gas & Oil (CMGO). The claim amounts to SEK 4,626 million (original receivable SEK 3,136 million and capitalized interest SEK 1,490 million). The entire value is written down to 0. No interest is payable from 2019. There is no security for the claim. CMGO's ability to repay Preem funds on this claim depends on the success of a legal process regarding the ownership of the Moroccan company SAMIR. This process was initiated by CMGO's wholly owned subsidiary, Corral Morocco Holdings AB (CMH), against Morocco at the International Center for Settlement of Investment Disputes (ICSID) in Washington in 2018. In mid-2024, ICSID issued its judgment, awarding CMH damages of approximately USD 154 million plus interest and certain costs.

The parties appealed the judgment under the ICSID special appeal process, which is expected to last at least until 2026.

In the event that CMH is also successful in this appeal process, and the original judgment thus stands, it remains for CMH to seek enforcement of the judgement against Morocco in order to make Morocco pay the damages. It is estimated that the enforcement process may also take considerable time.

Note 34. Lease agreements

Leaseholder

The Group's property, plant, and equipment comprise of owned and leased assets. The Group leases several types of assets, such as buildings, land, vehicles, time-share vessels and machinery. No leasing agreements contain covenants or other restrictions besides the security of the leased asset.

	2024	2023
Property, plant and equipment owned	16,399	13,885
Right-of-use assets	829	652
	17,227	**14,537**

Right-of-use asset	Buildings and land	Equipment and tools	Total
Opening balance January 1, 2024	360	292	652
Additional right-of-use assets added during the year	195	254	449
Depreciation	-121	-150	-271
Disposal/retirements	-2	0	-2
Exchange rate differences	0	–	0
Closing balance December 31, 2024	**432**	**396**	**829**

Right-of-use asset	Buildings and land	Equipment and tools	Total
Opening balance January 1, 2023	364	309	673
Additional right-of-use assets added during the year	141	107	248
Depreciation	-141	-124	-265
Disposal/retirements	0	0	0
Exchange rate differences	-3	–	-3
Closing balance December 31, 2023	**360**	**292**	**652**

Lease liabilities	2024	2023
Long-term	449	445
Short-term	396	206
Lease liabilities included in the report over financial position	**845**	**651**

For maturity analysis of the leasing liabilities, see Note 2 Financial risk management in the section on liquidity risk.

Amounts recognized in profit or loss	2024	2023
Depreciation of right-of-use assets	-271	-265
Interest on lease liabilities	-47	-41
Exchange rate differences	-6	10
Variable leasing fees not included in lease liability	-64	-80

Amounts reported in the cash flow report	2024	2023
Total cash outflows attributable to lease agreements	299	300

The above cash outflow includes both amounts for leasing contracts reported as lease liabilities, and amounts paid for variable leasing fees, short-term leases and leases of low value.

Property leasing

The Group leases buildings and land for its depots, offices and fuel stations. Leasing agreements for properties normally last two to three years. Some leases include an option to renew the lease agreement at the end of the lease period with another period with the same term. These options are included in the calculation of the value of the lease if it is probable that they will be used from the start. Some lease agreements contain leasing fees based on changes in local price indices or the Group's sales in the leased fuel stations during the year. Certain lease agreements also require the Group to pay fees for property taxes imposed on the lessor. These amounts are determined annually. The Group rents out some of these properties under operating leases.

Leasing of time-share vessels

The Group leases vessels to ship crude oil and finished products. The leasing agreements normally have a term of two years. All leasing agreements contain an option to renew the lease agreement at the end of the lease period with another period with the same term. An extension period is often considered reasonably certain and results in a lease period of three to five years.

Other leasing agreements

The Group leases vehicles and a few machines with lease periods of three to five years. In some cases, the Group has an option to purchase the asset at the end of the lease period, which is rarely exercised. Usually, the Group guarantees the residual value of the leased asset at the end of the lease period. Extension options exist only to an insignificant extent. Expected payments for residual values are considered intangible for the Group.

Lessors

Operating leases

The Group rents out properties to partners. The Group classifies these leases as operational because the leases do not transfer the significant risks and rewards associated with ownership of the underlying asset. Below is a maturity analysis of leasing fees, which shows the discounted fees to be received after the balance sheet date.

IFRS 16	2024	2023
Within a year	115	155
Between one year and five years	405	379
More than five years	–	–
Total undiscounted leasing fees	**520**	**534**

Note 35. Subsequent events

No significant events have taken place.

This note also applies to the Parent Company.

Parent Company Financial Statements AMOUNTS IN MILLION SEK

Income Statement for the Parent Company

The Parent Company's Report on results	Note	2024	2023
Net sales		–	–
Gross profit		**–**	**–**
Administrative expenses	102	-4	-4
Operating profit		**-4**	**-4**
Profits from participations in Group companies		1,920	1,557
Financial income		10	20
Financial expenses		-570	-542
Financial items, net	103	**1,361**	**1,036**
Profit before tax		**1,357**	**1,032**
Tax expense for the year	104	-94	-1,237
Profit for the year[1)]		**1,263**	**-205**

1) The profit for the year coincides with the total result for the year.

Parent Company Financial Statements AMOUNTS IN MILLION SEK

Balance Sheet for the Parent Company

Assets	Note	2024-12-31	2023-12-31
Non-current assets			
Financial assets			
Shares in Group companies	105,110	11,201	11,070
Total non-current assets		**11,201**	**11,070**
Current assets			
Receivables from Group companies	111	243	–
Other receivables		0	0
Prepaid expenses and accrued income		0	0
Cash and bank balances	106, 111	261	450
Total current assets		**504**	**450**
Total assets		**11,705**	**11,521**

Equity, provisions and liabilities	Note	2024-12-31	2023-12-31
Equity			
Restricted equity			
Share capital (50,000 shares)		1	1
Unrestricted equity			
Retained earnings		6,868	7,010
Profit for the year		1,263	-205
Total equity		**8,131**	**6,806**
Liabilities			
Non-current liabilities			
Senior Note	107, 111	2,985	2,849
Liabilities to subsidiaries	108, 111	251	251
		3,236	**3,099**
Current liabilities			
Senior Note	107, 111	–	377
Current tax liabilities		265	948
Liabilities to Group companies		63	51
Other current liabilities		0	1
Accrued expenses and deferred income	109	10	239
		338	**1,616**
Total liabilities		**3,574**	**4,715**
Total equity, provisions and liabilities		**11,705**	**11,521**
Pledged assets and contingent liabilities	110		

Parent Company Financial Statements AMOUNTS IN MILLION SEK

Statement of Changes in Equity for the Parent Company

	Share capital	Retained earnings incl. profit for the year	Total equity
Opening equity 2023-01-01	**1**	**7,010**	**7,011**
Profit for the year	–	-205	-205
Closing equity 2023-12-31	**1**	**6,805**	**6,806**
Opening equity 2024-01-01	**1**	**6,805**	**6,806**
Submitted Group contribution for 2024, net of tax [1)]	–	-241	-241
Shareholder contribution received[2)]	–	304	304
Profit for the year	–	1,263	1,263
Closing equity 2024-12-31	**1**	**8,131**	**8,131**

1) For tax year 2024, Group contributions have been made to the Parent Company Corral Petroleum Holdings AB (publ), totaling SEK -304 million. Tax on this amounts to SEK 63 million.

2) Shareholder contributions have then been received in the amount of SEK 304 million from Corral Petroleum Holdings AB (publ).

Share capital

The company's share capital amounts to SEK 500,000. The number of shares amounts to 50,000 and refers entirely to class A shares. The shares are fully paid up and the number of shares is the same at both the beginning and end of the year. The quota value amounts to SEK 10/share.

Parent Company Financial Statements AMOUNTS IN MILLION SEK

Cash Flow Statement for the Parent Company

	Note	2024	2023
Operating activities			
Profit before tax		1,357	1,032
Adjustments for non-cash items	112	-185	55
		1,171	**1,087**
Tax paid		-714	-289
Cash flow from operating activities before changes in working capital		**457**	**798**
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in operating receivables		-243	0
Increase (+)/Decrease (-) in operating liabilities		-1	-183
Cash flow from operating activities		**213**	**615**
Cash flow from investing activities		**–**	**–**
Financing activities			
Repayment of loans	112	-392	-384
Transaction costs		-24	-23
Cash flow from financing activities		**-415**	**-408**
Cash flow for the year		-203	207
Cash and bank balances at beginning of year		450	243
Exchange rate difference in cash and bank equivalents		13	0
Closing cash and bank balances	106	**261**	**450**

Parent Company notes

Notes to the Parent Company's Financial Statements

Note 101. Significant accounting policies for the Parent Company

Preem Holding AB (publ), corporate identity number 559210-7410 (PH), is the Parent Company of the Preem Holding Group (Preem) and has its head office in Stockholm. The Group conducts extensive refining of crude oil and renewables. Around two-thirds of the fuel production is sold to international customers, mostly in northern Europe. The rest of the sales are to the Swedish market, where approximately half of all fuel comes from Preem.

PH has prepared its Annual Report in accordance with the Swedish Annual Accounts Act and the Swedish Corporate Reporting Board recommendation RFR 2 "Accounting for legal entities." In addition, statements issued by the Swedish Financial Reporting Board are applied, which apply to listed companies. In accordance with RFR 2, parent companies whose financial statements for the Group comply with IFRS, must prepare their financial statements by International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), adopted by the European Union, insofar as these accounting principles and interpretations are in accordance with the Swedish Annual Accounts Act, the Pension Obligations Vesting Act (Tryggandelagen) and with regard to the connection between accounting and taxation. The recommendation specifies which exceptions from and additions to IFRS should be made.

The financial reports are presented in Swedish krona, rounded to the nearest million.

Differences between Group and Parent Company accounting policies

Differences between the accounting policies of the Group and the Parent Company are described below. The accounting policies described below for the Parent Company have been applied consistently to all periods presented in the Parent Company's financial reports.

A more detailed description of the accounting policies applied by the Group, as well as significant estimates and judgments, are contained in Note 1 to the consolidated financial statements.

Classification and presentation methods

The Parent Company's profit and loss account and balance sheet are drawn up according to the Annual Accounts Act's schedules. The difference to IAS 1 "Preparation of Financial Reports," which is applied in the preparation of the Group's financial reports, is primarily reporting of financial fixed assets, current assets, equity, and the presence of provisions as a separate heading in the Parent Company's balance sheet, long-term and short-term liabilities.

Subsidiaries

Shares in subsidiaries are reported in the Parent Company according to the acquisition value method.

Group contributions and shareholders contributions for legal entities

The company recognizes Group contributions and shareholder contributions by RFR 2. Shareholder contributions are entered directly against the equity of the recipient and are capitalized in shares and shares of the donor, to the extent that a write-down is not required. For Group constributions, the main rule is used. Group contributions that the Parent Company receives from subsidiaries are reported as income in the Parent Company's income statement, and Group contributions that the Parent Company makes to a subsidiary are reported against shares in subsidiaries in the same way as shareholder contributions. Group contributions that PH makes to/receives from its parent company are reported as dividends/contributions at PH, i.e. directly against equity.

Note 102. Auditors' fees

	2024	2023
PwC		
Audit engagements [1]	0	0
	0	**0**

1) Audit fees consist of fees for the annual audit engagement and other audit services that are of such a nature that they can only be performed by the external auditor, and include the review of the consolidated financial statements and statutory audit.

Note 103. Financial items, net

	2024	2023
Dividend received	1,790	1,324
Group contribution received	633	2,710
Impairment of shares in subsidiaries	-503	-2,476
Profit from shares in subsidiaries	**1,920**	**1,557**
Net exchange differences	–	5
Interest income from instruments valued at amortized cost	10	15
Financial income	**10**	**20**
Interest expenses from instruments valued at amortized cost[1]	-461	-541
Net exchange differences	-108	–
Other financial expenses	0	-0
Financial expenses	**-570**	**-542**
Financial items, net	**1,361**	**1,036**

1) Of which accrued transaction costs in connection with refinancing of loans according to the effective interest method SEK 54 (48) million.

Note 104. Income Tax

Current tax expense (-)/tax revenue (+)	2024	2023
Tax expense for the year	-94	-233
Tax attributable to previous years	–	-1,003
Total reported tax expense	**-94**	**-1,237**

Reconciliation of effective tax	2024	2023
Profit before tax	1,357	1,032
Income tax calculated according to the applicable tax rate.	-279	-213
Non-deductible costs	-183	-293
Non-taxable income	369	273
Tax attributable to previous years	–	-1,003
Reported tax	**-94**	**-1,237**
Tax items recognized directly in equity:		
Current tax in Group contributions paid[1]	-63	–

1) More information on Group contributions paid can be found in the Statement of Changes in equity.

Total reported tax amounts to -7 percent (-120 percent) of the year's profit before tax. The low tax rate is due to non-taxable dividends from subsidiaries. Non-deductible expenses consist of non-deductible net interest and impairment of subsidiaries.

The tax rate in 2023 is affected by tax attributable to previous years. Reported tax for the current year amounts to 22.5 percent.

The company has no unutilized tax losses.

Parent Company notes

Note 105. Participations in Group companies

	Corp. ID no.	Reg. Office	Number of shares	Owned portion %	Nominal value	Carrying value
Swedish companies						
Operational						
Preem AB (publ)	556072-6977	Stockholm	610,258	100	610	11,201

Accumulated cost	2024	2023
At start of the year	11,070	10,837
Shareholder contribution	633	2,710
Impairment	-503	-2,476
At the end of the year	**11,201**	**11,070**

Note 106. Cash and bank balances

Cash and bank in the balance sheet and cash flow analysis include the following with a maturity date shorter than three months after acquisition.

	2024	2023
Cash and bank balance[1]	261	450
	261	**450**

1) Of which EUR 20 million is restricted. The amount corresponds to a payment of interest on the bond.

Note 107. Liabilities to credit institutions

	2024	2023
Long-term liabilities		
Senior Note EUR	3,124	3,018
Total long-term liabilities	**3,124**	**3,018**
Capitalized transaction costs	-139	-169
Total long-term liabilities, net	**2,985**	**2,849**
Short-term liabilities		
Senior Note EUR	–	377
Total short-term liabilities	**–**	**377**
Total liabilities	**3,124**	**3,395**
Total liabilities, net	**2,985**	**3,226**

Amortization plan	2027	Total
Senior Note EUR	3,124	3,124

Loan terms, effective interest rate and maturity structure

			Maturity structure (in million SEK)		
Liabilities	Nominal value local currency	Efficient interest, %	Less than 1 year	1-5 years	More than 5 years
– EUR, fixed rate	272	12.36	–	3,124	–
Total liabilities			**–**	3,124	**–**
Capitalized transaction costs			–	-139	–
Total liabilities, net			**–**	2,985	**–**

The remaining average fixed interest period at December 31, 2024 was 30 (55) months.

Note 108. Liabilities to subsidiaries

	2024	2023
Opening balance	251	434
Dividend claim	–	-184
	251	**251**

Note 109. Accrued costs and prepaid income

	2024	2023
Accrued interest	10	239
Other	0	0
	10	**239**

Note 110. Pledged collateral and contingent liabilities

Pledged collateral	2024	2023
Shares in subsidiaries	11,201	11,070
	11,201	**11,070**

Parent Company notes

111. Financial instruments

Financial instruments by category

2024 Assets in the balance sheet	Financial assets measured at amortized cost	Carrying amount	Fair value
Receivables from Group companies	243	243	243
Cash and bank balances	261	261	261
	504	**504**	**504**

Liabilities in the balance sheet	Liabilities measured at amortized cost	Carrying amount	Fair value
Senior Note	3,124	3,124	3,303
Liabilities to subsidiaries	251	251	251
	3,375	**3,375**	**3,553**

2023 Assets in the balance sheet	Financial assets measured at amortized cost	Carrying amount	Fair value
Cash and bank balances	450	450	450
	450	**450**	**450**

Liabilities in the balance sheet	Liabilities valued at amortized cost	Carrying amount	Fair value
Senior Note	3,395	3,395	3,652
Liabilities to subsidiaries	251	251	251
	3,646	**3,646**	**3,903**

Note 112. Additional information on cash flow statement

Interest paid/received and dividends received	2024	2023
Dividend received	1,547	1,148
Interest received	10	8
Interest paid	-420	-217
Adjustment for items not included in cash flow etc		
Unrealized exchange rate losses (+) / gains (-)	-13	0
Unrealized exchange losses (+) / gains (-), financial items, net	121	-4
Expensed portion of capitalized transaction costs	54	48
Group contribution	-633	-2,710
Impairment	503	2,476
Accrued interest	-216	244
	-185	**55**

			Changes not affecting cash flow		
Reconciliation of liabilities arising from financing activities	Opening balance 2024	Cash flows	Capitalized interest	Unrealized exchange rate differences	Closing balance 2024
Senior Note	3,395	-392	–	121	3,124
Total liabilities arising from financing activities	**3,395**	**-392**	–	**121**	**3,124**

			Changes not affecting cash flow		
Reconciliation of liabilities arising from financing activities	Opening balance 2023	Cash flows	Capitalized interest	Unrealized exchange rate differences	Closing balance 2023
Senior Note	3,784	-384	–	-4	3,395
Total liabilities arising from financing activities	**3,784**	**-384**	**–**	**-4**	**3,395**

Note 113. Proposed allocation of profit

Unrestricted equity in the Parent Company amounts to:	SEK
Unrestricted equity	6,867,987,207
Profit for the year	1,262,593,679
Total	**8,130,580,885**

The Board proposes that it be appropriated as follows:	
To be carried forward (SEK)	8,130,580,885
Total	**8,130,580,885**

Board signatures

Stockholm, March 26, 2025

Jason T. Milazzo
Chairman

Richard Öhman
CEO

Petter Holland
Board member

Our Audit Report has been submitted on March 26, 2025

Öhrlings PricewaterhouseCoopers AB

Martin Johansson
Authorized Public Accountant
Auditor in charge

Anna Rozhdestvenskaya
Authorized Public Accountant

Auditor's Report

To the general meeting of the shareholders of Preem Holding AB (publ), corporate identity number 5592107410

Report on the annual accounts and consolidated accounts

Opinions

We have performed an audit of the annual accounts and consolidated accounts of Preem Holding AB (publ) for year 2024.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and income statement and statement of other comprehensive income as well as statement of financial position for the group.

Basis for Opinions

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

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

Responsibility of the Board of Directors and the Managing Director

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

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

Auditor's responsibility

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

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Report on other requirements according to laws and other constitutions

Opinions

In addition to our audit of the annual accounts and consolidated accounts, We have also audited the administration of the Board of Directors of Preem Holding AB (publ) for year 2024 and the proposed appropriations of the company's profit or loss.

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

Basis for Opinions

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

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

Responsibility of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the

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dividend is justifiable considering the requirements which the company and group's type of operations, size and risks place on the size of the parent company's equity, consolidation requirements, liquidity and position in general.

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

Auditor's responsibility

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

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

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

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

A further description of our responsibility for the audit of the administration can be found on the Auditor's Inspection's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Stockholm 26 March 2025

Öhrlings PricewaterhouseCoopers AB

Martin Johansson	Anna Rozhdestvenskaya
Authorized Public Accountant	*Authorized Public Accountant*
Auditor in charge	

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

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