

STENA AB (publ.)

Restricted Group Data as of December 31, 2019



Please note that this report only consists of Restricted Group Data. All other customary information can be found in the Stena AB Group Annual Report.



Stena AB and Consolidated Subsidiaries

Significant Events of 2019 – Restricted Group

Ferry Operations

Stena Line has acquired the stevedoring operation in Rostock from the previous stevedoring operator Sartori & Berger as from 1 January 2019.

In January 2019, Stena Line closed the route from Poland to Sweden between Gdynia and Nynashamn, a route which was opened in October 2017.

In January 2019, Stena Line acquired a 25% share in the Latvian transport company Baltreiss.

The newbuilt vessel *Stena Estrid*, the first of five new next generation vessels that are being constructed at the CMI Jinling Weihai Shipyard in China, was delivered in mid November 2019.

In December 2019, Stena Line entered into an agreement to lengthen the vessels *Stena Lagan* and *Stena Mersey* by each 36 meters.

Stena Europe, operating on the Fishguard-Rosslare route, has undergone a life extension program during 2019, enabling the vessel to operate for another 10 years.

Offshore Drilling

During 2019, Stena Drilling secured the following contracts for its fleet of drilling units.

Stena Don secured a contract with Nautical Petroleum Limited for a one well campaign in the UK North Sea which was completed in October 2019. It also secured a contract with EnQuest Heather Limited for a two well campaign in the UK North Sea commencing in February 2020.

Stena Spey secured a contract with Ping Petroleum UK Limited for a one well campaign in the UK North Sea which was completed in August 2019, and a contract with Dana Petroleum for a two well campaign in the UK North Sea with options commencing in June 2020.

A contract was secured with an undisclosed operator for *Stena DrillMAX* for a two well campaign commencing in June 2020.

Stena Carron secured an extension of its contract with Esso Exploration and Production Guyana Limited for work in Guyana through to July 2020, with an option to extend to January 2021. This option was subsequently exercised in January 2020.

Stena Forth secured a contract with Springfield Exploration and Production Limited for a one well campaign in Ghana which was completed in November 2019.

A contract with CNOOC Petroleum North America ULC was secured by *Stena IceMAX* for a one well campaign offshore Canada where commencement now is under discussions.

The contract that had been secured with an undisclosed operator by *Stena Spey* in 2018 for a 12 well campaign in the UK North Sea commencing in Q3 2019 was terminated by Stena Drilling prior to commencement.

Shipping – Stena Bulk

In July 2019, *Stena Impero*, an IMOIIIMAX vessel in the Stena Bulk fleet, was captured by the Islamic Revolutionary Guards Corps in the Hormuz Strait within Oman's territorial waters. The vessel was being held and was anchored in Bandar Abbas in Iran. Stena Bulk and Northern Marine worked closely with the authorities to secure the release of the *Stena Impero* and its 23 crew members, which happened on September 27, 2019. There is no evidence the ship breached any maritime rules or regulations. The vessel is now trading normally.

In October 2019, Proman Shipping AG and Stena Bulk announced a 50/50 joint venture partnership, in which the joint venture will operate two long term time chartered ships under the name Proman Stena Bulk Limited.



Stena AB and Consolidated Subsidiaries

In November 2019, Proman Stena Bulk Limited finalized an agreement with Guangzhou Shipyard International (“GSI”) in China to build two state of the art IMOIIeMAX methanol-ready vessels. The first vessel is due for delivery at the beginning of 2022.

A contract was signed regarding the LNG vessel *Stena Crystal Sky* from May 2020 for one year with an undisclosed operator.

A three year contract with an undisclosed operator was signed regarding the LNG vessel *Stena Clear Sky* commencing in September 2019.

Shipping – Stena RoRo

In March 2019, another RoPax vessel was ordered from the Chinese CMI Jinling Weihai Shipyard, which will be chartered out to an external customer on a ten-year bare boat charter.

In July 2019 Stena Rederi AB acquired Stena Sessan A/S, a subsidiary within the Stena Sessan Group.

The vessel *Kaiarahi* was sold and delivered in November 2019.

Other Shipping

In February 2019 Hyundai-Glovis and Stena agreed to enter into a cooperation in Europe through a newly established joint venture company. The purpose of this company, with an equal ownership of 50%, is to develop new products and services for the European market. The name of the new company is Stena Glovis with head office located in Hamburg. The joint venture was launched in March 2019.

In March 2019 Stena signed an agreement to acquire 67% in the NMT Group. NMT is a Dutch company specialised in worldwide shipment of cars, trucks and all other rolling cargo. The purchase of the NMT Group was completed in May 2019.

Subsequent Events – Restricted Group

In January 2020 two bonds were issued, one MUS\$ 350 and one MEUR 315. The purpose with the transactions was to extend the debt maturity profile and to amortise the outstanding term loan B, amounting to MUS\$ 613.

On January 31, 2020 Stena Line closed the route operating Varberg-Grenaa and the day after a new route operating Halmstad-Grenaa was opened.

In February 2020 Stena Rederi AB acquired additional 50% of the shares in the logistics and transport company NTEX AB. The ownership in NTEX AB is thereby 75% and the company is consolidated as a subsidiary as from the date of the acquisition.

Stena Edda, has arrived in Europe and entered into traffic on the route Belfast-Liverpool in March 2020.

Stena Superfast X has been transferred from Stena Line to an external charter with Stena RoRo during beginning of March 2020.

The RoRo vessels *Hatche* and *Qezban* from Turkey have been contracted. *Hatche* was delivered according to plan in January 2020 and now operates on Europoort-Killingholme. *Qezban* is planned to start traffic in March 2020 on the same route.

The consequences of outbreak of Covid-19 on the Stena AB Group is at this stage still evolving. Stena has taken steps to ensure the health and safety of its employees and in parallel focusing on minimizing any negative impact on the business. The impact is related to the general situation and decisions made by local authorities affecting the demand for services and products provided by the Stena AB Group.



Stena AB and Consolidated Subsidiaries

The Covid-19 outbreak is affecting Stena's Business Areas in different ways and there will be a negative financial impact on the Stena AB Group as from mid-March. Given the uncertain situation, it is not currently possible to predict the full potential impact on the Stena AB Group.

During March 2020 Stena Line closed the route operating Oslo-Fredrikshavn permanently and suspended the operation of the route between Trelleborg-Sassnitz until further notice.

During April 2020 Stena AB has obtained a guarantee limit of SEK 8 billion from Exportkreditnämnden (EKN) and, thereafter, reached an agreement in principle with a bank consortium regarding an unsecured credit facility amounting to SEK 10.7 billion. The final loan agreement is expected to be signed in May 2020.

Currency Effects

Our revenues and expenses, reported in Swedish kronor, are significantly affected by fluctuations in currency exchange rates, primarily relative to the U.S. dollar, the British pound and the Euro. We seek to mitigate the impact of potential adverse foreign currency exchange fluctuations by matching, to a possible extent, revenues and expenses in the same currency. In addition, we enter into certain derivative financial instruments.

<i>Average rates:</i>	January – December 2017	January – December 2018	Change	January – December 2019	Change
US \$	8.5380	8.6921	5%	9.4604	6%
British pound.....	10.9896	11.5928	5%	12.0658	4%
Euro.....	9.6326	10.2567	6%	10.5892	3%
 <i>Closing rates:</i>	 As of 31 Dec 2017	 As of 31 Dec 2018	 Change	 As of 31 Dec 2019	 Change
US \$	8.1833	8.8533	8%	9.3650	6%
British pound.....	11.0581	11.2915	2%	12.4152	10%
Euro.....	9.8241	10.1521	3%	10.5010	3%

Other financial information – Restricted Group

For the twelve months ended 31 December 2019, Restricted Group Data represent the selected consolidated financial information excluding (i) the property business segment, (ii) the business segment of Adactum, whose activities consist primarily of investing in companies outside our traditional lines of business, and (iii) our subsidiaries Stena Investment Luxembourg S.à.r.l., Stena Royal, Stena Investment Cyprus Ltd and Mondaldi Ltd. Our real estate operations and the business of Adactum are conducted through various subsidiaries. For purposes of the indentures under which our Senior Notes were issued, real estate business and Investments, Adactum, together with our subsidiaries Stena Investment Luxembourg S.à.r.l., Stena Royal, Stena Investment Cyprus Ltd and Mondaldi Ltd, are designated as unrestricted subsidiaries and, as a result, are not bound by the restrictive provisions of the bond indentures.

In February 2019, a MEUR 102 bond was repaid at maturity. As of 31 December 2019, we had outstanding MEUR 200 principal amounts of Senior Notes due 2020. We also have outstanding MUSD 527 principal amounts of Senior Notes due 2024 and MUSD 350 principal amounts of Senior Secured Notes due 2024. Stena AB and its affiliates may from time to time repurchase or otherwise trade in its own bonds in open market transactions.

Stena International and Stena Holding Cyprus Ltd received dividends from Mondaldi Ltd amounting to MUSD 1 in total, Stena Holland BV received dividend from Stena Realty BV amounting to MEUR 50 and Stena AB received dividend from Adactum AB amounting to MSEK 1,000.



Stena AB and Consolidated Subsidiaries

Condensed Consolidated Income Statements – Restricted Group

(MSEK) (unaudited)	Twelve month period ended 31 December		
	2017	2018	2019
Revenue:			
Ferry operations.....	12,737	13,849	14,286
Offshore Drilling.....	3,507	1,244	2,440
Shipping.....	5,610	6,401	8,728
Other	<u>273</u>	<u>330</u>	<u>4</u>
Total revenue	<u>22,127</u>	<u>21,824</u>	<u>25,458</u>
Net gain on sales of non-current assets	<u>338</u>	<u>478</u>	<u>171</u>
Total other income	338	478	171
Direct operating expenses:			
Ferry operations.....	-8,856	-9,613	-9,482
Offshore Drilling.....	-1,832	-1,375	-1,755
Shipping.....	-4,436	-5,037	-6,489
Other	<u>-128</u>	<u>-36</u>	<u>354</u>
Total direct operating expenses.....	<u>-15,252</u>	<u>-16,061</u>	<u>-17,372</u>
Selling and administrative expenses	-2,613	-2,575	-3,082
Net result from investments in operating associates	66	-117	-128
Depreciation, amortisation and impairment	<u>-5,535</u>	<u>-5,889</u>	<u>-6,920</u>
Total operating expenses.....	-23,334	-24,642	-27,502
Operating profit.....	<u>-869</u>	<u>-2,340</u>	<u>-1,873</u>
Net financial income and expenses:			
Dividends received	333	603	1,564
Gains/losses on sale of securities	54	-100	392
Interest income.....	313	378	503
Interest expense.....	-1,578	-1,694	-2,449
Exchange gains/losses.....	-36	36	74
Other finance income/costs.....	<u>-297</u>	<u>-290</u>	<u>-200</u>
Financial net.....	<u>-1,211</u>	<u>-1,067</u>	<u>-116</u>
Profit after financial net	-2,080	-3,407	-1,989
Non-controlling interest.....	<u>18</u>	<u>2</u>	<u>12</u>
Group contribution.....	=	<u>33</u>	<u>3</u>
Profit before tax	<u>-2,062</u>	<u>-3,372</u>	<u>-1,974</u>
Income taxes	<u>-334</u>	<u>248</u>	<u>454</u>
Profit for the year	<u>-2,396</u>	<u>-3,124</u>	<u>-1,520</u>



Stena AB and Consolidated Subsidiaries

Condensed Consolidated Balance Sheets – Restricted Group

(MSEK) (unaudited)	31 December 2017	31 December 2018	31 December 2019
ASSETS			
<i>Non-current assets:</i>			
Intangible assets	<u>1,624</u>	<u>1,754</u>	<u>2,300</u>
Property, plant and equipment:			
Vessels	39,103	39,656	39,919
Construction in progress	1,911	2,051	3,074
Equipment	1,985	2,851	2,678
Ports	3,751	3,724	4,188
Land and buildings	<u>660</u>	<u>632</u>	<u>1,047</u>
Total property, plant and equipment	<u>47,410</u>	<u>48,914</u>	<u>50,906</u>
Investment properties	153	-	-
Financial assets:			
Marketable securities	2,334	2,628	235
Intercompany accounts, non-current	2,214	2,623	1,052
Other non-current assets	<u>15,647</u>	<u>17,292</u>	<u>15,836</u>
Total non-current assets	<u>69,382</u>	<u>73,211</u>	<u>70,329</u>
<i>Current assets:</i>			
Inventories	360	457	498
Trade receivables	1,747	1,909	2,280
Other current receivables	2,051	2,324	6,099
Prepayments and accrued income	1,176	1,287	1,726
Short-term investments	738	833	2,302
Intercompany accounts, current	2,881	2,082	4,514
Cash and cash equivalents	735	908	2,348
Total current assets	<u>9,688</u>	<u>9,800</u>	<u>19,767</u>
Total assets	<u>79,070</u>	<u>83,011</u>	<u>90,096</u>
EQUITY AND LIABILITIES			
<i>Equity:</i>			
Share Capital	5	5	5
Reserves	<u>34,057</u>	<u>31,342</u>	<u>30,917</u>
Equity attributable to shareholders of the company	<u>34,062</u>	<u>31,347</u>	<u>30,922</u>
Non-controlling interest	<u>114</u>	<u>114</u>	<u>147</u>
Total equity	<u>34,176</u>	<u>31,461</u>	<u>31,069</u>
<i>Non-current liabilities:</i>			
Deferred tax liabilities	725	1,281	1,153
Pension liabilities	366	441	587
Other provisions	569	348	1
Long-term debt	21,714	18,754	22,061
Senior notes	10,143	9,794	8,212
Capitalized lease obligations	45	4,265	8,091
Intercompany accounts, non-current	1,023	4,297	5,140
Other non-current liabilities	<u>999</u>	<u>914</u>	<u>1,360</u>
Total non-current liabilities	<u>35,584</u>	<u>40,094</u>	<u>46,605</u>
<i>Current liabilities:</i>			
Short-term debt	2,296	1,967	1,654
Senior notes	-	1,036	2,100
Capitalized lease obligations	9	474	1,403
Trade payables	818	971	1,141
Tax liabilities	67	69	30
Other liabilities	2,069	2,419	2,017
Intercompany liabilities, current	674	949	246
Accruals and deferred income	3,377	3,571	3,831
Total current liabilities	<u>9,310</u>	<u>11,456</u>	<u>12,422</u>
Total equity and liabilities	<u>79,070</u>	<u>83,011</u>	<u>90,096</u>



Stena AB and Consolidated Subsidiaries

Condensed Consolidated Statements of Cash Flow – Restricted Group

(MSEK) (unaudited)	Twelve month period ended 31 December		
	2017	2018	2019
<i>Cash flows from operating activities:</i>			
Profit for the year	-2,396	-3,124	-1,520
Adjustments to reconcile profit for the year to net cash provided by operating activities:			
Depreciation, amortisation and impairment	5,535	5,889	6,920
Gain on sale of non-current assets	-338	-478	-171
Gains/losses on securities, net.....	-54	100	-392
Exchange differences, unrealized.....	601	-595	-446
Deferred income taxes	168	-487	-535
Other non-cash items	202	327	-352
Pensions	-231	-423	-224
Dividend from Unrestricted group	-301	-569	-1,539
Dividend from operational associates	57	74	27
Investment and disposals in operational associates.....	289	-72	-147
Net cash flows from trading securities.....	15	111	1,046
Changes in working capital.....	<u>-58</u>	<u>-266</u>	<u>-485</u>
Cash flow from operating activities	3,488	487	2,182
<i>Cash flows from investing activities:</i>			
Capital expenditure of intangible assets.....	-124	-206	-229
Sale of property, plant and equipment	1,160	883	235
Capital expenditure on property, plant and equipment.....	-4,540	-4,474	-3,522
Purchase of operations, net of cash acquired	-471	-23	-293
Sale of operations, net of cash sold companies	547	116	-
Investment and disposals in strategic associated companies.....	-100	-	-
Sale of securities	920	783	1,130
Purchase of securities.....	-1,503	-1,449	-745
Increase in other non-current assets	-239	-234	-251
Decrease in other non-current assets.....	158	60	37
Other investing activities	<u>-89</u>	<u>=</u>	<u>-168</u>
Cash flow from investing activities.....	-4,281	-4,545	-3,806
<i>Net cash flows from financing activities:</i>			
Proceeds from issuance of debt.....	1,091	1,704	625
Principal payments on debt.....	-5,092	-4,253	-4,731
Net change in borrowings on line-of-credit agreements	2,747	-2,238	4,942
New lease obligations	-	4,936	3,413
Principal payments on capital lease obligations.....	-388	-203	-1,563
Net change in restricted cash accounts.....	63	-116	6
Intercompany accounts	2,377	3,996	-1,018
Dividend received from Unrestricted group.....	301	569	1,539
Dividend paid.....	-205	-50	-90
Other financing activities	<u>-38</u>	<u>-142</u>	<u>-86</u>
Cash flow from financing activities	856	4,203	3,037
Effect of exchange rate changes on cash and cash equivalents.....	<u>-27</u>	<u>28</u>	<u>27</u>
Net change in cash and cash equivalents	36	173	1,440
Cash and cash equivalents at beginning of period.....	699	735	908
Cash and cash equivalents at end of period.....	735	908	2,348