Supporting the sustainability transition

Annual and Sustainability Report 2023

Contents

The Sustainability Report consists of pages 20-43

The Annual Report consists of pages 44–133 and is published in English

Important events in 2023

In 2023, Nynas achieved strong profitability, driven by the strong performance of its core operations.

Showing a commitment to the future, SEK 600 million was invested over the course of the year, including a large scale turnaround at Nynäshamn production plant.

During the year, the company continued to develop its capability to source feedstock from a variety of sources through rapid testing and decision-making, thereby enhancing resiliency in its feedstock supply. Nynas continues to make progress with its transformation program and over the course of 2023 implemented dozens of improvement initiatives, structurally improving both its cost and revenues, thereby improving the company's resilience.

Q1

- The Code of Safe Conduct was launched to support our staff in developing the safety culture and performance.
- In January, a unplanned shutdown occurred at one of the Nynäshamn facility units, constraining NSP production for one month. The last similar event was in 2011.
- In February, Jan-Pieter Oosterom was appointed as CFO of Nynas, bringing with him 20 years of global industry and business transformation experience from Shell and Aramco.
- In March, Nynas biobased tyre oil, NYTEX BIO 6200, was awarded as the top chemicals and compounding innovation of the year at Tire Technology Expo held in Hannover, Germany.

Q3

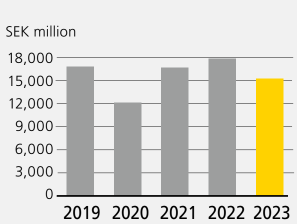
- In September, Eric Gosse was appointed as President and CEO, bringing 30 years of industry experience from TotalEnergies and Vivo Energy (a Vitol affiliate). Stein Ivar Bye stepped down as CEO but remains as chairman of the board for Nynas.
- In September Nynas moved its head office to a new location in Stockholm. With an activity-based office, the company has been able to reduce office space while improving collaboration between employees at a prime location in Stockholm area.

Q4

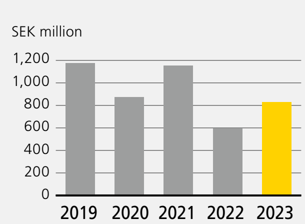
- In November, Nynas joined forces with Stena Recycling to collect and re-refine end-of-life transformer oils, bringing a circular economy to the electrical industry.
- The largest turnaround ever of the Nynäshamn facility took place. 800 contractors were involved, and 17 important projects were completed, in addition to the usual inspection and maintenance activities.
- In December, discussions reached a key milestone with a partner whose intention is to use the Harburg site, which stopped production in 2022, for a green energy project. Discussions are well advanced and supported by the City of Hamburg and the Hamburg Port Authority's strategy to develop the city as a hub for sustainable energy supply. The latest development is an important step in securing a long-term strategic solution for the site.

Nynas turned 95 in 2023. After nearly a century in the market, Nynas is actively developing new, forward-looking, customer-centric solutions to contribute to performance and sustainable development. The distinctive entrepreneurial spirit that characterised the company's founders continues unabated.

NET SALES

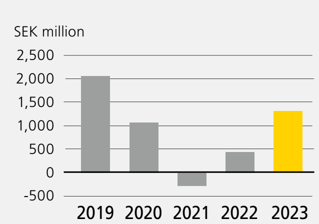


ADJUSTED EBITDA[1]



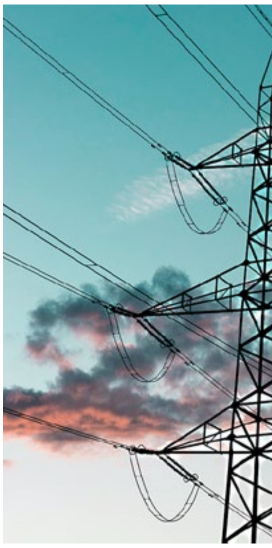
1) For definition see Board of Directors' Report p.46.

CASH FLOW FROM OPERATING ACTIVITIES



THIS IS NYNAS






THIS IS NYNAS



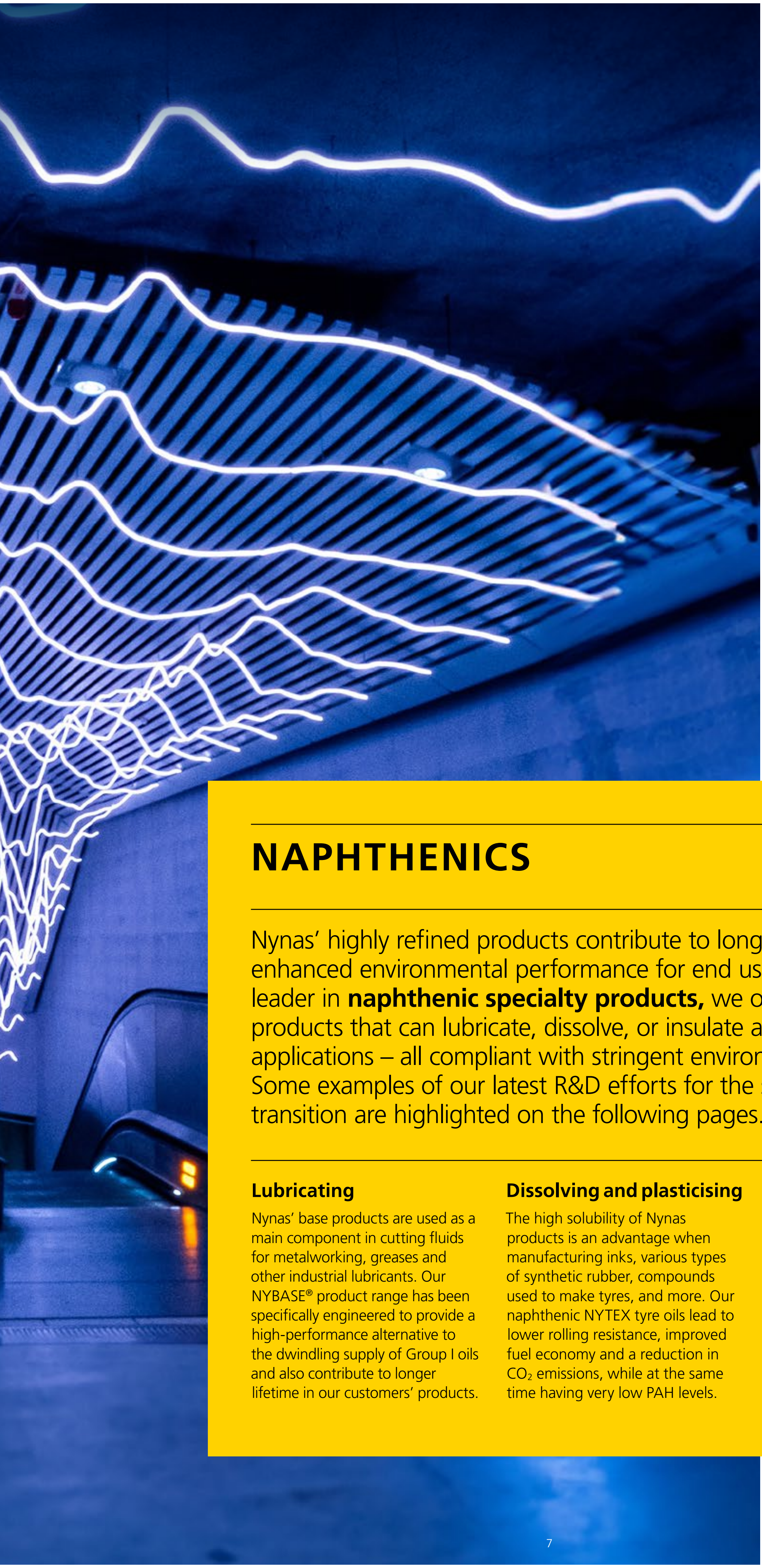



Nynas’ products can be found in all kinds of applications that we come into contact with every day. From the roads we drive on, to the electricity we are so dependent upon, our products are improving the lives of millions of people. We continue to make it possible for customers to reduce their energy and carbon emissions. Simply put, our heart and soul go into supporting **the sustainability transition.**

NAPHTHENIC SPECIALTY PRODUCTS

1.25

billion people use Nynas oil-assisted electricity, every day.



NAPHTHENICS

Nynas' highly refined products contribute to longer lifetime and enhanced environmental performance for end users. As a market leader in **naphthenic specialty products,** we offer a wide range of products that can lubricate, dissolve, or insulate and cool in countless applications – all compliant with stringent environmental requirements. Some examples of our latest R&D efforts for the sustainability transition are highlighted on the following pages.

Lubricating

Nynas' base products are used as a main component in cutting fluids for metalworking, greases and other industrial lubricants. Our NYBASE® product range has been specifically engineered to provide a high-performance alternative to the dwindling supply of Group I oils and also contribute to longer lifetime in our customers' products.

Dissolving and plasticising

The high solubility of Nynas products is an advantage when manufacturing inks, various types of synthetic rubber, compounds used to make tyres, and more. Our naphthenic NYTEX tyre oils lead to lower rolling resistance, improved fuel economy and a reduction in CO_2 emissions, while at the same time having very low PAH levels.

Insulating and cooling

Transformer fluids are used in electrical applications for the insulation and cooling of power and distribution transformers. Nynas offers a variety of transformer fluids, including NYTRO® super grade oils used for Ultra-High Voltage (UHV) equipment. Selecting the right transformer fluid for each application ensures longer transformer life with less maintenance required.

NAPHTHENIC SPECIALTY PRODUCTS

70%

Over its lifetime NYTRO RR 900X can offer a reduction of more than 70% in greenhouse gas emissions compared to a virgin transformer oil. NYTRO® RR 900X is a circular transformer fluid based on highly powerful and effective re-refining technology. It ensures excellent performance and complies with the most demanding quality standards.

100%

The biobased hydrocarbon NYTRO® BIO 300X is based on vegetable and waste feedstock and is still a premium transformer fluid. It is virtually 100% biobased hydrocarbon and has best-in-class cooling performances combined with an exceptionally low carbon footprint.

NAPHTHENIC SPECIALTY PRODUCTS

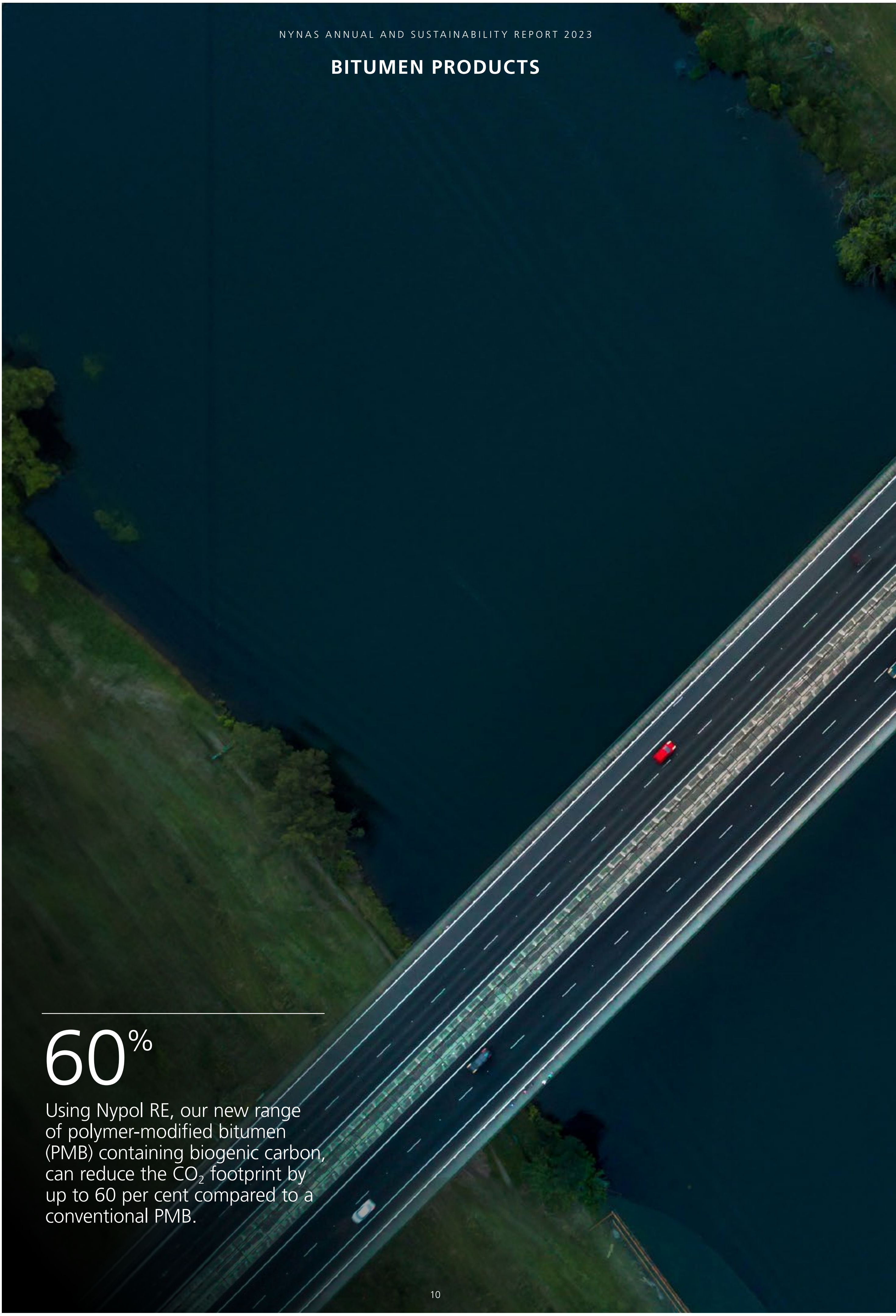
5%

Tyre compounds containing NYTEX 4700 demonstrate a 5% reduction in rolling resistance, consequently enhancing fuel economy, while upholding traction performance at the highest level.

No1

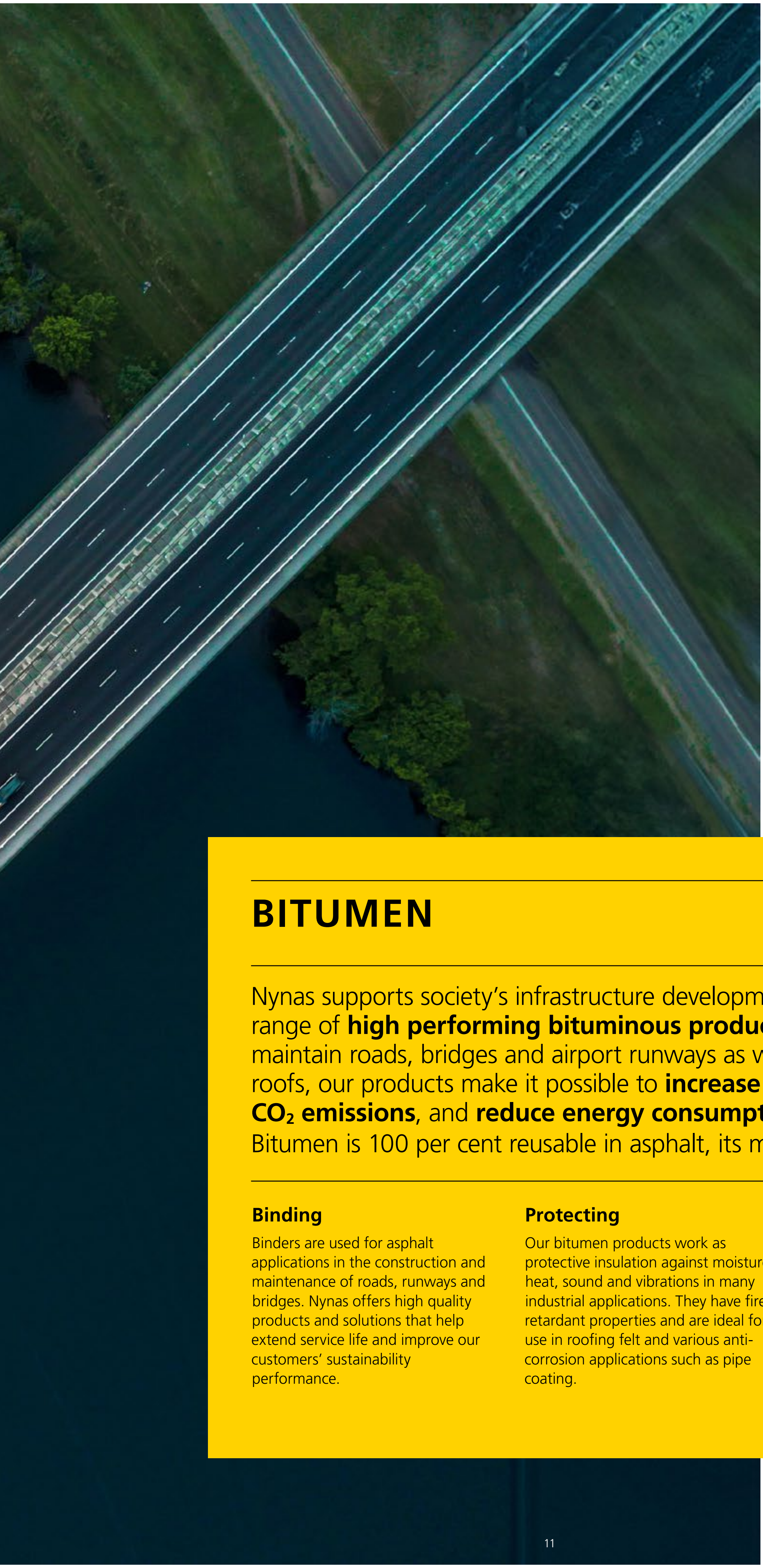
Nynas biobased tyre oil NYTEX BIO 6200 was awarded as the top chemicals and compounding innovation of 2023 at Tire Technology Expo, held in Hannover, Germany.

BITUMEN PRODUCTS



60%

Using Nypol RE, our new range of polymer-modified bitumen (PMB) containing biogenic carbon, can reduce the CO_2 footprint by up to 60 per cent compared to a conventional PMB.



BITUMEN

Nynas supports society's infrastructure development with its wide range of **high performing bituminous products.** Used to build and maintain roads, bridges and airport runways as well as protecting roofs, our products make it possible to **increase durability, lower CO_2 emissions**, and **reduce energy consumption and noise.** Bitumen is 100 per cent reusable in asphalt, its main application.

Binding

Binders are used for asphalt applications in the construction and maintenance of roads, runways and bridges. Nynas offers high quality products and solutions that help extend service life and improve our customers' sustainability performance.

Protecting

Our bitumen products work as protective insulation against moisture, heat, sound and vibrations in many industrial applications. They have fire-retardant properties and are ideal for use in roofing felt and various anti-corrosion applications such as pipe coating.

1.5

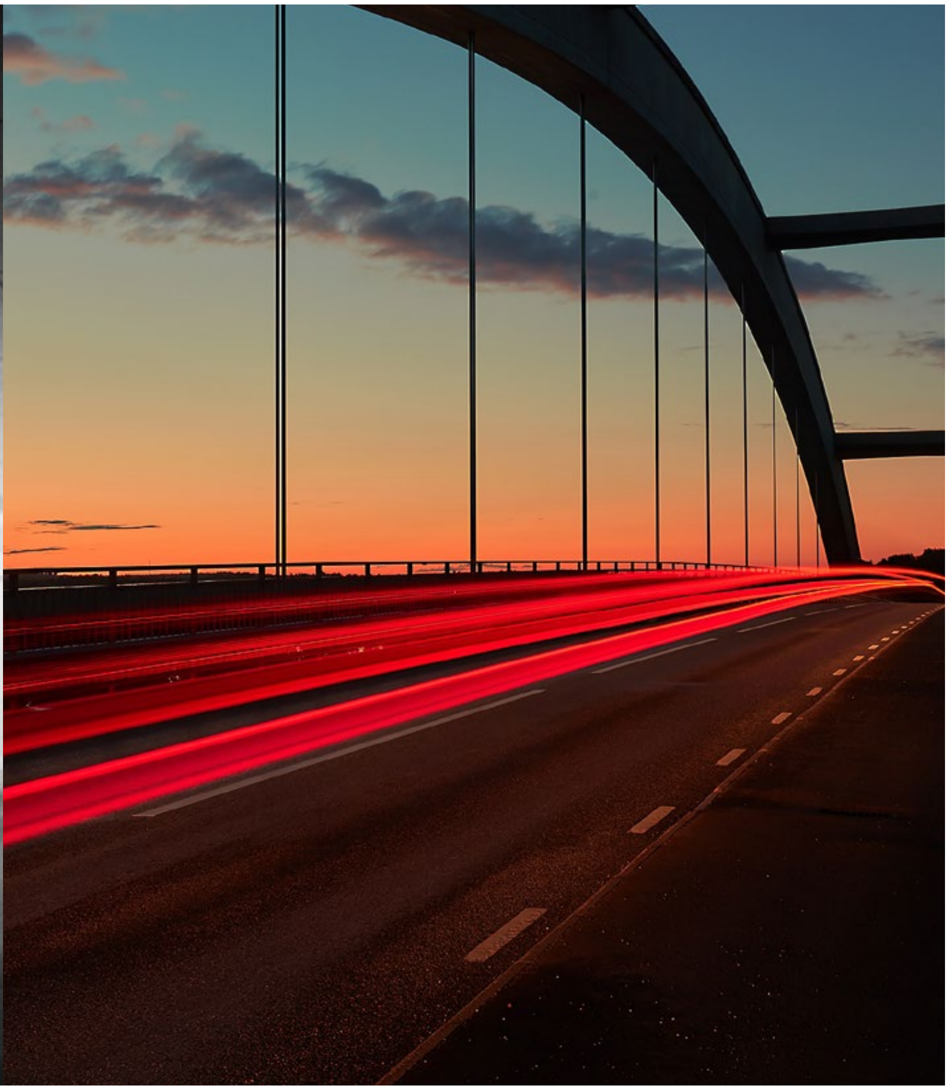
Roads equivalent to 1.5 times the Earth's circumference are resurfaced with Nynas bitumen every year.

40%

A remarkable 40% reduction in carbon dioxide emissions was achieved by using Nymuls CP 50 in a cold asphalt binder course on a high-speed single carriageway in the UK.

BITUMEN PRODUCTS

100% Asphalt is 100 per cent reusable. Nynas offers several products and solutions that facilitate adding more reused material in asphalt.



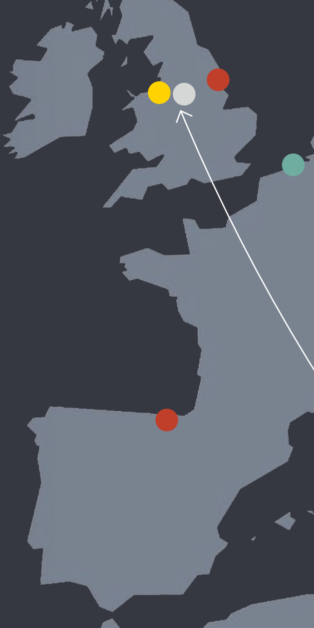
100 yrs With nearly 100 years in the bitumen business, Nynas understands how to supply long-term, cost-effective and functional solutions.

Strategically placed to serve our customers

Our long-lasting, high performance specialty products are designed to meet customers' stringent requirements as they transition into new, more sustainable solutions within energy, infrastructure, and other segments. Our production and distribution activities are ideally situated to support customers on this path.

We rigorously hydrotreat our distillates to remove sulphur and nitrogen while also reducing aromatic content. The result is a very clean product that meets stringent demands in terms of function and health properties and is ideal for many customer applications. We produce bitumen from straight-run distillation for consistent product quality.

To serve our customers, our supply network in Europe and other selected markets ensures customers prompt and reliable deliveries. Through our sales and technical network, we ensure close customer cooperation and support for a wide variety of activities from technical support to collaboration in product development.



Bitumen

Production sites: Nynashamn, Gothenburg and Eastham Depot system to cover the Scandinavian and UK markets.

- Manufacturing site
- Depot

Naphthenics

Production sites: Nynashamn
Main blending facility in Antwerp.
Depot system to cover our core market in Europe, and selected markets in South America, South Africa, India and Singapore.

- Hub
- Depot
- Manufacturing site

OPERATIONS

PRODUCTION SITE NYNÄSHAMN, SWEDEN

The site was established in 1928 in Nynäshamn, close to Stockholm. Here all Nynas product categories are manufactured for the Nordic market and for export. The production site has played a key role in Nynas' focus on specialty products. In the shift between the 80s and 90s significant investments were made to increase bitumen capacity and advance the production of naphthenic specialty products. Investments have since then continued with a focus on quality, reliability and sustainability.

- The largest production site in the Nynas Group.
- The largest supplier of bitumen for roads in Sweden and the Nordic countries.
- One of the largest producers of naphthenic specialty products in the world.
- In 2004, the production site became the first of its kind in the world to run mainly on biomass, as all steam is generated by a cogeneration plant fueled by wood chips and other biomaterial.

PRODUCTION SITE GOTHENBURG, SWEDEN

The site produces bitumen for the Nordic market. It was established in 1956 close to the Gothenburg harbour, in western Sweden. The production unit is kept up to date through strategic investments focusing on product quality and sustainability. Recent investments in new gas heaters have resulted in major emission reductions.

- The site is focused on the production of bitumen and specialty products such as polymer modified bitumen, bitumen emulsions and oxidised bitumen.
- The process to modify bitumen with polymers aims at making the binder more flexible at low temperatures, necessary for long lasting pavements for demanding conditions.

PRODUCTION SITE EASTHAM, UK

The site is operated as a 50/50 joint venture between Nynas and Shell. It is located on the River Mersey in north-western England.

- The site produces bitumen for the UK market.
- At the site, Nynas operates an upgrading plant (Special Products Plant or SPP) producing polymer modified binders and emulsions.

Nynas is back on track

Nynas has become a leaner, less risky and a more efficient company following a year of transformation activities that included reducing the company footprint. Our strong financial performance in 2023 reflects this. We are now well positioned to create value ahead.

The company transformation programme, which was introduced in February 2022, has reaped positive effects. We have proven that Nynas is a strong business, built on unique products, infrastructure, and market position, and achieved a strong performance both commercially and financially in 2023.

We have refocused our footprint on our core markets, and successfully delivered improved margins, yielding positive operating result of SEK 566 million in 2023, significantly increasing its Adjusted EBITDA to SEK 829 million (596) and growing the Group's equity. Net income in 2023 was SEK 592 million. Note that this is in a year when we had our four-yearly turnaround at our largest site as well as an unplanned downtime at our Nynäshamn production site, adversely impact earnings by an estimated SEK 572 million.

The market, our infrastructure and our products

In 2023, the market situation for Nynas normalised with less volatility in commodity prices. Crude oil prices peaked during the summer of 2023 but finished the year below 80 USD/bbl. Although gas prices were high in the beginning of 2023, they more than halved by the end of the year to below 30 EUR/MWh.

We experienced strong demand for our Naphthenic Specialty Products (NSP), particularly in transformer oils. These oils contribute to the energy transition by helping customers increase the efficiency and expansion of their electrical infrastructure. According to a study by Future Earth Analytics, some of our transformer oils allow our customers to achieve unparalleled energy savings compared to competitors' products in the use phase.

We are now manufacturing and marketing sustainable oils with rerefined transformer oil (Nytro® RR 900 X), and the award-winning Nytex BIO 6200 (Tire Technology Expo – International Awards for Innovation and Excellence in 2023), a partially biobased, naphthenic oil for the tyre industry.

Bitumen sales bounced back to levels above our targets in Scandinavia. We take comfort from the loyalty of our long-standing customers, many of which have been with Nynas for decades, as they return to Nynas now that our supply challenges are behind us. We continue to work actively on our entire supply chain to better serve our customers, putting to good use our two manufacturing sites in Nynäshamn and Gothenburg, the only bitumen-producing units in the Nordics. Nynas also continues to be a key bitumen player in the UK, where we actively market bitumen and specialty products, building on our 50 per cent stake in the Eastham Refinery Ltd (a joint venture with Shell), and our Dundee Depot, the only Scottish bitumen depot.

In 2023, we sold 1.6 million tonnes of products in our core operations, of which 75 per cent were specialty products with low CO_2eq emissions in the use phase or in some cases 100 per cent recyclable products.

More flexible feedstocks

Nynas has become more agile and flexible in procuring and processing feedstock. After years of intense efforts to increase suppliers, we have actively and successfully widened our feedstock slate and have a reliable supply of feedstock coming from Europe and the Middle East. We also continue to innovate and develop alternative feedstocks based on both atmospheric residues and crude oils.

The recent launch of our MT Thun Resource vessel contributes positively to the supply chain and sustainability. The vessel carries a bigger cargo while consuming much less fuel per tonne transported compared to previous vessels, enabling Nynas to substantially reduce its CO_2 emissions from shipping.

Transformation programme

We continued to deliver on our transformation programme, which was launched in February 2022 to make Nynas leaner and more efficient by focusing on our core markets. During the year we exited the last of our non-core markets (the US and Brazil). For NSP we are now focused on Europe and are further serving our customers in areas where we can add meaningful value, such as in Singapore, or in India for tyre oils. Our bitumen efforts are focused solely on the Nordics, the Baltics and the UK.

Following the closure of the Harburg manufacturing site, we have rightsized our marketing reach and downsized our organisation, including our central functions, with a move to a modern head office in

MESSAGE FROM THE PRESIDENT

Stockholm. Nynas is very focused on its transformation program and remains to committed to it with the aim to further improve its efficiency in the coming years, for instance regarding the supply chain in the UK.

Regarding Harburg, besides the potential option to use the site as an oil storage facility, Nynas is in advanced discussions with a partner with the intention to use the Harburg site for a green energy project in line with the European objective for a transition to a sustainable energy solution. The project builds on Germany's objectives for future use of hydrogen and is supported by the City of Hamburg and Hamburg Port Authorities' strategy to develop as a hub for sustainable energy supply. The recent development is excellent news that goes a long way in securing a long-term strategic solution for the site.

Operational activities

During the year we conducted our largest-ever turnaround at the Nynäshamn manufacturing site, which involved 57 projects and 800 contractors. Every four years, the manufacturing site undergoes this planned maintenance and inspection stop. The successful 2023 turnaround was completed within budget.

We experienced an unusual short-term setback early in the year at the Nynäshamn manufacturing site. Fortunately, no one was harmed, and quick response from our safety department to the incident resulted just in some limited production losses.

We are currently running an assessment of the situation and will address it accordingly. HSSE is a top priority at Nynas, and I am determined to show this through our actions. I know through experience however that turning the tide may take some time.

Sustainability in focus

Sustainability is the key driver in our R&D projects today. Through innovative products we can help our customers and society transition to a more sustainable world. We are currently expanding our portfolio of circular products and exploring new circular feedstocks. in 2023, for example, we launched an exciting project with Stena Recycling to collect and re-refine end-of-life transformer oils to use as feedstock.

We continue to improve the energy efficiency at all Nynas sites and introduce energy sources with a lower climate impact, such as transitioning to natural gas from oil. We plan to reach a more than 50% reduction in our scope 1 and 2 GHG emissions by 2030 compared to 2017. We are well aware that further improvements will be needed to reach net zero by 2050. Our sustainability programme is aligned with the UN Sustainable Development Goals. In the first half of 2024 we will complete the mapping of our scope 3 GHG emissions.

Moving ahead

Nynas is entering a new phase. Tomorrow will be dedicated to manufacturing excellent products in a reliable fashion from our plants in Sweden or in the UK and marketing those to our customers. In doing so consistently we will progressively reduce the debt of the company.

With its products, Nynas is uniquely positioned to contribute to the energy transition, and we look forward to embracing the sustainability challenge. Sustainability is also a gigantic market opportunity, and we will continue to develop and innovate to improve the sustainability characteristics and benefits of our products. We will also focus on improving sustainability within production and our supply chains.

Attracting and retaining key talent is an industry-wide challenge and another priority for Nynas.

I've been working in this industry for more than 30 years but am new to Nynas. My impression of Nynas was that of a company with strong products and a strong market position – and this impression remains. The prospects following Nynas' successful transformation has left a very positive feeling regarding the company's prospects. Today we have more supply flexibility, greater sustainability, and strong financial results. With this and our talented teams we are now ready to build our future – one that goes in sync with the energy transition for a more sustainable world.

Lastly, I would like to pay a tribute to the work done by my predecessor, Stein-Ivar Bye. He righted the ship with the strong support of the Board. I'd like to thank all our employees for their excellent work in 2023. We proved together that Nynas can create value for everyone. It's an honour to be here, taking Nynas to the next stage.

Eric Gosse, President and CEO

Important steps towards climate neutrality

Our longstanding commitment to sustainability is rooted in the very applications on which we focus. As countries develop their economies, Nynas is there to support them, contributing to key infrastructure and clean energy applications that are vital for society.

Accelerating electrification is a critical step in the energy transition that is needed to limit global warming to the 1.5 °C Paris Agreement goal. Nynas transformer fluids primarily insulate and cool electrical transformers. They are found in other electrical equipment too, such as high voltage switches and circuit breakers. Our products allow for a longer transformer life with less maintenance. They are fully recyclable and some of them are fully biodegradable. They are already part of the circular economy. Thousands of transformers in power grids around the world contain Nynas oil. The need for our transformer fluids will continue to grow along with the expansion of grids to allow for wider electrification.

Bitumen is another crucial ingredient in the world's infrastructure. Our bitumen is used to build and maintain roads, bridges and airport runways and, because it is 100 per cent reusable, it contributes to the circular economy too.

Building on this legacy, our approach to sustainability is holistic as reflected in our focus areas encompassing environmental, social and governance dimensions. Sustainability stands at the core of our strategy and culture, shaping what we want to do and how we want to do it:

- We are committed to continuous improvement by evaluating and improving sustainability practices based on data, feedback, and emerging best practices.
- We foster a culture of innovation that encourages the development of new sustainable technologies and practices within our markets.
- We contribute to building a sustainable value chain and aim for closer partnerships with suppliers, customers, investors and local communities.
- We assess and manage sustainability-related risks, which include climate change, other environmental impact, and resource scarcity.

Managing sustainability-related risk

Most of our products do not emit greenhouse gas in their use phase. Nynas products increase the lifetime of customers' applications and support the reduction of environmental impact. With close proximity to our customers, we can shorten lead times and the distances that our goods must travel, thereby reducing their carbon footprint.

Nynas is committed to lowering its own environmental impact and our aim is to become climate-neutral by 2050. We will monitor all our operational emissions based on the Greenhouse Gas Protocol. Since 2017, and through our transformation, we have reduced our own absolute Scope 1 and 2 GHG emissions by more than 50 per cent. We continue to invest to reduce the carbon intensity of our sites.

Nynas' products through their lifecycle have a positive impact, helping save carbon and energy compared to the next best available product. Nynas initiated a study led by a team of reputable academics via Future Earth Analytics LLC, to independently assess these features of Nynas products.

As we continue to develop for the future, our focus – and our responsibility – is to reinforce our role as a key player in the transition to a more sustainable society. We will continue to develop sustainable products and solutions that offer our customers longer life and greater circularity.

All of the above translates into our sustainability goals. Progress is monitored and reported through time-bound sustainability KPIs.

Activities in 2023

In 2023, we identified the operational levers needed to bring our production sites to carbon neutrality by 2050. We now have a clear roadmap. Scope 1 and 2 GHG emissions were significantly reduced, keeping us ahead of our anticipated trajectory to carbon neutrality.

SUPPORTING THE SUSTAINABILITY TRANSITION

Nynas is committed to lowering its own environmental impact and our aim is to become climate-neutral by 2050.

Sustainability governance

VISION AND STRATEGY

Our vision for Nynas is to leverage our role as the industry's innovation leader to support the transition to a sustainable society. As an organisation, Nynas will be focused, profitable and sustainable in every way.

The Nynas sustainability strategy is based on four focus areas:

- Sustainable Products
- Health and Safety
- Enivronment and Climate
- People and Society

Sustainability governance

Our ambition supports all UN sustainable development goals. We have identified four goals that are particularly relevant for our products, operations, and most importantly, our ambition to contribute to a sustainable society.

SDG 8 decent work and economic growth

Nynas aims to be regarded as a positive force in society and an attractive and equal opportunity employer. We have a strict policy against harassment in the workplace and ensure that no basic human rights are abused. Nynas will never knowingly tolerate slavery or forced labour on behalf of the company or its partners. Nynas has health and safety procedures in place to protect employees from both physical and psychological harm.

SDG 9 industry, innovation and infrastructure

We provide and develop long-lasting, high quality products that contribute to sustainable value in society for example through our bitumen products, which are a key component in road paving, and through our transformer oils in electricity distribution. We are continuously conducting research and development to improve product lifetime, recyclability, product health and safety, and other aspects contributing to sustainable development.

SDG 12 responsible consumption and production

Nynas strives to increase the energy efficiency in all aspects of operation, transportation and product use. We closely monitor all emissions from operations and work diligently to continuously lower the emissions to air, sea and land through production facilities that employ waste management and treatment operations.

Nynas maintains a rigorous concept of process safety measures to minimise the risk of loss of primary containment. We have a response organisation that takes measures to maintain our high standards. We continuously assess the health, safety and environmental aspects of our products and do our utmost to ensure long lifetime and circularity through recycling and reuse. Nynas provides guidance for safe use of all its products, such as training on the handling of hot bitumen.

SDG 13 climate action

We aim to be climate neutral by 2050 and monitor our greenhouse gas emissions (GHG) according to the Greenhouse Gas Protocol. We have established a 2030 target to reduce our Scope 1 and 2 GHG emissions by 50% compared to our baseline of 2017. We continuously work to improve energy efficiency and reduce greenhouse gas and other emissions from our operational activities. Our focus is on developing high quality products that enable longer service life, reduce greenhouse gas emissions and increase energy efficiency.

We have identified four focus areas based on these SDGs and a materiality assessment. An update to the materiality assessment was conducted in 2023.

Within these four key areas we have defined ambitions and strategies for 2030.

SUSTAINABILITY REPORT

Governance
The Nynas commitment to sustainability is reflected in the company's business governance and through the Group-wide sustainability policy. This policy is linked to a number of other policies that collectively steer our corporate responsibility approach by addressing environmental, economic and social aspects.

The policies are as follows:
- The Code of Conduct
- Competition Compliance
- Global Anti-bribery and Anti-corruption
- Health, Safety, Security, Environment and Quality (HSSE&Q)
- People and Human Rights
- Procurement

The Nynas operations are certified according to ISO 9001, ISO 14001 and ISO 45001.

Organisation
Overall sustainability is the responsibility of the Board, whose decisions are carried out by the Nynas Executive Committee. A dedicated full-time Group Sustainability Manager leads a working group made of representatives from all business areas and functions ensuring progress on sustainability initiatives under the supervision of the Nynas Executive Committee.

SUSTAINABILITY KPIs

The following sustainability KPIs were established in 2023.

Health & Safety
- Total Recordable injury Frequency (#/mil work hrs)
- Process Safety Accidents Tier 1 (#/mil work hrs)
- Transport accidents (#)

Climate and Environment
- Scope 1 and 2 emissions (ktonne CO_2 eq)
- Reduction of Scope 1 and 2 emissions compared to base year 2017 (ktonne CO_2 eq)
- Environmental permit noncompliance (#)

People and Society
- Sick leave (%)
- Engagement index (%)
- Employee turnover (%)
- Diversity (%): age, gender, gender in managerial roles
- Critical Suppliers assessed for sustainability (%)
- Undertaking – compliance with competition, anti-bribery, anti-corruption and trade laws (% signed by employees)

Sustainable Products
- Research and development projects with sustainability as a key driver.

CSRD Corporate Sustainability Reporting Directive

Nynas has begun its efforts to address the impending Corporate Sustainability Reporting Directive (CSRD), which entered into force in 2023. Nynas must comply with CSRD reporting from 2026 based on the financial year 2025. Our dedication to sustainability touches crucial areas, including the environment, social responsibility, and the development of sustainable products. Our CSRD efforts began with CSRD training sessions conducted in 2023 across our various functions, including new reporting according to European Sustainability Reporting Standards (ESRS). Subsequently, a project has been initiated to align Nynas reporting with ESRS practices.

As a crucial initial step in this project, Nynas conducted a Double Materiality Assessment (DMA) to identify material topics and subsequently report on them in accordance with the new requirements. The overall goal is to produce a comprehensive and meaningful report that encompasses the environmental, social, and governance (ESG) dimensions.

The DMA project resulted in the categorisation of various topics and subtopics based on CSRD. For Nynas, several subjects were identified as material topics, including Climate Change, Own Workforce, Pollution, and Governance. The next phase involves conducting a gap analysis and preparing a report in alignment with various standards within the ESRS framework.

In the context of addressing climate change through mitigation and adaptation efforts, Nynas has worked on projects aimed at monitoring CO_2 emissions, covering not just scopes 1 and 2, but also scope 3. The current scope 3 project includes the ongoing identification of emission sources in alignment with the Greenhouse Gas Protocol (GHG protocol). The classification of 15 categories of emissions is currently in progress, with a specific emphasis on actively monitoring emissions for crucial categories during the initial phase. These categories include purchased goods, business travel, and transportation, and also use and end-of-life of products.

Nynas and the EU Green Deal

Several recent policies are having an impact on our sustainability approach, for example, the European Green Deal, which is the roadmap for making the EU economy sustainable. A number of strategies and actions under the Green Deal umbrella are relevant for Nynas, including the following:

European Green Deal actions	Nynas response:
The European Climate Law sets a legally binding target of zero greenhouse gas emissions by 2050, for countries where Nynas operates* and a reduction of 55 per cent by 2030 compared to 1990 on the EU level. This increases pressure to reduce emissions of greenhouse gases from our operations. *)The target is for the country and not for Nynas.	Scope 1 and 2 GHG emissions are mapped, targets have been set and we have a road map to get to carbon neutrality by 2050. Our scope 3 mapping project will be completed in 2024, and a roadmap for reduction will follow.
The Circular Economy Action Plan includes initiatives along the entire life cycle of products. It promotes circular economy processes, fosters sustainable consumption, and aims to ensure that the resources used are kept in the EU economy for as long as possible.	We are constantly assessing the entire product life cycle especially regarding climate impact and lifetime/durability and we have introduced a range of innovative products with enhanced circularity. Additionally, we're engaged in research and development projects focused on expanding our portfolio of circular products and exploring new circular feedstocks.
The Chemicals Strategy for Sustainability aims to achieve a toxic-free environment and increased protection of human health and the environment against hazardous chemicals.	We continuously assess the hazards of our products and work to minimise their impact. We provide guidance on safe use for all of our products.

Focus area — Sustainable Products

Our focus is on developing high-quality products that enable longer service life, reduce greenhouse gas emissions, increase energy efficiency in their production and use and support the circular economy. Nynas will continue to provide and develop products that contribute to sustainability when used in customer applications.

Ambition 2030

Our ambition for 2030 is to increase the share of Nynas products that are in circular product flows and to continue to develop renewable products where there is a possibility and value in doing so. Nynas will continue to supply crude-based products going forward. In most cases, this is simply because the performance of these products is unrivalled by alternative solutions at hand today and in the near term. These products also offer sustainability benefits such as a longer service life, reduced emissions in their use phase, and reduced use of resources.

We aim to demonstrate continuous improvement within sustainability and will also continue supporting the market with information on the sustainability benefits of our products. Our research, development and innovation efforts focus on improving product lifetime, product use phase, raw materials, efficiency, reusability/recyclability, product health and safety, and the product's contribution to social and infrastructure development.

Some of the strategic efforts and activities to help us achieve our 2030 ambition for sustainable products are described as follows.

Develop circular product flows

An important basis for our strategy is the that we assess and account for the expected impacts over the entire life cycle of our products, especially regarding climate impact and durability during their use, and we continue to explore and develop circular product flow solutions in dialogue with customers and other stakeholders to innovate for the future.

Our focus on circular solutions has resulted in the re-refined premium transformer fluid NYTRO® RR 900X, which meets the most stringent IEC 60296 (2020) requirements and offers performance equal or superior to those of virgin mineral transformer oils. Produced from end-of-life mineral oil-based transformer oils, the product can replace virgin oil in new transformers and thereby contribute to resource efficiency and a substantially reduced transformer fluid carbon footprint. Its introduction has been well-timed considering the increasing attention within the electrical industry on circular and other sustainable materials. A cornerstone in the circular solution for the electrical industry is the Nynas partnership with Stena Recycling to collect and re-refine end-of-life transformer oils.

There are further applications where our specialty oils are fully recyclable at the end of their service life. In some other cases, the compositions which they are a part of are recyclable. It is also well-established that bitumen products in road applications are 100 per cent reusable and make it possible for customers to recycle asphalt.

Sustainable feedstocks

NYTRO® BIO 300X is a biobased, renewable and biodegradable hydrocarbon and, like all Nynas transformer fluids, is a fully recyclable product. This high-performance transformer fluid offers superior heat transfer and exceptional cooling due to its ultra-low viscosity. To date. 350 MVA 400kV transformers have been commissioned with this product. The biobased and biodegradable fluid has received recognition for its exceptional thermal performance aspects and the fact it can advantageously be used in transformers designed for mineral oil-based fluids. It can even provide an opportunity for a more efficient and optimised transformer design. Checks of transformers commissioned with NYTRO BIO 300X over the past few years show good operational data. For instance, dissolved gas analysis (DGA) follow-ups have, over the first two years, shown very low gas formation as compared to twin transformers filled with synthetic ester.

In work published by Koncar on instrument transformer dielectric lifetime expectancy and internal arc performance testing, all tested liquids (mineral oil, synthetic ester and NYTRO BIO 300X) exhibit the same performance in the arc test, but NYTRO BIO 300X exhibits superior features in many of the other categories related to lifetime expectancy.

Our tyre and rubber oil, NYTEX BIO 6200, is produced using partly renewable feedstock. It delivers the same high quality and performance of all Nynas tyre oils, but further contributes to higher sustainability through a lower raw material carbon footprint.

SUSTAINABILITY REPORT

We aim to demonstrate continuous improvement within sustainability and will also continue supporting the market with information on the sustainability benefits of our products.

SUSTAINABILITY REPORT

NYTEX BIO 6200 remains in the *European Rubber Journal's* Elastomers for Sustainability (E4S) listing as one of the top 10 most important sustainability projects in the elastomers/rubber industry right now. The product also received the Tire Tech Compounding and Chemicals innovation award in 2023.

Extensive studies have been made with NYTEX BIO 6200, ranging from numerous compound types such as bicycles, winter and summer tyres, with both carbon-black and silica fillers. The results, including both the performance and compound processability, as well as wear properties have been excellent, both in studies conducted at Nynas' fully equipped rubber compounding lab and in those confirmed by customers and leading brands in the sector.

NYNAS BIO products NYTEX BIO 6200 and NYTRO BIO 300X have received ISCC Plus certification. ISCC Plus is a voluntary, globally recognised sustainability certification scheme which allows companies to demonstrate the sustainability credentials of their bio-based, bio-circular and circular materials. The certification scheme provides traceability across the value chain.

On the bitumen side, our Nypol RE portfolio of polymer modified bitumen (PMB) products containing a biogenic component has received a positive response from the market and technical durability studies indicate good results. This high-performance PMB increases pavement life compared to unmodified bitumen but has a smaller carbon footprint than other PMB products. Choosing PMB supports society by making our road assets last longer.

Innovate for sustainability

Quality, performance and environmental impact, steer our research, development and innovation efforts. To stay in the forefront, we conduct our own inhouse testing and development work in our well-equipped application laboratories, and work with external partners. We work with customers and other leading industry actors as well as with well-reputed universities and research institutes. Much focus is put on performance testing and the development of new solutions as well as into understanding basic mechanisms. Through our ReSolution framework, Nynas directs its customers towards products and solutions that help them achieve sustainable performance. More information on ReSolution is found on pages 28–29.

Some examples of products from a traditional raw material base within the ReSolution framework include Nynas bitumen products that enable customers to produce and pave asphalt at lower temperatures. These contribute to reduced energy consumption and lowering of greenhouse gas emissions and reduced occupational expsoure. We strongly believe warm-mix and cold-mix technologies have an important role to play in the sustainable transition. A very good example from 2023 is a road project in the UK combining a Nynas cold-mix solution with recycled aggregates. Three thousand tonnes of cold asphalt was installed on an eight kilometre road using 100 per cent recycled aggregates and Nymuls CP50. This reduced the CO_2 emissions by 54 tonnes, resulting in a 40 per cent reduction compared to using conventional asphalt on the same road.

Road maintenance is important for society and the economy. Surface dressing is a preventive way to extend pavement life and reduce traffic disturbance from potholes. Studies show that preventive maintenance provides great savings compared to reactive maintenance which involves fixing pavements and potholes after they have already occurred. Nynas has extensive experience in surface dressing and offers high-quality polymer-modified bitumen emulsions with a proven track record of providing excellent durability under the most stressful traffic conditions.

The products in our NYTEX® portfolio are a good example of how our specialty oil solutions contribute to sustainability. They provide compliant alternatives to creosote in wood treatment now when the EU has announced a ban on creosote use in wood material for fences and marine structures. The formulations developed with these oils offer a safer alternative to creosote, a toxic and carcinogenic substance that has been used for years as a wood preservative to protect against external elements, as well as termites and other pests in industrial applications. The NYTEX oils provide the technical and aesthetical effects desirable in industrial wood treatment.

In 2023, projects on the bitumen side have, for example, looked into Nypol RE durability and aging performance and correlations between lab and field aging testing in general.

Naphthenics projects have, for example, concerned sustainable material compound concepts in tyre and chemical industry contexts where the studies have both looked at alternative fluid solutions as well as

SUSTAINABILITY REPORT

how they work in broader contexts when the entire formulations are constructed with polymers, fillers, and so on, from sustainable feedstocks. These studies have resulted in a number of publications and conference presentations.

To promote sustainable development, we follow a KPI with R&D projects having sustainability as the main driver. For 2023, 46 per cent of our R&D projects had sustainability as the main driver.

Market dialogue

Nynas provides guidance for the safe use of our products, and we continuously assess their health, safety and environmental aspects, doing our outmost to minimise all risk. We have the challenging task of educating the market on the sustainability benefits of products based on our oils and are developing and sharing information to support these efforts.

Nynas continued to work actively in Eurobitume's Bitumen Sustainability Steering Group, whose mission includes promoting the sustainable use of refined bitumen in road, industrial and building applications.

Nynas is a member of the UEIL, Union of the European Lubricants Industry's Sustainability Committee that, among other things, aims to provide guidance to define, develop and measure sustainability in the European lubricants industry. Nynas is also active in the ELGI Sustainability Consortium for which the focus is sustainability aspects in the lubricating grease industry. We have been pleased to see the steps taken during the year to improve coordination and the establishment of a common platform between different lubricants associations. The product carbon footprint model developed jointly between UEIL, ATIEL and ELGI is a fruit of the joint efforts.

Nynas is also a contributing member in the electrical industry's joint industry project to develop a standard approach across the value chain to power transformer sustainability. One aim is to generate a standard Life Cycle Analysis (LCA) approach and methodology for the industry.

Nynas bitumen products enable customers to produce and pave at lower temperatures, which contributes to lower energy consumption.

ReSolution – a contribution to sustainable development

Sustainable development is now a high priority in most industries. Some stakeholders believe this can only be achieved with a transition to bio-based or perhaps circular solutions, away from traditional crude-based products. It is, however, often not that simple.

Sustainability can be many things, but what are often key aspects when it comes to products, are energy consumption and greenhouse gas emissions related to their use. Many companies, and also our customers, have started to assess their greenhouse gas emissions in their entire value chain. In several key applications for Nynas products the downstream scope 3 GHG emissions, or the use phase, has been identified as where the main impact is found. For example, for power transformers the electrical losses during use contribute strongly. For tyres, it is the effect they have on vehicle rolling resistance and fuel economy.

To mitigate emissions in the use phase of fuels and energy products, improvements may be best achieved with a change in raw material or energy source. But with specialty products such as Nynas specialty oils and bitumen, it is more complex. When it comes to products that have a long useful life, the most positive effects are likely achieved by properties such as quality, performance, lifetime and the possibility for circular product flow rather than just looking at the raw material.

ReSolution is the Nynas framework to highlight products that can contribute to our customers' sustainability efforts. Originally introduced for Nynas' bitumen products to convey sustainable performance, the framework has now been expanded to also cover concerned specialty oils and applications.

RESOLUTION

THE ROAD TO SUSTAINABLE PERFORMANCE

REDUCE **REINFORCE** **RECIRCULATE** **RENEW**

- **REDUCE** — ENERGY, EMISSIONS, TEMPERATURE and OTHER RAW MATERIAL
  The achievement of the different types of reductions in the product uses translate into benefits such as reduced CO_2 emissions and less use of energy, electricity, fuels, other raw materials or/and exposure to health and environmentally hazardous components.

- **REINFORCE** — DURABILITY, PERFORMANCE and LIFETIME
  A reinforced durability, performance or lifetime translates into benefits such as more efficient use of materials and longer product life cycles. More from less.

- **RECIRCULATE** — MATERIAL
  Reusing and recycling products to new life after their primary (earlier) lifecycles translates into benefits such as reduced use of virgin material and reductions in net CO_2 emissions over the product lifecycle.

- **RENEW** — MATERIAL
  Using renewable raw material translates into benefits such as avoided depletion of non-renewable resources and reductions in net lifecycle CO_2 emissions through the CO_2 sequestration of biogenic material.

Focus area — Health and safety

Our goal is for everyone to return home at the end of the day at least as safe and sound as when they arrived at work. Line management is responsible for promoting a strong health and safety culture, while all employees and contractors are responsible for contributing to health and safety in their work activities. Health and safety awareness programmes and training, along with Nynas policies, support these efforts.

Ambition 2030

Nynas has the firm ambition to perform better than the industry on safety, and we are in progress of implementing actions to ensure consistently in achieving this.

The following are some of the strategic efforts and activities to help us achieve our 2030 ambition for health and safety.

A safe and healthy workplace

When it comes to safety, we place high demands on all levels within the organisation and believe that everyone has the right to a safe and healthy workplace and an obligation to contribute to it. Nynas has implemented a number of Group minimum requirements on health and safety, and we continue to update and expand the scope of these.

Nynas maintains a rigorous concept of process safety measures within manufacturing to minimise the risk of a loss of primary containment (LOPC) and also has a response organisation and measures to prevent escalation. It is compulsory for all employees and contractors to participate in the Observe, Think and Act programme, which focuses on safe behaviour, being observant of potential risks and knowing how to mitigate them. The programme includes many efforts such as cascaded Health, Safety, Security, Environment (HSSE) meetings at all levels, safety workshops and newsletters translated into local languages.

We encourage transparency and the reporting of incidents through a "no blame" approach. We are eager to learn from all incidents and train many employees in thorough investigation techniques to be able to capture root causes and define corrective actions. This contributes not only to safety improvements, but also fosters a culture of learning and knowledge sharing.

Implementation of the Nynas Code of Safe Conduct continued in 2023 with supporting training material. Further activities to support the implementation will follow in 2024.

Nynas monitors safety performance monthly with KPIs in three main areas – Personal Safety and Health, Process Safety and Transport Safety.

Health and Safety performance

Our performance was impacted in Q1 2023 by five TRI and one process safety incidents and a unplanned shutdown at the Nynashamn manufacturing site. An in-depth analysis of this Process Safety Accident has been run and the lessons learnt implemented. The turnaround at year-end was conducted without any major HSSE incident. Intensive training had been rolled out with the staff in order to minimise such events. Now, this training is being rolled out at our other facilities.

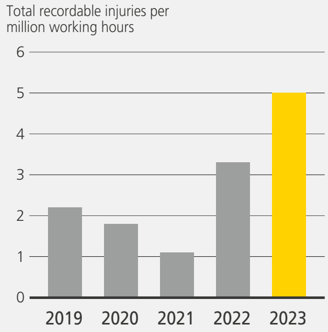
Over the past few years, Nynas has implemented a number of measures to improve its Total Recordable Injury rate (TRIF) such as holding extra safety meetings, updating our minimum safety requirements and sharing best practices. Despite these efforts, performance in 2023 was not as good as we wanted it to be. In order to ensure consistency in high safety performances, an initiative called Step Change for Safety has been launched together with an external company specialised in improving safety performance and culture, at our manufacturing sites. The programme was launched with the turnaround at the Nynäshamn site and will be implemented in Gothenburg in 2024. Managers have been trained in safety walks and visible leadership. Process operators and maintenance personnel have been trained in risk awareness.

The initiative is expected to be a catalyst for increased safety awareness and performance and refocuses on already implemented initiatives such as Observe, Think and Act, Take two and the Nynas Code of Safe Conduct.

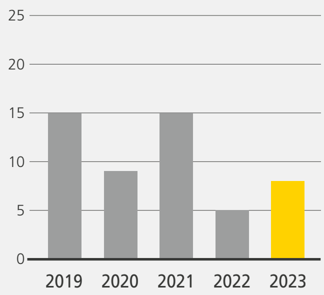
Incidents are reported within the Synergi Life system. We follow our transport incidents, take them very seriously and strive to reduce their number year on year. Transport Accidents improved significantly, with eight cases, which is below the target of ten.

SUSTAINABILITY REPORT

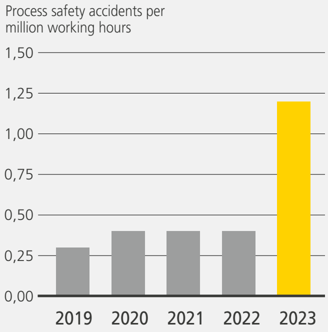
TOTAL RECORDABLE INJURY FREQUENCY (TRIF)



TRANSPORT ACCIDENTS



PROCESS SAFETY ACCIDENTS RATE (PSA)



Code of Safe Conduct

The overall objectives of the Nynas Code of Safe Conduct are to improve both personal and process safety, as well as the company's safety culture.

The Code of Safe Conduct aims to support everyone who works at, and for Nynas, to act in a way that helps to achieve even better results in both personal and process safety. Similar safety efforts have been in the industry for some time, and we were therefore able to assess what works well and what doesn't when it came time to launch our own Code of Safe Conduct. The work focuses on applying a safety focused Code of Conduct with personal safety and process safety as the main themes. This is an important step in creating a safe workplace and ensuring that situations that could result in personal injury, damage to the environment or damage to equipment, are quickly recognised and acted upon. This in turn is based on there being clear descriptions regarding how everyone should act, for example when working at height, during instances of heavy lifting, working in confined spaces, and when it comes to process safety. It primarily concerns communicating about these issues and stimulating further reflections and continuous work throughout the company to improve on all the areas covered by the Code.

PERSONAL SAFETY

Focus on what I need to do in order to act and behave in a safe manner.

PROCESS SAFETY FUNDAMENTALS

Focus on what we need to do in order to preserve a safe operation.

SUSTAINABILITY REPORT

Looking after our employees' health and safety is our top priority.

Focus area — Environment and Climate

We aim to provide our customers with high quality products that also help them reduce their climate impact and energy consumption. Within our own operations we have a long legacy of working to reduce our climate impact, improving our energy efficiency and being a responsible neighbour by taking corrective actions on legacy issues, such as the remediation of contaminated soil and water.

Ambition 2030 and 2050

Nynas strives to continuously improve its energy efficiency and reduce climate impact in production, operations and transportation through various programmes. We will monitor and make improvements on applicable environmental aspects and communicate clear targets for the reduction of greenhouse gas (GHG) emissions. Below are some of the strategic efforts and activities to help us achieve our 2030 ambition for environment and climate.

Reducing climate impact

We aim to lower our environmental impact and emissions to air, sea and land, and will monitor all emissions from our operations based on the Greenhouse Gas Protocol. In 2022, we defined scope 1 and 2 GHG emissions reduction targets for 2030 and 2050 with the aim to become climate-neutral by 2050. Our reduction target for 2030 is to lower our Scope 1 and 2 GHG emissions by 50% versus our base year 2017 (including emissions at Harburg). In 2023 we started to map Nynas scope 3 emissions with the initial objective to identify the significant categories of scope 3 emissions in Nynas' value chain.

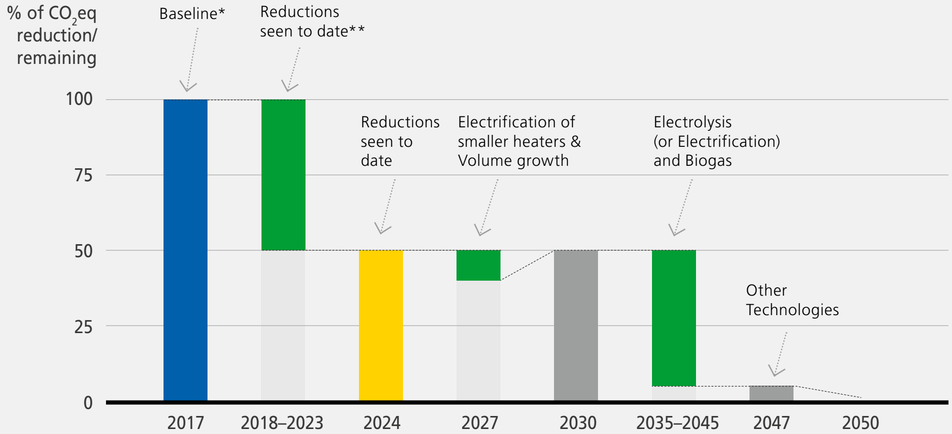
The Swedish manufacturing sites are fully compliant with the Industrial Emissions Directive (IED).

Environmental programmes

We have ongoing programmes to improve the energy efficiency at all our sites. Within all of our operations we are introducing options for energy sources with a lower climate impact, such as transitioning to natural gas from fuel oil.

Within the framework of our long-term Capex and asset plan, a number of important life-prolonging projects have been executed to upgrade some key process units at our Nynäshamn facility such as the crude heater and the main steam reformer. We also have projects to upgrade safety-critical instrumentation in our hydrogenation units and a programme

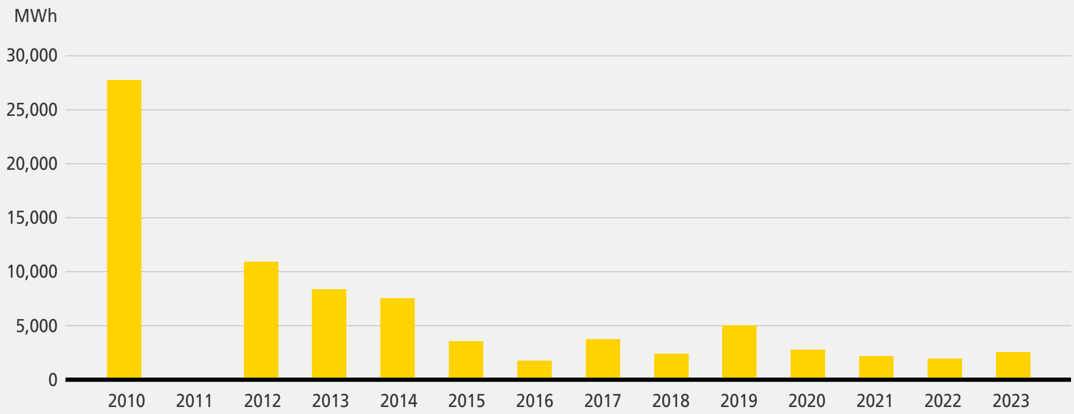
GREEN HOUSE GAS REDUCTION – NYNAS' OPERATION ROADMAP TO 2050



* Reduction target to 2030 is 50% compared to 2017. The base year emissions is 513 kton CO_2eq.
** Closure of Harburg manufacturing site. Energy saving programmes.

SUSTAINABILITY REPORT

ANNUAL ENERGY LOSS FROM STEAM TRAPS (MWh/year)



Steam savings have reduced the amount of annual energy lost from 27,762 MWh in 2010 to just 2,535 MWh in 2023. At the time of energy saving program introduction, a control interval of 2 years was chosen. This was revised to a 1-year interval from 2012.

for piperack upgrades and upgrades to other important infrastructure facilities at the harbour in Nynäshamn.

In 2021, we inaugurated two natural gas heaters at the Gothenburg bitumen manufacturing site that reduced carbon dioxide (CO_2) emissions by approximately 4,000 tonnes for 2023 compared to a year with similar throughput. Emissions of nitrogen (NOx) and sulphur oxides (SOx) have been reduced by approximately 10 tonnes (NOx) and 5 tonnes (SOx) annually. The heaters have also been adapted to run on biogas.

At our Nynäshamn manufacturing site, which manufactures bitumen and naphthenic specialty oils, we have been monitoring steam losses from steam traps through a programme started in 2010. Since then, we have managed to dramatically reduce the amount of steam lost, from 37,017 tonnes in 2010 to 3380 tonnes in 2023. The steam savings have reduced the amount of annual energy lost from 27,762 MWh in 2010 to just 2535 MWh in 2023.

Remediation activities

Much has changed in our industry since Nynas was founded in 1928, not the least the world's knowledge and the regulations related to environmental impact. Today, Nynas maintains rigorous process safety measures at all three manufacturing site to minimise the risk of loss of primary containment. We have well-kept production facilities with waste management and treatment operations, and a response organisation and measures to prevent escalation.

Around our manufacturing sites, remediation activities are underway related to soil and water issues, such as the capping of contaminated sediments on the seabed outside the Nynäshamn manufacturing site. The contamination likely originated from a fire at the manufacturing site in 1956, affecting a total area of approximately 80,000 $m^{2.}$ Remediation of the contaminated area is ongoing in line with a decision by the Land and Environment Court in 2018. Monitored Natural Recovery (MNR) is applied for the area at greater depth with consultation with the County Administrative Board. In 2023, the final decision was received from the Land and Environment Court for capping of the area at shallow depths of 5–18 metres, as required by the court decision in 2018. Capping will be performed in the next turnaround, which is in 2027. In 2021 we submitted a plan to the Land and Environment Court for final treatment of contaminated sediments at J3/J4 that was in operation at the Nynäshamn plant up until 1975 and we received the court decision in 2022. Remediation of the area is challenging due to the potential to release toxic gas (SO_2) in the process. Nynas has been investigating the area for many years and we expect to begin clean-up efforts on the contaminated area at J3/J4 in 2025 and complete remediation in 2046 in line with the court decision.

2023 marks the final stage in the Landfarmen landfill covering and decontamination project, which has been running for some 30 years. In 2017, a plan was developed for the final covering, situated at the Nynäshamn manufacturing site and approved by the local County Administrative Board in 2020. That work began in 2021 and was completed in 2023. Contaminated sediments from the safety dam (P) have been dewatered in geobags since 2018. During 2023 these were sent offsite for remediation in

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Our Nynäshamn facility was the first of its kind in the world to run mainly on biomass.

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accordance with a decision from the Land and Environment Court. At our Harburg manufacturing site we reached an agreement with the local authorities on a decontamination/groundwater cleaning project of PFAS, which was included in firefighting foams in the past. Since December 2023, we have been running a pilot unit to determine the optimal activated coal and necessary pre-treatment of groundwater for achieving the most effective cleaning results. The installation of permanent units is scheduled for the autumn of 2024.

Exploring alternative energy

We continue to assess the opportunities to use renewable energy and less greenhouse gas-intensive energy sources in production, operations and transportation, and explore how we can reduce climate impact through emerging technologies.

In 2004, the Nynäshamn production facility became the first of its kind in the world to run mainly on biomass, as all steam is generated by a cogeneration plant fuelled by wood chips and other biomass. The switch from oil and electricity to biofuel and waste heat recovery has resulted in annual reductions at Nynas of 35,000–60,000 tonnes of carbon dioxide emissions. Particulate emissions have also been lowered substantially. Additionally, in a long-term collaboration with local energy supplier Adven, residual heat is recovered from the manufacturing site and used for the region's district heating network. The residual heat is equivalent to 35 GWh and sufficient to heat 1,750 houses a year.

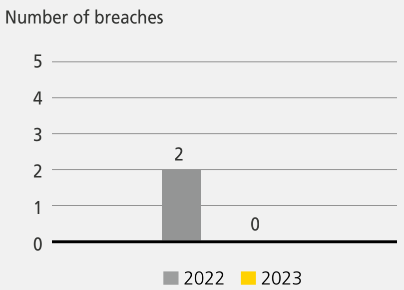
SCOPE 1 AND 2 GHG EMISSIONS*

	2017	2020	2021	2022	2023
TOTAL SCOPE 1 & 2 (kton CO_2eq)	**513**	**422**	**445**	**295**	**218**
MANUFACTURING (kton CO_2eq)	429	344	381	239	168
SHIPPING (kton CO_2 eq)	58	58	46	41	33
OPERATIONS (kton CO_2eq)	26	20	18	15	17
SCOPE 1 (kton CO_2eq)	**414**	**336**	**340**	**239**	**196**
SCOPE 2 (kton CO_2eq)	**99**	**86**	**105**	**56**	**22**

* Established according to the GHG Protocol Corporate Standard, and they constitute the complete Scope 1 and 2 GHG emissions accounted under Nynas operational control.

Nynas plans to reduce our Scope 1 and 2 GHG emissions with 50% by 2030. Data for 2023 is partly affected by lower production levels at some of the sites, lower energy consumption in our Nordic depots and decreased emission factors for Swedish electricity.

ENVIRONMENTAL PERMIT NON-COMPLIANCE



Number of breaches of permit conditions at manufacturing sites, special products plants and depots.

Test batches successfully produced at new PMB unit

High performance Polymer Modified Bitumens (PMB) have been produced at the Eastham facility for over 30 years at a Special Products Plant operated by Nynas.

The Eastham facility has served Nynas well, producing a wide range of successful products but using a traditional batch process which requires large dedicated production vessels and long batch cycle times

In 2022, Nynas decided to invest in a new in-line PMB production unit at Eastham which was constructed during 2023 alongside the existing plant. This new facility is far more compact and was designed to produce PMB at a higher rate, use significantly less energy per tonne, and require less cleaning and maintenance. With this investment, Nynas will be able to continue to compete in a very competitive UK market. The unit is now in place, with test batches of PMB successfully produced and staff training underway, ready for the 2024 season.

Focus area — People and Society

Nynas is a responsible member of the community and aims to be an attractive employer. We offer competitive salaries, career opportunities, international work experience and training, along with an open-minded culture.

Ambition 2030
Nynas aims to be recognised for having a strong employer brand and culture with excellent leadership. Nynas should be seen as a good neighbour and partner in the local business environment. The following are some of the strategic efforts and activities to help us achieve our 2030 ambition for people and society.

Attractive employer
Employer branding
Our recruiting challenges are to attract employees with high technical competencies and to make our industry more attractive. Our focus on employer branding and sustainability is therefore essential. In 2023, we put a lot of focus on employee engagement, leadership development and talent acquisition. We have and will continue to focus on in-house recruitment and visibility in social media. We will persist in developing and promoting our own talents.

Encouraging diversity and inclusion
An inclusive culture is part of Nynas' fundamental values. Everyone has a shared responsibility to see opportunities in each other's differences and to treat each other with respect. We continuously strive for a diverse workforce and an increased number of female managers, both through internal promotions and focused recruitment efforts.

We have an employee average age of 47 years old and a gender distribution of 29 per cent women and 71 per cent men, compared to 2022 when the gender distribution was 27 per cent women and 73 per cent men. We have increased the ratio of female managers from 25 per cent in 2022 to 28 per cent in 2023. In 2023 we welcomed two new female members to the Nynas Executive Committee. We have also promoted several women to managerial positions.

Programs and career development
To continue delivering excellency and best practices, several events have been arranged throughout the year, for example the Leader Forums, Safety Days and Nynas Manager Training.

To secure qualified staff for our highly technical chemical operations, Nynas offers a specialist career programme for engineers and scientists, a technical development programme for operators, as well as leadership programmes and other development opportunities.

We promote employee growth and yearly development plans for each employee are set up in our annual performance appraisal process.

For newly graduated students we offer a trainee programme, NyEx, to secure future talents with engineering expertise, while providing work opportunities to engineering graduates. We have our own Production Academy, an apprentice programme that provides onsite training for new operators.

Leadership
Strong leadership is key to our future success, and we offer various leadership programmes for our managers. These programmes have been running for many years and contribute positively to Nynas leadership. Nynas also offers individual coaching and leadership forums to continuously develop and strengthen leadership among our managers.

Compass Survey
Nynas conducts an employee survey to identify areas indicating a need for improvement. As of 2023, the survey will run every year, with quarterly follow-ups on the Engagement and Leadership Index.

Responsible member of the community
Good neighbour
Being a good corporate citizen is important for Nynas. At our production sites in Nynäshamn and Gothenburg we want to be considered as a partner in the local community. We are achieving this through high HSSE standards, transparency, proactive communication, and engagement. In Nynäshamn, where we have been operating since 1928, Nynas is the largest private employer. With the "Good Neighbour" initiative we have established a dialogue with politicians, municipality officials, teachers and other members of the local community. It is important for Nynas to inform the local community of what is happening on the site by publishing information in the local newspaper on a regular basis. Nynas is also a member of the local business committee.

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Nynas offers university students and graduates internships through collaborations with universities located near its facilities, such as the KTH Royal Institute of Technology in Stockholm and Chalmers University of Technology in Gothenburg, Sweden. In addition, Nynas is partnering with Campus Nynäshamn which offers Vocational Training Programmes.

CSR

Corporate social responsibility (CSR) can encompass a wide variety of activities. These may include philanthropy, volunteering by employees, ethical labour practices, and improving the environmental footprint.

Companies often look to the wants and needs of different stakeholders in their respective countries of operation. Companies operating in Europe may prioritise climate change while companies operating in Asia, Africa and the Middle East pay more attention to the social issues facing the surrounding communities.

India, for example, is the first country to have corporate social responsibility (CSR) legislation. Businesses with annual revenues of more than 10bn INR (110m EUR) must give 2 per cent of their net profit to charity. India's policymakers said the law would release much-needed funds for social development. Areas they can invest this money in include education, alleviating poverty, gender equality and nutrition.

Vikas Tiwari, General Manager Sales and Marketing India says: "Our CSR journey in India commenced with a vision to bolster the nation and foster positive societal change. Recognising children as the architects of the future and women as pivotal influencers, Nynas India has been unwavering in its commitment to child and women welfare. We support NGOs dedicated to child education, nutrition, and the empowerment of women."

Supply chain

We believe that responsible supply chain management and selecting good partners is essential to upholding a stable and secure operation and being a reliable partner to our customers. All of our suppliers are expected to comply with the Nynas Code of Conduct and policies as stated in the terms and conditions of their agreements. Ideally, suppliers can show they have a similar set of codes and policies. Our processes guide the supplier selection on goods and services by assessing potential suppliers based on their quality and sustainability practices. Active "critical" and "important" suppliers are regularly evaluated for performance regarding both business and sustainability aspects. In 2022 we started to assess our critical suppliers and in 2023 we also started to map and assess important suppliers.

SUSTAINABILITY REPORT

Critical suppliers are our major suppliers with significant impact on our business, for example raw material suppliers. Important suppliers are still important from a business, operational and risk perspective, but on a lower priority level.

Our target in 2023 was to have all our critical suppliers assessed for sustainability. We managed to achieve this with 75 per cent of the critical suppliers. We recognise the need for vigilant pre-qualification and follow-up of suppliers and aim to assess and have dialogues with the most important and other concerned suppliers on a continuous basis.

Ethics

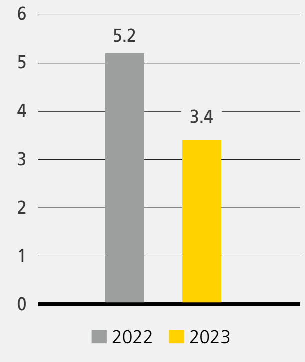
Nynas aims to be regarded as a positive force in society and an attractive and equal opportunity employer. The Nynas Code of Conduct clearly establishes the rules of ethical business behaviour for all Nynas employees and partners in relation to bribery, corruption, conflicts of interest and other areas where there could be business and sustainability risks. All information must be managed in compliance with the General Data Protection Regulation (GDPR) for data protection and privacy.

New employees are introduced to the company through an onboarding process that also includes training on the Nynas Code of Conduct and ethical behaviour. There is mandatory recurring training on special business ethics topics for employees who in their work might be exposed to specific risks, such as anti-bribery, anti-corruption, competition and trade regulations, along with other policy compliance training. The identified employees are required to sign an annual undertaking confirming they will comply with the Nynas Code of Conduct and its underlying policies. In 2023 we have reached 100 per cent of targeted employee that have signed it. With the alleviation of pandemic restrictions and face-to-face meetings at exhibitions and fairs being resumed, the training in 2023 focused on ethical behaviour in interactions with competitors and customers.

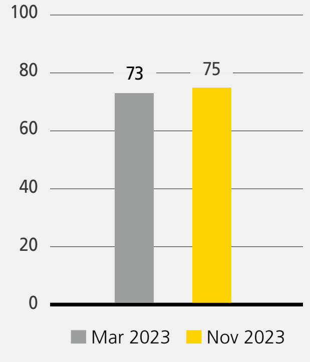
The Code of Conduct has supporting policies for competition, procurement, anti-bribery, anti-corruption and trade, among others. See Governance, on pages 20–21.

Non-compliance issues are handled through a whistleblowing system that was launched in an updated form in June 2022 to meet the requirements of the Swedish Whistleblowing Act. This updated whistleblowing system enables anonymity and accessibility for both internal and external parties wishing to report issues. Nynas complies with the laws and regulations in every jurisdiction where it operates, including the UK Bribery Act and the Foreign Corrupt Practices Act, EU and US competition laws, and EU, US and UN sanction regimes.

SICK LEAVE, %



ENGAGEMENT INDEX, %



Competence Development comes in many forms

Sharing learnings
To continue delivering excellence and best practices, several events were arranged throughout the year: The Leader Forums, the Safety Days and Nynas Manager training. In September, the Nynäshamn manufacturing site also hosted a visit from KTH Royal Institute of Technology engineering students, who got to see how a manufacturing site is run and the types of work you can have as an engineer.

In addition to an overall presentation of the site and its operations, the visitors were given guided tours in both the process area and pilot plant with an opportunity to meet and talk to engineers on the site.

Leadership Forums
Core values, as with a company's leadership profile, must be discussed and reflected upon constantly to be well understood, have meaning for everyone and serve their purpose. Therefore, our leaders spend time discussing these important topics in Leadership Forums.

It is crucial that all leaders in the organisation are role models, reflecting the Nynas core values and fostering the right behaviours in the organisation.

EU Taxonomy

The EU taxonomy is a classification system, establishing a list of environmentally sustainable economic activities. The Taxonomy Regulation was published in the Official Journal of the European Union on 22 June 2020 and entered into force on 12 July 2020. The Taxonomy Regulation establishes six environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
3. The sustainable use and protection of water and marine resources
4. The transition to a circular economy
5. Pollution prevention and control
6. The protection and restoration of biodiversity and ecosystems

The sustainable activities are defined by technical screening criteria for each environmental objective which is adopted through delegated acts. A first delegated act, outlining technical screening criteria for sustainable activities for climate change adaptation and mitigation objectives, was adopted in June 2021. A second delegated act for the four remaining objectives was published in 2023.

Nynas conducted a gap analysis to assess eligibility against the two climate objectives as regulated today. All activities and technical criteria were screened against the EU taxonomy sustainable activities for climate change adaptation, in order to map possible eligible activities.

	Total in MSEK	Proportion of Taxonomy eligible activities (%)	Proportion of non-Taxonomy eligible activities (%)
Turnover	15,261 (17,833)	0	**100**
CapEx	603 (294)	0	**100**
OpEx	217 (344)	0	100

As a second step, a more in-depth analysis was done for activities which have potential eligibility. In 2023 a second gap analysis was performed to assess eligibility for the technical criteria of the four remaining environmental objectives.

Nynas continues to work actively to reduce its climate impact and support the circular economy. Furthermore, Nynas products are, in many instances, used in activities which are expected to become part of the technical criteria for some of the remaining environmental objectives. An example is our bitumen, which is 100 per cent reusable when used as asphalt in roads. Nynas also has a number of bitumen binders that allow for lower temperature applications and improved infrastructure durability. Additionally, Nynas transformer oils are important for electrification, and work is ongoing to integrate them into a circular loop (see focus areas Environment and Climate and Sustainable Products).

Investing in sustainability

Nynas is fully committed to a more sustainable future and in 2024, our sustainability efforts will intensify further. This is in line with our ambitions, commitments, and stricter demands from key stakeholders and investors, along with new reporting measures in accordance with the Corporate Sustainability Reporting Directive.

Adherence to new requirements

As of the financial year 2025, Nynas will be subject to stricter sustainability reporting requirements through the Corporate Sustainability Reporting Directive (CSRD) and will have to increase the quality of reporting, traceability, and comparability between companies, which leads to computability between companies. This work is under development and will be based on requirements and standards such as EU taxonomy, the GHG Protocol, Global Reporting Initiative (GRI) and the Task Force on Climate-Related Financial Disclosures (TCFD).

Sustainability reporting is mandatory according to the Annual Accounts Act (ÅRL). To strengthen our data collection and reporting work, Nynas will use the Stratsys ESG tool. We will identify ESG KPIs in the business and how these can be integrated into the management of sustainability risks in relevant processes.

The credible reporting of sustainability informs credit ratings and refinancing. As a supplier of mainly crude oil based products, we recognise the need to report on our products from an ESG perspective and compare them with alternative products to show the advantages. At the same time, we have extended our portfolio with biobased and circular products and will broaden this portfolio further in the future.

Continuous energy improvements

Prior to investing in our own operations, we must include ESG related information such as water and energy usage, circularity and life expectancy, in the Investment Request to indicate the level of impact before making a final selection.

Our focus on improving energy efficiency at Nynas will continue. We have already begun buying atmospheric distillation residue that we upgrade to bitumen, which means diverting components from the fuel pools into a circular loop. This reduces scope 3 emissions, and we will continue to search for further benefits from this activity.

Board of Directors Report

The Board of Directors and President of Nynas AB, Corp. Reg. No. 556029-2509, hereby submit the Annual and Sustainability Report for Nynas AB and the Nynas Group for the fiscal year 2023. Nynas AB is registered in Stockholm and the address of its head office is Kabyssgatan 4D, Stockholm, Sweden.

Nynas is a global specialist chemicals company with a strong position in the niche markets of naphthenic specialty products and bitumen, focused primarily on infrastructure and utilities with long-term customers. It specializes in products that address essential needs of society, helping its customers save net energy and carbon versus alternatives, driven by their technical characteristics and proximity to end customers. Examples include Nynas' leading position in transformer oils that reduce waste heat for electrical grids across Europe. Another example is bitumen, essential for making roads and superior to concrete, where Nynas is the only producer in the Nordics, allowing for shorter and less wasteful transport. Some of the marginal volume in our markets is shipped in from the mediterranean in heated specialized ships at significant cost. Nynas' core competence is transforming heavy crude oil into a balanced mix of long-lasting, high- performance recyclable specialty products for a sustainable use. Nynas, as a specialist chemicals company, uses oil for its molecular characteristics, like battery producers using lithium, and distinguishes itself from integrated oil companies and refiners that use it for transportation fuels. Nynas products are a core component in the construction and maintenance of core infrastructure in Northern Europe and touch the lives of nearly everyone in Europe every day through their presence in transformers, roads, tyres, roofs, running shoes, adhesives, paint, magazines, and lubricants, which are just some of the thousands of everyday products that contain Nynas products.

STRATEGY

2023 marks the year that the strategic changes made in 2022 are bearing fruit as Nynas returns to profitability, and a new, more focused, and profitable Nynas emerges with a reduced risk profile.

In 2022, Nynas launched a transformation program that resulted in consolidating its footprint, exiting from markets such as China, the U.S. and Brazil, and closing its production facilities at Harburg to focus on its profitable core business where its competitive advantage is the largest. Nynas also improved the operational efficiency of its core operations, including de-bottle necking its facilities at Gothenburg and Nynashamn, reducing cost, and improving energy efficiency. It also built out its sustainability and product innovation, including by introducing Nynas biobased tyre oil, NYTEX BIO 6200. Finally, Nynas has developed the capability to source its feedstock from a much wider range of sources via rapid testing and selection of potential resid material in close partnership with global suppliers and traders. Nynas has proven in 2023 its ability to profitably run its system with a variety of feedstock sources. This removes a previous risk from the company, where it had for many years a high dependency on a single feedstock source. It also draws a line under a difficult period for the company from 2019–2022, when Nynas was faced with the exceptional situation of finding its main source of feedstock, Venezuelan crude, being placed under sanctions, followed by its replacement feedstock, Russian residue materials, also to face a similar fate, leading to financial challenges. Whilst those specific sources might become available to the company again in the future, they now represent an upside opportunity to a profitable base case rather than a major risk.

Nynas' immediate strategy is to further optimize its core business for profitability and capitalize on it strong brand, product portfolio and market position with the company being back again in a stable situation. It intends to continue to use its existing transformation program as the vehicle to deliver this.

Nynas will continue to reduce its carbon footprint and improve its carbon efficiency of its own operations through operational efficiencies and investments in electrification. As a specialty chemicals company, Nynas has a relatively limited scope 3 emission, which it aims to reduce further by reducing the percentage of fuels produced from the current 30% to 20% of volume by 2028 through dewaxing and other technologies.

Nynas matches its product pricing with its feedstock pricing to limit net price exposure from commodity price movements for the company. Together with its inventory financing setup, this allows the company to enjoy limited volatility in its margins, making its results more stable. The company aims to continue to enhance this. Together with Nynas' focus on niche markets, tied to essential infrastructure, this enables stable margins that are very different from those seen in refining or commodity chemicals sectors.

BOARD OF DIRECTORS REPORT

FINANCING

Nynas is currently financed through a mixture of facilities with its long-term debt of EUR 320 million falling due on January 2026 and its bridge facilities of EUR 75 million falling due on April 2025. The company expects to be able to refinance its long-term debt over the course of 2024 and 2025 and replace it with new long-term debt. The company is currently exploring refinancing options with the aim of improving stability to its capital structure that reflects its significantly improved outlook and improved risk profile.

SIGNIFICANT EVENTS DURING THE FISCAL YEAR

- On January 2023 an unplanned shutdown took place at one of the units at the Nynashamn facility, constraining NSP production for one month. The last similar event was in 2011.
- On February 2023, Jan-Pieter Oosterom was appointed as CFO, bringing 20 years of global industry and business transformation experience from Shell and Aramco to Nynas.
- Over 2023, the company developed a capability to source feedstock from a variety of sources through rapid testing and decision making, thereby enhancing resiliency in its feedstock supply.
- In September 2023, Eric Gosse was appointed as President and CEO, bringing 30 years of industry experience from Total Energies and Vivo Energy (a Vitol affiliate). Stein Ivar Bye stepped down as CEO but remains as chairman of the board for Nynas.
- In December 2023, Nynas completed its 4-yearly turnaround of its Nynashamn facility, its biggest ever.
- Over the course of 2023, Nynas delivered a profit, driven by strong underlying performance of its core operations.
- In December 2023, Nynas signed a Memorandum of Understanding for the sale of the majority of the land of its Harburg facility.

MARKET PERFORMANCE

Five key industry trends continued to have a strong impact on our business: electrification, infrastructure growth, a growing middle class, environment and health (or rather “climate change and related sustainability strategies for 2030 and 2050”), and digitalization. These trends affect not only the demand for our naphthenic and bitumen products, but also the types of products we develop and how we develop them. Market and economic development of Nynas sales are dependent upon the economic development in a broad range of industrial sectors as well as infrastructure investments.

Naphthenic specialty oils are sold on the international market and used by industrial customers representing different stages of the business cycle in both leading and lagging sectors. Among those, one of the largest product segments is transformer oils that is driven by ongoing electrification. With Nynas’ smaller footprint, it is more exposed now to Europe. Bitumen sales are regional and mainly dependent on investments in road construction and maintenance.

The global economy was impacted by high inflation and associated rise in interest rates, weighing down on economic activity. It also had to deal with the impact of the Russian invasion of Ukraine in 2022, which continues to weigh on the European economy in particular. Brent prices were relatively stable as they traded in the 75–90 USD range whereas gas prices reduced significantly from their high point in 2022 to more normal levels. Global GDP is estimated to have grown by approximately 3 percent vs 2022. European GDP grew by 0.6% as it recovered from the Ukraine war related energy cost crisis and associated impact on inflation. European industry sentiment worsened over the course of 2023.

The US dollar, British pound and Euro ended the year at a similar level where they started versus the Swedish krona during 2023 as opposed to their gradual strengthening we saw in 2022 versus 2021. However, there was some volatility, in particular in Q4 where we saw a 5–7% spikes in a short period.

Naphthenics products

As a result of recentering commercial operations to Europe, Nynas achieved pricing and product mix benefits through improved key account management, exits of tail business and improved pricing formulas. This translated into sustainable margins and related pricing premiums that have held stable throughout the year. The NSP product margin increased on a unit basis from 2022 to 2023 by 25%. The sales volume in 2023 versus 2022 was impacted by the closure of Harburg, unplanned downtime at Nynashamn in January and the 4-yearly turnaround in October-December. The estimated impact of lost volume due to the January unplanned downtime and the turnaround represents SEK 572 million. Although industry demand in Europe declined over 2023, Nynas was able to channel this volume to its global sales outlets in key markets such as India, South Africa and Singapore, without adversely impacting margins and retaining market share.

Bitumen products

Overall margins improved by 35% versus 2022 driven by improved pricing and improved feedstock. Price premiums improved relative to 2022 on the back of a better sales mix. Feedstock quality in the first half of the year helped lower bitumen cost of goods sold, enabling Nynas to secure better margin for its fuels stream. In the second half of the year, diversity in its feedstock helped improve resilience on supply but led to a higher cost of goods sold, limiting realized margins.

BOARD OF DIRECTORS REPORT

PERFORMANCE OF THE GROUP'S OPERATIONS AND EARNINGS

Net Sales

Net sales compared to 2022 decreased to SEK 15,280 million (17,833) largely explained by lower sales volumes on Naphthenic products. The decrease on Naphthenic products in 2023 are explained by closure of Harburg manufacturing site but also effected by the unplanned shutdown at Nynäshamn manufacturing site in January 2023 and the turnaround in later part of 2023.

Operating result and Adjusted EBITDA

Operating income during 2023 amounts to SEK 566 million (-2,425) mainly driven by improved pricing and more favorable feed stock supply and lower energy costs compared to 2022. Non-recurring affecting the operating result totaled SEK 281 million (-2,221). Positive outcome in 2023 of 281 was mainly driven by reversal of earlier year impairment write off on assets in Nynäshamn manufacturing site. The overall improvement in the business allowed Nynas to restore part of earlier impaired asset values.

Bridge between operating result and Adjusted EBITDA:

	2023	2022
Operating result according to income statement:	**566**	**-2,425**
Impairment write-down fixed assets	-911	1,145
Restructuring provision and restructuring costs	464	821
Advisors	167	137
Environmental	6	69
Other	-7	49
TOTAL ITEMS AFFECTING COMPARABILITY	281	2,221
Share of profit joint ventures	33	33
Depreciation and amortization	274	488
Depreciation right of use assets	237	279
ADJUSTED EBITDA	829	596

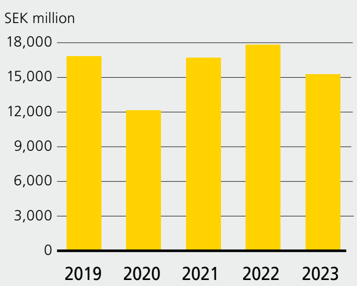
Net financial items

Net financial items for the year amounted to SEK -560 million (-772) of which SEK -428 million (-367) is related to net interest expenses. The higher net interest expense is largely explained by higher net on outstanding credit facilities and partly higher exchange rate part of the year. The exchange rate loss for the year amounted to -30 SEK million (-289).

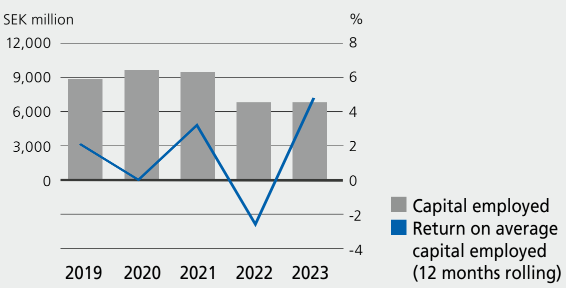
Taxes

The effective tax rate for 2023 was affected to a very large extent by the valuation of deferred tax assets for previous years' loss carry forwards. These tax deductions have not been capitalized in previous years as deferred tax assets. For further information see note 10.

NET SALES



CAPITAL EMPLOYED AND RETURN ON AVERAGE CAPITAL EMPLOYED



BOARD OF DIRECTORS REPORT

Returns
Return on average capital employed (12 months rolling) was 4.8 per cent (-2.6), return on average capital employed, calculated excluding non-recurring items and return on equity was 56.2 per cent (-142.3).

FINANCIAL POSITIONS
Working capital
The seasonal pattern of Nynas' bitumen business is normally reflected in the development of the financial position during the fourth quarter, with an expected reduction in working capital compared to previous quarters during the year. Working capital is also impacted by changes in the crude oil price, quoted in US dollars, and by currency when reported in Swedish krona. Working capital at the end of December 2023 was at SEK 2,038 million, a decrease of SEK 1.318 million compared to last year. Main driver of the decrease is lower inventory volume, lower accounts receivables and higher short term liabilities end of year due to the turnaround in Nynäshamn end 2023.

Seasonal variations
Nynas operations in bitumen show seasonal variations particularly in the Nordic area. The majority of net sales and operating result is generated in the second and third quarters. During a rolling twelve-month period ending December 31, 2023, average working capital amounted to SEK 3,584 (4,547) million, more representing a normal working capital level since inventory and accounts receivable are higher in peak season. Year-end working capital as of December 31, 2023, of SEK 2,038 million.

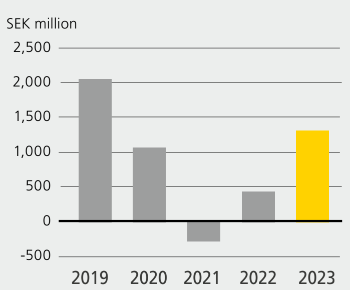
Fixed assets
Fixed assets have increased by SEK 1,229 million explained by the reversal of impairment write-down from 2019 SEK 911 million but also impacted by the turn around activity end of 2023 at Nynäshamn manufacturing site. The turnaround is a recurring event that takes place every fourth year. For further description regarding impairment process, see note 13.

Capital expenditures
During 2023 cash capital expenditures totaled SEK 603 million (294) for the full year, with the main portion relating to maintenance investments and the turnaround at Nynäshamn manufacturing site.

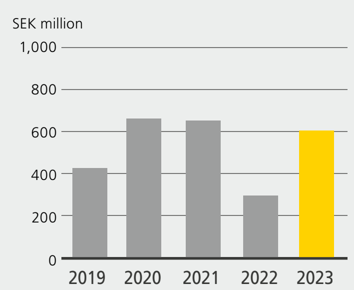
Financing
In April 2022 Nynas completed a refinancing of its existing lending facilities. As well as extending the length of the loans by approximately 3 years to provide Nynas with a medium-term stability, the existing lenders also provided an additional EUR 40 million of financing. At the same time, Macquarie Bank provided a new inventory financing facility to Nynas, providing a significant working capital benefit to Nynas core operations (off balance sheet agreement).

Net debt increased by SEK 131 million at the end of December compared with last year, primarily reflecting the capitalization of the PIK interest on the composition facility from 2021, increased utilization on our asset-based facility counterbalanced by the repayment of the Super Senior Bridge facility of EUR 25 million. For more information see note 24.

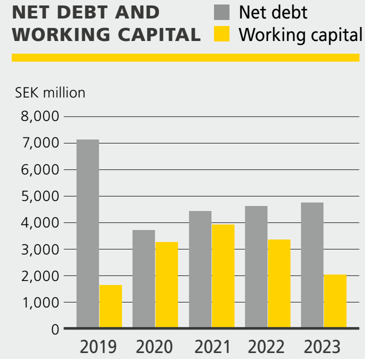
CASH FLOW FROM OPERATING ACTIVITIES



INVESTMENTS



NET DEBT AND WORKING CAPITAL



BOARD OF DIRECTORS REPORT

Equity
Equity at year end amounted to SEK 1,266 million (841), the increase is mainly reflecting by the positive profit in 2023 driven by the strategy in focus on core markets but effected by reversal of impairment on fixed assets and valuation of historical tax losses. The equity/assets ratio was increased to 12.4 per cent (8.9).

Cash Flow
Full year cash flow from operating activities amounted to SEK 1,316 million compared to last year's SEK 443 million. Operating cash flow in 2023 was positively affected mainly due to lower working capital compared to last year. The cash flow for the year ended at SEK -72 million (41), driven by high capital expenditures but also amortisations of provision mainly related to the closure of the Harburg manufacturing site.

Employees
Nynas comprises a diverse group of employees from different countries and cultural backgrounds. What they all share is a strong Nynas culture with its three core values: Dedication, Cooperation and Proactivity. The average number of employees during 2023 was 687 (897). Reduction of staff is mainly explained by reduction of employees at the Harburg manufacturing site.

PARENT COMPANY

Net sales during the year amounted to SEK 12,288 million (15,629), where the decrease is mainly explained by the concentration to core markets. Operating result amounted to SEK 590 million (-215). The parent company's total assets increased by SEK 777 million (from 7,685 million SEK to SEK 8,461 million). Capital expenditures totaled SEK 562 million (189) for the full year. The number of employees in the parent company on December 31, 2023, was 422 (436).

ENVIRONMENTAL AND RESEARCH

During 2023 Nynas had two manufacturing sites under its own management in operation, Nynäshamn and Gothenburg in Sweden and one manufacturing site in Harburg Germany that no longer is in operation. The refining activities require continual investments and environmental initiatives to reduce emissions to air and water as much as possible, and to eliminate the risk of accidents. The manufacturing operations mainly affect the air and water in nearby environmental surroundings but also noise is monitored and regulated in the existing permits. The operations require permits and are subject to local environmental legislation. Once a year annual reports are submitted to the supervisory authority for each manufacturing site to ensure that given permits are followed. In Sweden the environmental permits are regulated by the Land and Environment Court. The permits and compliance to given permits is essential to be able to run the manufacturing operations.

Emissions of carbon dioxide from Nynas manufacturing sites in Nynäshamn and Gothenburg are part of the EU's trading system with emission rights. For the current trading period 2021–2025, the number of freely allocated emission rights is decided based on the respective manufacturing site's activity level/production during the previous two years. Allocation decisions are made annually by the Swedish Environmental Protection Agency. 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. Deficits will have to be covered by buying emission rights on the market. Up to now, Nynas have covered the deficit by using new received free emission rights in current year for previous years consumption. The estimated deficit is provided for in the operating result.

In Harburg operations are regulated by several permits acc. BImSchG /WHG which have been granted by the environmental authority of the city of Hamburg. Nynas' permits cover the production of bitumen, distillates and naphthenic specialty oils. Bitumen and distillates are produced at all Nynas manufacturing sites, while naphthenic specialty oils are produced at the manufacturing site in Nynäshamn.

Nynäshamn manufacturing site, Sweden
Compliance and changes to environmental permits were as follows:

- Dredging of the P (safety dam) area was completed in line with the permission granted by the Land and Environment Court in 2018 and was reported in 2019. During 2021 the court decided regarding the results of the dredging. In 2023, all material from the P area has been shipped out is now considered as finalized.
- E2 is a well-defined area with contaminated sediments on the seabed outside the manufacturing site. The Land and Environment Court has decided that Monitored Natural Recovery is to be applied on the deeper parts of E2 and that the shallower parts are to be capped.
- Capping requires another decision by the Land and Environment Court and an application was submitted in September 2022. The date for the earliest possible time for performing the capping is set to 2027 as it is turnaround dependent.
- Further preparation for removing the contaminated soil from J3/J4 has been done. During 2024 the work with full scale excavation will be prepared and test volumes will be used to prove the incineration, first with external part where we are going to test 20 tons of material. We are also obligated to keep investigating other methods and one biological test on a small scale will be performed.

BOARD OF DIRECTORS REPORT

Gothenburg manufacturing site, Sweden

Compliance and changes to environmental performance were as follows:

- For the 2023 no major investments have been made and no additional permits have added for the operations.

Harburg manufacturing site, Germany

Compliance and changes to environmental performance were as follows:

- Planned remediation of the PFT contamination in the groundwater continued. Detailed Concept for pilot operations got developed and agreed with the authorities. Partner company for execution of the pilot test got selected and contract got awarded. Start of actual pilot test occurred early 2024. Installation of permanent treatment units planned for end of 2024.
- Concept for further investigations for soil and groundwater in North developed and agreed with authority. Realization planned for 2024.
- General concept for future waste water treatment developed. Detail-Engineering and stepwise implementation planned from 2024 onwards.

Depots and emulsion plants

Nynas operates several bitumen depots and emulsion plants in Sweden. The handling of bitumen takes place in rigorously controlled and contained systems and to minimise any possibility for leakage and/or injury an extensive HSSE&Q system including a crisis management plan is in place. Nynas has its own depots in Sweden and based on the volumes of bitumen handled, most of the depots have been assessed either as B-facilities, which require permits under the Swedish environmental code, or as C-facilities, which are only subject to a notification requirement. Outside Sweden Nynas has bitumen or emulsion plants in countries such as Denmark, Estonia, Norway, Poland, and the UK. In most cases, Nynas is responsible for ensuring compliance with environmental legislation in these locations as well.

Research and development

Nynas has its own R&D unit and laboratories supporting the company's long-term strategic goals through product development and optimisation of Nynas manufacturing sites and processes. Within the naphthenic and bitumen product areas, Nynas engages in research and development of products, solutions, and applications. Sustainable development, addressing our climate and environmental impact both in our own value chain and that of our customers where our products are applied, is one of the main driving forces for Nynas' R&D work and innovation priorities. Health and safety, quality, performance, and extending the lifetime of products, are other key drivers in the company's R&D efforts. Research and development expenses were below 1 per cent (1) of net sales in 2023.

Sustainability Report

The Group's Sustainability Report can be found on pages 20–43.

RISK MANAGEMENT

All business operations are exposed to various risks. The purpose of Nynas' risk management activities is to limit, control and manage the risks involved in a proactive manner, to best secure the company's potential opportunities.

The main components of risk management are identification, evaluation, mitigation, monitoring and reporting. Nynas continuously strives to increase awareness and to reduce risks in all areas of operations.

Enterprise Risk Management

The purpose of ERM at Nynas Group is to support the Group's strategic priorities by managing and mitigating risks to achieving objectives, support wider risk management initiatives across the Group and to further foster a risk aware culture within the organisation.

The Group risk register has identified, described and evaluated Nynas' specific risk profile. A comparison with 2022 showed a significant improvement in the overall risk profile of the company over the past year. There are major improvements in the areas of feedstock supply security (see also section Significant events after the fiscal year 2023, page 58), commodity price risk as well as an overall reduction in risk related to exits from a number of higher risk countries.

The risk register is a living document and subject to constant review and evaluation as Nynas develops its business activities in the ever-changing risk landscape. The risks identified and explained below are not in hierarchical order.

As part of the ERM programme, the Nynas Enterprise Risk Forum (the Risk Forum) is responsible for alignment of all risk management strategies and acts as the coordination point for enterprise-level direction setting regarding risk management issues.

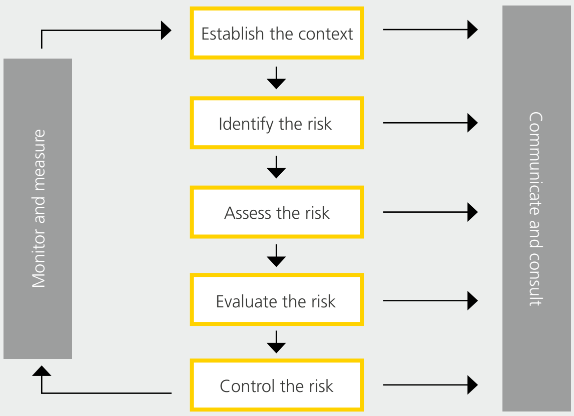
The different steps in the Nynas Enterprise Risk Management process are briefly described below:

- Establish the context. The first step in the enterprise risk management plan is to establish the context of the environment within which the organisation, programme area or department operates. The environment in which Nynas operates is complex and a number of factors need to be considered when determining the parameters within which risks must be managed. Key considerations include Nynas' vision, mission, corporate values, strategic priorities, and business plan.
- Identify the risk. The identification of risk may occur in a retrospective manner, i.e. looking back over completed work, tasks and activities. Identifying potential risks before they present challenges is the

BOARD OF DIRECTORS REPORT

ideal method of minimising risk; this is known as prospective risk identification.
- Assess the risk. Once risks have been identified, they are to be analysed to determine the overall level of each risk and establish priorities. Identified risks are assessed against two criteria: impact and likelihood. The overall level of risk is determined by multiplying the likelihood rating and the impact rating to produce the Gross Risk Score (GRS).
- Evaluate the risk. The aim of this step is to decide whether the level of risk is acceptable or not. Risk may be accepted if, for example, there are sufficient controls in place.
- Control the risk. Control over risk can be obtained through different methods, for example transferring the risk to insurance or modifying the risk through appropriate risk mitigation strategies.

Risks are also monitored continuously in order to determine if the level of risk (i.e. likelihood or impact) has been reduced and whether other measures could be implemented.



Risk Governance

Nynas Board of Directors has the ultimate responsibility for risk oversight. Practical implementation, development and monitoring of the risk management process are based on the three lines of the defense model.

1st Line of Defense

Nynas' CEO and Executive Committee have the overall responsibility for proper risk management. A risk management responsibility is also delegated to the site and business unit level. Each manager with operational responsibilities is expected to ensure that risks associated with the operations are appropriately identified, evaluated, managed, mitigated and, as appropriate, escalated to the Group level.

2nd Line of Defense

The role of the second line of defense is to provide risk management support, facilitation, and consultation. The Risk Forum, chaired by the Chief Financial Officer (CFO), uses the ERM process proactively as a method to reduce uncertainty and support achievement of Nynas' goals and objectives, and in addition, actively identify opportunities for upsides and revenue enhancement.

The Risk Forum is responsible for reporting on the management status of high level and significant risk management information to the Nynas Executive Committee at least semi-annually and annually to the Board of Directors/Audit Committee.

The risk management function is located in Nynas AB and the Group Risk Manager supports local sites, business units and the Executive Committee in strategic decisions concerning risk and insurance issues. The Group Risk Manager manages and coordinates all Group insurance programs and supports the ERM process and internal captive. Furthermore, the Group Risk Manager prepares reports and acts as liaison between risk owners and the Risk Forum and ensures that significant risks are addressed and significant opportunities for pro-actively reducing uncertainty are advocated.

The Group Risk Manager is part of the Nynas Finance department and reports directly to the CFO.

Nynas General Counsel ascertains Group compliance and oversees compliance related issues within the Group. The General Counsel also ascertains adequacy of mitigation actions in higher risk compliance areas.

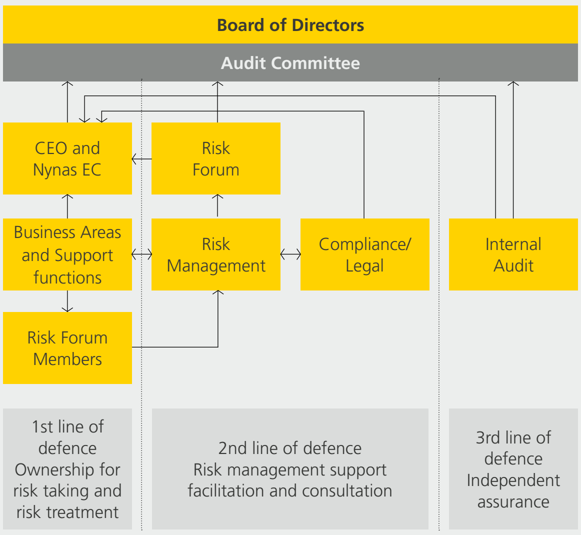
3rd Line of Defense

In conjunction with the Audit Committee, the role of the Internal Audit function is being refreshed to continue to ensure the effectiveness and efficiency of the Group's risk governance model and related risk management processes, including the effectiveness of internal controls and other risk treatment actions continue to be monitored and developed.

Insurance

Nynas transfers certain and specific risk exposures to the commercial insurance and reinsurance markets. Further actions are also taken to reduce these insurable risks as part of Nynas' loss prevention strategy. This is done to reduce the potential for significant losses and to ensure the Group's ability to deliver to its customers without interruptions. The insurance and reinsurance capacity are purchased by way of using international insurance brokers and the insurance and reinsurance policies placed are tailor-made to Nynas specific demands and risk exposures. Part of the Group's property damage insurance programme is provided by the in-house insurance captive Nynas Insurance Company Ltd. Nynas' Finance Policy puts strict demands on the financial security of insurance and reinsurance companies that Nynas elects to transfer risk to. Nynas' mini-

BOARD OF DIRECTORS REPORT



mum financial security demand is equal to a Standard & Poor A- rating or equivalent AM Best.

Risk Surveys
Every third year, risk surveys are performed at the Group's manufacturing sites by risk consultants. The main purpose is to prevent potential property losses and business interruption by means of loss prevention and control recommendations. The Group's depots are surveyed every third year by risk consultants and new targets are set for each round of audits.

NYNAS GROUP'S RISKS

Strategic Risks

Strategic risks are changes in the business environment with potential significant effects on operations and business objectives. The Group is affected by international, national and regional economic conditions. Strategic risks are market uncertainties and geopolitical tensions in oil-producing countries, turbulence on the oil market and swings in crude, feedstock and energy prices. Other strategic risks include competitor actions, customer behaviors and reputational risk. Nynas Executive Committee monitors the development in the key markets and proactively assess macroeconomic risks and political risks but also opportunities that may influence the Group's strategies.

Economic Growth
The Group conducts its business within the specialty oils market and is consequently affected by general economic trends outside the Group's control. A protracted economic downturn, in particular in Europe, when coinciding with cuts in public spending on infrastructure, could have a material adverse impact on the financial performance or operations of, the Group.

Political risks
The Group has varying commercial interests in emerging markets and countries which may be exposed to political risks. This could have an adverse effect on the Group's financial position and results. Nynas' exits from 30 markets over the course of 2022/2023 has reduced its exposure to this.

Competition risks
The Group faces domestic and international competition in the markets in which it participates.

Geopolitical risks
The Group is exposed to risks impacting the free flow of trade flows and crude oil in particular for its supplies. Additionally, any limitations to the free and safe navigation in the Baltic sea in particular would adversely impact the Group's ability to supply its manufacturing site in Nynäshamn as well as its customers.

Climate Change
International initiatives to manage and mitigate climate change, for example the Paris Agreement and the EU Green Deal, will motivate industry to reduce emissions of greenhouse gases in the entire value chain.

In order for Nynas' operations to be compliant and competitive, new and developing technologies, e.g. CCS, green hydrogen and renewable energy, will be evaluated and implemented at the right time. Nynas is well equipped to take on the technical challenges related to climate change and the main risks are instead connected to customer's and authorities' acceptances to carry the financial burden for products with reduced climate impact. Nynas expects future financing and investment to be more interlinked with climate change initiatives and impact. This will present a new landscape of risks and opportunities that Nynas is currently navigating. Energy efficiency programs, improved feedstock utilization initiatives, and mapping of greenhouse gas emissions are examples of on-going activities.

Nynas' sustainability activities are further described in the Sustainability Report on pages 20–43.

Customer behavior
Nynas sales are dependent on the economic development in a broad range of industrial sectors as well as infrastructure investments. Naphthenic specialty oils are sold worldwide and used by industrial customers in both leading and lagging sectors. Periods of economic slowdown or recession can have a negative impact on demand for specialty oil products in the markets and industries which may be affected by a financial downturn. Bitumen sales are regional and mainly dependent on investments in road construction and maintenance. Countries with declining economic growth can decrease their governmental and state spending on infrastructure, which can affect the Group's bitumen business.

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NYNAS RISK UNIVERSE		
Changes in the business environment with potential significant effects on business objectives and operations	Risks directly attributable to business operations with potential significant impact on financial position and performance	Financial risks with a potential impact on financial position and performance
Strategic Risks	**Operational Risks**	**Financial Risks**
Economic Growth	Production	Currency
Political/Geopolitical	Supply Chain	Commodity
Climate change	Products and Services	Interest rate
ESG trends	Environmental, Health & Safety	Financing
Customer behaviour	Innovation	Liquidity
Competition	Legal, Compliance & Regulatory	Credit
Reputation	Anti-bribery and Anti-corruption	Tax
	Human Resources & Labour Rights	
	Cyber	
	IT systems	

Nynas is spreading its activities into several regions to mitigate local variations in demand.

Competition risks
The Group faces domestic and international competition in the markets in which it participates. There is a risk of technical development in the Group's markets, including the risk of substitution, where some of the Group's products can be formulated by competitors with other components, that may eventually be more competitive than the Group's production. Nynas strives to be ahead of competition in terms of product development in close collaboration with our customers. To protect Nynas return on investments in marketing, research and development, the Group actively safeguards its marketing and technical achievements against trademark/patent infringements and copying. Nynas enforces its intellectual property rights through legal proceedings when necessary.

Anti-trust risks
The Group's operations are subject to EU, and local anti-trust regulations, in particular since the Group could be considered to have a dominant position within certain sectors and territories. Breaching competition and anti-trust legislation could render substantial fines and penalties but also reputational damage. Nynas has a compliance programme which includes a competition and compliance policy, e-learning courses for all employees as well as regular mandatory training for certain identified employees on how to comply with competition and anti-trust legislation. Nynas business ethics activities are further described in the Sustainable Report section about Ethics on page 40.

Reputational risk
The Group constantly strives to perform in accordance with certain ethical, environmental, health, quality and sustainability standards. Activities to maintain and further strengthen Nynas Group's strong brand and good reputation are constantly ongoing. These activities include ensuring compliance with Nynas' Code of Conduct which define the Group's values with regards to business ethics, human rights, environment, health and safety. Nynas activities in sustainability are further described in the Sustainable Report on page 20–43.

Operational Risks

The operational risks in Nynas Group are risks directly attributable to business operations with a potential significant impact on financial performance. These are risks mainly associated with Nynas' business operations such as manufacturing site production, supply chain, products and services and include the effectiveness of processes and operations. Other operational risks are dependence on information technology and systems, insurance risks, political risks including sanctions. Risks relating to compliance with laws and regulations are also included in this category. Operational risks also include certain sustainability risks, e.g. health & safety, environmental risks, dependence on human resources, business ethics and human rights risks. Nynas' sustainability activities are further described in the Sustainable Report on page 20–43.

OPERATIONAL RISKS	CONTEXT	MITIGATING ACTIVITIES
Production risks	The company's products are mainly produced at three refineries, two in Sweden and one in UK, where Nynas have a joint venture with Shell. Damages to the facility by fire, explosion, leak- ages or mechanical failure during operations or maintenance turnarounds, can result in property damage and business interruption. This may influence deliveries or the quality of products. Reduction in capacity, financial impact on sales, lack of product and repu- tational impact are other potential conse- quences.	By having multiple sites Nynas is able to be flexible and re-route the production if needed. Production units are subject to continuous inspection programmes and risk management surveys to prevent incidents. Extensive procedures and controls are in place and are audited regularly, in line with industry standards. Third-party sourcing and supply chain management can mitigate supply interruptions and lack of certain products. Property damage and business interruption risks are to a large extent transferred to the insurance and reinsurance markets.

BOARD OF DIRECTORS REPORT

OPERATIONAL RISKS	CONTEXT	MITIGATING ACTIVITIES
Supply Chain risks	The availability of suitable crude oil and other feedstock for production of refined petroleum products at Nynas refineries is a critical factor enabling Nynas to deliver its strategy. The Group is further dependent on a number of important suppliers of certain materials and utilities to ensure uninterrupted and high-quality production at its refinery facilities. Interruption in such supplies can influence the quality of products and/or cause business interruption which may result in, e.g., limited production capacity, lack of product and reputational impact.	The Group is technically prepared to run several different crudes and raw materials to handle variations in the feedstock market and in product demand. It has effective relationships with a range of supplier and developed an ability to quickly evaluate and select different potential feedstocks. The Group demonstrated that flexibility in 2023 in particular when it used a wide range of different feedstocks. Nynas supply chain management works continuously with mitigating activities to minimize the consequences of lack of certain materials and utilities e.g. third-party sourcing of finished products to mitigate supply interruptions. Business interruption at Nynas due to damage at key suppliers are to a large extent transferred to the insurance and reinsurance markets.
Products and Services risks	The Group is exposed to risk for product liability claims where the Group's refined products are claimed to be defective and/or are claimed to have caused property damage or personal injury. This could have an adverse effect on the Group's financial position and results and could cause reputational damage.	The Group has extensive quality control including sampling throughout the entire supply chain and testing performed by independent inspectors. Nynas is actively participating in international bodies, setting global standards such as IEC and ASTM. The Group has extensive worldwide product liability and professional liability insurance programmes in place.
Environmental risks	The refineries and depots could have a risk of damaging the environment through operations, e.g., spills and emissions. Nynas is dependent on certain licenses to operate its refineries, e.g., individual environmental permits are required for the refinery sites. Failure to meet environmental regulations, e.g., REACH, environmental directive, SEVESO, etc. can result in loss of license, negative reputational impact, loss of business and customers. Shipping vessels are the best way to transport Nynas' products and the Group charters a significant number of voyages per year for crude oil and manufactured products. Damages to or sinking of a vessel could cause environmental pollution and could potentially damage Nynas' brand.	The Group's production facilities are designed and constructed in accordance with well-established international technical standards in the refining industry. Nynas ensures adherence to these standards through a system of internal technical standards and minimum requirements that are systematically internally and externally audited. There is a Group Health, Safety, Security and Environment (HSSE) Director available to support the operations, and all large sites have appointed local HSSE resources. Nynas has representatives in international organiations in the HSE field such as CONCAWE, Drivkraft Sverige & IKEM, SQAS and CEFIC and monitors new regulations. Nynas refineries are certified in accordance with the ISO 14001 standard. Nynas charters a modern fleet with guidelines for third party shippers. Nynas further charters and monitors all ships chartered through its own shipping department Nyship. External vetting is utilised to assess the vessel's suitability. Nynas is a member of the International Tanker Owners Pollution Federation. Nynas purchases marine charterer's P&I insurance, as well as environmental impairment liability insurance worldwide.

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OPERATIONAL RISKS	CONTEXT	MITIGATING ACTIVITIES
Health and Safety risks	Manufacturing operations, maintenance activities and the handling of hazardous products can cause personal injury if safety procedures are not followed and safety equipment not used correctly. Some of Nynas sales are delivered via trucks to its customers which opens its up to road transport accidents. The nature of Nynas' worldwide business requires employees to travel to countries exposed to social and political unrest. Such business travel could negatively affect the health and safety of individual employees.	There is a Group Health, Safety, Security and Environment (HSSE) Director available to support the operations, and all large sites have appointed local HSSE resources. Nynas refineries are certified in accordance with ISO 9001 and 45001 standards and all employees are reporting into a group-wide incident reporting system. Nynas learn from all serious incidents and near misses by exhaustive root cause analyses conducted by designated Lead Investigators from Nynas own training programme. The Group sets minimum requirements regarding many HSSE-areas and activities, and the adherence by sites and businesses are regularly audited. All managers at all levels are conducting regular HSSE-meetings during the year with their work groups and the outcome is cascaded throughout the organisation. Safety walks and safety talks are conducted regularly on site by both refinery and company management. Nynas has a network for Dangerous Goods Safety Advisors to ensure compliance with rules and regulations on the safe handling and transport of dangerous goods. Contractors, drivers and temporary personnel receive regular health and safety training and it's mandatory to use Personal Protection Equipment (PPE) in certain areas on site. Nynas has a Group travel policy constantly monitored by the Group's Travel Manager and HR. Travel safety training for employees travelling to high-risk countries is mandatory.
Innovation risks	Similarly to the rest of the market, Nynas is undergoing a period of transformation. High focus lies on sustainable product development and moving towards using more renewable and fossil free feedstocks. National regulations already now ban mineral based fuels in certain applications and banks/investors are becoming more restrictive to invest in fossil fuel related activities. Further digitalization and process development is on top of the agenda.	Nynas bitumen are a recyclable and sustainable product, therefore Nynas is well-equipped to handle these challenges. We continuously work with naphthenic product development, to maximize upgrading and produce long lasting and recyclable products, and to minimize fuel production. Nynas actively encourages an innovative mindset within the company to reach even further. We actively monitor regulatory requirements to be on top of changes. Further there is a high focus within the company on digitalization and improvement processes to ensure Nynas is a successful company also in the future.

BOARD OF DIRECTORS REPORT

OPERATIONAL RISKS	CONTEXT	MITIGATING ACTIVITIES
Legal, Compliance and Regulatory risks	Nynas is engaged in many different areas at a global level and conducts its business within the framework of rules and regulations that apply in various countries, markets and industry sectors. Non-compliance with import and export regulations, trade compliance rules, legislation protecting national security, transfer pricing, excise duty and VAT could result in fines and penalties, trade restrictions, invalidity, personal liability on behalf of Directors and reputational impact. The Group's business includes sales in territories subject to international sanctions. Non-compliance with international sanctions could result in fines and penalties, personal liability on behalf of Directors and reputational impact.	The Group has an established governance framework including Group policies, Group procedures and other steering documents. The scope of the governance framework, including the controls implemented, is partly based on legal requirements and risk exposure. At Group level, Nynas has several functions monitoring legal and regulatory risks such as Legal, HSSE and Product HSE to ensure compliance. The Group has implemented a Trade Compliance Policy including a policy document, training of relevant employees and third-party security screening. Nynas continuously works together with leading international legal advisors and other specialists on analysing and addressing issues to ensure compliance with international sanctions.
Anti-bribery and Anti-corruption risks	Corruption could exist in markets where the Group conducts business. Monitoring and ensuring compliance with anti-bribery and anti-corruption legislation in the worldwide workforce, requires comprehensive procedures and processes. There is a risk that the Group fails in its measures to prevent bribery and corruption. Non-compliance can result in fines and penalties, contractual default, personal liability on behalf of Directors and reputational impact.	Nynas has an Anti-bribery and Anti-corruption Policy requiring its employees and counterparties to comply with applicable anti-bribery and anti-corruption legislation including the UK Bribery Act and the Foreign Corrupt Practices Act. Nynas conducts regular mandatory training of its employees on how to comply with anti-bribery and anti-corruption laws.
Human Resources Risks	There is strong competition for qualified employees in high hazard industries where production sites are often located in geographically remote areas. Nynas is dependent on technical experts and engineers for running its production facilities as well as its Research & Development. Difficulties in recruiting and retaining qualified personnel could result in loss of operational reliability, safety, productivity, competitive edge, increased employee turnover, increased costs and inability to compete effectively.	Nynas offers competitive salaries, interesting career opportunities, international work experience and competence development to recruit and retain qualified employees. Since several years Nynas also runs a trainee program for newly graduated engineers.

BOARD OF DIRECTORS REPORT

OPERATIONAL RISKS	CONTEXT	MITIGATING ACTIVITIES
Labour Rights risks	Risks related to human and labour rights can arise in the entire supply chain, both at Nynas' suppliers and Nynas' own production facilities as well as anywhere else in the workforce worldwide. Breach of human and labour rights could result in reputational impact, fines and penalties and personal liability on behalf of Directors.	The Group has implemented a Code of Conduct and a People and Human Rights Policy which complies with the UN Declaration of Human Rights, to establish a standard the employees should adhere to worldwide. Meetings and collaboration with safety committees, local trade unions and executive management on a regular basis mitigates the risks of breaching human and labour rights.
Political risks	The Group has varying commercial interests in emerging markets and countries which may be exposed to political risks. This could have an adverse effect on the Group's financial position and result.	Nynas takes proactive steps to assess the risks and opportunities in its business environment and manage them accordingly. As part of Nynas strategy to focus on Europe it has exited a number of emerging markets which has reduced its exposure in these markets.
Cyber/IT system	The Group relies on IT systems in its daily operations including production. Disruptions or faults in critical systems can affect production and cause business interruption. Errors in the handling of financial systems can affect the Group's reporting of results. Modification or theft of Intellectual Property constitutes a risk to the Group's competitive edge and future business success. Cyber security risks are increasing globally and can have a significant impact on the Group's operations, financial position and result.	Nynas has a Group IT & Security Policy including quality assurance procedures that govern IT operations. Nynas' global network is designed on a fallback redundancy to minimise operational disruption. The system landscape is based on well-proven products and market leading and established service providers. Cyber security is regularly discussed and monitored by the ISIT department. Employees are continuously reminded about cyber risks and encouraged to report all cyber-related threats and attempts, and the IT security function reports on the trend monthly to the Executive Committee.

Financial Risks

Through its comprehensive and international operations, Nynas is exposed to financial risks. The Board of Directors is responsible for establishing the Group's Finance Policy, which comprises guidelines, objectives and limits for financial management and the managing of financial risks within the Group. Financial risks comprise currency risk, commodity risk, interest rate risk, financing risk, liquidity risk, credit risk. For further details please see note 27 and note 28.

The Nynas Group Treasury department has been established as the functional organisation in the parent company where most of the Group's financial risks are handled. The function conducts internal banking activities, with the primary task to control and manage the financial risks to which the company is exposed as part of the company's normal business activities and to optimise the Group's financial net. The Treasury department supports the subsidiaries with loans, cash management, currency and hedge transactions. The Treasury department also operates the Group's cash management and liquidity forecasting. Treasury operations also conduct payment advisory services and handle the Group's credit insurance.

Financing and Liquidity

The risk that Nynas will be unable to obtain the requisite long-term financing and facilities for hedges and working-capital or meet its payment obligations due to insufficient liquidity have reduced significantly with the major refinancing of the Nynas Group that was completed on 28 April 2022.

Tax risks

Nynas is a multinational Group with many cross-border transactions. Therefore, transfer pricing and indirect taxes comprise two main areas that are the subject of investigations by the tax authorities of various countries. At times, Nynas is involved in discussions with the tax authorities concerning transfer pricing issues, meaning the prices applied to transactions between Nynas companies globally. The Group maintains detailed transfer pricing documentation to support the transfer prices applied. If the tax authorities' opinion in a transfer pricing matter differs from Nynas' position, this may have implications for the Group's revenue recognition among countries.

When deemed necessary, a provision for disputed taxes is recognised in accordance with the applicable accounting standard. For further information on current tax disputes, see note 29. For further information regarding financial risks see note 27.

Future outlook

Over the course of 2023, Nynas returned to profitabiltiy, driven by strong underlying performance of its core operations. In December 2023, Nynas signed a Memorandum of Understanding for the sale of the majority of the land of its Harburg facility. This together with the new signed supply contract and ongoing improvements have put Nynas in a good position and it is management's expectation that earnings will continue to improve further.

Significant events after the fiscal year 2023

- In January 2024, a long-term supply agreement was signed, providing residue supply for bitumen production with supply terms that provide credit to Nynas and pricing that aligns with customer pricing timing, hence reducing risk to Nynas.
- On February 6, Nynas also saw the launch of the new Nynas vessel, Thun Resource, a spectacular and positive contribution to our supply chain.
- In later part of March 2024 Nynas was acknowledged SEK 110 million in additional business interruption insurance compensation related to the unplanned shutdown at Nynäshamn manufacturing site in January 2023. This amount has not been considered in the annual figures for 2023.
- Circle K has in March 2024 requested a dialogue with Nynas to discuss Nynas contribution to remediation costs in relation to restoring the land area on the neighboring plot adjacent to Nynas refinery in Nynäshamn, historically owned by Nynas. Circle K has stated they have incurred cleaning costs of approximately 50 MSEK and estimate to have additionally approximately 19 MSEK before they are fully done. The dialogue has not yet been initiated.

Dividends and proposed distribution of profit

The Board proposes that the available profits of SEK 1,185,207,788 in the Parent Company be distributed as follows:

Total dividend	0
Carried forward	1,185,207,788
SEK	1,185,207,788

Corporate Governance Report

Corporate Governance at Nynas comprises guidelines, structures and processes, through which the Group is managed and controlled. The aim is to ensure efficient and value-creating decision making by clearly specifying the division of roles and responsibilities between the Shareholders, the Board and the Group Executive Committee. Corporate Governance is based on the Swedish Companies Act, applicable parts of the Nasdaq Stockholm Stock Exchange Rules, and in all material respects the Swedish Corporate Governance Code.

Shareholders

Nynas AB, company reg. no, 556029-2509, domiciled in Stockholm, Sweden, is owned 49.999 per cent by Marlborough Finance No. 3 Designated Activity Company, reg. no. 575515 domiciled in Dublin, Ireland, 35.003 per cent by NyColleagues AB, company reg. no. 559247-2418, domiciled in Stockholm, Sweden and 14.999 per cent by PDV Europa B.V., company reg. no. 27133447 domiciled in The Hague, the Netherlands.

Marlborough Finance No. 3 Designated Activity Company is an investment vehicle managed by Davidson Kempner Capital Management, LP, domiciled

Governance structure of Nynas AB

Shareholders via the Annual General Meeting

The Company's supreme decision-making authority. Adopts the approval of the Annual Report, discharge of responsibility, distribution of profit, changes to Articles of Association and elects Board of Directors and Auditors.

Auditor

Audits the Annual Report and Consolidated Financial statements and the administration.

Board Of Directors

Considers and adopts decisions on overall issues concerning the Group and oversees the work of the CEO.

Audit Committee

Monitors the Company's financial accounting and reporting. Reviews the internal control system.

Incentive Compensation Committee

Monitors the terms of compensation and employment of the CEO and senior executives. Reviews proposed major personnel and organisational changes.

CEO

Manages the Company on the basis of the internal and external corporate governance instruments.

Business areas / functions

External Governing Documents
- Swedish Companies Act
- Swedish Bookkeeping Act
- Swedish Annual Accounts Act
- IFRS
- Environmental permits

Internal Governing Documents
- Articles of Association
- Working procedures for the Board of Directors
- Internal management system

Policies adopted by the Board of Directors
- Finance policy
- HSSE&Q policy
- IP policy
- Information policy

in the US and SEC-registered. NyColleagues AB is owned by Nynässtiftelsen, reg. no. 802481-5071, a foundation domiciled in Stockholm, Sweden. PDV Europa B.V, is part of a Group in which Petróleos de Venezuela S.A., company reg. no. 73023, Caracas, Venezuela, is the Parent Company.

The total number of shares issued is 67,532, of which 33,765 are Class A shares, 10,129 are Class B shares and 23,638 are Class C shares. The share capital is SEK 67.5 million and the listed value is SEK 1,000 per share. One share entitles one vote at Annual and Extraordinary General Meetings. There are no restrictions to the number of votes that each shareholder may cast at General Meetings.

The shareholders' Annual General Meeting is the Company's highest decision-making body where the shareholders right to adopt decisions concerning Nynas' affairs is exercised. The Annual General Meeting is usually held in the second quarter of the financial year. If necessary, Extraordinary General Meetings may be convened. The Annual General Meeting adopts the Articles of Association and the shareholders elect the members of the Board of Directors at the Annual General Meeting.

The Annual General Meeting also elects the auditors and makes decisions regarding their remuneration. The Annual General Meeting adopts the resolutions to approve the Income Statement and Statement of Financial Position, the distribution of the Company's profits, and the responsibilities of the members of the Board of Directors and the CEO.

Board of Directors

The composition of the Board of Directors

The Board of Directors consists of a minimum of three up to a maximum of seven ordinary members with up to a maximum of six deputies, and two employee representatives (with two deputies). Of the ordinary members and deputy members, who shall all be elected at a Shareholders' Meeting, owners of class A shares shall be entitled to elect three ordinary members (and three deputies), the owners of class B shares one member (and one deputy), and the owners of class C shares two members (and two deputies). The chairman of the board is elected by the Shareholders' Meeting. The Chairman of the Board who as of 1 June 2022 was acting CEO stepped back as acting CEO when Eric Gosse took on the role of CEO in September 2023.

The work and responsibility of the Board of Directors

The Board of Directors is responsible for the organisation of the company and the administration of the company's affairs. The framework for the work of the Board of Directors is the documented working procedures of the Board which are adopted annually by the Board of Directors.

Working procedures govern the work of the Board of Directors, as well as the division of responsibility between the Board of Directors and the CEO. The Board of Directors monitors the work of the CEO via on-going follow-up of the activities during the year. It is the responsibility of the Board of Directors to ensure that effective systems are in place for follow-up and control of the Company's activities, that there are satisfactory internal control procedures, and that internal Corporate Governance instruments have been determined. The responsibility also includes determining the objectives and strategy, deciding on major acquisitions and divestments of companies, or other major investments, deciding placements and loans, and to adopt the Company's Finance Policy. In addition to the constituent meeting the Board of Directors holds at least three ordinary meetings per year. In 2023 five ordinary Board meetings and four extraordinary meetings were held. The focus in 2023 has been on the performance of the core business, the developments in Harburg and improvements in governance.

The CEO presents issues to the Board of Directors and states the grounds for the proposed decisions. Other Group officers attend meetings of the Board of Directors as required in order to present particular issues. In order to fulfil its obligations more effectively the Board of Directors has established two committees from among its members: the Audit Committee and the Incentive Compensation Committee.

- The Audit Committee monitors the integrity of the Company's financial reporting framework, and assesses the effectiveness of the external audit, internal controls & risk management procedures. Committee aims to enhance the quality of the Company's reporting, ensuring accuracy and compliance with accounting standards and regulations, including considerations for upcoming ESG reporting requirements. The Audit Committee provides input and recommendations in relation to the selection, appointment and remuneration of the external auditors, with a focus on their impartiality and independence. Committee then reviews the auditors' findings and recommendations and monitors the implementation of any agreed process improvements. The Audit Committee also supports the company's internal control and risk management framework, assessing whether these are designed adequately and operating effectively, with the aim of minimizing and mitigating the financial and business risks due to fraud or error. The Audit Committee updates the Board of Directors on an ongoing basis. During 2023 the Audit Committee held three meetings.
- The objective of the Incentive Compensation Committee is to represent the Board of Directors in matters concerning the terms of compensation and employment of the CEO, and the executives reporting directly to the CEO, on the basis of the principles

CORPORATE GOVERNANCE REPORT

adopted by the Annual General Meeting and the policies adopted. The Committee also reviews proposed major personnel or organisational changes.

Auditors

External auditor

At the 2023 Annual General Meeting the authorised public accounting firm KMPG AB was elected as the Company's external auditor up to and including the 2024 Annual General Meeting. The auditor in charge is Håkan Olsson Reising, Authorised Public Accountant.

The audit is reported to the shareholders as an Auditors' Report. This constitutes a recommendation to the shareholders for their decision at the Annual General Meeting whether to adopt the Income Statements and Statements of Financial Position of the Parent Company and the Group, the distribution of the profit of the Parent Company, and whether to discharge the members of the Board of Directors and the CEO from their responsibilities for the financial year. The audit is conducted in accordance with the Swedish Companies Act and good auditing practice, which means that the audit is planned and performed on the basis of knowledge of the activities, current development and strategies of the Nynas Group. The audit services, among other things, include inspection of compliance with the Articles of Association, the Companies Act and the Annual Accounts Act, as well as the International Financial Reporting Standards (IFRS).

The audit is furthermore reported on an ongoing basis in the course of the year to the Board of respective Nynas company and to the CEO and Executive Committee of the Group. See Note 7 concerning the remuneration paid to the auditors.

CEO and Group Executive Committee

The Managing Director of Nynas AB, who is also the Group President and CEO, manages Nynas' activities in accordance with the external and internal Corporate Governance instruments. The framework consists of the annually adopted working procedures for the Board of Directors, which also defines how responsibilities are divided between the Board and the CEO. The CEO is responsible for and reports on the development in the Company to the Board of Directors on an on-going basis. The CEO is assisted by a Group Executive Committee that consists of the executives responsible for the business areas and staff functions.

Nynas has a structure with strong focus on business responsibility, combined with support from shared Group functions and processes. The CEO leads the work of the Group Executive Committee and adopts decisions in consultation with the other executives. At the close of 2023 there were eight members of the Group Executive Committee. The Group Executive Committee meets one to two times per month to consider the Group's financial development, Group development projects, management and competence provision and other strategic issues.

External Corporate Governance Documents

The external Corporate Governance instruments that determine the framework for Nynas' Corporate Governance consist of the Swedish Companies Act, Annual Accounts Act and other relevant acts. The Swedish Corporate Governance Code must be applied by Swedish limited liability companies whose shares are listed in a regulated market. Nynas' ownership structure therefore does not require the Company to observe the Code.

Good Corporate Governance is fundamental to Nynas, and the objective is to ensure solid and adequate Corporate Governance of the Company.

Nynas AB is not a listed public limited company and therefore not required to comply with the Swedish Corporate Governance Code, however in all material aspects Nynas adheres to the Code with the following exceptions in section III, Rules for Corporate Governance:

The shareholders' meeting

Sub sections 1.3 and 1.4: Nynas does not have a nomination committee as the three shareholders independently nominate their respective Board members. All three shareholders have internal processes in their own Boards and provide Nynas with their respective nominees. The three shareholders participate with their appointed representatives at the Annual General Meeting.

Sub section 1.7: Minutes of the Annual General Meeting and subsequent Extraordinary Meetings are not posted on Nynas' website as the shareholders agree they have sufficient access to all minutes and further relevant information.

Appointment and remuneration of the Board and the statutory auditor

Sub section 2: Nynas does not have a nomination committee since the shareholders have agreed to discuss nominations and related matters directly between themselves thereby performing the same function.

The size and composition of the Board

Sub section 4.6: As a consequence of the fact that Nynas does not have a nomination committee it cannot technically comply with this section that describes which information is to be provided to the nomination committee.

Evaluation of the Board of Directors and the Chief Executive Officer

Section 8: Regular and systematic evaluation of the performance of the Board is not done. The evaluation of Board members is carried out independently by the respective shareholder as each shareholder has its

CORPORATE GOVERNANCE REPORT

internal processes for performance evaluation of their respective Board members. Subsequently, the chairman of the Board discusses the outcome with the individual Board members.

Remuneration of the Board and Executive Management
Sub sections 9.7 and 9.8 are not applicable since Nynas does not have a share incentive scheme.

Information on Corporate Governance
The rules in sub section 10 regarding information on Corporate Governance are only relevant to companies whereby the shares are listed; hence the rules are not applicable to Nynas.

Internal Corporate Governance instruments
The binding internal Corporate Governance instruments are the Articles of Association adopted by the Annual General Meeting and the Working procedures for Nynas' Board of Directors adopted by the Board of Directors, the instructions for the CEO of Nynas, instructions for the financial reporting to the Board of Directors, the instructions for the committees nominated by Nynas' Board of Directors, as well as the Finance Policy.

In addition to these Corporate Governance instruments there is also an internal management system that includes a number of policies and binding rules stating guidelines and instructions for the Group's activities and employees. The most important policy document is the Nynas Code of Conduct, which for instance includes regulations for compliance with competition legislation, policies that prohibit bribery and corruption, policy on people and human rights, policy on information management and policy on health, safety, security, environment and quality.

Internal control of financial reporting
The financial statements are prepared in accordance with prevailing legislation, International Financial Reporting Standards (IFRS) as adopted by the EU. This description of internal control over financial reporting has been prepared in accordance with the Annual Accounts Act and constitutes an integrated part of the Corporate Governance Report.

Control environment
The CEO of Nynas regulates the governance of the Nynas Group. It includes the Nynas Code of Conduct, delegation of responsibilities, including signatory and authorisation principles for decision making and cost approvals, and request and approval procedures in regard to investments and acquisitions, among other items.

The Nynas Financial Reporting Manual and Procedures govern control over financial reporting. These documents contain detailed instructions regarding accounting policies and financial reporting procedures to be applied by all Nynas reporting entities. In the major countries where Nynas operates, Finance or Accounting Managers are appointed to support local management and the finance organisation and to provide a link between reporting entities and Group Finance. At group level, Group Financial Control manages the reporting process to ensure the completeness and accuracy of financial reporting and compliance with IFRS requirements. Group Business Control performs business analysis and compiles reports on operational performance. Both statutory and management reporting is conducted in close cooperation with business areas and specialist functions such as tax, treasury and legal to ensure the correct reporting of the income statement, balance sheet, equity and cash flow.

Control activities
Internal Control activities have been affected in areas that impact upon financial reporting. The internal control activities follow the logic of the reporting process and the finance organisation. In each reporting entity, the finance staff is responsible for accurate accounting and the closing of books. Finance staff adheres to the Nynas Financial Reporting Manual and Procedures and validates and reconciles local accounts before submitting them to business area management and Group Finance for consolidation.

Controllers in the business areas and functions perform analytical reviews and investigations, conduct business trend analyses and update forecasts and budgets. They investigate certain issues related to the financial information as and when needed. All business areas present their financial performance in written reports to the Group Executive Management on a monthly basis. Group Financial Control and Group Business Control have key responsibilities for control activities regarding financial reporting.

Information and communication
Financial reports setting out the Group's financial position and the earnings trend of operations are submitted regularly to the Nynas Board. The Board deals with the Annual Report prior to publishing and monitors the audit of internal control and financial statements conducted by external auditors.

Major subsidiaries in the form of legal entities also have a system of internal Board meetings with a formal agenda, including financial information, monitoring and decisions related to financial and accounting matters. Steering documents, such as policies and procedures and instructions, are updated regularly on the company's intranet and are available to all Nynas employees.

Information to external parties is communicated on the Nynas website, which contains news and press releases. The Annual Report is made available to shareholders and the general public on Nynas' website, nynas.com.

CORPORATE GOVERNANCE REPORT

Monitoring and follow-up

Each business entity manager and their respective finance organisation are ultimately responsible for continuously monitoring the financial information of the various entities.

The information is also monitored at a business area level, by group staff functions, the Group Executive Management and by the Board. The quality of the financial reporting process and internal controls is assessed by Group Finance every month as part of the quality assurance of reporting.

The external auditors continuously examine the level of internal control over financial reporting.

They review internal control procedures during the autumn including a more detailed examination of the operations. Finally, the external auditors perform a standard examination of the annual accounts of almost all legal entities in the Group, as well as the Annual Report and consolidated financial statements.

BOARD OF DIRECTORS

STEIN IVAR BYE
Chairman of the board.
Elected Chairman at AGM
27 April 2022.
Board member since 2021
Born: 1966.
Nationality: Norwegian.

EWA BJÖRLING
PhD, Associate professor.
Board member since 2022.
Born: 1961.
Nationality: Swedish.

CHRISTOPHER PILLAR
Chartered Accountant.
Board member since 2022.
Born: 1960.
Nationality: British.

CHRISTOPHER PLUMMER
Operating Associate at Davidson
Kempner Hawthorne Partners.
Board member since 2022.
Born: 1987.
Nationality: British.

ALEXIS POURCHET
Operating Partner, Davidson
Kempner Hawthorne Partners Ltd.
Board member since 2021.
Born: 1979.
Nationality: French.

HEIFRED SEGOVIA
Vice President Finance, PdVSA.
Board member since May 2023.
Born: 1985.
Nationality: Venezulan.

ALIREZA SABERI
Employee Representative.
Board member since 2022.
Born: 1980.
Nationality: Iranian.

ROLAND BERGVIK
Employee Representative.
Board member since 2010.
Born: 1967.
Nationality: Swedish.

Auditor
HÅKAN OLSSON REISING
Authorised Public Accountant at
KPMG AB. Auditor in charge of the
Nynas Group since 2021.
Present customer assignments
include ABB, EQT, AddLife,
Lagercrantz Group and Bergman
& Beving.
Born: 1961
Nationality: Swedish.

GROUP EXECUTIVE COMMITTEE

ERIC GOSSE
President & Chief Executive Officer.
Education: Master of Sciences in Chemical Process Engineering at Ecole Centrale de Paris and MBA Institut Etudes Politiques Paris.
Employed since 2023.
Previous experience: EVP at Vivo Energy (a Vitol company) and more than 30 years of experience in downstream Oil & Gas Industry at Vivo and TotalEnergies.
Born: 1965.
Nationality: French.

ROLF ALLGULANDER
Vice President Manufacturing.
Education: MSc Chemistry, MBA.
Previous experience: Site Manager, Borealis, Kallo, Cracker Manager, Borealis Portugal, Production Manager, Borealis Stenungsund.
Employed since 2007.
In current position since 2007.
Born: 1962.
Nationality: Swedish.

MARIA BJÖRKHOLM
General Counsel and Secretary of the Board
Education: Master of Laws, LL.M.
Previous experience: In-house Legal Counsel at Preem and the Swedish Wood Exporting Association, IP lawyer at Albihns, Associate judge, Associate at law firm.
Employed since 2006.
In current position since 2006.
Born: 1968.
Nationality: Swedish.

SIMON DAY
Vice President Sales & Marketing.
Education: MEng Chemical Engineering, MBA.
Previous experience: Director Supply Chain, CEO, GM Nynas US Inc, Head of Marketing, Electrical Industry Naphthenics, Head of Business Development and Planning Naphthenics, Head of Planning, Eastham, Nynas Bitumen UK, Refinery Engineer, Stanlow Refinery, Shell UK.
Employed since 1996.
In current position since 2014.
Born: 1967.
Nationality: British.

ANN EKMAN
HR Director.
Education: BS in Human Resources and Business Administration.
Previous experience: HR manager roles Atlas Copco and Epiroc, Talent Manager Skanska, Manager International Assignment Scania, Associate Expert United Nations, Executive Search Consultant Heidrick & Struggles and Spencer Stuart.
Employed since 2022.
In current position since 2023.
Born: 1967.
Nationality: Swedish.

ANDERS NILSSON
Vice President Supply Chain.
Education: MSc Mathematics, MBA Industrial & Financial Economics.
Previous experience: Sales Director Europe, Naphthenics Supply Chain Manager, Naphthenics, Swedish Railways, Lecturer in Mathematics, Technical University Luleå.
Employed since 2000.
In current position since 2014.
Born: 1968.
Nationality: Swedish.

JAN-PIETER OOSTEROM
Chief Financial Officer.
Education: MSc Accounting & Finance
Previous experience: Colliers, EMEA CFO Shell: Co-head Downstream Transformation, CFO Rotterdam Refinery, Head of Planning & Reporting, Senior Manager Mergers & Acquisitions.
Employed since 2023.
In current position since 2023.
Born: 1978.
Nationality: Dutch.

OLE-KRISTIAN SIVERTSEN
Vice President Group Strategy, Sustainability & Organizational Excellence.
Education: BS finance
Previous experience: European corporate turnaround advisory services at Alvarez & Marsal. HitecVision PE, Umoe Group, Aker Kvaerner O&G, five years in shipping.
Employed since 2023.
In current position since 2023.
Born: 1959.
Nationality: Norwegian.

Ole-Kristian left his position in March 2024.

Multi-year overview

GROUP

SEK million	2023	2022	2021	2020	2019
INCOME STATEMENT					
Net sales	15,280	17,833	16,716	12,151	16,841
Operating expenses	-15,382	-18,658	-16,140	-10,110	-16,712
Depreciation and impairment excluding leases	635	-1,632	-1,242	-766	-1,855
Share of profit/loss of joint ventures	33	33	18	19	19
OPERATING RESULT	566	-2,425	-648	1,294	-1,707
Net financial items	-560	-772	-389	-397	-775
NET INCOME BEFORE TAX	6	-3,197	-1,037	897	-2,482
Tax	586	-117	-62	-37	-198
NET INCOME FOR THE YEAR	592	-3,314	-1,099	860	-2,680
STATEMENT OF FINANCIAL POSITION					
Fixed assets	4,849	3,172	4,663	5,271	5,849
Inventories	1,662	2,114	3,656	2,950	4,396
Current receivables	2,439	2,866	2,449	2,044	2,397
Cash & cash equivalents and short-term investments	1,230	1,341	1,233	1,349	1,696
ASSETS	10,180	9,493	12,001	11,615	14,338
Equity	1,266	841	3,824	4,579	46
Long-term interest-bearing liabilities	5,758	5,707	4,628	4,837	2,161
Long-term non-interest-bearing liabilities	514	565	296	243	310
Current interest-bearing liabilities	226	258	1,053	228	6,669
Current non-interest-bearing liabilities	2,415	2,122	2,201	1,729	5,152
EQUITY AND LIABILITIES	10,180	9,493	12,001	11,615	14,338
STATEMENT OF CASH FLOWS					
Cash flow from operating activities	294	187	372	-1,198	-588
Changes in working capital	1,022	256	-648	2,269	2,642
CASH FLOW FROM OPERATING ACTIVITIES	1,316	443	-276	1,071	2,054
Cash flow from investing activities	-600	-294	-660	-662	-629
CASH FLOW AFTER INVESTING ACTIVITIES	717	149	-936	409	1,425
Proceeds from borrowings, repayment of borrowings	-828	-41	820	-756	-574
Dividend	–	–	–	–	–
CHANGE IN CASH & CASH EQUIVALENTS	-111	108	-116	-347	851
CASH & CASH EQUIVALENTS AT END OF YEAR	1,230	1,341	1,233	1,350	1,696
KEY FINANCIAL RATIOS					
Operating result before depreciation (EBITDA) before IFRS 16[1]	528.0	265.0	835.0	560.0	816.0
Operating result before depreciation (EBITDA) after IFRS 16[1]	829.0	596,0	1,151.0	873.0	1,177.0
Net debt	4,754.4	4,623.8	4,447.6	3,714.7	7,134.0
Working capital	2,037.9	3,355.5	3,933.3	3,276.8	1,652.0
Return on average capital employed (12 months rolling), %[1]	4.8	-2.6	3.2	0.0	2.1
Return on average capital employed, %	5.1	-34.4	-8.7	0.2	-18.4
Return on equity, %	56.2	-142.1	-26.2	37.2	-162.6
Net debt/equity ratio, %	375.5	549.8	116.3	81.1	15,569.6
Equity to assets ratio, %	12.4	8.9	31.9	39.4	0.3
Number of full-time employees	687.0	889.0	970.0	935.0	948.0

1) For further information see page 46 and note 8

Income statement and statement of comprehensive income

		GROUP	
SEK million	**Note**	**2023**	**2022**
INCOME STATEMENT			
Net sales	2	15,279.6	17,833.0
Cost of sales	3	-12,280.3	-17,395.6
GROSS RESULT		**2,999.2**	**437.4**
Other income and value changes	3	41.3	–
Distribution costs	3	-1,916.1	-2,738.3
Administrative expenses	3	-519.8	-347.9
Share of profit/loss of joint ventures	15	32.8	33.0
Other operating income	4	510.7	750.9
Other operating expenses	4	-582.1	-559.6
OPERATING RESULT	2,3,4,5,6,7,8	**566.0**	**-2,424.5**
Finance income	9	40.5	14.6
Finance costs	9	-600.6	-787.0
NET FINANCIAL ITEMS		**-560.1**	**-772.4**
NET INCOME BEFORE TAX		**5.9**	**-3,196.9**
Tax	10	585.8	-117.4
NET INCOME FOR THE YEAR		**591.7**	**-3,314.3**
STATEMENT OF COMPREHENSIVE INCOME			
Net income for the year		591.7	-3,314.3
Items that will be reclassified to the income statement:			
Translation differences		-6.4	19.6
Cash flow hedges	28	-37.8	-19.8
TOTAL AMOUNT THAT WILL BE RECLASSIFIED TO THE INCOME STATEMENT		**-44.2**	**-0.2**
Items that will not be reclassified to the income statement:			
Actuarial loss/gain pensions		-148.4	294.2
Income tax associated with actuarial loss/gains pensions		11.4	20.3
Inflation adjustment Argentina according to IAS 29		14.8	17.1
TOTAL AMOUNT THAT NOT WILL BE RECLASSIFIED TO THE INCOME STATEMENT		**-122.2**	**331.6**
Other Comprehensive Income for the year, net after tax		-166.4	331.5
COMPREHENSIVE INCOME		**425.3**	**-2,982.8**
Attributable to equity owners of the Parent		**425.3**	**-2,982.8**

Earnings per share

The calculation of earnings per share is based on profit attributable to equity-holders of the Parent Company.
The average number of shares in 2023 and 2022 was 67,532.

	2023	**2022**
Profit for the year	591.7	-3,314.3
Interest for Hybrid instruments in Equity *	-249.1	-203.6
ADJUSTED PROFIT FOR THE YEAR	**342.6**	**-3,517.9**
Number of shares	67,532	67,532
Earnings per share	5,125	-52,092

* The recognition of the hybrid bonds as equity has the effect that the interest on the bonds become a type of preference dividend in accounting terms, i.e. a right to equity-related payments that have preference over ordinary share dividends. No dividend have been paid out related to the hybrid instrument in equity up to 31 Dec 2023. Cumulative interest end 2023 summarize to 40.8 MEUR (19.1) equal to 452.7 MSEK (203.6).

Statement of financial position

		GROUP	
SEK million	**Note**	**2023-12-31**	**2022-12-31**
ASSETS			
NON-CURRENT ASSETS			
INTANGIBLE ASSETS			
Computer software	12	50.9	63.8
TOTAL INTANGIBLE ASSETS		**50.9**	**63.8**
TANGIBLE ASSETS			
Land and buildings	13	1,375.9	1,365.1
Plant and machinery	13	1,562.5	273.3
Equipment	13	55.3	62.5
Construction in progress	13	347.7	397.9
TOTAL TANGIBLE ASSETS		**3,341.4**	**2,098.8**
LEASED RIGHT-OF-USE ASSETS	8,13	**529.8**	**780.4**
FINANCIAL ASSETS			
Investments in associates and joint ventures	15	200.0	206.1
Other long-term receivables	16	13.9	13.9
Deferred tax assets	10	712.9	8.6
TOTAL FINANCIAL ASSETS		**926.8**	**228.6**
TOTAL NON-CURRENT ASSETS		**4,848.9**	**3,171.6**
CURRENT ASSETS			
Inventories	17	1,662.1	2,114.3
Accounts receivable	18, 26	1,083.5	1,463.4
Receivables from joint ventures	30	0.2	0.2
Derivative instruments	26 , 27, 28	0.8	–
Tax receivables		12.2	29.2
Other current receivables	26	1,198.5	1,261.7
Prepayments and accrued income	19, 26	144.3	112.0
Cash and cash equivalents	20, 26	1,229.6	1,341.0
TOTAL CURRENT ASSETS		**5,331.1**	**6,321.6**
TOTAL ASSETS		**10,180.0**	**9,493.2**

Statement of financial position

		GROUP	
SEK million	**Note**	**2023-12-31**	**2022-12-31**
EQUITY AND LIABILITIES			
EQUITY, GROUP	21		
Share capital		67.5	67.5
Reserves		-329.4	-285.2
Hybrid Instrument		2,512.7	2,512.7
Retained earnings, incl net income for the year		-984.7	-1,454.1
TOTAL EQUITY		**1,266.2**	**841.0**
INTEREST-BEARING LIABILITIES			
Liabilities to credit institutions	24, 26	4,617.6	4,441.2
Non-current lease liabilities	8,24	378.3	631.0
Provisions for pensions	22	762.2	634.4
TOTAL LONG-TERM INTEREST-BEARING LIABILITIES		**5,758.1**	**5,706.6**
NON-INTEREST BEARING LIABILITIES			
Other long-term liabilities		21.0	19.2
Deferred tax liability	10	107.0	8.9
Other provisions	23	386.3	537.4
TOTAL LONG-TERM NON-INTEREST-BEARING LIABILITIES		**514.3**	**565.5**
TOTAL LONG-TERM LIABILITIES		**6,272.4**	**6,272.1**
INTEREST-BEARING LIABILITIES			
Liabilities to credit institutions	24, 26	-	–
Current lease liabilities	8,24	226.0	258.2
TOTAL CURRENT INTEREST-BEARING LIABILITIES		**226.0**	**258.2**
NON-INTEREST-BEARING LIABILITIES			
Accounts payable	26	543.8	387.4
Liabilities to joint ventures	30	13.8	12.7
Derivative instruments	26, 27, 28	48.2	11.4
Tax liabilities		22.2	45.5
Other current liabilities	26	746.0	485.9
Accrued liabilities and deferred income	25, 26	689.6	682.2
Other provisions	23	351.8	496.9
TOTAL CURRENT NON-INTEREST-BEARING LIABILITIES		**2,415.4**	**2,122.0**
TOTAL CURRENT LIABILITIES		**2,641.3**	**2,380.2**
TOTAL EQUITY AND LIABILITIES		**10,180.0**	**9,493.2**

For information on the Group’s pledged assets and contingent liabilities, see Note 29.

Statement of changes in equity

GROUP

	Equity attributable to owners of the parent						
SEK million	**Share Capital**	**Cash flow Hedges**	**Currency Hedges of Net Investments**	**Translation Reserve**	**Hybrid Instrument**	**Retained Earnings**	**Total Equity**
OPENING BALANCE JAN 1, 2022	67.5	9.9	-402.6	107.7	2,512.7	1,528.6	3,823.8
Net income for the year	–	–	–	–	–	-3,314.3	-3,314.3
Other comprehensive income	–	-19.8	–	19.6	–	331.6	331.5
Conversion existing Shareholder loan to equity	–	–	–	–	–	–	–
Syndicate Hybrid Instrument	–	–	–	–	–	–	–
COMPREHENSIVE INCOME	–	-19.8	-	19.6	–	-2,982.7	-2,982.8
CLOSING BALANCE DEC 31, 2022	67.5	-9.9	-402.6	127.3	2,512.7	-1,454.1	841.0
Net income for the year	–	-	–	-	–	591.7	591.7
Other comprehensive income	–	-37.8	–	-6.4	–	-122.2	-166.4
Conversion existing Shareholder loan to equity	–	–	–	–	–		-
Syndicate Hybrid Instrument	–	–	–	-	–	-	-
COMPREHENSIVE INCOME	–	-37.8	–	-6.4	–	469.5	425.3
DIVIDEND PAID	–	–	–	–	–	–	–
CLOSING BALANCE DEC 31, 2023	67.5	-47.7	-402.6	120.9	2,512.7	-984.7	1,266.3

Cash flow statement

		GROUP	
SEK million	**Note**	**2023**	**2022**
OPERATING ACTIVITIES			
Profit after financial items		5.9	-3,196.9
Reversal of non-cash items	31	306.9	3,392.0
Taxes paid		-18.6	-8.5
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL		**294.3**	**186.6**
WORKING CAPITAL			
Operating receivables		309.2	-335.0
Inventories		251.3	1,405.6
Operating liabilities		461.5	-814.4
CHANGES IN WORKING CAPITAL		**1,022.0**	**256.2**
CASH FLOW FROM OPERATING ACTIVITIES		**1,316.3**	**442.8**
INVESTING ACTIVITIES			
Acquisition of intangible assets		-7.0	-19,1
Acquisition of tangible fixed assets		-596.4	-274,9
Proceed received sales of fixed assets		3.8	–
Disposal/reduction of financial assets		–	–
CASH FLOW FROM INVESTING ACTIVITIES		**-599.6**	**-294,0**
FINANCING ACTIVITIES	31		
Proceeds from borrowings		226.1	315.1
Amortisations of lease liabilities		-301.3	-332.0
Amortisations of borrowings		-289.8	-53.3
Amortisations of other provisions		-423.8	-37.7
CASH FLOW FROM FINANCING ACTIVITIES		**-788.8**	**-107.9**
CASH FLOW FOR THE YEAR		**-72.1**	**40.8**
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR		**1,341.0**	**1,232.9**
Exchange differences		-39.3	67.2
CASH & CASH EQUIVALENTS AT END OF YEAR	20	**1,229.6**	**1,341.0**

Income statement and statement of comprehensive income

		PARENT COMPANY	
SEK million	**Note**	**2023**	**2022**
INCOME STATEMENT			
Net sales	33	12,288.2	15,628.9
Cost of sales	34	-9,958.3	-13,785.0
GROSS RESULT		**2,329.9**	**1,843.9**
Other income	34	41.3	–
Distribution costs	34	-1,212.8	-1 773,0
Administrative expenses	34	-485.7	-405,0
Other operating income	35	336.8	633,3
Other operating expenses	35	-419.3	-514,0
OPERATING RESULT	34,35,36,37,38,39,40	**590.2**	**-214,9**
Finance income	40	121.8	326,7
Finance costs	40	-1,016.6	-2,326.1
NET FINANCIAL ITEMS		**-894.8**	**-1,999.4**
PROFIT/LOSS AFTER FINANCIAL ITEMS		**-304.6**	**-2,214.3**
Appropriations	41	0.1	1.9
Group contribution	41	-75.0	-54.6
NET INCOME BEFORE TAX		**-379.5**	**-2,267.1**
Tax	42	608.4	-5.8
NET INCOME FOR THE YEAR		**228.9**	**-2,272.9**
STATEMENT OF COMPREHENSIVE INCOME			
Net income for the year		228.9	-2,272.9
Other comprehensive income:			
Items that will be reclassified to the income statement:			
Cash flow hedges		-37.8	-19,8
Income tax associated with cash flow hedges		–	–
TOTAL AMOUNT THAT WILL BE RECLASSIFIED TO THE INCOME STATEMENT		**-37.8**	**-19,8**
COMPREHENSIVE INCOME		**191.1**	**-2,292.7**

Balance sheet

SEK million	Note	PARENT COMPANY 2023-12-31	2022-12-31
ASSETS			
FIXED ASSETS			
INTANGIBLE ASSETS			
Computer software	43	50.4	63.2
TOTAL INTANGIBLE ASSETS		**50.4**	**63.2**
TANGIBLE ASSETS			
Land and buildings	44	110.1	101.0
Plant and machinery	44	1,667.0	809.5
Equipment	44	19.2	24.8
Construction in progress	44	221.4	289.2
TOTAL TANGIBLE ASSETS		**2,017.8**	**1,224.5**
FINANCIAL ASSETS			
Investments in Group companies	45	805.4	1,282.2
Other long-term receivables		12.9	12.9
Deferred tax assets	42	700.6	–
TOTAL FINANCIAL ASSETS		**1,518.8**	**1,295.1**
TOTAL NON-CURRENT ASSETS		**3,587.0**	**2,582.8**
CURRENT ASSETS			
INVENTORIES	46	1,070.8	1,599.4
CURRENT RECEIVABLES			
Accounts receivable	47, 55	663.5	964.9
Receivables from Group companies	55	450.8	556.6
Derivative instruments	26, 27, 55	0.8	–
Other current receivables	55	984.0	1,012.4
Prepayments and accrued income	48, 55	54.5	65.0
TOTAL CURRENT RECEIVABLES		**2,153.6**	**2,598.9**
CASH & CASH EQUIVALENTS	49, 55	**1,650.1**	**903.8**
TOTAL CURRENT ASSETS		**4,874.5**	**5,102.1**
TOTAL ASSETS		**8,461.3**	**7,684.9**

Balance sheet

		PARENT COMPANY	
SEK million	**Note**	**2023-12-31**	**2022-12-31**
EQUITY AND LIABILITIES			
EQUITY	50		
Share capital		67.6	67.6
Statutory reserve		96.0	96.0
TOTAL RESTRICTED EQUITY		**163.7**	**163.7**
Hybrid Instrument		2,512.7	2,512.7
Retained earnings		-1,556.4	754.2
Net income for the year		228.9	-2,272.9
TOTAL UNRESTRICTED EQUITY		**1,185.2**	**994.0**
TOTAL EQUITY		**1,348.8**	**1,157.7**
Untaxed reserves	41	1.6	1.7
LONG-TERM LIABILITIES			
INTEREST-BEARING LIABILITIES			
Liabilities to credit institutions	53, 55	4,550.3	4,388.6
Liabilities to Group companies		0.2	0.2
Provisions for pensions	51	268.4	246.0
TOTAL LONG-TERM INTEREST-BEARING LIABILITIES		**4,818.9**	**4,634.8**
NON-INTEREST-BEARING LIABILITIES			
Other long-term liabilities		21.0	19.2
Deffered tax liability	42	89,5	–
Other provisions	52	221.4	206.3
TOTAL LONG-TERM NON INTEREST-BEARING LIABILITIES		**331.9**	**225.5**
TOTAL LONG-TERM LIABILITIES		**5,150.9**	**4,860.3**
CURRENT LIABILITIES			
INTEREST-BEARING LIABILITIES			
Liabilities to credit institutions	53, 55	–	–
Liabilities to Group companies		72.3	367.9
TOTAL CURRENT INTEREST-BEARING LIABILITIES		**72.3**	**367.9**
NON-INTEREST-BEARING LIABILITIES			
Accounts payable	55	367.2	245.8
Liabilities to Group companies	55	165.1	78.1
Derivative instruments	26, 27, 55	48.2	11.4
Tax liabilities		11.7	10.3
Other current liabilities	55	688.9	440.4
Accrued liabilities and deferred income	54, 55	590.1	478.6
Other provisions	52	16.5	32.7
TOTAL CURRENT NON-INTEREST-BEARING LIABILITIES		**1,887.7**	**1,297.3**
TOTAL CURRENT LIABILITIES		**1,960.0**	**1,665.2**
TOTAL EQUITY AND LIABILITIES		**8,461.3**	**7,684.9**

Statement of changes in equity

PARENT COMPANY

	Restricted Equity		Unrestricted Equity		
SEK million	**Share Capital**	**Statutory Reserves**	**Hybrid Instrument**	**Retained Earnings**	**Total Equity**
OPENING BALANCE JAN 1, 2022	67.6	96.0	2,512.7	774.0	3,450.4
Net income for the year	–	–	–	-2,272.9	-2,272.9
Other comprehensive income	–	–	–	-19.8	-19.8
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	–	–	–	-2,292.7	-2,292.7
Syndicate Hybrid Instrument	–	–	–	–	–
CLOSING BALANCE DEC 31, 2022	67.6	96.0	2,512.7	-1,518.7	1,157.7
OPENING BALANCE JAN 1, 2023	67.6	96.0	2,512.7	-1,518.7	1,157.7
Net income for the year	–	–	–	228.9	228.9
Other comprehensive income	–	–	–	-37.8	-37.8
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	–	–	–	191.1	191.1
CLOSING BALANCE DEC 31, 2023	67.6	96.0	2,512.7	-1,327.5	1,348.8

Share capital at 31 Dec 2023 consisted of 67,532 shares, including 33,765 Class A shares, 10,129 Class B shares and 23,638 C shares.
The Board proposes a dividend of SEK 0 (0) per share for the year 2023.

Statement of cash flow

		PARENT COMPANY	
SEK million	**Note**	**2023-12-31**	**2022-12-31**
OPERATING ACTIVITIES			
Profit after financial items		-304.6	-2,214.3
Reversal of non-cash items	58	660.8	2,461.9
Taxes paid		-1.3	3.7
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL		**355.0**	**251.3**
WORKING CAPITAL			
Operating receivables		445.5	-177.8
Inventories		444.8	1,159.9
Operating liabilities		463.4	-1,003.5
CHANGES IN WORKING CAPITAL		**1,353.7**	**-21.4**
CASH FLOW FROM OPERATING ACTIVITIES		**1,708.7**	**229.9**
INVESTING ACTIVITIES			
Acquisition of intangible assets		-7.0	-15.4
Acquisition of tangible fixed assets		-555.3	-173.8
Proceed from sales of fixed assets		2.8	–
CASH FLOW FROM INVESTING ACTIVITIES		**-559.6**	**-189.2**
FINANCING ACTIVITIES	58		
Proceeds from borrowings		211.6	360.3
Amortizations of borrowings		-585.3	-53.2
Amortisations of other provisions		-29.2	-37.4
CASH FLOW FROM FINANCING ACTIVITIES		**-402.9**	**269.7**
CASH FLOW FOR THE YEAR		**746.2**	**310.4**
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR		**903.8**	**593.4**
Exchange rate differences		–	–
CASH & CASH EQUIVALENTS AT END OF YEAR	49	**1,650.1**	**903.8**

Notes to the cash flow statement

The Parent Company received dividends of SEK 49.2 (318.2) million and interest income of SEK 71.7 (8.5) million, while interest expenses amounted to SEK 371.5 million (323.9). For more information see note 40.

Contents Notes

Notes to the financial statements – Group

(Amount in tables in SEK million unless otherwise stated)

Note 1. Significant accounting judgements, estimates and assumptions

Nynas Group comprises the Parent Company Nynas AB, its subsidiaries, holdings in joint ventures and associates. The Parent Company is incorporated in Sweden and its registered office is in Stockholm. The address of the Head Office is Kabyssgatan 4D, SE-120 30 Stockholm.

Nynas AB, company reg. no, 556029-2509, domiciled in Stockholm, Sweden, is owned 49.999 per cent by Marlborough Finance No. 3 Designated Activity Company, reg. no. 575515 domiciled in Dublin, Ireland,35.003 per cent by NyColleagues AB, company reg. no. 559247-2418, domiciled in Stockholm, Sweden and 14.999 per cent by PDV Europa B.V., company reg. no. 27133447 domiciled in The Hague, the Netherlands. Marlborough Finance No. 3 Designated Activity Company is an investment vehicle managed by Davidson Kempner Capital Management, LP, domiciled in the US and SEC-registered. NyColleagues AB is owned by Nynässtiftelsen, reg. no. 802481- 5071, a foundation domiciled in Stockholm, Sweden. PDV Europa B.V, is part of a Group in which Petróleos de Venezuela S.A., company reg. no. 73023, Caracas, Venezuela, is the Parent Company. The annual accounts and consolidated annual financial statements were approved for issue by the Board on April 25, 2024. The consolidated income statement and statement of financial position and the Parent Company's income statement and balance sheet will be presented for adoption at the Annual General Meeting to be held on April 25, 2024.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). In addition, RFR 1 Supplementary Accounting Rules for Groups, issued by the Swedish Financial Reporting Board, have been applied.

The Parent Company applies the same accounting policies as the Group, except in the cases described below in the section entitled "The Parent Company's Accounting Policies".

The Parent Company's functional currency is SEK, which is also the reporting currency for the Parent Company and the Group. Consequently, the financial statements are presented in Swedish kronor. All amounts are stated in SEK millions unless otherwise indicated.

Preparation of financial statements in compliance with IFRS requires management to make critical judgments, accounting estimates and assumptions which affect the application of the accounting policies and the carrying amounts of assets, liabilities, income, and expense. The actual outcome may differ from these estimates and assumptions.

Estimates made by management during the application of IFRS which have a significant effect on the financial statements, and assumptions that may result in material adjustments to the following year's financial statements are described in more detail in Note 1 Significant accounting estimates.

The accounting estimates and assumptions are reviewed regularly. Changes in accounting estimates are recognised in the period of the change if the change only affects that period.

Changes are recognised in the period of the change and future periods if the change affects both. The policies below have been applied consistently for all presented years unless otherwise stated.

Going concern assessment

The strategy formed in 2022 has progressed according to plan in 2023 with a significant structural improvement in Nynas Core business compared to previous years, as well as a change in risk profile by having a more diversified and resilient feedstock supply. This leaves behind the uncertainty and challenging circumstances during 2019-2022, i.e., sanctions, company reorganisation, pandemic, increased costs for crude and energy costs and the war in Ukraine that had a negative impact on the Company's ongoing business. In its assessment of going concern, the Company has considered and assessed the related plans and the impact on the business, including the additional financing received during 2022. Based on the above-mentioned circumstances taken as a whole, it is the Company's assessment that the financial statements shall be prepared on a going concern basis despite the uncertainties still identified.

Basis of consolidation

The consolidated financial statements include the financial statements of the Parent Company and the entities over which controlling influence is exercised by the Group. The Group controls a company when it is exposed to, or has rights to, variable returns from its participation in the company and is able to affect those returns through its influence over the company.

Entities in which the Group has an ownership interest of at least 20 per cent and no more than 50 per cent or where the Group has significant influence by other means but cannot exercise controlling influence, are affiliated companies. Affiliated companies are accounted for using the equity method.

Non-controlling interests in the net assets of consolidated subsidiaries are recognised in the consolidated balance sheet as a separate component of equity. The Group's earnings and components in other comprehensive income are attributable to the Parent Company's owners and to the non-controlling interests.

Cont. Note 1

All intra-Group transactions, balance-sheet items, revenue, and expenses are eliminated on consolidation.

Joint ventures

Holdings in joint ventures, in which the Group has joint control, are accounted for using the equity method. This means that the carrying amount of the investment in a joint venture corresponds to the Group's share of the joint venture's equity. The Group's share of the joint venture's profit after financial items, adjusted for any amortisation or reversals of fair value adjustments, is reported under Share of profit/loss of joint ventures in the consolidated income statement. Dividends from joint ventures are not included in the Group's profit for the year.

Foreign branches

The functional currency is the local currency of the country in which the branch operates. Translation into Swedish kronor takes place in accordance with IAS 21. Balance sheet items are translated using the closing rate, while income statements items are translated using the average rate for the period in which the item occurred. Nynas has foreign branches in UK and Dubai.

Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the transaction date. Foreign currency monetary assets and liabilities are translated at the closing rate. Exchange gains and losses on translation of these transactions are recognised in profit or loss. Exchange gains and losses on operating receivables and liabilities are reported under operating result, while gains and losses on financial receivables and liabilities are reported under financial items.

Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated from the foreign operation's functional currency to the Group's reporting currency, SEK, at foreign exchange rates prevailing at the balance sheet date. Revenues and expenses of foreign operations are translated to SEK at average rates that approximate the foreign exchange rates prevailing at each of the transaction dates. Translation differences arising from the translation of the net investment in foreign operations are recognised in other comprehensive income and are accumulated in a separate component of equity, a translation reserve. When the foreign operation is divested, the accumulated translation differences attributable to the divested foreign operation are reclassified from equity to profit or loss for the year as a reclassification adjustment at the date on which the profit or loss on the divestment is recognised.

Reporting of operating segments and geographical market

As Nynas AB' shares and debt instruments are not subject to public trading, there is no formal requirements to disclose segment information. When reporting of geographical market, sales figures are based on the country in which the customer is located, for example, to goods exported to a customer in another country. Sales revenue contains mainly of goods (bitumen, NSP and fuel) only minor part is related to sales of service. Assets and investments are reported in the location of the asset.

Revenue recognition

Recognised revenue is the fair value of the consideration received or receivable from goods sold or services rendered during the Group's ordinary activities, excluding VAT, discounts, returns. The main part of revenue related to services are transportation services provided to external customers not linked to sales of goods and are recognised at time when agreed service are fulfilled.

Revenue is classified as follows:

Sale of goods

Revenue is recognised when control passes to the customer and this is normally based on agreed incoterms used on the specific sales transaction. A customer obtains control when they have the ability to direct the use of the asset (goods/products) and to obtain substantially all of the benefits embodied in the same. This will be the same point in time as when risks and rewards pass to the customer. For further information in relation to sales and payment terms, please see note 18.

Interest income and dividend

Interest income is recognised over the relevant period using the effective interest method. Dividend income is recognised when the right to receive payment is established.

Income taxes

Income tax comprises current and deferred tax. Income tax is recognised in profit or loss for the year except when the underlying transaction is recognised in other comprehensive income. In these cases, the associated tax effects are recognised in other comprehensive income (or equity). Current tax is the expected tax payable on the taxable income for the year (or equity), using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Current tax liabilities are offset against current tax receivables and deferred tax assets are offset against deferred tax liabilities when the entity has a legal right to offset these items. Deferred tax is recognised based on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their value for tax purposes. Deferred taxes are measured at their nominal amount and based on the expected manner of realisation or settlement of the carrying amount of the underlying assets and liabilities, using tax rates and fiscal regulations enacted or substantively enacted at the balance sheet date. Deferred tax assets relating to deductible temporary differences and tax loss carry-forwards are recognised only to the extent that it is probable they can be utilised against future taxable profits.

Intangible assets

Several production and information systems have been capitalised. Direct external and internal expenditure on the development of software for internal use is capitalised. Expenditure on pilot studies, training and regular maintenance is recognized as an expense as it is incurred. The value of intangible assets is reviewed at least once a year. If an asset's carrying amount exceeds its recoverable amount, it is written down to the recoverable amount immediately. The useful life of information systems developed internally is between five and ten years. Software relating to production planning and logistics optimisation has an estimated useful life of ten years.

Cont. Note 1

Amortisation for intangible assets is based on original cost less any residual value. Depreciation takes place on a straight-line basis over the useful life of the asset over 5–10 years.

Tangible assets

Tangible fixed assets are recognised as an asset in the balance sheet when it is probable that future economic benefits associated with the asset will flow to the company and the cost can be measured reliably. Tangible fixed assets are recognised at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to the asset. Parts of tangible fixed assets with different useful lives are treated as separate components of tangible fixed assets. The carrying amount of a tangible fixed asset is derecognised on its disposal, or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the disposal of a tangible fixed asset is the difference between the selling price and the asset's carrying amount less direct costs to sell.

Depreciation of tangible fixed assets is based on original cost less any residual value. Depreciation takes place on a straight-line basis over the useful life of the asset. The Group applies component depreciation, which means depreciation is based on the estimated useful lives of components. The residual values and useful lives of assets are reviewed annually.

- Buildings over 20–50 years
- Land improvements over 20–25 years
- Plant & machinery and equipment
  - Processing facilities over 10–20 years
  - Cicterns/Tanks over 10–40 years
  - Plant & machinery and equipment over 5–20 years
- Equipment
  - Office equipment and computers over 5–10 years
  - Other equipment over 5–10 years

Expenditure on major maintenance or repairs comprises the cost of replacement assets or parts of assets, inspection costs and overhaul costs. Where an asset or part of an asset is replaced and it is probable that future economic benefits associated with the item will flow to Nynas, the expenditure is capitalised. Maintenance, inspection, and overhaul costs, associated with regularly scheduled major maintenance program planned and carried out at recurring intervals, are capitalised and amortised over the period to the next scheduled inspection and overhaul. All other maintenance costs are expensed as incurred.

Impairment off fixed and Intangible assets

The Group continuously evaluates whether any indications exist of a need for impairment of any tangible and intangible assets with determinable useful lives to identify any potential need for impairment. The recoverable amount is defined as the higher of an asset's fair value less selling costs and the value in use (VIU). If the estimated recoverable amount of the asset (or the CGU) is lower than its carrying amount, the carrying amount of the asset (or the CGU) is impaired. When calculating value in use, future cash flows are discounted using a pre-tax discount rate that reflects the current market view of risk-free interest and risk specific to the asset, for further information regarding CGU's and testing procedures please see Note 13. Impairment losses recognised for assets are reversed if there is no longer an indication of impairment and there has been a change in the assumptions on which the estimate of recoverable amount was based. An impairment loss is only reversed to the extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined (net of depreciation) if no impairment loss been recognised for the asset.

Leases

Nynas, when being a lessee identifies if a contract contains a lease by testing if Nynas has the right to obtain substantially all of the economic benefits from use of the identified assets and has the right to direct the use of the identified asset and that the supplier has no substantial rights of substitution.

Nynas has decided to separate non-lease components from the lease components in contracts concerning vessels and depots. The non-lease component cost should then be recognised as an expense and not be included in the calculation of a right-of-use asset and lease liability.

The lease contracts are assessed at the commencement date whether the lessee is reasonably certain to exercise an option to extend the lease; or to exercise an option to purchase the under- lying asset; or not to exercise an option to terminate the lease.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at costs which compromises the initial amount of the lease liability adjusted for any please payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset of the site on which it is located, less any lease incentive received.

The Lease liability is measured at the present value of the lease payments that are not paid at the commencement dated, discounted using the interest rate implicit in the lease or, if that

rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. Nynas depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the Right-of Use asset or the end of the lease term. After commencement date the carrying amount of the lease liability and the Right-of-Use asset is remeasured to reflect any modification or reassessment of a lease contract.

Nynas has chosen to apply the two expedients concerning leases shorter than one year and low value assets that need to be taken into consideration when a lease contract is recognised.

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Cost is based on the first-in/first-out (FIFO) principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Recognition of financial assets and liabilities

A financial asset or liability is recognised in the statement of financial position when the Company becomes a party to the

Cont. Note 1

instrument's contractual terms. Account receivables are recognised when an invoice has been sent. A liability is recognised when the counterparty has performed and there is a contractual obligation to pay, even if an invoice has not yet been received. Accounts payable are recognised when invoices are received. A financial asset is derecognised when the rights to receive benefits have been realised, expired or the Company loses control over them. The same applies to a component of a financial assets. A financial liability is derecognised when the contractual obligation has been settled or extinguished in some other way. The same applies to a component of a financial liability. A financial asset and a financial liability may be offset, and the net amount presented in the statement of financial position when, and only when, the Company has a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Purchases and sales of financial assets are recognised on the trade date (the commitment date).

Classificatiotn and measurement

Classification and measurement for financial assets reflect the business model in which assets are managed and their cash flow characteristics. IFRS9 contains three principal classification categories for financial assets:

- amortised costs
- fair value through other comprehensive income, or
- fair value through profit or loss

See Note 26 for details about each type of financial asset.

Impairment of financial assets

Impairment is accounted for using the forward-looking expected credit loss (ECL) model. The impairment model applies to financial assets measured at amortised costs (trade receivables and other assets). Nynas applies the simplified approach for trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group estimates expected credit losses for other assets measured at amortised cost (e.g. cash and cash equivalents) during the next twelve months, as the assets are considered to be of low risk. Cash and cash equivalents are covered by provisions for expected losses according to the general method. Nynas applies a rating-based method in combination with other known information and forward-looking factors for assessing expected credit losses.

Financial assets at amortised cost

Financial assets classified at amortised cost are initially measured at fair value with the addition of transaction costs. After the first reporting, the assets are valued at amortised cost reduced with a loss reserve for expected credit losses. Assets classified at amortised cost are held according to the business model to collect contractual cash flows that are only payments of principal amounts and interest on the outstanding capital amount.

Cash and cash equivalents

Cash & cash equivalents consist of cash, demand deposits with banks and similar institutions and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Financial liabilities at amortised costs

Accounts payable and loan liabilities are classified as financial liabilities at amortised costs. Accounts payable have short, expected settlement terms, and are measured at nominal amounts with no discounting. Financial liabilities are measured/valued at amortised costs using the effective interest method.

Derivative financial instruments and hedge accounting

Nynas documents its risk management objective and strategy for undertaking various hedge transactions. Nynas designates their derivatives as hedges of foreign exchange risk and oil price risk associated with the cash flows of highly probable forecast transactions (cash flow hedges). Nynas documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged, and the type of hedge relationship designated. The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 28. Movements in the hedging reserve in shareholders' equity are shown in Note 28. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within operating income. When forward contracts are used to hedge forecast transactions, the company generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in the cash flow hedge reserve within equity. The change in the forward element of the contract that relates to the hedged item ('aligned forward element') is recognised within other comprehensive income in the costs of hedging reserve within equity.

Hybrid bond

In relation to the composition settlement in 2020 some part of the claim was converted to hybrid bonds with a total amount of SEK 2,513 million. The hybrid bonds carry an interest of

Cont. Note 1

EURIBOR plus a margin of 800 bps and the nominal amount and the accrued interest is in EUR.

The hybrid bonds are subordinated and only senior to the share capital. All hybrids are perpetual and Nynas controls the payment of interest and principal in the instruments. The recognition of the hybrid bonds as equity has the effect that the interest on the bonds become a type of preference dividend in accounting terms, i.e. a right to equity-related payments that have preference over ordinary share dividends. The bonds are classified as equity instruments in their entirety according to IAS 32.

Employee benefits

Post-employment benefits

The Group has defined contribution and defined benefit pension plans. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The size of the pension that the employee will ultimately receive in such cases depends on the size of the contributions that the entity pays to the plan or an insurance company and the return that the contributions yield. Obligations for contributions to defined-contribution pension plans are recognised as an employee benefit expense in profit or loss for the year as the employee renders services to the entity.

The Group's net defined benefit obligation is determined separately for each plan, based on company-specific actuarial assumptions. These include assessments of future salary increases, rate of inflation, mortality, attrition rate and changes in the income base amount. Pension obligations are discounted to their present value. The calculation of defined benefit pension plans has been done in accordance with the "Project Unit Credit method" by an independent external actuary. The discount rate on first-rate corporate bonds is used in those countries where there is a functional market for such bonds (in Sweden the rate is determined based on the market rate of mortgaged-backed bonds as this is comparable with high quality corporate bonds). Other countries use government bonds as a basis for the rate. Net actuarial gains and losses and the difference between the actual return and the discount rate for pension plan assets will be recognised in Other comprehensive income. The financing cost of the net pension liability is calculated using the discount rate for the pension liability. The financing cost, the cost of service during the current period and any previous periods, losses from settlements and costs in connection with special payroll tax are all reported in the income statement. Special payroll tax is regarded as part of total net pension liability. The obligation for retirement pension and family pension for employees in Sweden is covered partly by insurance with Alecta. In accordance with the statement of the Swedish Financial Reporting Board, UFR 10, this is a multi-employer defined benefit plan. For the 2023 financial year, the Company did not have access to sufficient information to enable it to report this plan as a defined benefit plan. Consequently, the ITP pension plan insured through Collectum is reported as a defined contribution plan.

Provisions

A provision is recognised in the statement of financial position when the Group has a present obligation (legal or constructive) because of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount. Where the effect of the time value of money is material, the amount of a provision shall be calculated as the present value of the expenditures required to settle the obligation. The provisions are mainly related to restructuring and environmental obligations.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. No provision is posted for future operating costs.

A contingent liability is a potential undertaking that derives from events which have occurred and whose incidence is only confirmed by one or more uncertain future events. A contingent liability can also be an existing undertaking that has not been reported in the balance sheet because it is unlikely that an outflow of resources will be required or because the size of the undertaking cannot be calculated. See Note 29.

Accounting policies – Parent Company

The Parent Company prepares its financial statements in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities. RFR 2 requires the Parent Company, as a legal entity, to prepare its annual financial statements in compliance with all the IFRS and IFRIC interpretations adopted by the EU, to the extent possible within the framework of the Swedish Annual Accounts Act and the Swedish Pension Obligations Vesting Act and considering the relationship between tax income/expense and accounting profit. Nynas AB applies the same recognition criteria and accounting policies as the Group, apart from the exceptions described below.

Employee benefits and defined benefit plans

When calculating the defined benefit pension plans, the Parent Company applies the rules contained in the Swedish Pension Obligations Vesting Act and the Swedish Financial Supervisory Authority's regulations to the extent that they are required for tax deductibility. The main differences from IAS 19 relate to determination of the discount rate and the fact that the defined benefit obligation is based on the present salary level, without considering future salary increases, and that all actuarial gains and losses are recognised immediately in profit or loss.

Taxes

Untaxed reserves are recognised including of deferred tax liability in the Parent Company. In the consolidated financial statements, untaxed reserves are divided into deferred tax liability and equity.

Group contributions and shareholder contributions

Shareholder contributions are recognised directly in the recipient's equity and capitalised in the contributor's shares and participating interests, to the extent that no impairment has been identified. Group contributions received from or paid to subsidiaries are recognised under finance income in the income statement.

Cont. Note 1

Investments in group companies

Investments in Group companies are recognised at cost less any impairment losses. Dividends received are recognised as income, while repayments of contributed capital reduce the carrying amount.

Guarantees

The Parent Company's financial securities consist mainly of sureties in favour of subsidiaries. Financial guarantees mean that the Company has an obligation to reimburse the holder of a debt instrument for losses it incurs because a specified debtor fails to make payment when due under the contractual terms. The Parent Company reports financial guarantees as a provision in the balance sheet when the Company has an obligation, and an outflow of resources is likely to be required to settle the obligation.

Leased assets

The Parent Company recognises all lease contracts according to the rules for operating leases

SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements and application of accounting policies are often based on management's assessments, or on estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Changes in estimates are recognised in the period in which the change is made if the change affects only that period, or in the period in which the change is made and future periods if the change affects both the current and future periods. Below is an overall description of the accounting policies affected by such estimates or assumptions that are expected to have the most substantial impact on the Group's reported earnings and financial position. For information about the carrying amount on the closing date, see the balance sheet with accompanying notes.

Hybrid bond

The Group has reviewed and made the following classification and judgment regarding the hybrid bond. All hybrid bonds are perpetual and Nynas controls the payment of interest and principal in the instruments. The recognition of the hybrid bond as equity has the effect that the interest on the bond becomes a type of preference dividend in accounting terms, i.e. a right to equity-related payments that have preference over ordinary share dividends. The bonds are classified as equity instruments in their entirety according to IAS 32.

Impairment of fixed assets

The Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets are impaired. In making the impairment assessment, assets that do not generate independent cash flows are allocated to an appropriate CGU. Management is required to make certain assumptions in estimating the value of the assets, including the timing and value of cash flows to be generated from the assets. The cash flow projections are based on reasonable assumptions that represent management's best estimate of the set of economic conditions that will exist over the remaining useful life of the asset and are based on the most recent financial plan that management has approved. Due to its subjective nature, these estimates will likely differ from future actual results of operations and cash flows, and any such difference may result in impairment in future periods. See also Note 13.

Provision for future environmental programmes

Nynas has two refineries and several bitumen terminals requiring operating permits under Swedish environmental law. The refinery in Eastham, jointly owned with another party and the bitumen terminal in Dundee are operated under the United Kingdom's national environmental laws. The refinery in Harburg is regulated between Nynas and the environmental authority of the city of Hamburg. Future restoration costs associated with the operations' environmental impacts may be difficult to establish, both in terms of size and timing. Changes in environmental legislation and the emergence of new cleaning up technology are factors that may affect the size of the provision. Consequently, the provision may need to be adjusted in the future, which may have a material effect on future financial results. See also Note 23.

Tax

Significant estimates are made to determine both current and deferred tax liabilities and assets, not least the value of deferred tax assets. The company must then determine the possibility that deferred tax assets will be utilized and offset against future taxable profits. The actual results may differ from these estimates, for instance due to changes in the business climate, changed tax legislation, or the outcome of the final review by tax authorities and tax courts of tax returns. A change in these estimates could result in a decrease in deferred tax assets in future periods for assets that are currently recognised in the consolidated balance sheet. If future profitability is less than the amount calculated in determining the deferred tax asset, then a decrease in deferred tax assets will be required, with a corresponding charge in profit or loss, except in cases where it is related to items recognised directly in equity. If future profitability exceeds the level that has been assumed in calculating deferred tax assets, an additional deferred tax asset can be recognised, with a corresponding credit in profit or loss.

Nynas has tax litigation cases mainly in South America and ongoing tax audits and questions in Sweden, Germany, and other countries. Management consult with legal experts on tax litigation cases and tax audits. It is management's assessment that the tax litigations may have negative effect on the financial position or on the financial statement, but the term of size and timing is difficult to predict. See Note 29.

Assumptions in the calculation of pension provisions

Pension assumptions are an important element in the actuarial methods used to measure pension commitments and value assets, and can significantly affect the recognised pension obligation, pension assets and the annual pension cost. The most critical assumptions are the discount rate, inflation and expected salary adjustments. The measurement to be applied under IAS 19 when measuring defined benefit plans is known as the projected Unit Credit method. This method requires several assumptions (actuarial parameters) for calculating the present value of the

Cont. Note 1

defined benefit obligation. Actuarial assumptions comprise both demographic and financial assumptions. Since assumptions must be neutral and mutually compatible, they should be neither imprudent nor overly conservative. They should reflect the economic relationships between factors such as inflation, rates of salary increase, the return on plan assets and discount rates. This means that they should be realistic, based on known financial relations and reflect Nynas' best assessment of the factors that will determine the ultimate cost of providing post-employment benefits, that is pension costs.

Deviations can arise if the discount rate changes (a lower discount rate increases the present value of the pension liability and the annual pension cost), or if actual inflation levels, salary adjustments and life expectancies deviate from the Group's assumptions. Any change in these assumptions could potentially result in a significant change to the pension assets, obligations, and pension costs in future periods. The actuarial assessment of pension obligations and pension costs is based on the actuarial assumptions which are specified in Note 22.

Disputes

Nynas conducts domestic and international operations and is occasionally involved in disputes and legal proceedings arising during these operations. These disputes and legal proceedings are not expected, either individually or collectively, to have significant negative impact on Nynas' s operating profits, profitability or financial position. See Note 29.

Note 2. Information by geographical market and sales revenues by category

SALES REVENUES BY GEOGRAPHICAL MARKET	2023	2022
Sweden	1,615.7	3,023.0
Rest of Nordics	3,766.7	3,415.0
Rest of Europe	8,312.9	8,406.0
Americas	289.5	955.8
Asia	976.8	1,606.5
Other	318.1	426.7
TOTAL	**15,279.6**	**17,833.0**

TOTAL ASSETS BY GEOGRAPHICAL MARKET	2023	2022
Sweden	7,176.9	5,259.7
Rest of Nordics	198.8	150.3
Rest of Europe	2,120.1	3,158.4
Americas	219.3	365.5
Asia	254.3	358.8
Other	210.6	206.2
TOTAL	**10,180.0**	**9,499.0**

INVESTMENTS BY GEOGRAPHICAL MARKET	2023	2022
Sweden	562.4	188.7
Rest of Nordics	1.3	2.5
Rest of Europe	39.5	102.7
Americas	0.1	0.1
Asia	0.2	0.1
TOTAL	**603.4**	**294.0**

SALES REVENUES BY CATEGORY	2023	2022
Sales of goods	15,135.0	17,703.9
Sales of services	144.6	129.1
TOTAL	**15,279.6**	**17,833.0**

Note 3. Costs itemised by nature of expense

	2023	2022
Raw materials	10,620.7	11,767.8
Transport and distribution costs	1,329.5	1,672.7
Manufacturing expenses	1,404.0	2,453.5
Costs for employee benefits (Note 5)	713.1	1,037.6
Depreciation, amortisation, impairment (Note 8, 12, 13)	-635.5	1,633.6
Depreciation, amortisation, impairment, Leases (note 8, 12, 13)	236.0	279.9
Other income and value changes	41.3	-
Other expenses	965.8	1,636.7
TOTAL	**14,674.9**	**20,481.8**

Note 4. Other operating income and expenses

OTHER OPERATING INCOME	2023	2022
Exchange rate gains on operating receivables/liabilities	457.7	666.1
Other service revenue	53.0	84.8
TOTAL	**510.7**	**750.9**

OTHER OPERATING EXPENSES	2023	2022
Exchange rate losses on operating receivables/liabilities	-582.1	-559.6
TOTAL	**-582.1**	**-559.6**

Note 5. Employees, personnel expenses and remuneration of senior executives

The average number of employees, with wages, salaries, other remuneration, social security contributions and pension costs, is shown in the tables below.

	2023			2022		
AVERAGE NUMBER OF EMPLOYEES	**Men**	**Women**	**Total**	**Men**	**Women**	**Total**
PARENT						
Sweden	303	119	422	312	124	436
TOTAL PARENT	**303**	**119**	**422**	**312**	**124**	**436**
Germany	89	13	102	237	32	269
United Kingdom	36	15	51	40	18	58
Estonia	14	2	16	14	3	17
Poland	8	3	11	10	4	14
Belgium	4	8	12	4	9	13
Italy	3	3	6	4	4	8
Argentina	1	2	3	4	4	8
Singapore	2	2	4	4	4	8
France	3	4	7	3	4	7
Spain	4	4	8	3	4	7
India	7	-	7	7	-	7
South Africa	3	2	5	4	3	7
Other countries	21	12	33	20	18	38
TOTAL OUTSIDE SWEDEN	**195**	**70**	**265**	**354**	**107**	**461**
TOTAL GROUP	**498**	**189**	**687**	**666**	**231**	**897**

EMPLOYEE BENEFIT COSTS, GROUP (including president and senior executives)	**2023**	**2022**
Wages, salaries and other benefits	512.0	742.1
Pension costs, defined benefit (see also Note 22)	9.5	52.6
Pension costs, defined contribution (see also Note 22)	45.7	56.5
Social security contributions	145.9	186.4
TOTAL GROUP	**713.1**	**1,037.6**

NOTES

Cont. Note 5

REMUNERATION AND OTHER BENEFITS. SENIOR EXECUTIVES, GROUP	2023 President and CEO*	2023 Other senior executives	2023 Total	2022 President and CEO	2022 Other senior executives	2022 Total
Basic salary	2.0	13.3	15.3	2.0	12.6	14.6
Variable pay	–	0.6	0.6	1.2	2.2	3.4
Other benefits	0.7	3.1	3.8	–	0.6	0.6
Social security contributions	0.5	3.3	3.8	2.0	4.2	6.2
Pension costs	0.1	1.2	1.3	2.6	4.8	7.4
Other compensation*	14.6	–	14.6	12.3	1.8	14.1
TOTAL	**17.9**	**21.5**	**39.4**	**20.1**	**26.2**	**46.3**

* Other compensations refers to severance payments to former management team members (incl former CEO Bo Askvik), and to Stein Ivar Bye during his time as acting CEO and president.

Nynas Group Management consited of following members in 2023 (not including CEO): Jan-Pieter Oosterom, Rolf Allgulander, Simon Day, Ole Sivertsen, Anders Nilsson, Ann Ekman, Maria Björkholm.

Jan-Pieter Oosterom joined Nynas 8th Feb 2023 as a permanent CFO and Ann Ekman and Maria Björkholm become member of group management 1st December 2023

In 2022 Nynas Group Management consisted of following members (not including CEO): Rolf Allgulander, Simon Day, Johan G Andersson, Anders Nilsson. Hans Östlin and Rafael Renaudeau (to 30 of September 2022), Eva Kaijser (acting) and Ingegerd Enquist (to 31 of May 2022), Ewa Beskow (from 1 Jun 2022 to 30 September 2022)

In 2023 8.2 MSEK (7.7) was paid in board member fees.

Group president and CEO

On 1 September 2023 Nynas former interim CEO and president, Stein Ivar Bye was replaced by Eric Gosse as a permanent President and CEO.

The employment agreement will terminate one month after the Employees 65th birthday without any right to severance payment or any other payment whatsoever. If the employment is terminated by the company for any other reason than retirement at the age of 65, the Employee shall, furthermore, be entitled to severance pay equivalent to 12 times the monthly base salary.

GENDER DISTRIBUTION IN SUBSIDIARIES BOARD	2023	2022
Female representation, %		
Board	27.4	12.5
Group Management	28.6	0.0

NOTES

Note 6. Depreciation, amortisation and impairment of tangible and intangible assets

	Intangible		Tangible	
DEPRECIATION AND AMORTISATION BY FUNCTION	**2023**	**2022**	**2023**	**2022**
Cost of sales	2.1	2.9	224.2	434.0
Distribution costs	0.1	0.0	31.0	31.9
Administrative expenses	16.8	14.7	1.7	4.4
TOTAL	**19.0**	**17.6**	**256.9**	**470.3**
IMPAIRMENT GAIN - / LOSS + BY FUNCTION				
Cost of sales	0.9	–	-912.6	1,141.2
Distribution costs	–	–	-0.8	0.1
Administration expenses	–	–	1.0	3.1
TOTAL	0.9	–	-912.4	**1,144.4**
TOTAL DEPRECATION, AMORTISATION AND IMPAIRMENT BY FUNCTION	**19.9**	**17.6**	**-655.5**	**1,614.7**

DEPRECIATION AND AMORTISATION OF TANGIBLE AND INTANGIBLE ASSETS BY TYPE OF ASSET	**2023**	**2022**
Computer software	19.0	17.6
Buildings	11.0	8.8
Land improvements	3.9	4.8
Plant and machinery	226.9	438.8
Equipment	15.1	17.9
TOTAL AMORTISATION OF TANGIBLE AND INTANGIBLE ASSETS	**275.9**	**487.9**
IMPAIRMENT GAIN - / LOSS + BY TYPE OF ASSET		
Goodwill	–	–
Computer software	0.9	–
Buildings	0.9	27.9
Land improvements	-18.1	-1,197.2
Plant and machinery	-938.3	2,238.6
Equipment	-1.7	30.1
Construction in progress	44.9	45.0
TOTAL IMPAIRMENT LOSSES	**-911.4**	**1,144.4**
TOTAL RECOGNISED DEPRECIATION, AMORTISATION AND IMPAIRMENT	**-635.5**	**1,632.3**
DEPRECIATION AND AMORTISATION OF RIGHT OF USE ASSETS		
Tank and depots	163.6	200.4
Vessels	54.5	54.5
Building and office space	9.3	15.4
Other	8.6	9.6
TOTAL DEPRECIATION AND AMORTISATION OF RIGHT OF USE ASSETS	**236.0**	**279.9**

Information regarding impairment see note 13.

Note 7. Auditors' fees and other remuneration

AUDIT FEES	2023	2022
KPMG		
Annual audit	8.1	8.5
Tax advisory services	0.3	0.3
Other services	0.1	–
TOTAL	**8.5**	**8.8**

Note 8. Leases

Nynas leases a large number of tanks, depots, vessels, properties cars etc for its own use. The lengths of leases for the different properties vary depending on the type of leased assets. The average remaining lease terms are between 4-10 years. The leases originally have an agreed term which is normally 3 - 5 years except for land and vessels where the leases period can extend more then 10 years. Thereafter the leases often continue for a term of between 12 and 36 months if neither the lessor nor Nynas termintes the lease. Otherwise there is a contractual extension option that is normally 1 to 3 years. It is not unusual at the end of a lease term for the lease to be terminated for renegotiation by Nynas, the property owner or both parties. For a specification of the right-of-use assets, see Note 13 Tangible assets. For interest expense, see Note 9 Net Financial items. For parent companies part of total future lease payments and lease payments current year, please see not 39.

LEASE LIABILITY MATURITY STRUCTURE	2023	2022
2023	–	299.0
2024	252.7	246.1
2025	159.8	174.1
2026	62.2	57.2
2027	54.2	57.2
2028	52.9	183.8
2029 and later	106.6	–
TOTAL PAYMENTS	**688.4**	**1,017.4**
Discounting effect	-84.2	-128.2
TOTAL LIABILITY ACCORDING TO BALANCE SHEET	**604.2**	**889.2**
of which current liability	226.0	258.2
of which non-current liability	378.2	631.0

LEASE PAYMENTS	2023	2022
Payments of leases entered as liabilities	301.3	332.0
Variable lease payments not included in lease liability	109.8	97.3
TOTAL LEASE PAYEMENTS	**411.1**	**429.3**

Note 9. Net financial items

	2023	2022
Interest income, bank deposits	40.5	14.4
Interest income, associates	0.0	0.0
Interest income, derivative instruments (actual interest rates)	0.0	0.2
TOTAL FINANCE INCOME	**40.5**	**14.6**
Of which total interest income attributable to items carried at amortised cost	40.5	14.4
Interest expense, loans and bank overdrafts	-380.4	-303.9
Interest expense, derivative instruments (actual interest rates and changes in value)	-0.5	-3.7
Interest expense, interest bearing accounts payable	0.0	0.0
Interest expense, PRI pension obligations	-7.7	-6.8
Interest expense, lease	-39.4	-53.2
Sales of shares in subsidiaries	0.0	0.0
Net exchange rate differences	-30.7	-289.4
Other finance costs*)	-142.0	-129.5
TOTAL FINANCE COSTS	**-600.7**	**-786.4**
Of which total interest expense attributable to items carried at amortised cost	-388.1	-310.7
TOTAL NET FINANCIAL ITEMS	**-560.2**	**-771.8**

*Mainly consists of fee's for existing financing, factoring fees and provision for trapped cash.

Note 10. Taxes

	2023	2022
Current tax	-13.6	-24.4
Current tax prior years and other taxes	-1.8	-7.0
Deferred tax	601.1	-86.0
TOTAL	**585.7**	**-117.4**

Tax on the Group's profit before tax differs from the theoretical figure that would have resulted from a weighted average rate for the results in the consolidated companies as follows:

	2023	2022
Result before tax	5.9	-3,196.9
Tax according to Parent Company's applicable tax rate	-1.2	658.6
Tax effect of:		
Other non-deductible expenses	-82.2	-92.4
Other non-taxable income	6.7	6.5
Effect of different tax rates for foreign subsidiaries	58.3	276.6
Adjustment of current tax in respect of prior years	-1.8	-7.0
Revaluation of fixed assets	107.5	–
Increase/decrease in tax carry forwards without corresponding capitalisation of deferred tax	-205.4	-929.5
Revalutation of deferred tax assets/liabilites	0.0	-32.1
Change in valuation of tax carry forwards	702.4	–
Tax attributable to Joint Venture	3.5	5.4
Other	-2.1	-3.5
RECOGNISED TAX EXPENSE	**585.7**	**-117.4**
Standard rate of income tax, %	20.6	20.6
Effective tax rate, %*)	9,926.9	3.7

* The effective tax rate including non-recurring items was 9928 percent (-4). The effective tax rate för 2023 has been effected by the fact that large parts of previous years' non-capitalized loss deductions have been capitalized this year as deferred tax assets.

Cont. Note 10

DEFERRED TAX ASSETS AND LIABILITIES	Assets		Liabilities		Net	
	2023	2022	2023	2022	2023	2022
Land and buildings	–	–	4.0	4.5	-4.0	-4.5
Machinery and equipment	1.2	1.8	2.4	2.9	-1.2	-1.1
Inventories	0.0		0.0		0.0	
Other operating receivables/liabilities	1.8	1.1	–	–	1.8	1.1
Pension liabilities	5.9	4.1	-3.6	1.5	9.5	2.6
Tax loss carry forwards	704.0	1.6	–	–	704.0	1.6
TOTAL	**712.9**	**8.6**	**2.8**	**8.9**	**710.1**	**0.3**
Offsets	–	–	–	–	–	–
TOTAL	**712.9**	**8.6**	**2.8**	**8.9**	**710.1**	**0.3**

CHANGE IN DEFERRED TAX ON TEMPORARY DIFFERENCES DURING YEAR 2023	Opening Balance	Recognised in income statement	Recognised directly in equity	Acquisition	Exchange differences	Closing Balance
Land and buildings	-4.5	0.5	–	–	–	-4.0
Machinery and equipment	-1.0	-89.7	–	–	–	-90.7
Inventories	–	–	–	–	–	–
Other operating receivables/liabilities	1.0	0.8	–	–	–	1.8
Pension liabilities	2.7	-12.9	5.4	–	–	-4.8
Tax loss carry forwards	1.6	702.4	–	–	–	704.0
TOTAL	**-0.3**	**601.1**	**5.4**	**–**	**–**	**606.3**
2022						
Land and buildings	-8.3	3.8	–	–	–	-4.5
Machinery and equipment	-13.7	12.7	–	–	–	-1.0
Inventories	–	–	–	–	–	–
Other operating receivables/liabilities	1.7	-0.7	–	–	–	1.0
Pension liabilities	83.9	-101.9	20.7	–	–	2.7
Tax loss carry forwards	1.4	0.2	–	–	–	1.6
TOTAL	**65.0**	**-86.0**	**20.7**	**–**	**–**	**-0.3**

On the closing date Nynas had unutilized loss carry forwards of just less than MSEK 4,685 (4,782). Based on these loss carry forwards, the Group recognized a deferred tax asset of MSEK 704 (1). Deferred tax assets are recognized to the extent that there are factors indicating that taxable profits will be created. The assessment of the respective Group companies' future profit performance is based on earnings reported in recent years as well as improved profitability prospects. In year 2022 for loss carry forwards with a corresponding tax value amounting to MSEK 890, no deferred tax asset was recognized due to uncertainty as regards future profit earnings. There are no expiration dates for the loss carry forwards.

Deferred tax liabilities mainly pertain to fixed assets, where fiscal values are lower than accounting values. In the future, a temporary difference pertaining to a fixed asset will change when the carrying amount and fiscal value matches or, alternatively, when the fixed asset is divested and a higher taxable gain arises. Pensions also give rise to deferred tax liabilities or receivables, since accounting and fiscal values are treated differently.

Globe minimum taxation in accordance with OECD Pillar Two model rules

The Group is comprehended by the OECD Pillar Two rules, under which the group is liable to pay top-up tax in each jurisdiction where the GloBE effective tax rate does not meet a 15% minimum tax rate. The Swedish parliament has enacted the GloBE minimum taxation rules which will be applicable as from January 1, 2024. Financial year 2023 includes neither any current tax impact, nor any deferred tax impact as the Group applies exception to recognize and disclose information regarding tax assets and liabilities related to the GloBE minimum taxes as provided in IAS 12.88A.

The Group has assesed its exposure to the GloBE minimum taxes arising from the new legislation. The majority of the entities in the Group has an effective tax rate exceeding 15%. Hence, the Group does not expect to be subject to any material GloBE minimum taxes.

Note 11. Earnings per share

The calculation of earnings per share is based on profit attributable to equity-holders of the Parent Company. The average number of shares in 2023 and 2022 was 67,532.

	2023			2022		
	Profit for the year	**Number of shares**	**Per share**	**Profit for the year**	**Number of shares**	**Per share**
Earnings per share	591.7	67,532	8,761	-3,314.3	67,532	-49,077

As Nynas does not have, and did not have during the year, any outstanding convertible and subscription warrant programmes, no dilution effects arose during calculation of earnings per share.

Note 12. Intangible assets

2023	**Goodwill**	**Supply contracts/ Customer lists**	**Computer software**	**Other intang. assets/ Trademarks**	**Total Intangible Assets**
Opening cost	198.7	364.0	555.6	1.6	1,119.9
Acquisitions	–	–	5.4	–	5.4
Disposals	–	–	-1.1	–	-1.1
Reclassifications	–	–	1.6	–	1.6
Translation differences	–	–	0.0	–	0.0
CLOSING COST	**198.7**	**364.0**	**561.4**	**1.6**	**1,125.8**
Opening regular depreciation	-190.0	-237.0	-464.7	-1.6	-893.3
Disposals	–	–	0.2	–	0.2
Translation differences	–	–	0.0	–	0.0
Amortisation for the year	–	–	-19.0	–	-19.0
CLOSING REGULAR DEPRECIATION	**-190.0**	**-237.0**	**-483.5**	**-1.6**	**-912.1**
Opening impairment	-8.7	-127.0	-27.0	–	-162.8
Impairment for the year	–	–	–	–	–
Translation differences	–	–	–	–	–
CLOSING IMPAIRMENT	**-8.7**	**-127.0**	**-27.0**	**–**	**-162.8**
CARRYING VALUE	**0**	**0**	**50.9**	**0**	**50.9**

2022	**Goodwill**	**Supply contracts/ Customer lists**	**Computer software**	**Other intang. assets/ Trademarks**	**Total Intangible Assets**
Opening cost	198.7	364.0	540.2	1.6	1,104.5
Acquisitions	–	–	10.5	–	10.5
Disposals	–	–	–	–	–
Reclassifications	–	–	4.9	–	4.9
Translation differences	–	–	–	–	–
CLOSING COST	**198.7**	**364.0**	**555.6**	**1.6**	**1,119.9**
Opening regular depreciation	-190.0	-237.0	-447.1	-1.6	-875.7
Disposals	–	–	–	–	–
Translation differences	–	–	–	–	–
Amortisation for the year	–	–	-17.6	–	-17.6
CLOSING REGULAR DEPRECIATION	**-190.0**	**-237.0**	**-464.7**	**-1.6**	**-893.3**
Opening impairment	-8.7	-127.0	-27.0	–	-162.8
Impairment for the year	–	–	–	–	–
Translation differences	–	–	–	–	–
CLOSING IMPAIRMENT	**-8.7**	**-127.0**	**-27.0**	**–**	**-162.8**
CARRYING VALUE	**0.0**	**0.0**	**63.8**	**0.0**	**63.8**

Note 13. Tangible assets

2023	Land and buildings	Plant and machinery	Equipment	Construction in progress	Total tangible assets
Opening cost	641.4	11,679.3	647.1	516.5	13,484.2
Acquisitions	–	–	0.3	597.7	598.0
Disposals	-2.6	-11.2	-38.9	-45.0	-97.7
Reclassifications	10.0	581.2	9.1	-601.9	-1.6
Translation differences	0.5	-9.3	-0.9	-0.9	-10.6
CLOSING COST	**649.2**	**12,240.0**	**616.7**	**466.3**	**13,972.3**
Opening regular depreciation	-328.6	-7,018.1	-525.0	0.0	-7,871.6
Disposals	-0.3	9.3	37.5	–	46.6
Translation differences	-0.5	-0.2	0.4	–	-0.3
Depreciation for the year	-14.9	-226.9	-15.1	–	-256.9
CLOSING REGULAR DEPRECIATION	**-344.3**	**-7,235.8**	**-502.2**	**0.0**	**-8,082.3**
CLOSING RESIDUAL VALUE	**304.9**	**5,004.3**	**114.4**	**466.4**	**5,890.0**
Opening impairment	1,052.3	-4,388.0	-59.6	-118.6	-3,513.8
Impairment for the year	18.4	938.8	0.3	–	957.5
Disposals	0,5	1,4	0,1	–	2.0
Translation differences	-0.2	6.1	0.0	0.0	5.9
CLOSING IMPAIRMENT	**1,071.0**	**-3,441.8**	**-59.2**	**-118.6**	**-2,548.5**
CARRYING VALUE	**1,375.9**	**1,562.5**	**55.3**	**347.7**	**3,341.4**
Of which carrying amount, Sweden	110.1				

2023	Tank and depots	Vessels	Building and office space	Other	Total right-of use assets
Opening cost	484.1	255.8	15.5	25.0	780.4
Opening cost adjustment	–	–	-3.5	3.5	–
Amended and new leases	120.8	-	15.2	11.2	147.2
Divested and terminated leases	-156.1	–	-3.3	-0.5	-159.9
Depreciation for the year	-163.6	-54.5	-9.3	-8.6	-236.0
Translation differences	-1.4	–	-0.2	-0.3	-1.9
CARRYING VALUE	**283.8**	**201.3**	**14.4**	**30.3**	**529.8**

NOTES

Cont. Note 13

2022	Buildings	Plant and machinery	Equipment	Construction in progress	Total tangible assets
Opening cost	581.1	11,113.1	614.5	614.9	12,923.6
Acquisitions	–	–	0.1	283.8	284.0
Disposals	–	-193.2	-6.4	–	-199.6
Reclassifications	45.8	325.6	26.9	-403.2	-4.9
Translation differences	14.5	433.7	11.9	21.0	481.1
CLOSING COST	**641.4**	**11,679.3**	**647.1**	**516.5**	**13,484.2**
Opening regular depreciation	-307.6	-6.625.3	-505.4	0.0	-7,438.3
Disposals	–	189.9	5.7	–	195.6
Translation differences	-7.0	-143.9	-7.3	–	-158.7
Depreciation for the year	-13.6	-438.8	-17.9	–	-470.3
CLOSING REGULAR DEPRECIATION	**-328.6**	**-7,018.1**	**-525.0**	**0.0**	**-7,871.6**
CLOSING RESIDUAL VALUE	**312.8**	**4,661.3**	**122.1**	**516.5**	**5,612.6**
Opening impairment	-114.6	-1,952.8	-28.1	-71.9	-2,167.4
Impairment for the year	1,169.3	-2,238.6	-30.1	-45.0	-1,144.4
Translation differences	-2.0	-196.5	-1.4	-1.7	–
CLOSING IMPAIRMENT	**1,052.3**	**-4,388.0**	**-59.6**	**-118.6**	**-3,513.8**
CARRYING VALUE	**1,365.1**	**273.3**	**62.5**	**397.9**	**2,098.8**
Of which carrying amount, Sweden	101.0				

2022	Tank and depots	Vessels	Building and office space	Other	Total right-of use assets
Opening cost	557.7	312.4	16.5	28.3	914.8
Amended and new leases	143.7	–	13.7	6.5	164.0
Divested and terminated leases	-30.3	–	-0.3	-0.3	-30.9
Depreciation for the year	-200.4	-54.5	-15.4	-9.6	-279.9
Translation differences	13.4	-2.1	1.1	0.1	12.4
CARRYING VALUE	**484.1**	**255.8**	**15.5**	**25.0**	**780.4**

Impairment testing of tangible assets

The value of the tangible assets has been estimated through comparison with the recoverable amount, which is based on the Group's cash-generating value in use based on three-years' cash flow in the Group's budget and medium-term business plan that have been developed by management and the board given a directional strategy. The recent years of uncertainty and challenging circumstances, i.e., sanctions, company reorganisation, pandemic, increased costs for crude and energy and the war in Ukraine has made it necessary for Nynas to revise its plans and focus on a long-term profitable business with less risk. Nynas will in the future focus on Europe and selected product segments, drive towards an efficient, organisation and rationalization in production and logistics. The Nynas transformation program, which was introduced in February 2022, started to show positive result already in 2023, with improved margins in our different product streams. In 2019, 2020 and 2021 Nynas has in total impaired fixed assets in current Core business with a value of SEK 2.102 million. As the outlook for the business looks much more promising today the impairment done in 2019 of SEK 1.215 million have been reversed. This has also lead to a one off positive effect of SEK 955 million on 2023 net income.

The decision of closing the Harburg refinery and transition it to a depot that was taken in 2022. In 2023 the strategy changed and it was decided that Nynas is to step out from this asset in total and sell the land to an external party. This work is in progress and Nynas expect to have a positive outcome of this in first half of 2024 and the carrying value end 2023 are lower than the expected net sales value of the land and hence no need for any additional impairment in 2023.

NOTES

Cont. Note 13

CARRYING AMOUNT ALLOCATED TO EACH OF THE CGUS:

2023	Core business	Harburg refinery	Group
Tangible and intangible assets excluding lease	2,194.6	1,197.7	3,392.3
Working capital	2,096.0	-58.1	2,037.9
TOTAL	**4,290.6**	**1,139.7**	**5,430.3**

The Group performed its annual impairment test per December 2023 and 2022. The Group considers the relationship between its net present value and its book value, among other factors, when reviewing for indicators of impairment. As at 31 December 2023, the net present value of the Core business was above the book value. Also for the Harburg refinery operations the net present value was above the book value. The impairment done in 2022 for Harburg Refinery was left untouched in 2023.

Nynas Core business

The recoverable amount of Core business of SEK 6 975 (4 435) million as at 31 December 2023 has been determined based on a value in use calculation using cash flow projections based on financials budgets and a two-year medium-term business plan given a directional strategy. The discount rate has been estimated based on a weighted average capital cost of 9.52% (9.25) applied to the cash flow projections and cash flows beyond 2026 are extrapolated using a 2.0% growth rate (2.0). It was concluded in December 2023, that the fair value less costs of disposal exceed the value in use and thereby no impairment need in December 2023 anywhere in Nynas Core business. The imparirment made for the depots in Nynas UK of 81 MSEK in 2022 have been left untouched in 2023.

Harburg refinery

The recoverable amount of the Harburg refinery operations of SEK 1,514 (1,231) million as at 31 December 2023 has been determined based on a fair value calculation using the value on the land, the fair value is based on firm offers deducting the environmental and demolition costs. The discount rate has been estimated based on a weighted average capital cost of 9.52% (9.25) applied to the fair value cash flow projection. It was concluded for December 2023, that the fair value less costs of disposal is higher than the value in use and hence no impairment adjustment was needed in 2023. The impairment adjustment made in 2022 has been left untouched.

Key assumptions used in calculations and sensitivity to changes in assumptions and environment

The projected cash flows are based on assumptions regarding sales volume, unit revenue, operating margins and discount rates, which have been established by the management based on historical experience and market data specific on oil price level assumptions and demand trend looking forward. The policies applied in the above assessment are unchanged from the assessment in fiscal year 2022. The discount rate has been estimated based on a weighted average capital cost of 9.52% (9.25) after tax. The same assumptions have been used in the different CGU's.

Significant assumptions used to calculate the value in use:

	2023	2022
Gross margin, %[1]	2.50	2.50
Rate of growth, %[2]	2.00	2.00
Discount rate, %[3]	9.52	9.25

1) Budgeted gross margin.
2) Weighted average rate of growth used to extrapolate cash flows outside budget period.
3) Pre-tax discount rate used in present value calculation of projected future cash flows.

Note 14. Shares in Group companies

	2023	2022
Opening cost	1,282.2	2,876.6
Investment of shares in subsidiary	–	0.0
Liquidation	-0.3	-1.1
Impairment of shares in subsidiary	-476.6	-1,593.4
CLOSING COST	**805.4**	**1,282.2**

GROUP COMPANIES: (SEK thousands)	Reg. no	Reg'd office	Number of shares	% Holding	Currency	Carrying amount
Nynas UK AB, Sweden	556431-5314	Stockholm	1,000	100	SEK	34,976
Nynas Oil Import AB	556726-8841	Stockholm	1,000	100	SEK	100
Nynäs AB[1)]	556366-1957	Stockholm	1,000	100	SEK	100
Nynäs Chartering AB	559367-5381	Stockholm	25,000	100	SEK	25
Nynas Ltd, UK	02359113	London	7,647,888	100	GBP	92,304
Nynas Insurance Company Ltd, Bermuda	#11005	Hamilton	91,800	100	SEK	8,349
Nynas A/S, Denmark	A/S 66679	Copenhagen	1,000	100	DKK	2,561
Nynas AS, Norway	962022316	Drammen	5,400	100	NOK	49,789
AS Nynas, Estonia	10028991	Tallinn	13,600	100	EEK	5,891
Nynas SA, France	328o31232oo049	Bobigny	10,994	99.95	EUR	2,872
Nynas Petroleo SA, Spain	esa78474475	Madrid	49,916	100	EUR	4,534
Nynas Srl, Italy	1249541	Milan	50,000	100	EUR	1,850
Nynas GmbH, Germany	121304433	Düsseldorf	1	100	EUR	2,105
Nynas Sp. z o.o., Poland	KRS:0000106219	Szczecin	430	100	PLN	1,614
Nynas (South Africa) (Pty) Ltd, South Africa	97/13041-07	Johannesburg	100	100	ZAR	–
Nynas do Brasil Ltda, Brasilia	02331563/0001	Sao Paolo	10,000	100	BRL	–
Nynas Naphthenics Yaglari Ticaret Ltd Sti, Turkey	632 011 3964	Istanbul	38,489	100	TRL	4,808
Nynas Mexico SA, Mexico	NME010316RF1	Mexico City	50 000	100	MXN	2,968
Nynas Argentina SA, Argentina	30707778209	Buenos Aires	15,000	100	ARS	191
Nynas Technol Handels GmbH, Austria	FN219950	Graz	1	100	EUR	323
Nynas Petroleum Shanghai Co., Ltd., China	315137	Shanghai	1	100	CNY	2,071
Nynas Belgium AB, Sweden	556613-4473	Stockholm	1,000	100	SEK	–
Nynas NV, Belgium	893.286.262	Zaventem	1	0.01	EUR	–
Nynas PTE. Ltd, Singapore	200723567N	Singapore	36,720	100	SGD	217
Nynas AG, Switzerland	CH-170.3.025.994-5	Zug	79,998	99.99	CHF	–
Nynas Inc, USA	800197875	Delaware	100	100	USD	17,993
Nynas OY, Finland	1834987-6	Vantaa	100	100	EUR	125
PT Nynas Indonesia, Indonesia	21.069.383.4-417.000	Jakarta	150,000	100	IDR	1,258
Nynas Naphthenics Private Ltd, India	US1109MH2009FTLI95149	Mumbai	1,000,000	100	INR	753
Nynas Colombia S.A.S	NIT 901.011.627-3	Bogotá	1,000,000	100	COP	2,770
Nynas Germany AB	556858-4170	Stockholm	500	100	SEK	564,694
TOTAL INVESTMENTS IN GROUP COMPANIES						**805,351**

1) Dormant

INDIRECT HOLDINGS IN OPERATING GROUP COMPANIES	Reg. no	Reg'd office	Number of shares	% Holding	Currency
Nynas Naphthenics Ltd, UK	2450786	Guildford	10,000	100	GBP
Nynas NV, Belgium	893.286.262	Zaventem	11,090	99.99	EUR
Nynas Bitumen Limited	982640	Cheshire	1,000,000	100	GBP
Highway Emulsions Limited	2643238	Cheshire	2	100	GBP
Nynas Verwaltungs GmbH	HRA 117766	Hamburg	25,000	100	EUR
Nynas GmbH & Co KG	HRA 114916	Hamburg	1	100	EUR

Nynas UK AB has a branch in the UK.

Note 15. investments in associates and joint ventures

GROUP	Reg. no	Reg'd office	Number of shares	Holding %	Currency	Carrying amount
Eastham Refinery Ltd, UK	2205902	London	5,000,000	50	GBP	235.0
Share in equity of Eastham Refinery Ltd						
accounted for using equity method						-35.0
TOTAL INVESTMENTS IN ASSOCIATES AND JOINT VENTURES						**200.0**

GROUP'S INTEREST IN THE ASSOCIATE AND JOINT VENTURES ERL	Assets	Liabilities	Revenue	Profit
Eastham Refinery Ltd, UK	274.5	66.0	201.5	31.7

	2023	2022
Opening balance	206.0	192.5
Profit for the year	31.7	33.2
Dividend	-42.9	-24.9
Translation differences	5.1	5.2
CLOSING BALANCE	**200.0**	**206.0**

Note 16. Other long-term receivables

	2023	2022
Opening balance	13.9	15.1
Amounts to be received	0.0	-1.2
CLOSING BALANCE	**13.9**	**13.9**

Note 17. Inventories

	2023	2022
Raw materials	125.4	243.8
Semi-finished products	–	54.3
Finished products	1,536.6	1,816.2
TOTAL	**1,662.1**	**2,114.3**

Inventories are stated at the lower of cost and net realisable value, with due consideration of obsolenscence. Impairment of the inventory value per end of 2023 have been done and resulted in need to write down 232.4 of total inventory value in Nynas Core business. Of the total impairment of 232.4 MSEK, 178.8 MSEK refers to Bitumen, 22.6 MSEK to Fuel and 30.9 to NSP products. The inventory at Harburg Refinery have been impaired in total. The net book value before impairment booking was 65.0 MSEK.

Note 18. Accounts receivable

	2023			2022		
	Gross	Loss allowance	Net carrying amount	Gross	Loss allowance	Net carrying amount
Current receivables	902.7	-0.9	901.8	1,199.6	-1.3	1,198.4
Past due 1–30 days	138.7	-0.2	138.5	191.0	-2.6	188.4
Past due 31–90 days	37.6	-0.4	37.3	60.3	-5.1	55.2
Past due 91–180 days	5.5	-0.9	4.6	15.0	-1.2	13.7
Past due 181–365 days	0.1	0.0	0.1	6.7	-2.7	4.0
Past due over 365 days	105.4	-104.8	0.6	110.8	-107.1	3.7
Bankrupcy	0.0	0.0	0.0	–	–	–
TOTAL ACCOUNTS RECEIVABLES	**1,189.9**	**-107.1**	**1,082.8**	**1,583.4**	**-120.0**	**1,463.4**

Performance obligation

Revenue is recognized when control passes to the customer. A customer obtains control when they have the ability to direct the use of the asset (goods / products) and to obtain substantially all of the benefits embodied in the same. In most cases this will be the same point in time as when risks and rewards passes to the customer. For more information see page 79 and Sales of goods.

Factoring

The Group have applied factoring for a limited part of the invoicing. At year-end 2023, the part used as Factoring is approximately 11 percent and has been accounted for as off balance sheet.

Loss allowance

Nynas applies the simplified approach for trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The average credit period on sales of goods is 35.3 days. No interest is charged on outstanding trade receivables. Nynas always measure the loss allowance for trade receivables at an amount equal to lifetime ECL. The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over 365 days past due, whichever occurs earlier.

Accounts receivable not covered by insurance amounts to 18 % during end of 2023 (28%). Since approx. 82% of all sales in the group during the year is covered by the credit insurance Nynas will only determine an expected credit loss model on sales that is uninsured.

Loss allowance provision

The Nynas group companies in Argentina, and South Africa are using the allowance provision matrix for group 1 companies as per below. Rest of Nynas group companies are updating it's allowance provision using matrix as per group 2 companies. Provision are always made by considering the less favorable alternative in below matrix. The overall loss allowance in 2023 are close to 2022 in relation to the gross amounts for the years, 9.0% (7.6%). Nynas has during 2023 not suffer from any credit loss that are to be considered as material for the company. The lower allowance amount in 2023 (as a result of lower gross amount) have resulted in an overall gain on customer credit allowance of 9.0 MSEK in the income statement.

Type of company	Current amount	1–30 days past due	31–60 days past due	61–90 days past due	91–180 days past due	181–365 days past due	>365 days past due	Collection	Bank-ruptcy
Group 1, per cent	1.5	2.5	5.0	10	25	50	100	50	100
Group 2, per cent	0.5	1.0	2.5	5.0	25	50	100	50	100

Note 19. Prepayments and accrued income

	2023	2022
Insurances	50.0	24.9
Prepayment crude purchase	35.0	22.3
Charter hire	20.7	12.8
Financial Expenses	12.8	12.1
Software licences	6.3	11.5
Rent	5.1	7.1
Consultancy costs	1.0	4.9
Other prepayments	13.5	16.5
TOTAL	**144.3**	**112.0**

Note 20. Cash and cash equivalents

	2023	2022
Cash and bank balances	1,204.8	1,316.6
Restricted cash account	24.8	24.3
CASH AND CASH EQUIVALENTS RECOGNISED	**1,229.6**	**1,341.0**

The Group's cash & cash equivalents comprise its deposits in the Group's common bank accounts and other bank accounts, including currency accounts and funds in transit.

Note 21. Equity

SPECIFICATION OF EQUITY ITEM 'RESERVES', TRANSLATION RESERVE AND CURRENCY HEDGES	2023	2022
Opening translation reserve and currency hedges of net investments	-275.3	-294.9
Translation reserve and currency hedges of net investments for the year	-6.4	19.6
CLOSING TRANSLATION RESERVE AND CURRENCY HEDGES OF NET INVESTMENTS	**-281.7**	**-275.3**
HEDGING RESERVES		
Opening reserves	-9.9	9.9
Changes in reserves during the year	-37.8	-19.8
CLOSING RESERVES	**-47.7**	**-9.9**

Reserves

Translation reserve

The translation reserve covers all exchange differences arising on the translation of the financial statements of foreign entities which are presented in a currency other than the Group's presentation currency. The Parent Company and Group present their financial statements in Swedish kronor.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of a cash flow hedging instrument attributable to hedged transactions that have not yet occurred.

Hybrid instrument

In relation to the composition settlement some part of the claim was converted to a Hybrid loan with a total amount of SEK 2 513 million.

The hybrid equity carries an interest of 800 bps. The hybrid equity are subordinated and only senior to the share capital. All hybrids are perpetual and Nynas controls the payment of interest and principal in the instruments. The recognition of the hybrid bond as equity has the effect that the interest on the bond becomes a type of preference dividend in accounting terms; i.e. a right to equity-related payments that have preference over ordinary share dividends.

NOTES

Cont. Note 21

Retained earnings

Retained earnings and net profit for the year include accumulated net profits of the Parent Company and its subsidiaries and associates. Retained earnings also includes revaluations related to post-employment benefits.

Share capital

In accordance with Nynas AB's articles of association, the share capital shall amount to SEK 67,532,000. The share capital of SEK 67,532,000 is allocated on 33,765 A-shares, 10,129 B-shares and 23,638 C-shares.

The quota value per share is SEK 1,000. All shares are fully paid, carry equal voting power and an equal share in the Company's assets. Other rights pertaining to the shares are set out in the Swedish companies act and the articles of association.

DISTRIBUTION OF SHARE CAPITAL	2023	2022
CHANGE IN TOTAL NUMBER OF SHARES		
Opening number	67,532	67,532
Change during the year	0	–
CLOSING NUMBER	67,532	67,532

	2023		2022	
Class of share	Number of shares	%	Number of shares	%
Class A	33,765	50	33,765	50
Class B	10,129	15	10,129	15
Class C	23,638	35	23,638	35
TOTAL	67,532	100	67,532	100

A dividend is proposed by the Board in accordance with the Swedish Companies Act and is adopted by the annual general meeting. The proposed, but not yet adopted, dividend for 2023 is SEK 0 (0) per share. Based on the number of shares at 31 December 2023, this represents a total dividend of SEK 0 million.

Capital management

The Group's equity, which is defined as total recognised equity, amounted to SEK 1,266 (841) million at the end of the year. The return on equity was 56.2 (-142.1) per cent. Nynas has defined a financial goal of securing medium-term growth and maximising the value of its assets. The Board has given the Nynas management group scope for growth and development according to Nynas's strategy by means of self-financing.

Note 22. Provisions for pensions

The Group's employees, former employees and their survivors may be covered by defined contribution and defined benefit plans relating to post-employment benefits. The defined benefit plans cover retirement pension and survivors' pension. For the defined contribution plans, continous payments to authority and to independent bodies is done therefore they take over the obligations towards the employees.

The obligation reported in the balance sheet is derived from the defined benefit plans. The largest plans are in Sweden, the United Kingdom, Belgium and Germany. The plans are covered by a re-insured provision in the balance sheet and by pension benefit plans and funds. The calculations are based on the projected unit credit method using the assumptions shown in the table on page 96.

Calculations of defined benefit plans have been done by an independent external actuary. Nynas's forecast payment of pensions in relation to defined benefit plans, both funded and unfunded, amounts to SEK 41.6 (46.7) million for 2023.

The pension cost and other defined benefit remunerations is to be found in the income statement under the headings Cost of Goods Sold 7.6 MSEK (35.4 MSEK), sales cost 14.1 MSEK (30.3 MSEK) and administration cost 42.4 MSEK (37.1 MSEK).

Sweden

The ITP1 plan is a defined contribution pension plan for white collars in Sweden. The ITP1 plan is collectively agreed and covers all salaried employees born in 1979 or later. The ITP2 plan is a defined benefit pension plan for white collars in Sweden. The ITP2 plan is collectively agreed and covers all salaried employees born in 1978 or earlier. Pension commitment covered by ITP2 can be secured through debt recognition in the balance sheet or through premium payments to the insurance company Alecta.

In the ITP plan, employees with a salary in excess of 10 ibb can be offered Alternative ITP ("10-tagg" solution). Alternative ITP is financed via premium payments to insurance companies other than Alecta.

In addition to above mention mandatory pension commitment, Nynas AB also has a few individually designed defined-benefit pension commitments for former employees and senior executives.

Until 2019, pension commitments within the ITP2 plan have been secured through debt recognition in the balance sheet in accordance with the PRI system (PRI debt). The pension liability is credit insured, which is a prerequisite to ensure tax deductible and constitutes a guarantee for the company's employees with ITP2 pensions. PRI institute terminated in December 2019 the agreement with Nynas AB due to a decided corporate reorganization. Since January 2020, Nynas AB has paid premiums to Alecta to secure earnings of old-age pensions for employees covered by the ITP2 plan.

The collective consolidation level consist of the market value on the assets in Alecta, in per cent of insurance obligations calculated in accordance with the insurance technical methods and assumptions by Alecta, which not correspond with IAS 19. The collective consolidation level shall normally be allowed to vary between 125 and 175 per cent. If the collective consolidation level in Alecta will be below 125 per cent or exceed 175 per cent shall action be taken in purpose to make assumptions so the consolidation level will revert to the normal interval. At low consolidation level one action can be to increase the agreed fee for new take out and or increase of existing benefits. At high consolidation level one action can be to implement premium reductions.

At the end of the year, Alecta's surplus, in the form of a collective consolidation level, was 157 (172) per cent.

As in previous years, the ITP plan's family and survivors' pension has been financed via premium payments to Alecta. The ITP plan's family and survivors' pension and is reported as a defined contribution pension plan.

UK

The Nynas UK Pension Scheme is a career average defined benefit plan which is a registered pension scheme under the Finance Act 2004. The Scheme operates under trust law and is administered by the Trustees on behalf of the members in accordance with the terms of the Trust Deed and Rules and relevant legislation. The Scheme´s assets are held by the trust.

Annual increases on benefits in payment are dependent on inflation so the main uncertainties affecting the level of benefits payable under the Scheme are future inflation levels (including the impact of inflation on future salary increases) and the actual longevity.

The main risk the Company runs in respect of the Scheme is that additional contributions are required if the investment returns are not sufficient to pay for the benefits (which will be influenced by the factors mentioned above). The level of equity returns will be a key determinant of overall investment return; the investment portfolio is also subject to a range of other risks typical of the asset classes held, in particular credit risk on bonds.

Germany

For Nynas Germany there are five pension plans in place, all closed for new entrants. The claim is not funded externally in any way, all claims go against the company directly. The present value of the whole liability is calculated according to German/International actuarial standards and shown as such in the balance sheets.

Plan DSPR

Pensionable incidents: Pension for old age, early retirement according to social security regulations, in case of invalidity and for spouses in case of death (60%) Claim depends on years of service and final pay - per year of service a determined percentage is granted (between 1.9 and 2.5%). The sum of all percentages at the pensionable incident determines along with the last salary the total claim. In case of invalidity all theoretical years until reaching the pension age are granted for determining the claim at any given time of invalidity. The total claim thereby amounts up to 75% of the last salary, social security pension lessens the claim flush.

Plan DSPS

Pensionable incidents: Pension for old age, early retirement according to social security regulations, in case of invalidity and

Cont. Note 22

for spouses in case of death (60%) The claim depends on years of service and final pay - per year of service determined percentages are granted for the parts of the salary below (0.65%) and above the social security ceiling (1.7%). The sum of all percentages at the pensionable incident determines along with the last salary the total claim. In case of invalidity all theoretical years until reaching the pension age are granted for determining the claim at any given time of invalidity. The total claim thereby amounts up to 22.75% for the part of the salary below the social security ceiling and up to 59.5% beyond.

Plan RO 1979

Pensionable incidents: Pension for old age, early retirement according to social security regulations, in case of invalidity and for spouses in case of death (60%). To get a claim, the pensionable incident has to be at least 10 years after receiving the pension promise. The claim depends on years of service and final pay - per year of service determined percentages are granted for the parts of the salary below (0.5%) and above the social security ceiling (1.7%). The sum of all percentages at the pensionable incident determines along with the last salary the total claim. In case of invalidity all theoretical years until reaching the age 60 are granted for determining the claim at any given time of invalidity The total claim is limited to 75% of the last salary

Plan RO 1989

Pensionable incidents: Pension for old age, early retirement according to social security regulations, in case of invalidity and for spouses in case of death (60%). To get a claim, the pensionable incident has to be at least 10 years after receiving the pension promise. The claim depends on years of service and final pay - per year of service determined percentages are granted for the parts of the salary below (0.5%) and above the social security ceiling (1.7%). The sum of all percentages at the pensionable incident determines along with the last salary the total claim. In case of invalidity all theoretical years until reaching the age 60 are granted for determining the claim at any given time of invalidity The total claim thereby amounts up to 17.5% for the part of the salary below the social security ceiling and up to 59.5% beyond.

DSPO

Pensionable incidents: Pension for old age, early retirement according to social security regulations, in case of invalidity and for spouses in case of death (60%). Per each year of service a determined claim is granted. The amount of the claim depends on each years salary and a conversion table. Every individual claim is saved per year to accumulate to the final claim when a pensionable incident happens. In case of invalidity all theoretical years until reaching the pension age are granted for determining the claim at any given time of invalidity

					2023
REPORTED AS PROVISIONS FOR PENSIONS IN THE STATEMENT OF FINANCIAL POSITION	**Sweden**	**UK**	**Belgium**	**Germany**	**Total**
Present value of funded obligations	9.7	812.0	63.2	–	884.9
Fair value of plan assets	-16.8	-886.1	-64.6	–	-967.5
Deficit/(surplus)of funded plans	-7.5	-74.1	-1.4	–	-82.9
Present value of unfunded obligations	365.9	–	–	478.9	844.7
Total deficit/(surplus) in defined benefit plans	358.4	-74.1	-1.4	478.9	761.8
Effects of minimum funding requirements/asset ceilieng	–	–	–	–	–
NET LIABILITY RECOGNISED IN STATEMENT OF FINANCIAL POSITION	**358.4**	**-74.1**	**-1.4**	**478.9**	**762.2**
Portion of pension liability recognised as provisions for pensions	358.8	–	-1.4	478.9	836.2
Portion recognised as financial fixed asset	–	-74.1	–	–	-74.1

					2022
	Sweden	**UK**	**Belgium**	**Germany**	**Total**
Present value of funded obligations	9.4	761.2	56.2	–	826.7
Fair value of plan assets	-17.6	-864.0	-63.6	–	-945.3
Deficit/(surplus)of funded plans	-8.2	-102.8	-7.5	–	-118.5
Present value of unfunded obligations	303.3	–	–	449.6	752.9
Total deficit/(surplus) in defined benefit plans	295.1	-102.8	-7.5	449.6	634.4
Effects of minimum funding requirements/asset ceiling	–	–	–	–	–
NET LIABILITY RECOGNISED IN STATEMENT OF FINANCIAL POSITION	**295.1**	**-102.8**	**-7.5**	**449.6**	**634.4**
Portion of pension liability recognised as provisions for pensions	295.1	–	-7.5	449.6	737.2
Portion recognised as financial fixed asset	–	-102.8	–	–	-102.8

NOTES

Cont. Note 22

CHANGE IN PRESENT VALUE OF DEFINED BENEFIT OBLIGATION	2023	2022
Present value of defined benefit obligation at beginning of year	1,579.3	2,351.8
Current service cost	14.6	37.1
Interest cost/(credit)	66.7	38.4
(Gain)/loss on past service cost, curtailment and settlement	-31.1	–
Special payroll tax in income	2.0	1.6
(Gain)/loss on changes in demograpic assumptions	-12.1	-1.3
(Gain)/loss on changes in financial assumptions	103.1	-914.7
Experience (gain)/loss	39.5	56.2
Acquisition	–	–
Special payroll tax related to remeasurements	13.3	-26.5
Employee contributions	2.9	2.9
Benefits paid	-54.4	-55.4
Payments of special payroll tax	-7.2	-11.2
Exchange rate (gain)/loss	12.7	100.3
PRESENT VALUE OF DEFINED BENEFIT OBLIGATION AT END OF YEAR	1,729.3	1,579.3

COSTS RECOGNISED IN INCOME STATEMENT	2023	2022
Defined benefit pension plans:		
Current service cost	14.6	37.1
Interest cost/(credit)	21.3	10.2
(Gain)/loss on part service cost, curtailment and settlement	-31.1	–
Special payroll tax	2.0	1.6
Administration costs	2.6	3.7
TOTAL COST OF DEFINED BENEFIT PAYMENTS RECOGNISED IN INCOME STATEMENT	9.5	52.6
Defined contribution pension plans:		
Costs for defined contribution plans	45.7	56.5
TOTAL PENSION EXPENSE RECOGNISED IN INCOME STATEMENT	**55.2**	**109.1**

EXPENSES RECOGNISED IN OTHER COMPREHENSIVE INCOME	2023	2022
Return on plan assets in excess of the amount included in interest cost/(credit)	4.3	592.1
(Gain)/loss on changes in demographic assumptions	-12.1	-1.3
(Gain)/loss on changes in financial assumptions	103.1	-914.7
Experience (gain)/loss	39.5	56.2
Special payroll tax related to remeasurements	13.3	-26.5
TOTAL EXPENSES FOR DEFINED BENEFIT REMUNERATION RECOGNISED IN OTHER COMPREHENSIVE INCOME	148.1	-294.1

THE MAIN ACTUARIAL ASSUMPTIONS USED (IN %) ARE AS FOLLOWS:

	2023				2022			
	Sweden	**UK**	**Belgium**	**Germany**	**Sweden**	**UK**	**Belgium**	**Germany**
Discount rate	3.3	4.5	3.1	3.6	4.0	4.7	3.8	3.6
Future salary increases	N/A	N/A	3.2	2.5	N/A	N/A	3.2	2.5
Future pension increases	2.0	3.3	2.2	2.3	2.0	3.4	2.2	1.8
Expected remaining service period	N/A	8.0	10.0	10.0	N/A	n.i.	13.0	22.0

NOTES

Cont. Note 22

LIFE EXPECTANCY

	2023				2022			
Life expectancy	**Swedish DUS23 w-c**	**UK Mortality table S3PA with CMI 2022 projections using long term improvement rate of 1.25%**	**Belgian Mortality table MR/FR**	**German Mortality table Richttafeln Heubeck 2018 G (statutory)**	**Swedish DUS21 w-c**	**UK Mortality table S3PA with CMI 2021 projections using long term improvement rate of 1.25%**	**Belgian Mortality table MR/FR**	**German Mortality table Richttafeln Heubeck 2018 G (statutory)**
Duration	17	14	9	23	17	14	10	23

CHANGE IN FAIR VALUE OF PLAN ASSETS DURING THE YEAR	2023	2022
Fair value of plan assets at beginning of year	945.3	1,503.6
Interest cost/(credit)	45.4	28.2
Past service cost, curtailment and settlement gain or losses	–	–
Return on plan assets in excess of the amount included in interest cost/(credit)	-4.3	-592.1
Administrative costs	-2.6	-3.7
Employer contributions	7.9	7.5
Employee contributions	2.9	2.9
Benefits paid	-42.2	-45.7
Exchange rate (gain)/loss	15.2	44.7
FAIR VALUE AT END OF YEAR	967.5	945.3

PLAN ASSETS	2023	2022
Shares and participating interests and others	177.5	301.4
Interest-bearing securities	657.2	533.3
Property	16.6	12.3
Insurance	64.6	63.6
Cash and cash equivalents, bank deposit	51.7	34.6
FAIR VALUE OF PLAN ASSETS	**967.5**	**1,503.6**

Plan assets do not include any securities issued by Nynas AB or assets used by Nynas AB.

ACTUAL RETURN	2023	2022
Actual return on plan assets	**41.0**	**-563.9**

SENSITIVITY ANALYSIS IMPACT OF THE BENEFIT OBLIGATION, 2021 (+Increase/-Decrease), per country

Significant actuarial assumptions		**Sweden Present Value**	**Sweden %**	**UK Present Value**	**UK %**	**Belgium Present Value**	**Belgium %**	**Germany Present Value**	**Germany %**
Discount rate, %	+0.5	341.1	-9	759.7	-6	60.3	-5	429.7	-10
Discount rate, %	-0.5	413.7	10	870.8	7	66.2	5	536.0	12
Life expectancy	+1 year	399.6	5	846.5	3	64.4	1	491.6	2
Inflation, %	+0.5	414.0	10	856.7	5	63.8	1	515.0	10
Inflation, %	-0.5	340.5	-9	769.9	-5	62.6	-1	446.3	-9

Sensitivity analysis have been done on above actuarial changes since the Group consider that the changes can have major impact on the benefit obligation.

Further more it is very most likely that the changes of the assumptions occures. Estimations have been done by analysing every changes separately. If there should be any relation between the assumptions, the estimations have not been taken this into consideration. The assumption of a decrease in life expectancy is seen as limit and therefore it has not been estimated in the sensitivity analysis.

Note 23. Other provisions

	Provision for Restructuring	Provision for envrionmental obligation	Provision for other obligations	Total
Balance at 31 December 2022	792.6	236.6	5.1	1,034.2
Provisions made during the year	155.5	5.7	14.7	175.9
Provisions used during the year	-402.9	-20.9	–	-423.8
Unutilized provision reversed during the year	-48.0	–	–	-48.0
Translation differences	-0.3	0.2	–	-0.1
Balance at 31 December 2023	**496.8**	**221.6**	**19.7**	**738.1**
of which current	345.8	6.0	–	351.8
of which non-current	151.0	215.6	19.7	386.3

Restructuring provision

In 2023 Nynas decided to exit or downsize in non-core markets. This will be a process covering several years but majority of the restructuring initiative will be completed in 2023. Of the total restructuring reserve of SEK 496.8 (792.6) million the idle of the Harburg refinery amounts to SEK 345.1 (643.9) million, remaining provision for the restructuring program SEK 148.7 million relates to the withdraw from markets in America and Asia of SEK 141.7 million and revised organisation in the parent company of SEK 10.0 million. Of the non-current restructuring provision almost all relates to the idle of Harburg refinery.

Environmental related provisions

Envrionmental related provisions inlcude provisions for envrionmental remediation measures related to the Group's sites, mainly in Sweden (Nynäshamn), Wandre in Belgium, Köge in Denmark and Dundee in Scotland

The provision in Nynäshamn consists of two parts – E2 (SEK 24.2 million) and J3/J4 (SEK 396.0 million), the amounts being the nominal values not present values.

The Land Farm

Remediation of the Land Farm area was completed at 31 December 2010. Final covering of the permanent land fill is dependent on subsidence in the area but was started in 2021 and is was completed in 2023 and hence no provision reamins.

Lagoon/Catch basins

Dredging of the lagoon and catch basins started in 2017 and was completed in 2018. The Land and Environment Court has decided that the dredging is completed. The technique for final treatment of the contaminated dewatered sediments was decided by the Land and Environment Court. During 2023 all the contaminated sediments was shipped out from the site and no more costs are expected.

J3/J4

The J3 and J4 areas contain contaminated soil. Similar materials are also found at a number of old refineries in Europe and around the world. They are difficult to deal with due to their high acid content. The established method involves collection, neutralization and transportation for disposal. The method is not problem-free, as, even after processing, the materials are unlikely to be released from regulatory control. Nynas reported its recommendation on the technique to be used for remediation of J3/J4 to the Land and Environment Court in 2021. The court made its decision regarding remediation of J3/J4 and the final treatment of the dredged material from the Lagoon/Catch basins in 2022 and the decision has become legally binding. Further preparation for removing the contaminated soil from J3/J4 has been done. During 2024 the work with full scale excavation will be prepared and test volumes will be used to prove the incineration. Nynas are also obligated to keep investigating other methods and one biological test on a small scale will be performed.
The remaining cost has been estimated at 409 MSEK.

E2

E2 is a well-defined area with contaminated sediments on the seabed outside the refinery. The Land and Environment Court has decided that no physical remediation is to be done on the deeper parts of E2 and that the shallower parts are to be capped. Capping requires another decision by the Land and Environment Court and coordination with Turnaround activities, which occur every four years, and is therefore planned for 2027. As the County Administrative Board has decided that a full environmental review is required for the capping, this work will be done during 2027 when the cooling water intake can be stopped. Nynas submitted the application for capping in 2022. The remaining cost has been estimated at 24 MSEK.

Other provisions

Other provisions relates to funds at SBER Bank that are stuck due to sanctions against Russia. This is funds trapped at time of Russia invasion of Ukraine that Nynas hasn't been able to recover. Nynas do not see any possibility to recover this in a near future and made a provision in 2023.

Note 24. Liabilities to credit institutions

The company entered in January 2021 a Multi option facilities agreement with SEB, Stockholm of nominal value of SEK 95 million. At end of 2023 this facility was fully available. Beginning of March 2021 the company entered into a Super Senior Bridge facility with Adare Finance DAC, UK of the nominal value of EUR 75 million. In March 2021 Nynas AB together with Nynas UK AB and Nynas Singapore Pty entered into a Asset Based Lending facility with Breal Zeta CF I Limited, UK. At the time this asset based facility had a nominal value of the GBP 100 million. In November 2023 the nominal value was reduced to GBP 75 million due to lower utilisation than expected. In 2023, Nynas Finnish subsidiary Nynas OY also become a party in the overall agreement with Breal Zeta CF I Limited, UK.

In April 2022 Nynas completed the refinancing of its existing lending facilities, the facility agreements was extended by approximately 3 years, the lenders also provided an additional EUR 40 million of financing. At end of 2023 this facility was fully available. At the same time, Macquarie Bank provided a new inventory financing facility, providing a significant working capital benefit to Nynas core operations (off balance sheet agreement).

LONG-TERM LIABILITIES	**2023**	**2022**
Credit facility	4,617.6	4,441.2
Non-current lease liability	378.3	631.0
TOTAL	**4,995.9**	**5,072.2**
CURRENT LIABILITIES		
Current lease liability	226.0	258.2
TOTAL	**226.0**	**258.2**
GRAND TOTAL	**5,221.9**	**5,330.4**

2023 LONG-TERM LIABILITIES Year issued/maturity	**Description of loan**	**Interest, %**	**Currency**	**Nominal amount (local currency)**	**Recognised amounts in SEK million**
2020/2026	Credit facility	5.50	EUR	164.3	1,823.1
2020/2026	Credit facility	8.89	EUR	61.6	683.6
2020/2026	Credit facility	5.50	EUR	94.5	1,049.1
2021/2025	Credit facility	8.00	EUR	50.0	554.8
2021/2025	Credit facility	8.00	EUR	25.0	277.4
2022/2024	Credit facility	11.74	EUR	40.0	–
2021/2025	Asset Based facility	9.53	GBP	75.0	312.4
2020/2025	Up front fees				**-82.7**
TOTAL					**4,617.6**

2022 LONG-TERM LIABILITIES Year issued/maturity	**Description of loan**	**Interest, %**	**Currency**	**Nominal amount (local currency)**	**Recognised amounts in SEK million**
2020/2026	Credit facility	5.50	EUR	155.6	1,730.8
2020/2026	Credit facility	5.50	EUR	58.4	649.0
2020/2026	Credit facility	5.50	EUR	89.6	996.0
2021/2025	Credit facility	8.00	EUR	50.0	556.1
2021/2025	Credit facility	8.00	EUR	25.0	278.0
2022/2024	Credit facility	9.06	EUR	25.0	278.0
2021/2025	Asset Based facility	11.00	GBP	100.0	86.1
2020/2025	Up front fees				-132.9
TOTAL					**4,441.2**

NOTES

Cont. Note 24

MATURITY OF EXTERNAL INTEREST-BEARING LIABILITIES AT 31 DEC 2023	
2024-12-31	–
2025 and thereafter	4,617.6
TOTAL	4,617.6

MATURITY OF EXTERNAL INTEREST-BEARING LIABILITIES AT 31 DEC 2022	
2023-12-31	–
2024 and thereafter	4,441.2
TOTAL	4,441.2

THE GROUP HAS THE FOLLOWING UNUSED CREDIT FACILITIES:	2023	2022
Committed		
– expires within one year	538.8	95.0
– expires after one year	58.8	412.4
TOTAL	**597.6**	**507.4**

Note 25. Accrued liabilities and deferred income

	2023	2022
Accrued interest	216.3	186.4
Accrued salaries/holiday pay	152.7	154.7
Accrued environmental costs	67.4	59.0
Purchases of raw materials, semi-finished and finished goods	49.1	0.0
Shipping costs	46.7	50.8
Consulting	24.8	21.6
Other selling costs	12.4	56.8
Customer provision	11.9	29.0
Accrued energy costs	11.6	52.8
Administration	2.5	4.0
Accrued insurance	1.0	1.4
Other accrued lilbilities and deferred income	93.2	65.9
TOTAL	**689.6**	**682.3**

Note 26. Financial assets and liabilities

Financial assets and liabilities in the statement of financial position are measured at fair value, apart from loans and receivables and other financial liabilities not designated as hedged items. Loans and receivables and other financial liabilities not designated as hedged items, are measured at amortised cost.

Fair value disclosures are not required when the carrying amount is an acceptable approximation of the fair value. This applies to other items in the categories loans and receivables and other financial liabilities.

The Group's long-term credit liabilities carry variable interest rates. Accordingly, the fair value corresponds to the carrying amount.

Fair value measurement

Fair value is determined based on a three-level hierarchy.

Level 1 is based on quoted prices in active markets for identical assets or liabilities.

Level 2 is based on inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 is based on inputs for the asset or liability that are not based on observable market data.

For Nynas, all financial instruments are measured according to Level 2.

Measurement of fair value

Listed holdings

The fair value of instruments quoted in an active market is measured on the basis of the price of the holdings at the reporting date.

Derivative instruments

The fair value of foreign exchange contracts and oil contracts is measured on the basis of quoted prices where available. If quoted prices are not available, the fair value is measured by discounting the difference between the contracted forward rate and the forward rate that can be subscribed for on the reporting date for the remaining contract period. This is done using the risk-free rate of interest based on government bonds.

Current receivables and liabilities

For current receivables and liabilities with a remaining term of less than 12 months, the carrying amount is considered to represent a reasonable approximation of the fair value. Current receivables and liabilities with a term of more than 12 months are discounted when the fair value is measured.

The fair values and carrying amounts of financial assets and liabilities are shown in the table:

2023	Derivatives used in hedge accounting	Derivatives held at fair value through income statement	Financial assets valued to amortised cost	Financial liabilities valued to amortised cost	Total carrying amount	Non-financial assets and liabilities	Total balance sheet	Fair value
Accounts receivable	–	–	1,083.5	–	1,083.5	–	1,083.5	1,083.5
Other current receivables	–	–	778.3	–	778.3	420.3	1,198.5	1,198.5
Prepaid expenses and accrued income	–	–	–	–	–	144.3	144.3	144.3
Cash and cash equivalents	–	–	1,229.6	–	1,229.6	–	1,229.6	1,229.6
FINANCIAL ASSETS	–	–	**3,091.3**	–	**3,091.3**	**564.5**	**3,655.9**	**3,655.9**
Long-term liabilities to credit institutions	–	–	–	4,995.9	4,995.9	–	4,995.9	4,995.9
Short-term liabilities to credit institutions	–	–	–	226.0	226.0	–	226.0	226.0
Accounts payable	–	–	–	543.8	543.8	–	543.8	543.8
Joint venture liabilities	–	–	–	13.8	13.8	–	13.8	13.8
Short-term derivatives	47.7	–	–	0.5	48.2	–	48.2	48.2
Other current liabilities	–	–	–	–	–	746.0	746.0	746.0
Accrued liabilities and deferred income	–	–	–	–	–	689.6	689.6	689.6
FINANCIAL LIABILITIES	**47.7**	–	**0.0**	**5,779.9**	**5,827.6**	**1,435.6**	**7,263.2**	**7,263.2**

Cont. Note 26

2022	Derivatives used in hedge accounting	Derivatives held at fair value through income statement	Financial assets valued to amortised cost	Financial liabilities valued to amortised cost	Total carrying amount	Non-financial assets and liabilities	Total balance sheet	Fair value
Accounts receivable	–	–	1,463.4	–	1,463.4	–	1,463.4	1,463.4
Other current receivables	–	–	748.2	–	748.2	513.5	1,261.7	1,261.7
Prepaid expenses and accrued income	–	–	–	–	–	112.0	112.0	112.0
Cash and cash equivalents	–	–	1,341.0	–	1,341.0	–	1,341.0	1,341.0
FINANCIAL ASSETS	**–**	**–**	**3,552.6**	**–**	**3,552.6**	**625.5**	**4,178.1**	**4,178.1**
Long-term interest bearing liabilities	–	–	–	5,072.2	5,072.2	–	5,072.2	5,072.2
Short-term interest bearing liabilities	–	–	–	258.2	258.2	–	258.2	258.2
Accounts payable	–	–	–	387.4	387.4	–	387.4	387.4
Joint venture liabilities		–	–	12.7	12.7	–	12.7	12.7
Short-term derivatives	9.9	–	–	1.5	11.4	–	11.4	11.4
Other current liabilities	–	–	–	–	–	485.9	485.9	485.9
Accrued liabilities and deferred income	–	–	–	–	–	682.2	682.2	682.2
FINANCIAL LIABILITIES	**9.9**	**–**	**–**	**5,732.0**	**5,741.9**	**1,168.1**	**6.910.0**	**6,910.0**

Note 27. Financial risk management, supplementary information

LIQUIDITY AND REFINANCING RISK

Liquidity and refinancing risk is the risk of difficulty in refinancing loans maturing, and the risk that payment obligations cannot be fulfilled as a Consequence of insufficient funds.

EXPOSURE

Average terms to maturity of outstanding loans, size of programme and remaining maturity, nominal SEK (excluding leases).

2023	Currency	Recognised liabilities	Programme size	Average remaining credit time (years)
Credit facility	EUR	1,823	1,823	2.0
Credit facility	EUR	684	684	2.0
Credit facility	EUR	1,049	1,049	2.0
Credit facility	EUR	555	555	1.3
Credit facility	EUR	277	277	1.3
Credit facility	EUR	–	444	1.0
Asset Based facility	GBP	312	958	1.3
Multi option facility	SEK	–	95	1.0
Up front fees		-83	N/A	N/A
TOTAL BORROWING		**4,618**	**5,884**	–

2022	Currency	Recognised liabilities	Programme size	Average remaining credit time (years)
Credit facility	EUR	1,731	1,731	3.0
Credit facility	EUR	649	649	3.0
Credit facility	EUR	996	996	3.0
Credit facility	EUR	556	556	2.3
Credit facility	EUR	278	278	2.3
Credit facility	EUR	278	278	2.0
Asset Based facility	GBP	86	1,254	2.3
Multi option facility	SEK	–	95	1.0
Up front fees		-133	N/A	N/A
TOTAL BORROWING		**4,441**	**5,837**	–

NOTES

Cont. Note 27

COMMENT

At the turn of the year approximately 51 per cent (56) of the Group's assets were financed with external loans. To reduce financing risk, most of Nynas' known credit requirement was covered by a credit facilities. Dependence on individual financing sources is actively reduced and a conservative approach on counter parties for placement of any surplus liquidity is applied. For more information see the Board of Directors' report, page 57.

Fore more information on Nynas existing credit facilities please see note 24

CURRENCY RISK

Currency risk concerns the fluctuations in exchange rates that, in different ways, affect the result for the year, other comprehensive income, and the company's competitiveness:

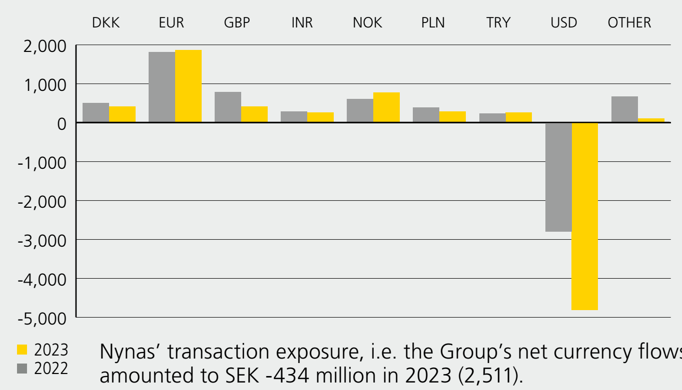
- The result for the year is affected when sales and purchases are denominated in different currencies (transaction risk).
- The result for the year is affected when assets and liabilities are denominated in different currencies (conversion risk).
- The result for the year is affected when subsidiaries' results denominated in different currencies are converted to Swedish kronor (conversion risk).
- Other comprehensive income is affected when subsidiaries' net assets denominated in different currencies are converted to Swedish kronor (conversion risk).

Nynas handles the currency risks occurring in accordance with the descriptions given in the following sections. Due to limited availability of credit facilities, the currency risk has been hedged with futures contracts to lesser extent than previous years. On December 31, 2023 Nynas AB had three outstanding currency futures contracts.

CURRENCY RISK TRANSACTION RISK

Liquidity and refinancing risk is the risk of difficulty in refinancing loans maturing, and the risk that payment obligations cannot be fulfilled as a consequence of insufficient funds.

EXPOSURE



Nynas' transaction exposure, i.e. the Group's net currency flows, amounted to SEK -434 million in 2023 (2,511).

COMMENT, TRANSACTION RISK

Nynas has significant foreign currency payments, primarily in USD. During 2023 the Group buys raw material in USD and sells products primarily in EUR and USD but also in other local currencies, and is thereby exposed to fluctuations in exchange rates. It is in the nature of the oil industry that changes in exchange rates are passed on in the prices charged to customers. This reduces the currency risk, albeit with a certain time lag. This also applies to Nynas.

Cont. Note 27

CURRENCY RISK CONVERSION RISK

The equity of Nynas' foreign subsidiaries must not normally entail any significant conversion risk as the objective is to balance the subsidiary's assets and liabilities in foreign currencies. The result of a foreign subsidiary is converted to Swedish kronor on the basis of the average exchange rate for the period in which the result was achieved, which means that the Group's result is exposed to conversion risk.

The net assets, i.e. usually the subsidiary's own capital, are converted to Swedish kronor at the exchange rate on the balance sheet date.

On 31 December, the group's net assets in subsidiaries amounted to 172 (897) MSEK using closing rate at end of year.

EXPOSURE

Net assets in foreign currency, SEK million.

NET ASSETS IN FOREIGN CURRENCY	2023	2022
EUR	-616	-91
GBP	397	577
INR	83	98
NOK	81	84
SGD	45	44
PLN	38	28
ZAR	34	38
TRY	23	24
ARS	20	36
Other	68	59
TOTAL	172	897

THE GROUP'S BORROWING BY CURRENCY *	2023	2022
EUR	4,305	4,355
GBP	312	86
SEK	0	0
TOTAL	4,618	4,441

* excluding lease liabilities

COMMENT, CONVERSION RISK

In order to avoid conversion risk in the subsidiaries' balance sheets they are financed in the local currency via the internal bank. The currency risk incurred by the internal bank are currently fully exposed for currency fluctuations and no derivates are in place in this area. Nynas' policy is in significant respects to hedge net assets in foreign subsidiaries, excluding the tax effect.

The availbility on exchange contracts to reaonsable costs have stoped Nynas to hedge the net assets end of Dec 2023. Majority of the Group's loans are in EUR and a five percentage points upward change in EUR against SEK would affect the result by approximatly SEK -220 million (-225).

CURRENCY RISK CURRENCY SENSITIVITY

In order to gain the full picture of how currency fluctuations affect the Group's operating result, consideration should be taken to both the transaction risk and the subsidiaries' operating results in the respective currencies, and the actual hedging. The Group's other comprehensive income has a currency exposure that relates to the size of the net assets. In addition to the net assets, other comprehensive income is affected by currency risk since certain derivative contracts are subject to hedge accounting, which entails that the changes in the market value of these contracts are carried directly to other comprehensive income, instead of to the result for the year.

EXPOSURE

The most obvious exposure is in the inventory. The value of the specific inventory varies with the dollar price and in 2023 the inventory value on average was approximately SEK 2,554 million (3,273), with the main part in Nynas AB. A currency fluctuation in the SEK/USD rate by SEK 0.10 would therefore affect the result by approximately +/- SEK 25 million (30).

COMMENT, CURRENCY SENSITIVITY

Defined currency exposure can be hedged with currency futures contracts. Due to limited availability of credit facilities, the currency risk has been hedged to lesser extent than previous years.

On December 31, 2023 Nynas AB had three outstanding currency futures contracts.

Cont. Note 27

INTEREST RATE RISK

Interest rate risk is the risk that changes in market interest rates that will adversely affect the Group's net interest income. How quickly an interest rate change affects net interest depends on the liabilities' fixed interest period. Nynas measures the interest rate risk as the change in the next 12 months on a 1 per cent change in interest rates.

EXPOSURE

At the close of the financial year total borrowing was SEK 5,222 million (5.330) at rates disclosed in below table. A 1% change in rate would result in a pre-tax profit/loss of SEK 52 million (53).

Fixed interest rate and fixed interest periods, SEK million.

2023	Effective interest rate, %	Fixed interest period, month	Recong-nised liabilites	Maturity periods < 1 year	1–2 year	> 2 year
Credit facility	5.5	1	1,781	–	–	1,781
Credit facility	8.8	25	668	–	–	668
Credit facility	5.5	25	1,025	–	–	1,025
Credit facility	8.0	16	555	–	555	–
Credit facility	8.0	16	277	–	277	–
Credit facility	11.9	3	0	0	–	–
Asset Based facility	9.5	1	312	–	312	–
Interest rate swaps	–	–	–	–	–	–
TOTAL BORROWING	**6.7**	**12**	**4,618**	**0**	**1,145**	**3,473**

2022						
Credit facility	5.5	1	1,663	–	–	1,663
Credit facility	5.5	37	623	–	–	623
Credit facility	5.5	37	957	–	–	957
Credit facility	8.0	28	556	–	–	556
Credit facility	8.0	28	278	–	–	278
Credit facility	10.1	3	278	–	278	–
Asset Based facility	11.1	1	86	–	–	86
Interest rate swaps	–	–	–	–	–	–
TOTAL BORROWING	**6.4**	**19**	**4,441**	**–**	**278**	**4,163**

COMMENT, INTEREST RATE RISK

The Group's interest rate risk arises mainly from borrowing. Nynas' policy is that average fixed interest period for the Group's debt portfolio should be between 6 and 36 months. Interest rate swap agreements can be used to achieve the targeted fixed interest periods. At end of 2023 Nynas did not have any interest swaps. As the table shows, the average fixed interest period for Nynas' borrowing was 12 months (19) at the close of the financial year. The Group's average interest rate, including other loans was 6.7 per cent (6.4). When applicable, hedge accounting is applied when there is an effective link between hedged loans and interest rate swaps. Changes in market interest rates can therefore also affect other comprehensive income. Loans in foreign currency can be hedged with currency interest rate swaps, which are classified as cash flow hedges. The derivatives that are used to hedge future cash flow hedges are subject to terms that match those of the loans, so that the cash flow effects of the loans and derivatives occur in the same period and cancel each other out. Changes in the fair value of cash flow hedges are recognised directly in other comprehensive income.

CREDIT RISK

The Group's commercial and financial transactions entail credit risks in relation to Nynas' counterparties. Credit risk or counterparty risk is the risk of losses if the counterparty defaults on its obligations.

The credit risk to which Nynas is exposed can be divided into two categories:

- Financial credit risk
- Credit risk in accounts receivable

EXPOSURE

	2023	2022
Accounts Receivable	1,083.5	1,463.4
Cash and cash equivalents	1,229.6	1,341.0
Non-realised gains and losses on derivatives	–	–
TOTAL	2,313.1	2,804.4

NOTES

Cont. Note 27

COMMENT, CREDIT RISK

With regard to the financial credit risk, Nynas has before the reorganization concluded an agreement with the Company's most important banks concerning, among other things, the right to set off assets and liabilities arising as a consequence of financial transactions, called an ISDA agreement. This entails that the Company's counterparty exposure to the financial sector is limited to the non-realised positive and negative result occurring in derivative contracts. At the close of the financial year the current net value of these contracts totalled SEK -47 million (-9) and 0 per cent (0) of the outstanding value was secured through margin call.

Via its ongoing sales Nynas is exposed to credit risk in outstanding accounts receivable. This risk is reduced with the help of credit insurance. The terms of the credit insurance require well-established routines to determine credit limits, follow-up and reporting of late payments. There are established internal routines to determine limits that are not granted by the insurance company. No deliveries take place before a limit has been approved. On average, approximately 82 per cent (72) of outstanding accounts receivable are covered by credit insurance. Historically, losses on accounts receivable have, on an overall basis, been low. The total gross value of outstanding accounts receivable as of 31 December 2023 was SEK 1,190 million (1,583). These were written down by a total of SEK -107 million (-120). Age analyses of accounts receivable as of December 31 are presented in Note 18.

COMMODITY PRICE RISK

Nynas' financial risks on commodities are mainly crude oil price, fixed price agreements, electricity and natural gas. The price risk on this is normally to an extent hedged by taking out financial contracts if available on the market.

At the end of December 2022 Brent prices was at 86 USD/bbl, with an average oil price level at 99 USD/ bbl during 2022. Prices dropped during the year to end at 77 USD/bbl in December 2023 given an average oil price level at 82 USD/bbl during the year.

EXPOSURE

The Group purchases crude oil at current market price. It is in the nature of the oil industry that changes in world market prices for oil are passed on in the prices charged to customers, which reduces the oil price risk, albeit with a certain time lag. This also applies to Nynas.

	Inventory volume, ktonnes per month		Inventory value, SEK million per month	
	2023	2022	2023	2022
JAN	246	615	2,050	3,849
FEB	318	630	2,414	3,940
MAR	345	590	2,527	3,829
APR	387	427	2,918	3,092
MAY	376	383	2,778	3,159
JUN	340	406	2,597	3,486
JUL	327	398	2,607	3,484
AUG	352	416	2,966	3,650
SEP	355	364	3,108	3,298
OCT	304	305	2,748	2,880
NOV	243	253	2,275	2,493
DEC	207	250	1,662	2,114
AVERAGE	**317**	**420**	**2,554**	**3,273**

COMMENT, COMMODITY PRICE RISK

Inventory of oil products totalled 317 ktonnes at the close of the financial year (420 ktonnes).

A USD 20 tonne price change would thus affect the profit/ loss by approximately +/- SEK 41 million (90). Nynas' risk policy stipulates that a large proportion of the inventory should be hedged with financial contracts. Due to limitations of available credit lines, the oil price risk has not been hedged during 2023 due to no credit lines. On December 31, 2023 Nynas AB had no outstanding oil forwards contracts. At the end of the year 0 ktonnes (0) were classified as hedge accounting and 0 ktonnes (0) were not classified as hedge accounting, with a total mark-to-market valuation of SEK 0 million (0). Nynas also concludes fixed price contracts with customers. These fixed price contracts are hedged with oil price swaps and are classified as hedge accounting. At year-end the fixed price hedging totalled 89 ktonnes (35) and the mark-to market valuation of the derivative contracts was SEK -47 million (-10)

Note 28. Derivatives and hedging

The table below show the fair value of all outstanding derivatives grouped by their treatment in the financial statement:

	2023		2022	
DERIVATIVES AND HEDGING	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Cash flow hedges				
Currency forwards	–	–	–	–
Oil price forward	–	47.7	–	9.9
TOTAL	–	47.7	–	9.9
Other derivatives – changes in fair value recognised in income statement				
Currency forwards, currency swaps finance net	0.8	0.5	–	1.5
Oil price swaps, costs of goods sold	–	–	–	–
TOTAL	0.8	0.5	–	1.5
TOTAL DERIVATIVES	0.8	48.2	–	11.4

Calculation of fair value

Future contracts are measured at fair value based on observed forward prices for contracts with equivalent maturities at the balance sheet date.

Cash flow hedges

For the hedges of highly probable forecast sales and purchases, as the critical terms (i.e. the notional amount, life and underlying) of the forward foreign exchange and oil contracts and their corresponding hedged items are the same, Nynas performs a qualitative assessment of effectiveness and it is expected that the value of the forward contracts and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying oil price and exchange rates.

Nynas applies hedge accounting to derivatives instruments used in the risk management activities relating to price risks, for further information see note 27.

All derivatives are classified as hedging instruments in cash flow hedges accounted for at fair value in the balance sheet.

Changes in fair value are initially recognised in the hedging reserve in equity and reversed to the income statement when the hedged cash flows are recognised in the income statement. SEK 0 (0) million has been recognised in the income statement as a result of terminated hedge relationship in 2023.

CHANGE IN HEDGING RESERVES	**2023**	**2022**
Opening hedging reserve before tax	-9.9	9.9
Change in value during the year, currency swap	0.2	–
Change in value during the year, oil forwards	-37.8	-19.8
Realised oil hedge parked in equity	0.0	–
Closing hedging reserves before tax	**-47.5**	**-9.9**
Deferred tax, hedging reserves	–	–
Closing hedging reserves after tax	**-47.5**	**-9.9**

Accumulated hedging gains and losses from cash flow hedges which were recognised in the hedging reserve as at December 2023 and are expected to be recovered in the income statement (before tax) are SEK -47.5 million for 2023 (-9.9).

Note 29. Pledged assets and contingencies

FLOATING CHARGES	2023	2022
Business mortgage and securities	10,244.0	4,463.3
Property mortgage	8,320.6	8,335.0
Security for liabilities to credit institutions	37.5	48.7
TOTAL	18,602.1	12,847.0
Guarantees	42.8	45.0
Other guarantees and contingent liabilities	5.4	4.9
TOTAL	48.2	49.9

The security is shared with creditors of certain financial obligations of the company, see note 24.

The security comprises real property mortgages of Nynas AB and all the shares in (or as applicable, interest in) the following subsidiaries: Nynas Germany AB, Nynas UK AB, Nynas GmbH & Co. KG, Nynas Verwaltungs GmbH, Nynas AS, Nynas Limited and Nynas PTE Ltd . Security over business mortgage certificates (or floating charges as applicable) has also been provided by Nynas AB, Nynas Germany AB, Nynas UK AB, Nynas Limited and Nynas PTE Ltd and the following subsidiaries have also granted guarantees: Nynas Limited, Nynas PTE Ltd, Nynas AS, Nynas UK AB and Nynas Germany AB.

A future closure of operations within the Group may involve a requirement for decontamination and restoration works. However, this is considered to be well into the future and the future expenses cannot be calculated reliably.

Legal Proceedings

Overview

The Group is involved in various claims and legal proceedings arising in the ordinary course of business. These claims relate to, but are not limited to, the Group's business practices, employment matters, and tax matters. Provisions have been recognized for such matters in accordance with probable and quantifiable loss risks. On the basis of information currently available, those issues not requiring any provisions will not have any material adverse effect on the Group's earnings, nor will they be recognized as contingent liabilities. However, litigation is inherently unpredictable and, even though the provisions were assessed as adequate and/or that the Group has valid defenses in these matters, unfavorable results could occur. This could have a material adverse effect on the Group's earnings in future accounting periods. For information regarding environmental proceedings please see note 23.

Disputes

Tax disputes, Brazil

Nynas is involved in tax disputes in Brazil relating to IPI (excise tax) and ICMS (state sales tax). The different disputes have been appealed to relevant administrative levels. Nynas assessment is that Nynas will not be able to recover the full amount related to the tax disputes and has therefore made provision of SEK 111 (36) million end of 2023.

Transformer claim, Dominican Republic

AES Andrés B.V. claimed damages from Nynas companies and others in the amount of 24.9 MUSD and Seguros Universal S.A. claimed damages from Nynas companies and others in the amount of 11.9 MUSD, both relating to the failure of a transformer in December 2008. The lawsuit has been pending since February 2011. In December 2015 the court of first instance in the Dominican Republic ruled on the merits in favour of Nynas and others. The decision was appealed to the Court of Appeal who rendered a decision on May 5, 2017 affirming the trial court's decision in Nynas' favour. The decision of the court of Appeal was appealed to the Supreme Court by the plaintiffs and after pending for five years, the Supreme Court, in a ruling from February 28, 2022, reversed the lower court decision and remanded the case to another appeals court for further proceedings where it is still pending.

There is limited economical effect on Nynas as the claim is covered by insurance.

Bitumen cartel, Netherlands

In May 2019 Nynas received a claim from the Dutch State holding Nynas jointly and severally liable for damages the Dutch State alleges to have suffered in relation to the bitumen cartel in which Nynas and others were fined in 2006. The total amount claimed jointly and severally from the Dutch State across Nynas, Wintershall, Shell, Kuwait Petroleum and Total is EUR 25,036,869 plus statutory interest, which all-in-all per May 2019 totaled EUR 62,352,057. Nynas has responded it contests liability for any damages alleged by the Dutch State.

The Dutch State has brought a lawsuit against Shell, Kuwait Petroleum and Total but not against Nynas, Wintershall and BP. Shell, Kuwait Petroleum and Total have served Nynas et al with contribution claim writs, but It has been agreed that the contribution proceedings are stayed until the main proceedings are finalized. At this juncture it is not possible to assess the outcome of the main proceedings or the contribution proceedings.

Note 30. Related party disclosures

Information on remuneration of the Board and key management personnel can be found in note 5.

Petroleos de Venezuela S.A. (PdVSA) from May 6, 2020 indirectly holds approximately 14,999 per cent of the shares in Nynas AB.
Nynas haven't had any business relation with PDVSA in the last three years and hence no figures to be reported in this section of the annual report.

Eastham Refinery Ltd (ERL) acts as a tolling unit and the ownership of crude, bitumen and destillates remains within Nynas UK AB. Nynas UK AB pays a tolling fee to ERL for this service based on a contractual price. Nynas UK AB also provides administration and weighbridge operation services to ERL, which are charged at cost.

	2023	2022
Purchases, leasing/services	217.8	226.7
Service revenue	1.6	1.5
Accounts receivable	0.2	0.2
Accounts payable	13.8	12.7

Note 31. Supplementary information to the cash flow statement

NON CASH ITEMS	2023	2022
Share of profit/loss of associates and joint ventures	-35.1	-38.6
Dividend associates and joint ventures	42.8	25.0
Depreciation, disposals and impairment of assets	-635.0	1,631.6
Depreciation and termination of lease assets	227.5	278.0
Interest on Lease liabilities	39.4	53.2
Impairment on inventory	166.2	202.6
PIK Interest	219.7	179.0
Capitilized Financing costs	50.1	-40.5
Unrealised exchange differences and oil forward contracts	131.4	302.4
Provisions for pensions	-15.0	-28.9
Other provisions	114.9	828.2
TOTAL	**306.9**	**3,392.0**

	Interest bearing liabilities, non-current		Lease liabilities liabilities, non-current		Interest bearing liabilities, current		Lease liabilities liabilities, current	
LIABILITIES IN FINANCING ACTIVITIES	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Opening balance	4,441.2	3,071.7	631.0	707.0	–	803.7	258.2	249.3
Proceeds from borrowings	415.1	315.1			–	–	–	
Repayment of borrowings	-289.8	-53.3			–	–	–	
Repayment of lease liabilities	–	–	-283.2	-76.0	–	–	–	8.9
Exchange rate difference	0.9	344.5	-1.8		–	–	–	
Depreciation and accrued up front fee	50.2	-40.5			–	–	–	
Reclassification to short-term / long-term	–	803.7	32.2		–	-803.7	-32.2	
DEBT OUTSTANDING	**4,617.6**	**4,441.2**	**378.2**	**631.0**	**–**	**–**	**226.0**	**258.2**

For further information regarding loan positions se note 24.

Note 32. Significant events after the fiscal year

- For significant events after the fiscal year 2023 see page 58

Notes to the financial statements – Parent Company

(Amounts in SEK million unless otherwise stated)

Note 33. Information by geographical market and sales revenues

SALES REVENUES BY GEOGRAPHICAL MARKET	2023	2022
Sweden	1,621.9	3,028.1
Rest of Nordics	3,418.6	3,414.9
Rest of Europe	5,940.4	7,033.0
Americas	156.8	553.0
Asia	879.0	1,207.9
Other	271.4	392.1
TOTAL	**12,288.2**	**15,628.9**

TOTAL ASSETS BY GEOGRAPHICAL MARKETS	2023	2022
Sweden	8,461.5	7,648.9
TOTAL	**8,461.5**	**7,648.9**

PURCHASES AND SALES GROUP COMPANIES	2023	2022
Purchases, %	0	1
Sales, %	18	19

Note 34. Costs itemised by nature of expense

	2023	2022
Raw materials	8,778.3	11,120.0
Transport and distribution costs	1,484.5	1,711.8
Manufacturing expenses	616.4	1,692.0
Costs for employee benefits (note 36)	498.4	535.8
Depreciation, amortisation, impairment (notes 37, 43, 44)	-221.0	163.0
Other income and value changes	41.3	0.0
Other expenses	471.6	740.4
TOTAL	**11,615.5**	**15,963.0**

NOTES

Note 35. Other operating income and expenses

	2023	**2022**
OTHER OPERATING INCOME		
Exchange gains on operating receivables/liabilities	301.8	600.3
Other service revenue	35.1	32.9
TOTAL	**336.8**	**633.2**
OTHER OPERATING EXPENSES		
Exchange losses on operating receivables/liabilities	-419.3	-514.0
TOTAL	**-419.3**	**-514.0**

Note 36. Employees, personnel expenses and remuneration of senior executives

The average number of employees, with wages, salaries, other remuneration, social security contributions and pension costs, is shown in the tables below.

	2023			**2022**		
AVERAGE NUMBER OF EMPLOYEES	**Men**	**Women**	**Total**	**Men**	**Women**	**Total**
PARENT						
Sweden	303	119	422	312	124	436
TOTAL PARENT	**303**	**119**	**422**	**312**	**124**	**436**

WAGES, SALARIES AND SOCIAL SECURITY CONTRIBUTIONS	**Senior Executives* (7 individuals)**	**Other Employees**	**Total**	**Senior Executives (7 individuals)**	**Other Employees**	**Total**
PARENT						
Sweden						
Salaries and other benefits	12.7	286.6	299.3	18.1	297.2	315.3
(of which bonuses)	0.3	13.1	13.4	2.4	17.5	19.9
Social security contributions	3.5	181.0	184.5	12.5	198.9	211.4
(of which pension costs)	2.8	66.8	69.6	6.8	89.2	96.0
Other compensations	14.6	–	14.6	9.1	–	9.1
TOTAL PARENT	**30.8**	**467.6**	**498.4**	**39.7**	**496.1**	**535.8**

GENDER DISTRIBUTION IN MANAGEMENT PARENT	**2023**	**2022**
Female representation, %		
Board, female rep., %	33.3	12.5
Executive Board, female rep., %	28.6	–

* See note 5 as regards to remuneration to senior executives and CEO.

Note 37. Depreciation and amortisation of tangible and intangible assets

	Intangible		Tangible	
DEPRECIATION AND AMORTISATION BY FUNCTION	**2023**	**2022**	**2023**	**2022**
Cost of sales	2.2	2.9	143.5	137.7
Distribution costs	–	–	5.2	5.5
Administrative expenses	16.8	14.7	1.7	2.1
TOTAL	**19.0**	**17.6**	**150.4**	**145.3**

	Intangible		Tangible	
IMPAIRMENT GAINS - / LOSSES + BY FUNCTION	**2023**	**2022**	**2023**	**2022**
Cost of sales	0.9	–	-389.6	–
Distribution costs	–	–	-2.7	–
Administrative expenses	–	–	1.0	–
TOTAL	0.9	–	**-391.3**	–

DEPRECIATION AND AMORTISATION BY TYPE OF ASSET	**2023**	**2022**
Computer software	19.0	17.6
Buildings	7.6	4.8
Land improvements	1.6	1.7
Plant and machinery	134.0	131.1
Equipment	7.2	7.7
TOTAL	**169.4**	**162.9**

IMPAIRMENT GAINS - / LOSSES + BY TYPE OF ASSET	**2023**	**2022**
Computer software	0.9	–
Buildings	-1.2	–
Land improvements	-17.1	–
Plant and machinery	-415.9	–
Equipment	-2.0	–
Construction in Progress	44.9	–
TOTAL	**-390.4**	–
Difference between recognised depreciation and regular depreciation:	–	–
TOTAL RECOGNISED DEPRECIATION, AMORTISATION AND IMPAIRMENT	**-221.0**	**162.9**

For further information regarding impairment see note 44.

Note 38. Auditors' fees and other remuneration

AUDIT FEES	**2023**	**2022**
KPMG		
Annual audit	4.0	3.6
Other audit services	–	–
Tax advisory service	–	0.0
Other services	0.1	–
TOTAL	**4.1**	**3.7**

Note 39. IFRS 16 lease contracts

LEASE LIABILITY MATURITY STRUCTURE	2023	2022
2023	–	237.8
2024	193.9	202.6
2025	140.0	171.3
2026	42.5	54.8
2027	42.3	54.9
2028	41.4	170.0
2029 and later	66.3	–
	526.4	**891.4**

LEASE PAYMENTS	2023	2022
Payments of leases entered as liabilities	220.1	251.5
Variable lease payments not included in lease liability	90.9	91.6
TOTAL LEASE PAYMENTS	**311.0**	**343.1**

The reported future payments and lease payments current year are the parent companies part of total lease payments in Nynas Group, see note 8.

At end of 2023 Nynas AB had four bitumen carrier on time charter. During 2023 Nynas AB has not entered into any new lease contract of any magnitude. One major tank rentals contract was extended and a new rental agreement for Nynas new head office was entered into during 2023. During 2023, the Neste tank rental agreement was transferred to Nynas subisidary company in Finland, Nynas OY.

Note 40. Net financial items

	2023	2022
Interest income, bank deposits [1]	71.7	8.3
Interest income, derivative instruments (actual interest rates and changes in value)	0.0	0.2
Sales and liquidation of shares in subsidaries	–	–
Dividends from Group companies	49.6	318.2
TOTAL FINANCE INCOME	**121.3**	**326.7**
Of which total interest income attributable to items carried at amortised cost	71.7	8.3
Interest expense, loans and bank overdrafts [2]	-354.7	-313.4
Interest expense, derivative instruments (actual interest rates and changes in value)	-0.5	-3.7
Interest expense, interest bearing accounts payable	–	–
Interest expense, PRI pension obligations	-7.7	-6.8
Net exchange differences	-37.6	-284.9
Impairment of shares in subsidiaries	–	-1,593.4
Other finance costs	-130.9	-124.0
TOTAL FINANCE COSTS	**-531.4**	**-2,326.1**
Of which total interest expense attributable to items carried at amortised cost	-362.4	-320.2
TOTAL NET FINANCIAL ITEMS	**-410.1**	**-1,999.4**

1) Parent's interest income from Group companies is 55.6 (8.0).
2) Parent's interest expense to Group companies is -8.6 (-21.4).

Note 41. Appropriations

APPROPRIATIONS	**2023**	**2022**
Difference between recognised depreciation and regular depreciation	0.1	1.9
Group Contribution	0.3	-54.6
TOTAL	**0.4**	**-52.8**
UNTAXED RESERVES		
Accumulated accelerated depreciation	–	–
TOTAL	–	–

Note 42. Taxes

	2023	**2022**
Current tax, prior years	-2.7	-5.8
Deferred tax	611.1	–
TOTAL	**608.4**	**-5.8**

Tax on the Parent Company's profit before tax differs from the theoretical figure that would have resulted from a weighted average rate for the results in the consolidated companies as follows:

	2023	**2022**
Result before tax	-379.5	-2,267.1
Tax according to Parent Company's applicable tax rate	78.2	467.0
Tax effect of:		
Dividends from subsidiaries	10.2	65.4
Change in valuation of deferred tax assets	700.6	–
Other non-deductible expenses	-78.2	-89.3
Other non-taxable income	-98.2	-328.2
Adjustment of current tax in respect of prior years	–	–
Increase and change in loss carry-forwards without corresponding capitalisation of deferred tax	88.5	-114.9
Revaluation of fixed assets	-89.5	–
Other	-3.2	-5.9
Recognised tax expense	**608.4**	**-5.8**
Standard rate of income tax, %	20.6	20.6
Effective tax rate, %	160.3	-0.3

	Assets		**Liabilities**		**Net**	
DEFERRED TAX ASSETS AND LIABILITIES	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Other operating receivables/liabilities	–	–	89.5	–	-89.5	–
Tax loss carryforwards	700.6	–	–	–	700.6	–
TOTAL	**700.6**	–	**89.5**	–	**611.1**	–

CHANGE IN DEFERRED TAX ON TEMPORARY DIFFERENCES DURING YEAR 2023	**Opening Balance**	**Recognised in income statement**	**Recognised directly in equity**	**Exchange differences**	**Closing Balance**
Other operating receivables/liabilities	0.0	-89.5	–	–	-89.5
Tax loss carryforwards	–	700.6	–	–	700.6
TOTAL	**0.0**	**611.1**	–	–	**611.1**

Cont. Note 42

On the closing date Nynas AB had unutilized loss carryforwards of just less than MSEK 3,832 (3,925). Based on these loss carryforwards, Nynas AB recognized a deferred tax asset of MSEK 701(0). Deferred tax assets are recognized to the extent that there are factors indicating that taxable profits will be created. The assessment of future profit performance is based on earnings reported in recent years as well as improved profitability prospects. In year 2022 for loss carryforwards with a corresponding tax value amounting to MSEK 808, no deferred tax asset was recognized due to uncertainty as regards future profit earnings. There are no expiration dates for the loss carryforwards.

Note 43. Intangible assets

2023	**Goodwill**	**Computer software**	**Other intang. assets/trademarks**	**Total intangible assets**
Opening cost	14.2	550.0	1.5	565.7
Acquisitions	–	5.4	–	5.4
Disposals	–	-0.9	–	-0.9
Reclassifications	–	1.6	–	1.6
CLOSING COST	**14.2**	**556.2**	**1.5**	**571.9**
Opening regular depreciation	-10.9	-457.3	-1.5	-469.7
Amortisation for the year	–	-19.0	–	-19.0
CLOSING REGULAR DEPRECIATION	**-10.9**	**-476.3**	**-1.5**	**-488.7**
Opening impairment	-3.3	-29.5	–	-32.8
Impairment for the year	–	–	–	0.0
CLOSING IMPAIRMENT	-3.3	-29.5	–	-32.8
CLOSING RESIDUAL VALUE	0.0	50.4	0.0	50.4

2022	**Goodwill**	**Computer software**	**Other intang. assets/trademarks**	**Total intangible assets**
Opening cost	14.2	534.6	1.5	550.3
Acquisitions	–	10.5	–	10.5
Reclassifications	–	4.9	–	4.9
CLOSING COST	**14.2**	**550.0**	**1.5**	**565.7**
Opening regular depreciation	-10.9	-439.8	-1.5	-452.2
Amortisation for the year	–	-17.6	–	-17.6
CLOSING REGULAR DEPRECIATION	**-10.9**	**-457.3**	**-1.5**	**-469.7**
Opening impairment	-3.3	-29.5	–	-32.8
Impairment for the year	–	–	–	–
CLOSING IMPAIRMENT	-3.3	-29.5	–	-32.8
CLOSING RESIDUAL VALUE	0.0	63.2	0.0	63.2

Note 44. Tangible assets

2023	Buildings	Plant and machinery	Equipment	Construction in progress	Total tangible assets
Opening cost	420.7	7,419.9	345.3	369.6	8,555.5
Acquisitions	–	–	–	557.0	557.0
Disposals	-2.3	-7.3	-29.1	-44.9	-83.6
Reclassifications	–	575.7	2.4	-579.8	-1.6
CLOSING COST	**418.4**	**7,988.3**	**318.7**	**301.8**	**9,027.2**
Opening regular depreciation	-218.2	-5,201.1	-295.3	–	-5,714.6
Disposals	1.7	5.9	27.9	–	35.6
Depreciation for the year	-9.2	-133.9	-7.2	–	-150.4
CLOSING REGULAR DEPRECIATION	**-225.7**	**-5,329.1**	**-274.6**	**–**	**-5,829.4**
CLOSING RESIDUAL VALUE	**192.7**	**2,659.1**	**44.1**	**301.8**	**3,197.8**
Opening impairment	-101.5	-1,409.3	-25.2	-80.4	-1,616.4
Impairment for the year	18.4	415.8	0.3	–	434.5
Disposals	0,5	1,4	0,1	–	2.0
CLOSING IMPAIRMENT	-82.6	-992.1	-24.8	-80.4	-1,180.0
CLOSING RESIDUAL VALUE	**110.1**	**1,667.0**	**19.3**	**221.4**	**2,017.8**
Of which carrying amount, Sweden	110.1				

2022	Buildings	Plant and machinery	Equipment	Construction in progress	Total tangible assets
Opening cost	390.1	7,405.3	343.1	243.2	8,381.7
Acquisitions	–	–	–	178.7	178.7
Disposals	–	–	–	–	–
Reclassifications	30.6	14.6	2.2	-52.3	-4.9
CLOSING COST	**420.7**	**7,419.9**	**345.3**	**369.6**	**8,555.5**
Opening regular depreciation	-211.6	-5,070.0	-287.6	–	-5,569.2
Disposals	–	–	–	–	–
Depreciation for the year	-6.6	-131.1	-7.7	–	-145.4
CLOSING REGULAR DEPRECIATION	**-218.2**	**-5,201.1**	**-295.3**	**–**	**-5,714.6**
CLOSING RESIDUAL VALUE	**202.5**	**2,218.8**	**50.0**	**369.6**	**2,840.9**
Opening impairment	-101.5	-1,409.3	-25.2	-80.4	-1,616.4
Impairment for the year	–	–	–	–	–
CLOSING IMPAIRMENT	-101.5	-1,409.3	-25.2	-80.4	-1,616.4
CLOSING RESIDUAL VALUE	**101.0**	**809.5**	**24.8**	**289.2**	**1,224.5**
Of which carrying amount, Sweden	101.0				

Impairment testing of tangible assets

The Group performed its annual impairment test per December 2023 and 2022. The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. As at 31 December 2023, the market capitalisation of the Core business was above the book value and impairment booking of assets was in end 2023. For more information please see note 13 in Group statement.

The cash-generating units in the Group consist of Core Nynas and Harburg refinery operation.

Cont. Note 44

Nynas AB

The recoverable amount of Nynas AB was SEK 5,955 million (4,057) as at 31 December 2023 compared with the carrying amount of SEK 3,136 million (3,743). The recoverable amount has been determined based on a value in use calculation using cash flow projections based on financials budgets and a two year medium-term business plan. It was concluded in December 2023, that the fair value less costs of disposal exceed the value in use, and thereby no impairment is needed in December 2023.

The discount rate has been estimated based on a weighted average capital cost of 9,52% (9,25%) applied to the cash flow projections and cash flows beyond 2027 are extrapolated using a 2.0% growth rate (2.0%).

As stated in note 13 in Group Statement, the strategy decided by management in 2022 have already in 2023 shown positive result. Also 2024 and comming years the positive trends are continuing and based in this and the impairment testing Nynas AB reversed an impairment made in 2019. Impairment made in 2019 was SEK 694 million and reversal made in 2023 amounts to SEK 434 million, that represent the carrying value as if the assets would have been depreciated according to plan.

Key assumptions used in calculations and sensitivity to changes in assumptions and environment

The projected cash flows are based on assumptions regarding sales volume, unit revenue, operating margins and discount rates, which have been established by the management based on historical experience and market data specific on oil price level assumptions and demand trend looking forward. The policies applied in the above assessment are unchanged from the assessment in fiscal year 2021. The discount rate has been estimated based on a weighted average capital cost of 9.52% (9.25%) after tax. The same assumptions have been used in the different CGU's.

Note 45. Shares in group companies

	2023	2022
Opening cost	1,282.2	2,876.6
Investment of shares in subsidiary	0.0	0.0
Liquidation	-0.3	-1.1
Impairment of shares in subsidary	-476.6	-1,593.4
CLOSING COST	**805.4**	**1,282.2**

Impairment testing of shares in subsidiaries

Shares in Nynas Germany AB owner of the participation interest of Nynas KG running the refinery in Harburg have been impaired with SEK 477 million based on a fair value calculation using the value of the land of 1,514 million (1,231), the fair value is based on firm offers deducting the environmental and demolition costs.

List of Group Companies, see note 14.

Note 46. Inventories

	2023	2022
Raw materials	42.3	239.7
Semi-finished products	–	54.3
Finished products	1,028.5	1,305.4
TOTAL	**1,070.8**	**1,599.4**

Amounts relating to impairment losses on inventories are reported under costs of goods sold and are SEK 190.2 (106.4) million.

Inventories are stated at the lower of cost and net realisable value, with due consideration of obsolenscence.

Impairment amount of SEK 190.2 (106.4) million refers to bitumen stock at our depots and refineries, 126.2 and total remaining inventories at Harburg refinery, 65.0.

Note 47. Accounts receivable

	2023			2022		
	Gross	**Loss allowance**	**Net carrying amount**	**Gross**	**Loss allowance**	**Net carrying amount**
Current receivables	544.5	-0.6	543.9	794.0	-0.4	793.6
Past due 1–30 days	95.3	-0.1	95.2	143.8	-2.4	141.4
Past due 31–90 days	23.7	-0.3	23.4	28.8	-5.1	23.7
Past due 91–180 days	2.5	-0.9	1.5	7.0	-1.2	5.8
Past due 181–365 days	0.0	0.0	0.0	1.0	-2.1	-1.1
Past due over 365 days	103.8	-104.4	-0.6	108.0	-106.4	1.6
Bankruptcy	–	–	–	–	–	–
TOTAL ACCOUNTS RECEIVABLES	**769.8**	**-106.4**	**663.5**	**1,082.6**	**-117.7**	**964.9**

Performance obligation

Revenue is recognized when control passes to the customer. A customer obtains control when they have the ability to direct the use of the asset (goods / products) and to obtain substantially all of the benefits embodied in the same. In most cases this will be the same point in time as when risks and rewards passes and therefore there will be no change in the timing of revenue recognition.

Factoring

The Group have applied factoring for a limited part of the invoicing. At year-end 2023, the part used as Factoring is approximately 13 percent and has been accounted for as off balance sheet.

Loss allowance

Nynas has moved from an incurred loss model to an expected loss model with an earlier recognition of impairment. Nynas applies the simplified approach for trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The average credit period on sales of goods is 29.6 days. No interest is charged on outstanding trade receivables. Nynas always measure the loss allowance for trade receivables at an amount equal to lifetime ECL. The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over 365 days past due, whichever occurs earlier.

Accounts receivable not covered by insurance amounts to 24% during end of 2023 (28%). Since approx. 76% of all sales in the group during the year is covered by the credit insurance Nynas AB will only determine an expected credit loss model on sales that is uninsured.

Note 48. Prepayments and accrued income

	2023	**2022**
Charter hire	20.7	22.0
Financial Expenses	12.8	12.8
Software licences	6.2	10.0
Insurances	6.0	4.2
Rent	2.5	4.7
Consultancy costs	1.0	4.9
Other prepayments	5.4	6.3
TOTAL	**54.5**	**65.0**

Note 49. Cash and cash equivalents

	2023	2022
Cash and bank balances	1,648.3	902.8
Restricted cash	1.8	0.9
CASH AND CASH EQUIVALENTS RECOGNISED	**1,650.1**	**903.8**

The Parent Company's cash & cash equivalents comprise its deposits in the Group's common bank accounts and its own bank accounts.

Note 50. Equity

DISTRIBUTION OF SHARE CAPITAL	2023	2022
CHANGE IN TOTAL NUMBER OF SHARES		
Opening number	67,532	67.532
Change during the year	–	–
CLOSING NUMBER	**67,532**	**67.532**

	2023		2022	
CLASS OF SHARE	**Number of shares**	**%**	**Number of shares**	**%**
Class A	33,765	50	33,765	50
Class B	10 129	15	10,129	15
Class C	23,638	35	23,638	35
TOTAL	**67,532**	**100**	**67,532**	**100**

Restricted reserves

Restricted reserves may not be reduced by distribution of dividends.

Unrestricted equity

Retained earnings comprises the previous year's unrestricted equity after transfers to the statutory reserve, dividend payments and conversion of shareholder loan. Retained earnings, net profit for the year and the fair value reserve (if applicable) constitute total unrestricted equity, in other words the amount available for distribution to shareholders.

For more information see pages 59–63, Corporate Governance.

Proposed distribution of profit

The Board proposes that the available profits of SEK 1,274,808,788 in the Parent Company be distributed as follows:

Total dividend	0
Carried, forward	1 274 808 788
SEK	1 274 808 788

Note 51. Provisions for pensions

The Parent Company's employees, former employees and their survivors may be covered by defined contribution and defined benefit plans relating to post-employment benefits. The defined benefit plans cover retirement pension, survivor's pension and healthcare.

The obligation reported in the balance sheet is derived from the defined benefit plans. The plans are covered by a re-insured provision in the balance sheet and by pension benefit plans and funds. The calculations are based on the projected unit credit method using the assumptions shown in the table below.

The main differences from IAS 19 relate to determination of the discount rate and the fact that the defined benefit obligation is based on the present salary level, without taking into account future salary increases, and that all actuarial gains and losses are recongnised immediately in profit or loss.Defined benefit pension plans are calculated by an independent external actuary.

In the case of a multi-employer defined benefit plan, sufficient information cannot be obtained to calculate the Parent Company's share in this plan, and the plan has been reported as a defined contribution plan. In the Parent Company's case, this relates to the ITP pension plan which is administered via Collectum. However, the majority of the Swedish plan for salaried employees (ITP) is funded by pension provisions, which are covered by credit insurance with Försäkringsbolaget Pensionsgaranti (FPG) and managed by a Swedish multi-employer institution, Pensionsregisteringsinstitutet (PRI).

The Parent Company's forecast payment of pensions in relation to defined benefit plans, both funded and unfunded, amounts to SEK 11.2 (10.4) million for 2024. The Parent Company's provisions for pensions mainly consist of ITP, and are covered via Försäkringsbolaget Pensionsgaranti (FPG) or other insurance institutions. Payments have also been made to endowment insurance policies. The value of these insurance policies at the end of the year was SEK 86.6 (79.0) million, which corresponds to the value of the obligations.

RECONCILIATION OF REVISED PENSION LIABILITY	**2023**	**2022**
Present value of obligations relating to unfunded pension plans	268.4	246.0
NET LIABILITY RECOGNISED	**268.4**	**246.0**

The amount allocated to the pension provision is calculated in accordance with the Swedish Pension Obligations Vesting Act. This method differs from the IFRS project unit credit method, mainly in that it does not take into account expected salary or pension increases; instead, the calculation is based on the salary or pension level on the reporting date. The discount rate according to PRI is 3.0% (3.0%).

CHANGE IN NET DEBT	**2023**	**2022**
Net debt at beginning of year	246.0	208.4
Cost recognised in income statement	32.8	46.1
Pension payments	-10.4	-8.5
NET DEBT AT END OF YEAR	**268.4**	**246.0**

Payments relating to defined benefit plans are expected to amount to SEK 11.2 million in 2024.

Cont. Note 51

PENSION EXPENSE FOR THE PERIOD	2023	2022
Book reserve pensions	14.7	30.9
Interest expense (calc. discount effect)	7.7	6.8
COST OF BOOK RESERVE PENSIONS	**22.4**	**37.7**
Pensions through insurance:		
Insurance premiums	84.0	109.6
RECOGNISED NET COST ARISING FROM PENSIONS EXCL. TAX	106.4	147.3
Payroll tax on pension costs	18.8	25.8
PENSION EXPENSE FOR THE YEAR	**125.2**	**173.1**

Interest income is reported under net financial items, while other costs are reported under operating expenses.

Note 52. Other provisions

	Provision for environmental obligation	Provision for restructuring	Provision for other obligations	Total
Balance at 31 December 2022	225.0	14.0	–	239.0
Provisions during the year	5.7	7.7	14.7	28.1
Provisions used during the year	-17.9	-11.2	–	-29.1
BALANCE AT 31 DECEMBER 2023	**212.8**	**10.5**	**14.7**	**237.9**
of which current	6.0	10.5	–	16.5
of which non-current	206.8	–	14.7	221.5

Environmental related provisions

The provision in Nynäshamn consists of two parts – E2 (SEK 24 million) and J3/J4 (SEK 396 million). See note 23 for description.

All costs associated with the remediation project have been calculated using the present value method.

Note 53. Liabilities to credit institutions

The company entered in January 2021 a Multi option facilties agreement with SEB, Stockholm of nominal value of SEK 95 million, beginning of March 2021 the company entered into a Super Senior Bridge facility with Adare Finance DAC, UK of the nominal value of EUR 75 million. In March 2021 Nynas AB together with Nynas UK AB and Nynas Singapore Pty entered into a Asset Based Lending facility with Breal Zeta CF I Limited, UK of the nominal value of GBP 100 million. In 2023 the nominal value have been reduced to the nominal value of GBP 75 million as Nynas never utlized an amount above that. In 2023 the Nynas AB subsidiare in Finland, Nynas OY, also become a party in this asset based agreement with Breal Zeta CF I Limited.

In April 2022 Nynas completed the refinancing of its existing lending facilities, the facility agreements was extended by approximately 3 years, the lenders also provided an additional EUR 40 million of financing. At the same time, Macquarie Bank provided a new inventory financing facility, providing a significant working capital benefit to Nynas core operations (off balance sheet agreement).

NOTES

Cont. Note 53

LONG-TERM LIABILITIES	2023	2022
Credit facility	4,550.3	4,388.6
TOTAL	**4,550.3**	**4,388.6**
CURRENT LIABILITIES		
Credit facility	–	–
TOTAL	**–**	**–**
GRAND TOTAL	**4,550.3**	**4,388.6**

2023 LONG-TEM LIABILITIES Year issued/maturity	Description of loan	Interest, %	Currency	Nominal amount (local currency)	Recognised amounts in SEK million
2020/2026	Credit facility	5.50	EUR	164.3	1,823.1
2020/2026	Credit facility	8.89	EUR	61.6	683.6
2020/2026	Credit facility	5.50	EUR	94.5	1,049.1
2021/2025	Credit facility	8.00	EUR	50.0	554.8
2021/2025	Credit facility	8.00	EUR	25.0	277.4
2022/2024	Credit facility	11.91	EUR	40.0	–
2021/2025	Asset Based facility	9.53	GBP	75.0	245.1
2020/2025	Up front fees				-82.7
TOTAL					**4,550.3**

2022 LONG-TEM LIABILITIES Year issued/maturity	Description of loan	Interest, %	Currency	Nominal amount (local currency)	Recognised amounts in SEK million
2020/2026	Credit facility	5.50	EUR	155.6	1,730.8
2020/2026	Credit facility	5.50	EUR	58.4	649.0
2020/2026	Credit facility	5.50	EUR	89.6	996.0
2021/2025	Credit facility	8.00	EUR	50.0	556.1
2021/2025	Credit facility	8.00	EUR	25.0	278.0
2022/2024	Credit facility	9.06	EUR	25.0	278.0
2021/2025	Asset Based facility	11.00	GBP	100.0	33.5
2020/2025	Up front fees				-132.9
TOTAL					**4,388.6**

Note 54. Accrued liabilities and deferred income

	2023	2022
Accrued interest	216.3	186.4
Accrued salaries/holiday pay	99.2	92.4
Accrued environmental costs	67.4	59.0
Purchases of raw materials, semi-finished and finished goods	49.1	–
Shipping costs	45.1	47.5
Consulting	21.1	16.9
Other selling costs	12.4	15.1
Customer provision	4.8	8.4
Administration	2.5	4.0
Accrued energy costs	1.0	8.5
Accrued insurance	0.6	0.9
Other accrued libilities and deferred income	70.8	39.6
TOTAL	**590.2**	**478.6**

Note 55. Financial assets and liabilities

See note 26 for a description of the measurement and calculation of fair value.

2023	Derivatives used in hedge accounting	Derivatives held at fair value through income statement	Financial assets valued to amortised cost	Financial liabilities valued to amortised cost	Total carrying amount	Non-financial assets and liabilities	Total balance sheet
Accounts receivable	–	–	663.5	–	663.5	–	663.5
Receivables from Group companies	–	–	450.8	–	450.8	–	450.8
Long-term derivatives	–	–	–	–	–	–	–
Short-term derivatives	0.8	–	–	–	0.8	–	0.8
Other current receivables	–	–	748.2	–	748.2	235.8	984.0
Prepaid expenses and accrued income	–	–	–	–	–	54.5	54.5
Cash and cash equivalents	–	–	1,650.1	–	1,650.1	–	1,650.1
FINANCIAL ASSETS	**0.8**	**–**	**3,512.6**	**–**	**3,513.4**	**290.4**	**3,803.7**
Long-term liabilities to credit institutions	–	–	–	4,550.3	4,550.3	–	4,550.3
Short-term liabilities to credit institutions	–	–	–	–	–	–	–
Long-term liabilities to Group companies	–	–	–	0.2	0.2	–	0.2
Current i-b liabilities to Group companies	–	–	–	72.3	72.3	–	72.3
Current non-i-b liabilities to Group companies	–	–	–	165.1	165.1	–	165.1
Accounts payable	–	–	–	367.2	367.2	–	367.2
Short-term derivatives	47.7	–	–	–	47.7	–	47.7
Other current liabilities	–	–	–	–	–	688.9	688.9
Accrued liabilities and deferred income	–	–	–	–	–	590.1	590.1
FINANCIAL LIABILITIES	**47.7**	**–**	**–**	**5,155.2**	**5,202.9**	**1,279.0**	**6,481.9**

Cont. Note 55

2022	Derivatives used in hedge accounting	Derivatives held at fair value through income statement	Financial assets valued to amortised cost	Financial liabilities valued to amortised cost	Total carrying amount	Non-financial assets and liabilities	Total balance sheet
Accounts receivable	–	–	964.9	–	964.9	–	964.9
Receivables from Group companies	–	–	556.6	–	556.6	–	556.6
Other current receivables	–	–	748.2	–	748.2	264.2	1,012.4
Prepaid expenses and accrued income	–	–	–	–	–	65.0	65.0
Cash and cash equivalents	–	–	903.8	–	903.8	–	903.8
FINANCIAL ASSETS	**–**	**–**	**3,173.5**	**–**	**3,173.5**	**329.2**	**3,502.7**
Long-term liabilities to credit institutions	–	–	–	4,388.6	4,388.6	–	4,388.6
Long-term liabilities to Group companies	–	–	–	0.2	0.2	–	0.2
Current i-b liabilities to Group companies	–	–	–	367.9	367.9	–	367.9
Current non-i-b liabilities to Group companies	–	–	–	78.1	78.1	–	78.1
Accounts payable	–	–	–	245.8	245.8	–	245.8
Other current liabilities	–	–	–	–	–	440.4	440.4
Accrued liabilities and deferred income	–	–	–	–	–	478.6	478.6
FINANCIAL LIABILITIES	**–**	**–**	**–**	**5,080.6**	**5,080.6**	**919.0**	**5,999.6**

Note 56. Pledged assets and contingencies

FLOATING CHARGES	2023	2022
Business mortage and securites	3,735.0	3,365.1
Property mortage	2,106.8	2,106.8
Share pledge	926.0	1,586.1
Security for liabilities to credit institutions	37.5	48.7
TOTAL	**6,805.3**	**7,106.7**
Securities for Group companies	21.7	26.4
Guarantees	42.8	45.0
Other guarantees and contingent liabilities	5.4	4.9
TOTAL	**69.9**	**76.3**

For further information on pledge assets and contingencies please see note 29.

A future closure of operations within the Group may involve a requirement for decontamination and restoration works. However, this is considered to be well into the future and the future expenses cannot be calculated reliably.

Disputes, for information on ongoing disputes, see note 29.

Note 57. Related party disclosures

Information on remuneration of the Board and key management personnel can be found in note 5.

Petroleos de Venezuela S.A. (PdVSA) from May 6, 2020 indirectly holds approximately 14,999 per cent of the shares in Nynas AB. Nynas haven't had any business relation with PDVSA in the last three years and hence no figures to be reported in this section of the annual report.

Note 58. Supplementary information to the cash flow statement

	2023	2022
Depreciation and impairment of assets	-221.0	162.9
Impairment on Investments in Group companies	476.6	1,593.4
Impairment on inventory	83.8	106.4
PIK Interest	219.7	179.0
Capitilized Financing costs	50.2	-40.6
Unrealised exchange differences and oil forward contracts	1.0	342.3
Provisions for pensions	22.4	37.7
Other provisions	28.1	80.8
TOTAL	**660.8**	**2,461.9**

	Interest bearing liabilities, non-current		Group companys' liabilities, non-current		Interest bearing liabilities, current		Group companys' liabilities, current	
LIABILITIES IN FINANCING ACTIVITIES	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Opening balance	4,388.6	3,071.7	0.2	0.2	–	761.3	367.9	314.8
Proceeds from borrowings	400.4	307.2	–	–	–	–	13.8	53.1
Repayment of borrowings	-289.8	-53.2	–	–	–	–	-309.4	–
Conversion of shareholder loan	–	–	–	–	–	–	–	–
Exchange rate difference	0.9	342.1	–	–	–	–	–	–
Accrued up front fee	50.2	-40.5	–	–	–	–	–	–
Reclassification to short-term/long-term	–	761.3	–	–	–	-761.3	–	–
DEBT OUTSTANDING	**4,550.3**	**4,388.6**	**0.2**	**0.2**	–	–	**72.3**	**367.9**

Assurance

The Annual Accounts have been prepared in accordance with generally accepted accounting principles in Sweden and that the Consolidated Accounts have been prepared in accordance with EU-approved International Financial Reporting Standards, IFRS.

The Annual Accounts and the Consolidated Accounts give a true and fair view of the Parent Company's and the Group's financial position and results of operations.

The Directors' Report for the Group and the Parent Company give a true and fair overview of the Group's and the Parent Company's operations, position and results and describes the material risks and uncertainties faced by the Parent Company and the companies that make up the Group.

Stockholm, April 25, 2024

Stein-Ivar Bye
Chairman of the Board

Alexis Pourchet

Christopher Pillar

Ewa Björling

Christopher Plummer

Roland Bergvik

Alireza Saberi

Heifred Segovia

Eric Gosse
President and CEO

Our Audit Report was submitted on, April 25, 2024
KPMG AB

Håkan Olsson Reising
Authorized Public Accountant

AUDITOR'S REPORT

This is a translation from the Swedish original.

Auditor's report

To the general meeting of the shareholders of Nynas AB, corp. id 556029-2509

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Nynas AB for the year 2023, except for the corporate governance statement on pages 59-63 and the sustainability report on pages 20-43. The annual accounts and consolidated accounts of the company are included on pages 44-133 in this document.

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 2023 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 2023 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. Our opinions do not cover the corporate governance statement on pages 59-63 and sustainability report on pages 20-43. 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 the statement of comprehensive income and 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 the 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.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 20-43. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities 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, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine 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's and the 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 intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

AUDITOR'S REPORT

- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Nynas AB for the year 2023 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 of the parent company and the 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.

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

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the 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.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken

AUDITOR'S REPORT

and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

The auditor's examination of the corporate governance statement
The Board of Directors is responsible for that the corporate governance statement on pages 59-63 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s standard RevR 16 The auditor´s examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

The auditor's opinion regarding the statutory sustainability report
The Board of Directors is responsible for the sustainability report on pages 20-43, and that it is prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR´s standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

Stockholm, April 25, 2024
KPMG AB

Håkan Reising
Authorized Public Accountant

Definitions and reconciliations of alternative performance measures

APMs refer to measures used by management and investors to analyse trends and performance of the Group's operations that cannot be directly read or derived from the financial statements. These measures are relevant to assist management and investors in analysing the Group's performance. Investors should not consider these APMs as substitutes, but rather as additions to the financial reporting measures prepared in accordance with IFRS. It should be noted that these APMs as defined, may not be comparable to similarly titled measures used by other companies.

Adjusted EBITDA
Adjusted EBITDA is a measure of earnings before interest, taxes, depreciation, amortisation and impairment charges. Adjusted EBITDA measures the Nynas Group's operating performance and the ability to generate cash from operations, without considering the capital structure of the Group or its fiscal environment. Adjusted EBITDA is defined as operating result before depreciation excluding non-recurring items, for further definition see page 46 in Board of Directors report.

Equity/assets ratio
Equity as a percentage of total assets at year-end.

Last twelve months (LTM)
Last twelve months rolling have been included to assist investors in their analysis of the seasonality that the Nynas Group's business is exposed to.

Net debt
Net debt is a measure to describe the Group's gearing and its ability to repay its debts from cash generated from the Group's ordinary business, if they were all due today. It is also used to analyse whether the Group is over- or underfunded and how future net interest costs will impact earnings. Net debt is defined as long-term interest-bearing liabilities and current interest-bearing liabilities reduced by cash and bank deposits.

Net Debt/equity ratio
Long-term interest-bearing liabilities and current interest-bearing liabilities reduced by cash and bank deposits divided by equity.

Non-recurring items including write down of assets
To assist in understanding Nynas Group's operations, we believe that it is useful to consider certain measures and ratios exclusive of non-recurring items that have a significant impact and are considered to be important for understanding the operating performance when comparing results between periods.

Return on average capital employed (12 months rolling)
EBIT excluding non-recurring items as per cent age of average total assets less non-interest-bearing liabilities, 12 months rolling.

Return on equity
Net income as per cent age of average equity.

Return on capital employed
Profit after net financial items plus interest expense as per cent age of total assets less non-interest-bearing liabilities.

Working Capital
This measure shows the seasonal swings that the Nynas Group is exposed to in the Bitumen business, with a peak in the high season in quarter two and three each year. Working capital is defined as inventories plus current non-interest-bearing receivables, reduced by current non-interest-bearing liabilities.

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