Preem Holding AB
Impact and Allocation Report 2024

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> Our goal is to achieve a climate neutral value chain with net zero emissions as early as 2035.

Impact and Allocation Report 2024

Sustainability Strategy and long-term goals

Preem Holding AB gladly presents the third Impact and Allocation Report which summarizes investments in the renewable value chain.

Preem is the largest advanced renewable fuels producer in Scandinavia and the largest refiner in the Nordics. We refine and sell fossil and renewable fuels as well as lubricants to companies and private customers. As an independent company, we are free to buy crude oil and renewable raw materials from all over the world, which are then transported to Preem's refineries.

Preem will create long-term value for customers, society and shareholders by meeting the demand for sustainable products with a focus on superior performance in refining, distribution and sales. Renewable fuels form a key part of Preem's strategy and transition toward net-zero climate impact in 2035.

Preem's vision is to lead the transformation towards a sustainable society, positioning itself as an important contributor to the conversion from fossil to renewable fuels. The company possesses the technical prerequisites, refineries, the expertise of its employees, and the necessary infrastructure. Preem is capable and committed to transforming its traditional refineries into biorefineries, a journey that has already begun.

It will require focused efforts and extensive investments to reach our ambitious goals. Preem takes a positive view of societal development and welcomes the change that is underway.

Preem Holding AB (publ.), corporate ID. no. 559210-7410 ("Preem Holding") is the parent company of Preem AB (publ), corporate ID. no. 556072-6977 ("Preem") and a wholly own subsidiary of Corral Petroleum Holdings AB (publ), corporate ID. no. 556726-8569.

Summary of Preem's long-term strategic direction, renewable transition and 2035 net-zero target:

- **Preem is committed** to increase its renewable revenue streams and is looking to remain competitive through highly profitable renewable projects.
- **The Company is** well equipped for the energy transition, having built up extensive experience with renewable production and has already made related infrastructure investments in its existing refineries.
- **Preem will focus** on transforming existing assets from fossil refining to renewable refining. This option is open to Preem as a result of a long-term commitment to maintain the good condition of its assets.
- **Renewable investments** will provide an attractive revenue stream providing a more sustainable source of cash flow going forward.
- **Preem is adopting** a comprehensive strategy for a transition to renewables. Besides concentrating on production of renewable fuels, the company is also reducing its costs, enhancing its retail outlets by adding EV charging capabilities, and minimizing its logistics-related climate impact through digitalization.
- **The transition to** renewable production lays the foundation for substantial emission reductions throughout the value chain and is accompanied by direct emission reductions at our refineries, for example through CCS and fossil free hydrogen production.

By the end of 2024, EUR 340 million was allocated to eligible project categories. That means the nominal value of the bond is fully allocated with renewable assets and R&D.

The Green Bond

In June 2022 Preem Holding AB issued its first Green Bond with a nominal value of EUR 340 million. The proceeds of the bond will help Preem to transform it's business and will be allocated to the following project categories; Eco-efficient and circular economy adapted products, production technologies and processes, Renewable energy and Energy efficiency.

Allocated Proceeds and Impact

Issuer: Preem Holding AB

Bond rating: Moody's and Standard and Poor's

Listing: TISE

Bond type: Senior Unsecured

Issue date: June 21, 2022

Maturity: June 30, 2027

Tranch: 5 year (FXD)

Nominal value: EUR 340 million

Coupon: 0.12

ISIN: PREEMS27

Use of proceeds: Eligible Green Projects in accordance with Preem's Green Bond Framework

Second opinion: CICERO Shades of Green, Light Green rating

The table shows the allocation and eligible amounts for the Green Bond by 31-12-2024. Two and a half years after the issue date 100% of the bond is allocated to renewable assets and R&D. Projects with approved expenditures higher than the bond's value are eligible/qualified for green financing but can't be included in the allocation since the nominal value already is filled. Eligible amounts for ongoing projects can change over time.

Green projects	Eligible EUR million	Allocated Green Bond EUR million	% of the Green Bond
Assets	370	283	83%
Renewable feedstock	0	0	0%
R&D	57	57	17%
CCS	0	0	0%
Maintenance cost	0	0	0%
Total	**427**	**340**	**100%**
Cash**		0	0%
Total* **		**340**	**100%**

**) Cash balance = Allocated cash and cash equivalent and unused committed facilities.

***) During both 2023 and 2024, a redemption of 10% of the nominal value was carried out each year. As of December 31, 2024, the outstanding debt amounts to EUR 272 million.

Overview of current activities

For the listed projects, financing is fully or partly covered by the Green Bond and all of these refer to Eco-efficient and circular economy adapted products, production technologies and processes.

Category type	Project	Short Description	Eligible Amount EUR million	Allocated Amount EUR million	Year of com-pletion	Indicator 1 Replaced or expected replacement of fossil raw materials in tonnes	Indicator 2** Expected annual GHG emissions reduced/avoided in tons CO_2e
Asset	**ISOGHT**	**ISOGHT is a new state-of-the-art facility** that complements the GHT by providing the biodiesel with much better cold resistant properties allowing it to be used at freezing temperatures.	38.7	38.7	2015	110,000	325,000
Asset	**GHT Revamp**	**Reconstruction of co-processing facility** to 100% biofuel production, increasing renewable production to 326,000 m^3.	37.7	37.7	2019 & 2022	135,000	410,000
R&D	**ICR Revamp inc BED/FEED**	**Reconstruction of ICR facility** with purpose to produce 100% renewable diesel and aviation fuel.	13.5	13.4	2029	1,250,000	Approx. 3,000,000 when facility is in full production.
R&D	**HVO Study**	**BED/FEED-study with purpose** to increase HVO-production in a new standalone facility.	43.9	43.9	N/A	0*	2,600,000 when facility is in full production.
Asset	**Green Hub Helsingborg**	**Converting of existing product depot** in Helsingborg to a green hub for storage of renew-able feedstocks/biofules.	6.8	6.8	2024	N/A	N/A (pre-requisite for increasing handling of renewable fuels.
Asset	**Green Storage Area 3 Norrköping**	**Converting of existing product depot** in Norrköping to a green hub for storage of renewable feedstocks/ biofules.	4.5	3.7	2025	N/A	N/A (pre-requisite for increasing handling of renewable fuels.
Asset	**Synsat Revamp**	**The Synsat Revamp LYR project** aims to enable the conversion of renewable raw materials into HVO 100 at the refinery in Lysekil.	281.9	195.8	2024	Approx. 900,000	Approx. 2,000,000 when facility is in full production.
Total			**427**	**340**		**2,395,000**	**8,335,000**

*) 1,085,000 additional volumes of renewable fuels put on market.

**) According to the Renewable Energy Directive (RED II, Directive (EU) 2018/2001), Annex V, the carbon dioxide reduction achieved by using renewable fuels in place of fossil fuels (the "substitution effect") is calculated by comparing their respective total life-cycle greenhouse gas emissions. Annex V specifies that this CO_2 saving is equal to the difference between the fossil fuel comparator's total emissions and those of the renewable fuel, expressed relative to the fossil fuel's emissions.

Impact reporting

Project ISOGHT

Increasing the biofuel production capacity by 100,000 cubic meters/per annum. ISOGHT is a new facility that complements the GHT by providing the biodiesel with much better cold resistant properties allowing it to be used at freezing temperatures.

Framework category:	**Eco-efficient and circular** economy adapted products, production technologies and processes.
Project status:	Completed in 2015
Location:	Gothenburg
Invested amount:	EUR 38.7 million*
Share of Green Bond financing:	100%
Purpose:	**Increasing the biofuel** production capacity with 100,000 cubic meters/yearly. ISOGHT is a new facility that complements the GHT by providing the biodiesel with much better cold resistant properties allowing it to be used at freezing temperatures.
Sustainability impact:	**Estimated carbon dioxide** reduction realized when the produced fuels are replacing fossil-based fuels (substitution effect) is 325,000 tons annually.

*) State-of-the-art project, hence included in the allocation report. Depreciations are ongoing, but no new CAPEX since completion.

Impact reporting

Project GHT Revamp

The reconstruction of the co-processing facility in Gothenburg allows for 100% biofuel production, increasing renewable production to 326,000 m^3.

Framework category:	**Eco-efficient and circular** economy adapted products, production technologies and processes.
Project status:	Completed in 2019/2022
Location:	Gothenburg
Invested amount:	EUR 37.7 million
Share of Green Bond financing:	100%
Purpose:	**Reconstruction of co-processing** facility to 100% biofuel production, increasing renewable production to 326,000 m^3.
Sustainability impact:	**Estimated carbon dioxide** reduction realized when the produced fuels are replacing fossil-based fuels (substitution effect) is 410,000 tons annually.

Impact reporting

Project ICR Revamp inc BED/ FEED

Reconstruction of the ICR facility with the purpose to produce 100% renewable diesel and sustainable aviation fuel (SAF).

Framework category:	**Eco-efficient and circular** economy adapted products, production technologies and processes.
Project status:	**Project started** — Reconstruction of plant starts in 2026 with mechanical completion in 2029.
Location:	Lysekil
Invested amount:	EUR 13.4 million
Share of Green Bond financing:	100%
Purpose:	**Rebuilding the ISO-Cracker** with purpose to revamp the unit for 100% renewable production of diesel and sustainable aviation fuel (SAF). The project has been divided into two phases.* Phase 1 involves the construction of the Hydrothermal Cleanup Unit (HCU), while Phase 2 focuses on the rebuilding of the ISO-Cracker(ICR).
Sustainability impact:	**Estimated carbon dioxide** reduction realised when the produced fuels are used replacing fossil-based fuels (substitution effect) is 3,000,000 tons annually.
Expected replacement of fossil fuels:	1.2 million cubic meters annually.

*) In November 2024, the board decided to divide the ICR project into two separate projects: the HCU project and the ICR Revamp project. The HCU project is being implemented first and is currently ongoing. The accrued capex was divided between the two projects.

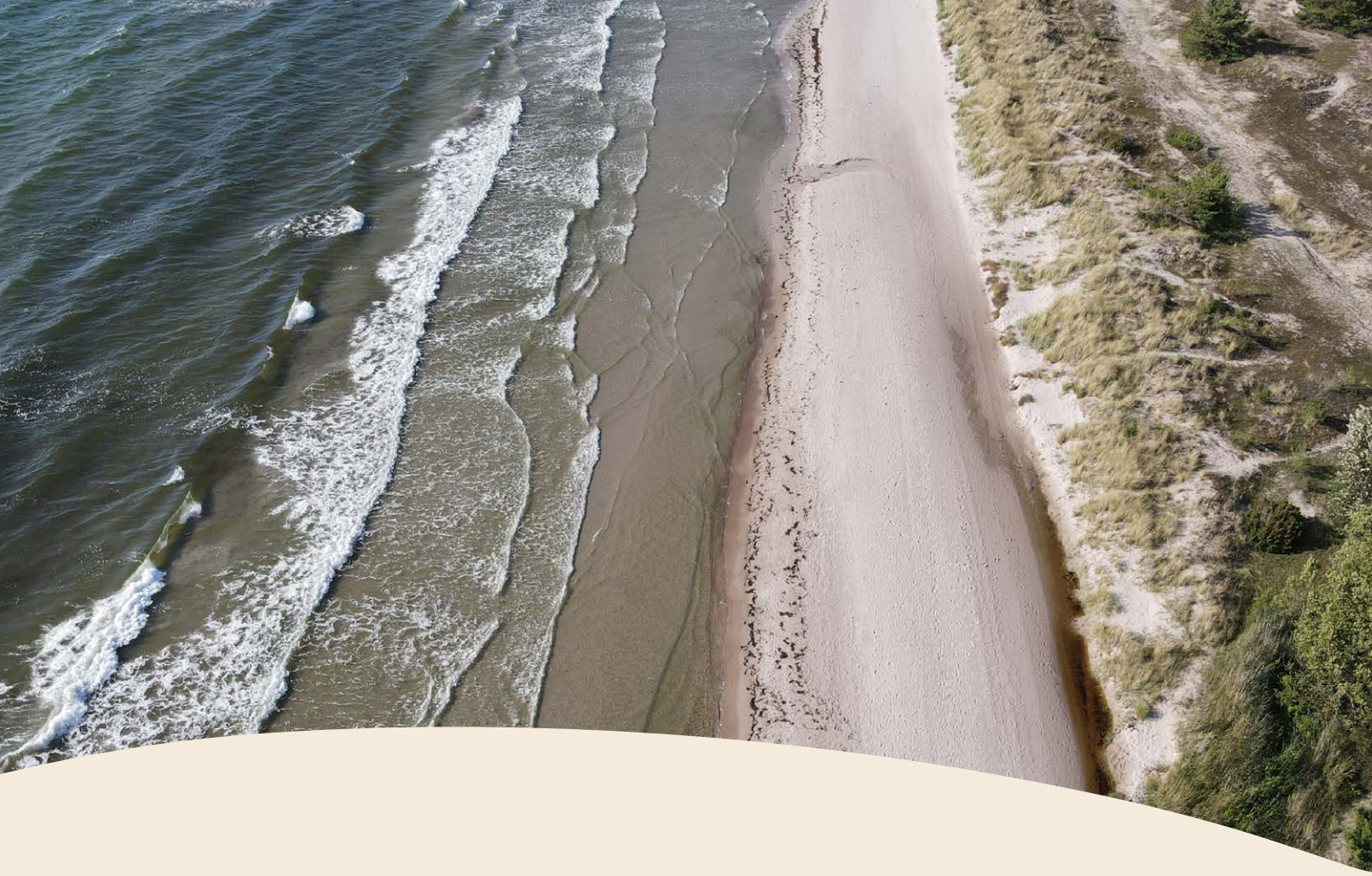
Impact reporting

Project HVO Study

Study with purpose to build a new standalone facility to increase capacity of producing 100% renewable diesel and aviation fuel.

Framework category:	**Eco-efficient and circular** economy adapted products, production technologies and processes.
Project status:	On hold*
Location:	Gothenburg
Invested amount:	EUR 43.9 million
Share of Green Bond financing:	100%
Purpose:	**BED/FEED-study with purpose** to increase HVO-production in a new standalone facility.
Sustainability impact:	**Estimated carbon dioxide** reduction realised when the produced fuels are used replacing fossil-based fuels (substitution effect) is 2,600,000 tons annually.

*) The project is on hold, but the investment is kept on the balance sheet and will be evaluated at a later stage.



Impact reporting

Project Green Hub Helsing-borg

Revamp of 9 tanks into renewable storage.
The depot is an important part of the supply chain and prerequisite for renewable fuels and raw materials for the increased production of renewable fuel.

Framework category:	**Eco-efficient and circular** economy adapted products, production technologies and processes.
Project status:	Completed in 2024
Location:	Helsingborg
Invested amount:	EUR 6.8 million
Share of Green Bond financing:	100%
Purpose:	**Converting of multiple** tanks for increasing the storage capacity of renewable feedstocks/biofuels.
Sustainability impact:	**The depot is** a prerequisite for the increasing production of renewable fuel.

Impact reporting

Project Green Storage Area 3 Norr-köping

Revamp of tanks into renewable storage.
The depot is an important part of the supply chain and prerequisite for renewable fuels and raw materials for the increased production of renewable fuel.

Framework category:	**Eco-efficient and circular** economy adapted products, production technologies and processes.
Project status:	Completed in 2025
Location:	Norrköping
Invested amount:	EUR 3.7 million
Share of Green Bond financing:	100%
Purpose:	**Converting of multiple** tanks for increasing the storage capacity of renewable feedstocks/biofuels.
Sustainability impact:	**The depot is** a prerequisite for the increasing production of renewable fuel.

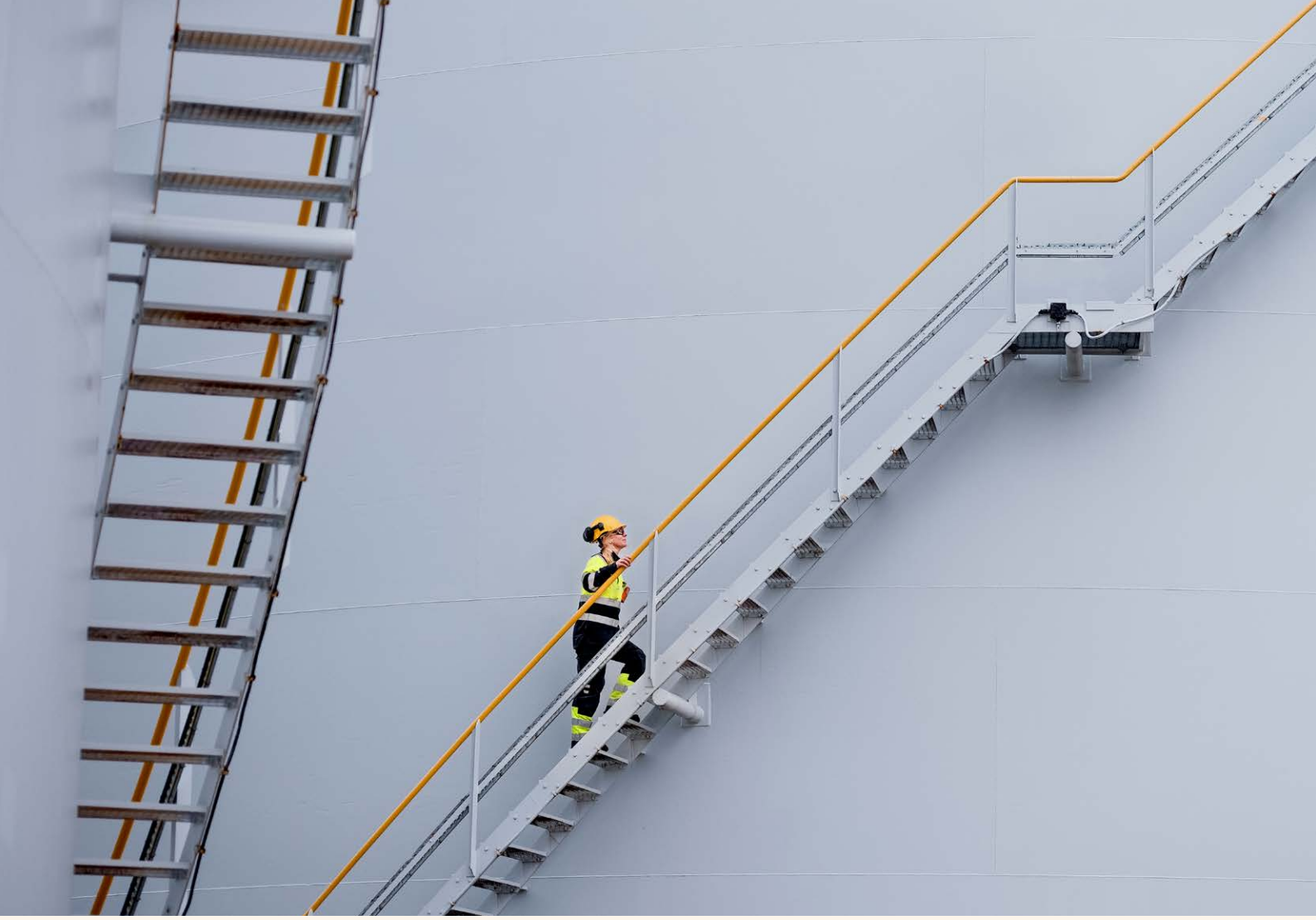
Impact reporting

Project Synsat Revamp

The Synsat Revamp LYR project aims to enable the conversion of renewable raw materials into HVO 100 at the refinery in Lysekil.

Framework category:	**Eco-efficient and circular** economy adapted products, production technologies and processes.
Project status:	Completed in 2024
Location:	Lysekil
Invested amount:	EUR 195.8 million
Share of Green Bond financing*:	40%
Purpose:	**The project involves** upgrading the existing Synsat unit for large-scale production of renewable fuel. The facility will be able to process 40% renewable feedstock, with the ambition to reach 100% renewable throughput by 2030.
Sustainability impact:	**The transition is** to reduce emissions by 2.0 million tonnes of carbon dioxide annually, primarily through the substitution effect realized when the produced fuels replace fossil-based fuels, with the greatest reduction occurring in road transport.

*) The Synsat project is financed by the Green Bond, Green loan from Swedish Export Credit Corporation (SEK) and Preem cash flow. The EUR 195.8 million accounts for 40% of the total amount invested in the Synsat Project.



Reporting principles and methodology

This report is aligned with market best practices outlined by the International Capital Market Association (“ICMA”) and Green Bond Principles handbook “Harmonized Framework for Impact Reporting” 2022.

For completed projects, the actual impact is reported (ex-post) while impact for non-completed projects consist of estimated figures (ex-ante).

CO_2e-impact is calculated based on best practice methods (GHG-protocol) and emission factors used are based on guidelines from the Renewable Energy Directive (RED).

The reported allocation and impact are based on the status of the Green Register as of December 31, 2024.

The full year impact is accounted for regardless of when an activity is included in the Green Register.

Totals quoted in tables and statements may not always be the exact sum of the individual items because of rounding differences. The aim is for each line item to correspond to its source, and rounding differences may therefore arise.

A limited assurance of the use of proceeds reporting for Green Bonds is provided by an accredited third-party auditor. For further details regarding impact methodology, see Appendix.

Green Financing Framework

In 2022, Preem established the Green Financing Framework as a foundation for working with green financing in a structured and transparent way, providing investors and other stakeholders with accurate, relevant and comprehensive information

Green Financing Instruments will assist Preem in the transition into becoming a leading renewable fuel producer and distributor – to play a key role in the energy transition for a low-carbon and sustainable economy.

Green Financing Instruments include Green Bonds, Green loans, Green hybrids, Green private placements, Green project finance and any other financial instrument where the proceeds can be exclusively allocated to finance or re-finance – either in part or in full, new and/or existing Eligible Green Projects and Assets and/or Assets as defined in this framework.

The framework is designed to ensure that any Green Financing Instruments issued by Preem and/or its subsidiaries are aligned with market best practices outlined by the International Capital Market Association ("ICMA") 2021 Green Bond Principles and the Loan Market Association ("LMA") 2021 Green Loan Principles.

The following sections are included in the framework:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

Use of Proceeds

Projects and activities need to fall into one of the following three categories to be considered for green financing at Preem:

1. Eco-efficient and circular economy adapted products, production technologies and processes
2. Renewable energy
3. Energy efficiency

Initially we have decided to focus on category 1 “Eco-efficient and circular economy adapted products, production technologies and processes”.

Within this category we have identified five activity types:

Eco-efficient and circular economy adapted products, production technologies and processes:

A. Investments in biofuel facilities.

B. Purchase of renewable feedstock.

C. R&D investments related to renewable and circular solutions.

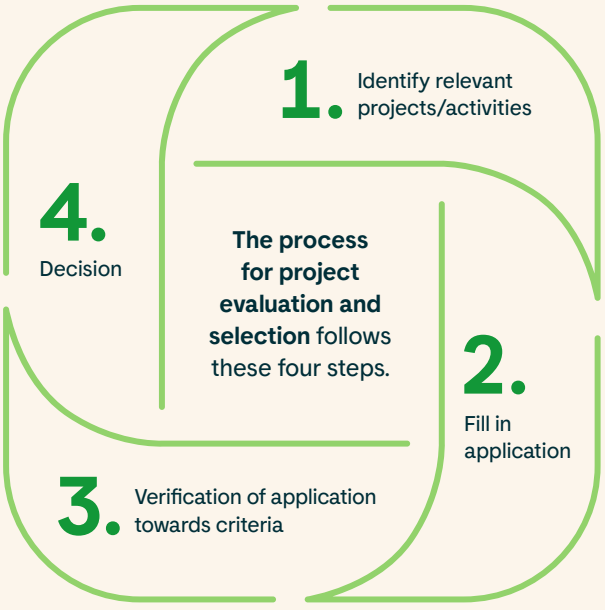
D. Investments in CCS/ CCU technology.

E. Expenditures for maintenance of biofuel facilities.

Process for Project Evaluation and Selection

Preem has established an internal governance structure to ensure the application of this green financing framework. A Green Financing Committee is established to ensure the selection of Eligible Green Projects and Assets are following compliance with the eligibility criteria and to ensure monitoring principles for how capital is allocated to these projects and assets.

The Green Financing Committee is chaired by the Head of Finance and consists of the Head of Sustainability Management, Head of Controlling and senior members of the Sustainability and Finance teams. The sustainability representative holds a veto. Project teams and Management representatives recommend Eligible Green Projects and Assets to the Green Financing Committee for review against this framework. Larger investments are always approved by Preem Investment Committee and the Board of directors.



Management of Proceeds

The Green Financing Committee normally meets four times per year and have granted a total of EUR 340 million to eligible activates since issuing in June 2022. That means the bond's nominal value is fully allocated.

Pending full allocation of an amount equal to the net proceeds of outstanding Green Financing Instruments, the proceeds will be held in cash or cash equivalent. Regarding the status for 2024 this is not needed since the bond is fully allocated.

Allocations of renewable feedstock are done jointly together with The Green Finance Committee, the Sustainability team and Group Procurement. The Green Financing Committee will annually review the list of Eligible Green Projects and Assets and procured feedstock against the eligibility criteria.

Reporting

Preem will request on an annual basis, starting one year after issuance and until full allocation, an assurance report on the allocation of The Green Financing Instrument proceeds to Eligible Green Projects and Assets, provided by an external auditor. This assurance will be made available on Preem's website www.preem.com.

Auditor's Limited Assurance Report

To Preem Holding AB (publ), corporate identity number 559210-7410

Introduction

We have been engaged by the Board and Group Management of AB Preem Holding (publ) ("Preem") to undertake a limited assurance engagement of Preem Green Financing Impact Report for 2024 ("the Report").

Responsibilities of Preem's Management

Preem Holding Management is responsible for the preparation of the Report in accordance with the applicable criteria as well as the accounting principles and calculation principles that the company has developed. The criteria is stated in the Preem Holding Green Financing Framework dated April 2022. This responsibility includes the internal control relevant to the preparation of a Report that is free from material misstatements, whether due to fraud or error.

Responsibilities of the Auditor

Our responsibility is to express a conclusion on the selected information specified above based on the limited assurance procedures we have performed. Our assignment is limited to the historical information that is presented and thus does not include future-oriented information.

We conducted limited assurance procedures in accordance with ISAE 3000 (revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Report, and applying analytical and other limited assurance procedures. A limited assurance engagement has a different focus and a considerably smaller scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The audit firm applies ISQM 1 (International Standard on Quality Management) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent in relation to Preem according to generally accepted auditing standards in Sweden and have fulfilled our professional ethics responsibility according to these requirements.

The procedures performed in a limited assurance engagement do not allow us to obtain such assurance that we would become aware of all significant matters that could have been identified if an audit was performed. The conclusion based on a limited assurance engagement, therefore, does not provide the same level of assurance as a conclusion based on an audit has.

Our procedures are based on the criteria defined by Preem Holding Management as described above. We consider these criteria suitable for the preparation of the Report.

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

Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the selected information disclosed in the Impact and allocation Report is not prepared, in all material respects, in accordance with the criteria.

Stockholm June 12, 2025
Öhrlings PricewaterhouseCoopers AB

Martin Johansson
Authorized Public Accountant
Auditor in charge

Anna Rozhdestvenskaya
Authorized Public Accountant

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