Stena Annual report 2023

Care in everything we do

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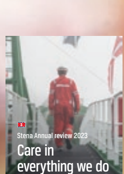


ANNUAL REVIEW
Read more about Stena AB's operations and sustainability work in the annual review.

Printed version can be ordered from info@stena.com

The Annual Report and Annual Review is presented in accordance with Chapter 6, Sections 10–14, of the Swedish Annual Accounts Act. Stena AB's Board of Directors is responsible for the preparation of the sustainability report in accordance with the Swedish Annual Accounts Act.The information in the Annual Report and Annual Review concerns Stena AB, including the subsidiaries which are subject to the reporting requirements in accordance with the Swedish Annual Accounts Act. The designations Stena and the Stena Group concern Stena AB and the Stena AB Group, respectively.

About Stena

Stena creates sustainable value today and in the future through our care and respect for people, capital, society, and the surrounding environment.

Stena ensures sustainable value creation by delivering functions that are important to society on land and at sea, and through dedicated employees, who constantly seek to contribute to positive social development.

Through care, innovation and effective performance, we achieve our goal of always being the customer's first choice.

54,959
Total income[1], MSEK

2,916
Profit before tax, MSEK

17,400
Employees[2]

28,900
Residential and commercial units[3]

131
Vessels, including newbuildings[4]

201
Wind turbines in operation

1. Total income, net result on sale of non-current assets and change in fair value of investment properties.
2. Including external seagoing employees via Northern Marine Group.
3. Owned and managed.
4. Owned, chartered and managed.

DIRECTORS' REPORT

General information about the business

The Stena Group is one of the largest family-owned groups in Sweden and has operations in five business areas: Ferry Operations, Offshore Drilling, Shipping, Property and New Businesses.

Ferry Operations, run by Stena Line in Scandinavia, the North Sea, the Irish Sea and the Baltic Sea, is one of the world's largest international passenger and freight service enterprises and is an important part of the European logistics network and its infrastructure. As at 31 December 2023, operations comprised 17 strategically located ferry services, 39 vessels and five ports in Scandinavia, the United Kingdom and the Netherlands. Income is generated mainly through (i) freight – mainly comprising revenue from freight traffic and truck traffic, (ii) ticket sales, comprising revenue from tickets for private individuals and private cars, package/charter trips and hotel accommodation; and (iii) onboard sales, mainly comprising revenue from shops, restaurants, bars and gaming. The direct operating costs mainly comprise staff costs, the cost of purchasing goods sold on board, fuel costs, vessel charter costs, commissions, package trip costs and other related costs.

Offshore Drilling, using semi-submersible drilling rigs and drillships, is run by Stena Drilling from its head office in Aberdeen and through its global organisation with offices Houston, London, Limassol and Luxembourg. Stena Drilling provides drilling units and related services for the oil and gas exploration and production industries as well as services for decommissioning of oil fields. The fleet comprises one third-generation and one fifth-generation semi-submersible drilling rigs and four sixth-generation drillships for ultra-deepwater operations, one of which is an ice-class vessel. The revenue comprises revenue from charter contracts for drilling rigs and drillships. The direct operating costs are mainly staff costs, fuel costs and costs for insurance, maintenance and catering.

Shipping operations are run by Stena RoRo in the RoRo and RoPax ferry market, by Stena Bulk in the tanker market and LNG (Liquefied Natural Gas) market, by Northern Marine Group for the management and manning of ships and by Stena Teknik for construction and newbuilding projects.

Stena RoRo has its head office in Göteborg and develops, builds and converts vessels for rolling goods (RoRo and RoPax) and provides innovative solutions and project management. The company's customers are within the Stena Sphere as well as operators and ship owners throughout the world.

Stena Bulk has its head office in Göteborg as well as offices in Houston, Singapore, Copenhagen, Dubai and Limassol. Stena Bulk is one of the world's leading tanker companies. Stena Bulk develops pioneering tankers that satisfy customers' demand for safe transport and innovative logistics. Stena Bulk owns, charters in and operates about 69 tankers in global traffic and has operations in all segments of the tanker market.

Shipping operations also include the manning of ships via the Northern Marine Group, which has its head office in Glasgow, as well as offices in Manila, Mumbai, Singapore, Shanghai, Göteborg, Houston and Aberdeen. With an extensive customer portfolio and a large number of vessels under management, the group is a market leader in advanced ship management.

Stena Teknik in Göteborg is responsible for technical development. Stena Teknik is a joint resource for all maritime operations within Stena. The operation comprises newbuilding- and redevelopment projects, procurement and marine engineering consultancy services as well as research and development.

Revenue from Shipping operations comprises mainly charter revenue from owned or chartered vessels as well as ship management revenue from vessels under Stena management. Direct operating costs mainly comprise costs for vessel charter, fuel, staff, insurance and other operationally related vessel costs.

Stena Property, with its head office in Göteborg, mainly owns properties in Göteborg, Stockholm and Malmö, and is one of Sweden's largest privately owned property companies. The international property division has property holdings in the USA and Poland. Since 2007, Stena has a 5.8 percent ownership stake in the CBRE Dutch Office Fund, which owns a portfolio of first-class office buildings in the Netherlands. In total, Stena owns and manages, on behalf of associates, 2.5 million square metres, mainly in Sweden. The holdings comprise around 27,000 residential units and 2,000 commercial properties. Of these holdings the Group owns 1.7 million square meters and around 20,000 residential units and commercial properties. At year end 2023, around 850 residential units were under production. Revenue comprises rents from tenants in the company's properties as well as management revenue from managed properties. The costs refer mainly to maintenance, heating and staff.

New Businesses is run by Stena Adactum, based in Göteborg. Stena Adactum is the Group's investment company that invests long-term in listed and unlisted companies outside Stena's traditional core operations. The aim is to build strong, profitable companies that can form a platform for new business areas within the Stena Sphere. The portfolio currently consists of the wholly-owned subsidiaries Ballingslöv International, Blomsterlandet, Envac, Captum, the partly-owned subsidiaries Plantehallen and DMC International (Stockholm Digital Media Centre) and the associated companies SR Energy, Gunnebo, Midsona, Svedbergs and Ependion. The subsidiaries operate in different business segments:

Ballingslöv International is an international group operating in the kitchen, bathroom and storage sector with the ambition of becoming one of the leading players in the European market for these products. The company has manufacturing units in Sweden, the United Kingdom, Austria and Denmark. Blomsterlandet is a retail chain with the largest ranges of indoor and outdoor plants in Sweden. Envac provides automated waste collection systems for households, hospitals and municipalities and has offices in 20 countries. Captum's main business is the provision of payment solutions to the consumer oriented companies in the Stena Sphere. Plantehallen is a Norwegian garden store with the ambition to build a store network in several cities in Norway in the coming years, based on the current seven stores. DMC International is a media production company that offers complete solutions, from monitoring live broadcasts to post-processing, primarily in the sports segment.

Stena Finance, which is the central finance department of the Group, has operations in Göteborg, Luxembourg, Limassol, Zug and Singapore.

The parent company of the Group is Stena AB (publ), company registration number 556001-0802. The parent company is a limited liability company and has its registered office in Göteborg, Sweden.

The address of the head office is Masthuggskajen, SE-405 19 Göteborg.

The year in brief

The financial year 2023 has been economically challenging for the global economy. Despite inflation, higher interest rates, and a weaker Nordic consumer market, the Stena AB group has experienced strong development and delivered at large the same profit for 2023 as for 2022.

Despite the troubled situation in the world economy, the business has developed very well and 2023 has again been a profitable year for the Stena AB Group. Given the clear signs of recovery over the past two years and the Group's strategy to operate in several industries that both have different risk scenarios and are in different parts of the business cycle, the Stena AB Group is now well positioned to face the future.

- The Stena Group once again reported a very strong result for the 2023 financial year.
- A healthy balance sheet with an equity ratio of 34% as at 31 December 2023, compared to 36% as at 31 December 2022.
- Strong liquidity position amounting to SEK 22.8 billion, compared to SEK 18.9 billion in 2022.
- Total revenue, net result on sale of non-current assets and change in fair value of investment properties amounted to SEK 55.0 billion, compared to SEK 53.4 billion in 2022.
- Operational EBITDA (operating profit before results from investments in operating associates and before depreciation), excluding valuation of investment properties and sales of non-current assets, amounted to SEK 14.1 billion, compared to SEK 12.6 billion in 2022.
- Operational EBITDA increased compared to previous year, mainly as a result of increased operational result in several of the business segments.
- Profit before tax amounted to SEK 2,916 million, compared to SEK 3,534 million in 2022, including sales of non-current assets amounting to SEK –74 million and SEK 508 million in 2022, respectively.

Stena Line's operating result decreased during the year compared to 2022. Continued strong travel volumes partly offset by a weaker freight market along with increased cost compared to previous year, mostly related to increased bunker costs. Freight volumes decrased by 2% compared to the previous year, car volumes decreased by 2% compared to the previous year, and passenger volumes remained unchanged compared to the previous year.

Stena Drilling improved its operating result significantly 2023 compared to 2022 mainly due to increased number of operating days, better contract coverage for all units and higher charter rates compared to 2022. During the year, Stena Drilling has secured several new contracts for its drilling units and has continued to focus on the cost savings program previously implemented. The average commercial utilization rate for drilling units, which were under contract in 2023, was 97% for drillships and 81% for semi-submersibles.

2022 was a very strong year for the tanker market, but 2023 was even stronger. Both crude oil and product tankers traded at stable levels and, despite a smaller fleet, contributed to the strong results, which were higher in both profit and operational EBITDA in 2023 compared to 2022.

The LNG vessels were traded on fixed contracts without off-hire periods for most of the year, and both the result and operational EBITDA were higher in 2023 than in 2022.

Stena RoRo's operational EBITDA improved in 2023 compared to 2022, mainly due to the delivery and chartering of new builds, a continued high utilization rate of the own fleet, and strong contract coverage during the year.

Stena Property's operation was stable and profitable in 2023, with improved operational EBITDA, excluding fair value valuation of investment properties and sale of non-current assets, compared to the previous year. The increase is mainly due to new construction, acquisitions in Poland made during the spring of 2022, investments in energy-saving activities, and rent increases in the existing property portfolio. The average occupancy rate for the year was very high, about 97%, the same level as in 2022. The average direct yield in the property portfolio as of December 31, 2023, was 4.6%, and the unrealized changes to fair value in investment properties during 2023 amounted to SEK 287 (902) million.

Stena Adactum's operational EBITDA decreased in 2023 compared to 2022. Envac showed a strong operational result while Ballingslöv's consumer business and Blomsterlandet reported slightly reduced operational results. Stena Adactum continued to develop and expand its portfolio companies during the year.

Significant business events 2023

2023 has been another profitable year for the Stena AB Group. The operational business has been strong and all business areas have delivered good operational results.

Ferry Operations

In May 2023, Stena Line Scandinavia AB acquired the operations of the ferry and ro-ro terminal in the port of Ventspils, Latvia.

In October 2023, Stena Line announced the discontinuation of its line between Nynäshamn and Hanko. The main reason being failing demand from freight customers due to the development of the current geopolitical situation.

In December 2023, Stena Line won a tender for a new freight route, Dublin – Liverpool, which opened in mid-February 2024.

In December 2023, Stena Line signed an agreement with Peel Ports to operate from Heysham Port for the next 77 years until the year 2100.

Offshore Drilling

Stena DrillMAX and *Stena Carron* have been working for Esso Exploration and Production Guyana Limited in Guyana for several years. In January 2023, contract extensions were signed with Esso Exploration and Production Guyana Limited for *Stena DrillMAX* and *Stena Carron*, extending these contracts until June 30, 2024, with options for further extension.

In January 2023, a contract extension was signed with BP Canada Energy Group ULC for *Stena Icemax* for two years of firm work in the US Gulf of Mexico, commencing in the third quarter of 2023, immediateley following a one well campaign in Canada with the same company.

In January 2023, a contract was signed with Ithaca Energy (UK) Limited for *Stena Spey* for one well commencing in June 2023.

In March 2023, Stena Drilling exercised its purchase option for a new 7th generation drillship from Samsung Heavy Industries in Korea. The vessel, *Stena Evolution*, is contracted for 10 years, with the option for the counterparty to terminate the agreement during the latter five-year period. The contract is scheduled to commence at April 2024.

The addition of *Stena Evolution* expands Stena Drilling's current fleet, which today consists of two semi-submersible drilling rigs and four ultra-deepwater drilling vessels, one of which is ice-classified.

Shipping – Stena Bulk

In August 2021, time charter agreements for five years were entered into with Concordia Maritime regarding all ten P-MAX vessels in their fleet. As of December 31, 2023, seven of these vessels had been redelivered and sold by Concordia Maritime, and one had been redelivered to the company for a bareboat contract with an external party. The remaining two vessels have been sold by Concordia, but Stena Bulk charters them in from the new owner and out externally on an equally long contract.

During 2023, Stena Bulk, together with its partner Proman AG, launched the LEMSCO (low emission methanol shipping company) fund with the purpose of investing in shipping and associated infrastructure with the aim to reduce emissions from the global maritime sector.

Shipping – Stena RoRo

In October 2023, the RoRo vessel *Stena Forwarder* was delivered and chartered to Stena Line for the Irish Sea.

In December 2023, Stena RoRo signed a contract with Corsica Linea for a new RoPax E-Flexer vessel to be built by the Chinese shipyard CMI Jinling, with delivery during the first quarter of 2026. The vessel will operate between Marseille and Corsica. Corsica Linea has the option to acquire the vessel at delivery or trigger a bareboat charter contract with purchase options. This is Stena RoRo's 15th vessel ordered from the CMI Jinling shipyard and the first to be delivered to the Mediterranean region.

Shipping – Other Shipping

In January 2023, Fridi BV exercised a put option that resulted in Stena Logistics Holding AB acquiring the remaining shares in NMT Holding BV. After the transaction was completed during the second quarter of 2023, Stena holds 100% of the shares in the company.

Property

During 2023, Stena Property continued to invest in new contruction as well as in the existing property portfolio.

Start-ups for new production of housing have decreased dramatically during 2023 in Sweden, but Stena Property has initiated approximately 640 apartments and completed about 350 apartments during 2023, of which 144 are condominiums.

In September 2023, Stena Fastigheter acquired a property in Märsta in the Stockholm area.

During the last quarter of 2023, the commercial part of a property in Haninge in the Stockholm area was divested.

As at 31 December 2023, the economic occupancy rate was 97%. In Sweden the economic occupancy rate was 99.0% for residential premises and 96.3% for commercial premises.

Internationally, the economic occupancy rate was 91.3%.

New businesses

In October 2023, Ballingslöv International acquired DanKüchen, Austria's leading kitchen manufacturer, with takeover from November 2023.

In October 2023, Svedbergs acquired the Dutch bathroom furniture manufacturer Thebalux.

In December 2023, Stena Adactum signed an agreement to divest Captum to the Norwegian bank Lea Bank, with expected takeover in the first half of 2024.

Finance

During the year, Stena refinanced several major loan facilities, thereby securing long-term liquidity.

In February 2023 one new bond was issued, amounting to EUR 325 million. The purpose with the transactions was to extend the debt maturity profile and to refinance the outstanding USD 350 million bond with original due date March 2024.

In March 2023 the EUR 615 million RCF was increased by EUR 93 million to EUR 708 million.

In May 2023, a new loan amounting to USD 278 million was received with the drillship *Stena Forth* as collateral.

In November 2023, a new loan amounting to USD 270 million was signed with the drillship *Stena Evolution* as collateral.

SUBSEQUENT EVENTS

Stena has during 2024 refinanced several major loan facilities and thereby secured long-term liquidity.

In January 2024 one new bond was issued, amounting to USD 700 million and in February 2024 one additional bond was issued, amounting to USD 400 million. The purpose with the transactions was to extend the debt maturity profile and to refinance the outstanding secured USD 350 million and secured EUR 315 million bonds with original due date February 2025 as well as the unsecured USD 393 million bond with original due date March 2024.

In January 2024, *Stena Evolution* was delivered from Samsung Heavy Industries. The drillship will commence her contract with Shell beginning of April in the Gulf of Mexico.

In January 2024, a new loan was received with the drillship *Stena Evolution* as collateral.

In January 2024, new contract extensions were signed with Esso Exploration and Production Guyana Limited for *Stena DrillMAX* and *Stena Carron*, extending these contracts until December 31, 2024, with options for further extensions.

In January 2024, Stena Adactum participated in the rights issue in Svedbergs to finance Svedbergs' acquisition of Thebalux. The size of the rights issue amounted to SEK 400 million, where Stena Adactum was allocated its pro-rata share of SEK 165 million.

In February 2024, the RoPax vessel *Ala'suinu* was delivered and subsequently chartered out to Marine Atlantic.

Stena Adactum divested Captum to the Norwegian Lea Bank in December 2023, with the takeover in 2024.

In March 2024, the two LNG vessels *Clear Sky* and *Crystal Sky* were divested to the BW Group.

In April 2023, the LNG vessel *Blue Sky* was divested to Viet Phat.

In April 2024, Stena Line entered an agreement to acquire 49% of the stock share in Morocco based ferry company Africa Morocco Link (AML). The company will remain a majority owned Moroccan company, but Stena Line will run the daily operations. Today, AML operates a ferry route between Tanger Med (Morocco) and Algeciras (Spain).

Other

SHAREHOLDERS

All of the issued and outstanding voting shares of Stena AB were owned as following as at 31 December 2023:

Name of beneficial owner	Number of shares	Percentage ownership, %
Dan Sten Olsson	25,500	51.0
Stefan Sten Olsson	12,250	24.5
Madeleine Olsson Eriksson	6,250	12.5
Gustav Eriksson	3,000	6.0
Marie Eriksson	3,000	6.0

The holders listed above have sole voting and investment power over the shares beneficially owned by them. Dan Sten Olsson, Stefan Sten Olsson and Madeleine Olsson Eriksson are siblings. Gustav Eriksson is the son of Madeleine Olsson Eriksson and Marie Eriksson is the daughter of Madeleine Olsson Eriksson.

Dan Sten Olsson is the only officer or director of Stena AB who owns any voting shares of Stena AB. All shares of Stena AB have the same voting rights.

FUTURE DEVELOPMENTS

Management evaluates the situation in the external environment on an ongoing basis an has no significant doubts about the Group's continued operations and the overall business is therefore expected to continue in the same direction and to about the same extent as in 2023.

RESEARCH AND DEVELOPMENT

The Group executes vessel construction development via Stena Teknik. The Group also makes payments to universities and the Sten A. Olsson Foundation for Research and Culture, the aims of which include promoting scientific research and development.

ENVIRONMENT

The Group conducts several environment-related projects for the purpose of reducing our general environmental impact. Since shipping comprises a large part of Stena's activities, one of our major challenges is to develop more efficient vessels. The most important measure for Stena's shipping divisions is to reduce energy consumption in relation to work performed.

An environmental approach is also fundamental for Stena Fastigheter and encompasses consideration for the tenants and safeguarding of the world's limited resources. The initiative to reduce energy consumption continues and targets have been set for each building.

SUSTAINABILITY WORK

The company's sustainability work is described in the Annual Review for the Stena Group, which is issued by Stena AB, organization registration number 556001-0802, residing in Göteborg. According to the Swedish accounting act chapter 6, §11, Stena AB's statutory sustainability report is prepaired as a separate report. The scope of this Sustainability Report is presented on page 53 in the Annual Review.

FINANCIAL RISKS

For financial risks, see Note 1 "Summary of significant accounting policies" and Note 26 "Financial risk factors and financial risk management".

EMPLOYEES

In 2023, the average number of employees was 13,352 compared with 13,000 in 2022. A vital factor for realising Stena AB Group's vision is its employees, their expertise, enthusiasm and skills.

Future development depends on the company retaining its position as an attractive employer. To support this goal, the company strives for a working climate where energy, passion and respect for the individual are the guiding principles.

A Group overall attitude survey is carried out regularly and the number of satisfied employees remains high. Every employee must attend a career development meeting once a year.

For more information about employees see Note 28.

INCOME AND PROFIT

Consolidated total revenue, net result on sale of non-current assets and change in fair value for 2023 was SEK 54,959 (53,414) million, including profit on the sale of vessels totalling SEK 0 (412) million and sale of operations totalling SEK −92 (96) million. Profit before tax for the year was SEK 2,916 (3,534) million and Profit for the year was SEK 1,647 (2,527) million.

FINANCING AND LIQUIDITY

At 31 December 2023, cash and cash equivalents and current investments totalled SEK 6,027 (4,896) million, of which SEK 5,987 (4,784) million were available. Together with non-current investments and available credit facilities, the total payment capacity at 31 December 2023 was SEK 22.8 (18.9) billion.

The, for Stena AB, unsecured EKN credit facility of SEK 9.6 billion, whereof 75% is guaranteed by Exportkreditnämnden (EKN), was as of December 31, 2023 unutilized compared to SEK 1.6 billion utilized as of December 31, 2022.

Of the, for Stena AB, unsecured EKN credit facility amounting to USD 121 million, whereof 75% is guaranteed by EKN, USD 121 (121) million was utilized as per 31 December 2023.

As of December 31 2023, the unsecured credit facility of SEK 300 million in Stena AB was utilized with SEK 300 (0) million.

The credit facility of EUR 615 million, due in December 2027, has been expanded during the year, and the new credit line is EUR 708 million. Of the credit facility of EUR 708 million, EUR 311 million and USD 90 million were utilized as of December 31, 2023, of which EUR 1 million were related to issued guarantees. Of the corresponding credit facility, USD 427 million were utilized as of December 31, 2022, of which USD 2 million were related to issued guarantees.

As of December 31, 2023, the credit facility of USD 300 million, entered into by Stena Investment Luxembourg S.àr.l., was utilized with USD 159 (123) million.

Consolidated total assets at 31 December 2023 amounted to SEK 147,172 million, compared to SEK 145,072 million as of December 31, 2022.

Investments in property, plant and equipment and intangible assets during the year amounted to SEK 9,253 (9,273) million. Loan repayments during the year amounted to SEK 6,729 (3,867) million.

The consolidated debt/equity ratio, defined as net interest-bearing debt in relation to net interest-bearing liabilities, equity and deferred tax liabilities, was 54 (53)% as of December 31, 2023.

According to the consolidated balance sheet as of December 31, 2023, retained earnings attributed to the shareholders of the Parent company amounted to SEK 40,717 (39,814) million, of which SEK 1,675 (2,497) million comprised net profit for the year.

Stena AB and its subsidiaries may from time to time repurchase or otherwise trade in its own debt in open market transactions. In addition, from time to time, Stena AB and its subsidiaries discuss ongoing strategic alternatives and consider opportunities in respect of its debt capital structure with investors and lenders.

PARENT COMPANY

The Parent company's revenue totalled SEK 163 (160) million, while profit before tax was SEK 434 (228) million, of which dividends from subsidiaries totalled SEK 1,000 (400) million.
For more information about the parent company see the Parent Company Income statement and Balance sheet including Notes.

PROPOSED DISTRIBUTION OF NON-RESTRICTED EQUITY

The Board of Directors proposes that a dividend amounting to SEK 275 (245) million is made to the shareholders. The remaining retained earnings amounting to SEK 20,367 million is carried forward.

The Board of Directors hereby makes the following statement in accordance with chapter 18, Section 4 of the Swedish Companies Act. The Board of Directors concludes that the Company's restricted equity is fully covered after the proposed dividend. The equity of the company will according to the Board of Directors be sufficient in relation to the nature, volume and the specific risks of the operations. The Board of Directors has in this matter taken into consideration the historical development of the Group, the budget for the coming periods and the current economic development.

The suggested dividend will not influence the company's creditability. The conclusion of the Board of Directors is that the company as well as the Group are well prepared to handle changes in its liquidity as well as having the ability to act upon unforeseen events.

The suggested dividend will not affect the Group's ability to make investments in accordance with the business plans drawn up by the Board of Directors.

Details of the financial performance, liquidity and financial position in general for the Group and the Parent company can be found in the following Income statements, Balance sheets, Cash flow tatements and accompanying Notes.

Internal control and risk management

A clear and stable internal control and risk management regarding financial reporting contributes to a stable business, reliable reporting and that the business achieves its objectives.

SYSTEM FOR INTERNAL CONTROL AND RISK MANAGEMENT REGARDING FINANCIAL REPORTING

The Board of Directors is responsible for the company's internal control, the overall aim of which is to safeguard the company's assets and thereby its shareholders' investment. The Audit Committee is regularly informed of the work and actions taken on findings noted related to the internal controls over financial reporting. Stena uses the COSO framework as a basis for internal control over financial reporting. The COSO framework, which is issued by the Committee of Sponsoring Organizations of the Treadway Commission, is made up of five components; control environment, risk assessment, control activities, information and communication as well as monitoring.

CONTROL ENVIRONMENT

The control environment forms the basis of internal control, as it includes the culture that the Board and management communicate and by which they work. The control environment is made up primarily of integrity, ethical values, expertise, management philosophy, organisational structure, responsibility and authority, policies and procedures as well as routines. It is of particular importance that governing documents, such as internal policies and procedures exist in significant areas and that these provide employees with solid guidance. Examples of important policies and procedures within Stena are "Principles, convictions and basic values for Stena AB", "Code of Conduct", "Code of Governance", "Power Reserved List", "Finance Policy" and "Financial Manual" which define the accounting and reporting regulations. These policies and procedures have been made available to all relevant employees through established information and communication channels. Furthermore, the Board has appointed an Audit Committee, whose primary task is to ensure that established principles for financial reporting and internal control are complied with and that appropriate relations are maintained with the company's auditors.

RISK ASSESSMENT

Stena carries out regular risk assessments in order to review the risks of errors within its financial reporting. The risk assessment of financial reporting aims to identify and evaluate the most significant risks that affect internal control over financial reporting in the Group's companies and processes. The Group's overall risk assessment is continuously updated in order to obtain a general idea of the main risks. To limit risks there are appropriate policies and procedures as well as processes and control activities within the business. The risk assessment is updated on an annual basis under the direction of the Stena Group staff function "Corporate Governance" and the results are reported to the Audit Committee.

CONTROL ACTIVITIES

The most significant risks identified regarding financial reporting are managed through various control activities. There are a number of control activities built into every process to ensure that the business is run effectively and that financial reporting provides a true and fair view. The control activities, which aim to prevent, find and correct potential inaccuracies, include authorisations, account reconciliations as well as analysis of financial figures. Control activities also exist within IT and information security to ensure Stena's IT systems regarding the financial reporting.

INFORMATION AND COMMUNICATION

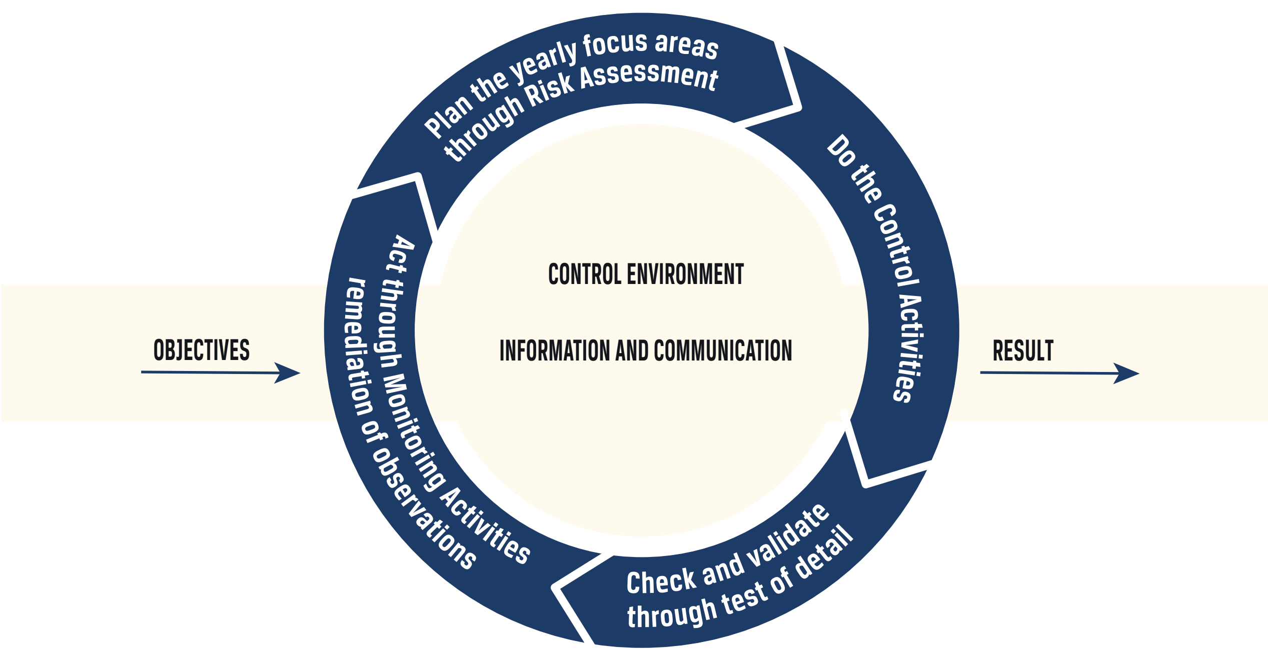
Policies and procedures are of particular importance for accurate accounting and reporting and also define the control activities to be carried out. Stena's policies and procedures relating to financial reporting are updated on an ongoing basis and are available on Stena's intranet for all employees concerned. Information and communication relating to financial reporting is also provided through training. The Group holds internal seminars and conferences regularly, with a focus on quality assurance in financial reporting and governance models.

MONITORING

The Board of Directors and the Audit Committee continuously evaluate the information provided by the executive management team, including information on internal control. The Audit Committee's task of monitoring the efficiency of internal control by the management team is of particular interest to the Board. This work includes checking that steps are taken with respect to any problems detected and suggestions made during the assessment by the external and internal auditors. The work on internal control during the year has further increased awareness of internal control within the Group and improvements are being made on continuous basis.

INTERNAL AUDIT

The Corporate Governance function works as the Group's internal audit function and reports to the Audit Committee and the deputy CEO. The function focuses on proactively developing and enhancing internal control over financial reporting as well as examining the effectiveness of internal control. The Corporate Governance function plans the work in consultation with the Audit Committee and regularly reports the findings of its examinations to the Committee. The function communicates continuously with Stena's external auditors on matters concerning internal control.



Group consolidated income statement

SEK in million	Note	1 January–31 December 2023	2022
Revenue			
Ferry Operations		18,892	17,517
Offshore Drilling		6,283	4,281
Shipping		17,013	17,328
Property		3,625	3,788
New Businesses		8,889	9,073
Other		44	17
Total revenue		**54,746**	**52,004**
Net result on sale of vessels	4		412
Net result on sale of properties	4	18	
Net result on sale/liquidations of operations	4	–92	96
Total other income		**–74**	**508**
Change in fair value of investment properties	12	287	902
Total income, net result on sale of non-current assets and change in fair value of investment properties	3	**54,959**	**53,414**
Direct operating expenses			
Ferry Operations		–13,108	–11,433
Offshore Drilling		–3,066	–2,708
Shipping		–10,490	–11,551
Property		–1,281	–1,622
New Businesses		–6,398	–6,678
Other		–18	–14
Total direct operating expenses		**–34,361**	**–34,006**
Gross profit/loss		**20,598**	**19,408**
Selling expenses		–2,555	–2,117
Administrative expenses	5	–3,691	–3,282
Net result from investments in operating associates	6	–12	47
Depreciation, amortisation and impairment	3, 9, 10, 11, 19	–8,113	–7,874
Operating profit/loss	3	**6,227**	**6,182**
Result from investments in strategic associates	6	250	–77
Dividends received		111	92
Result from securities		–45	242
Interest income		492	319
Interest expenses		–3,684	–2,948
Exchange gains/losses		–67	55
Other finance income/costs		–368	–331
Financial net	7	**–3,311**	**–2,648**
Profit/loss before tax		**2,916**	**3,534**
Taxes	8	–1,269	–1 007
Profit/loss for the year		**1,647**	**2,527**
Profit/loss for the year attributable to:			
Shareholders of the Parent company		1,675	2,497
Non-controlling interests		–28	30
Profit/loss for the year		**1,647**	**2,527**

Consolidated statement of comprehensive income

SEK in million	Note	1 January–31 December 2023	2022
Profit/loss for the year		**1,647**	**2,527**
Other comprehensive income	14		
Items that may subsequently be reclassified to profit or loss:			
Change in fair value reserve for the year, net of tax		121	–173
Change in hedging reserve for the year, net of tax		–1,319	3,959
Share of other comprehensive income of associates		1	179
Change in translation reserve for the year		33	640
Items that will not be reclassified to profit or loss:			
Change in fair value reserve for the year, net of tax		–41	–188
Remeasurements of post-employment benefit obligations		–220	–427
Change in revaluation reserve for the year		607	206
Share of other comprehensive income of associates		–26	76
Other comprehensive income		**–843**	**4,272**
Total comprehensive income		**804**	**6,799**
Total comprehensive income attributable to:			
Shareholders of the Parent company		822	6,741
Non-controlling interests		–18	58
Total comprehensive income for the year, net of tax		**804**	**6,799**

Group consolidated balance sheet

SEK in million	Note	31 December 2023	2022
Assets			
Non-current assets			
Intangible assets	9		
Goodwill		5,275	3,919
Trademarks		900	910
Rights to routes		394	439
Other intangible assets		1,352	935
Total intangible assets		**7,921**	**6,203**
Property, plant and equipment			
Vessels	10	33,641	40,984
Construction in progress	10	5,237	1,382
Equipment	10	2,988	2,789
Land and buildings	10	3,643	3,409
Ports	11	5,313	4,684
Total property, plant and equipment		**50,822**	**53,248**
Investment properties	12	**48,012**	**46,212**
Financial assets			
Investments reported according to the equity method	6	4,707	4,631
Marketable securities	27	4,290	3,700
Surplus in funded pension plans	16	832	950
Other non-current assets	27	7,723	10,408
Total financial assets		**17,552**	**19,689**
Total non-current assets		**124,307**	**125,352**
Current assets			
Inventories		1,732	1,858
Trade receivables	13	5,497	6,095
Other current receivables	13	3,757	4,126
Prepayments and accrued income	13	3,112	2,745
Short-term investments	27	2,267	2,739
Cash and cash equivalents		3,759	2,157
Assets held for sale	22	2,741	
Total current assets		**22,865**	**19,720**
Total assets	**3**	**147,172**	**145,072**

SEK in million	Note	31 December 2023	2022
Equity and liabilities			
Equity			
Share capital		5	5
Reserves	14	8,693	9,358
Retained earnings		39,043	37,317
Profit for the year		1,675	2,497
Equity attributable to shareholders of the Parent company		**49,416**	**49,177**
Non-controlling interests		261	312
Total equity		**49,677**	**49,489**
Non-current liabilities			
Deferred tax liabilities	15	6,585	6,286
Pension liabilities	16	913	640
Other provisions		134	73
Long-term debt	17	49,048	49,187
Senior Notes	18	10,643	14,911
Capitalised lease obligations	19	3,858	5,023
Other non-current liabilities	20	1,379	674
Total non-current liabilities		**72,560**	**76,794**
Current liabilities			
Short-term debt	17	3,885	3,753
Senior Notes	18	3,955	
Capitalised lease obligations	19	1,163	1,521
Trade payables		3,152	3,035
Tax liabilities		141	161
Other liabilities		2,954	2,840
Accruals and deferred income	21	7,917	7,479
Liabilities directly attributable to assets classifi ed as held for sale	22	1,768	
Total current liabilities		**24,935**	**18,789**
Total equity and liabilities		**147,172**	**145,072**

Group consolidated statement of changes in equity

SEK in million	Equity attributable to shareholders of the Parent company: Share capital	Reserves[1]	Retained earnings including Profit for the year	Total	Non-controlling interests	**Total equity**
Closing balance balance, 31 December 2021	**5**	**10,742**	**36,400**	**47,147**	**254**	**47,401**
Change in accounting policy		–5 719	1 029	–4 690		–4 690
New opening balance, 1 January 2022	**5**	**5,023**	**37,429**	**42,457**	**254**	**42,711**
Change in fair value reserve for the year		–345	–16	–361		–361
Change in hedging reserve for the year		3,959		3,959		3,959
Change in revaluation reserve for the year		109	97	206		206
Change in translation reserve for the year		612		612	28	640
Change in associates for the year			255	255		255
Remeasurement of post-employment benefit obligation			–427	–427		–427
Other comprehensive income		**4,335**	**–90**	**4,258**	**28**	**4,272**
Profit for the year			2,497	2,497	30	2,527
Total comprehensive income		**4,335**	**2,407**	**6,741**	**58**	**6,799**
Dividend			–43	–43		–43
Acquisition of non-controlling interests			21	21		21
Closing balance, 31 December 2022	**5**	**9,358**	**39,814**	**49,177**	**312**	**49,489**
Opening balance, 1 January 2023	**5**	**9,358**	**39,814**	**49,177**	**312**	**49,489**
Change in fair value reserve for the year		127	–47	80		80
Change in hedging reserve for the year		–1,319		–1,319		–1,319
Change in revaluation reserve for the year		503	104	607		607
Change in translation reserve for the year		24		24	10	34
Change in associates for the year			–25	–25		–25
Remeasurement of post-employment benefit obligation			–220	–220		–220
Other comprehensive income		**–665**	**–188**	**–853**	**10**	**–843**
Profit for the year			1,675	1,675	–28	1,647
Total comprehensive income		**–665**	**1,487**	**822**	**–18**	**804**
Dividend			–245	–245	–7	–252
Acquisition of non-controlling interests			–339	–339	–26	–365
Closing balance, 31 December 2023	**5**	**8,693**	**40,717**	**49,416**	**261**	**49,677**

1) See also Note 14.

Group consolidated statement of cash flow

SEK in million	Note	1 January–31 December 2023	2022
Cash flow from operating activities			
Profit before tax for the period		2,916	3,534
Depreciation, amortisation and impairment	3	8,113	7,874
Change in fair value of investment properties		–287	–902
Income tax paid		–612	–426
Adjustment to reconcile profit before tax to net cash flow provided by operating activities		–1,024	–734
Cash flow from operating activities before changes in working capital		**9,106**	**9,346**
Changes in working capital			
Change in inventory		232	26
Change in trade and other receivables		502	–2,511
Change in trade and other payables		633	533
Cash flow from operating activities	25	**10,473**	**7,393**
Investing activities			
Capital expenditure on intangible assets		–361	–323
Capital expenditure on property, plant and equipment		–8,114	–8,588
Proceeds from sale of property, plant and equipment		227	618
Purchase of operations, net of cash	24	–2,357	–705
Proceeds from sale of operations, net of cash	24		275
Investments and disposals of strategic associates		–8	–922
Purchase of securities		–1,440	–1,036
Proceeds from sale of securities		785	973
Other investing activities	25	1,113	–596
Cash flow from investing activities		**–10,155**	**–10,304**
Financing activities			
Proceeds from issuance of short and long-term debt		9,475	6,663
Principal payments on short and long-term debt		–6,729	–3,867
Net change in borrowings on line-of-credit agreements		–57	1,749
Principal payments on capitalised lease obligations		–1,791	–1,828
Dividend paid		–252	–43
Other financing activities	25	737	–155
Cash flow from financing activities	25	**1,383**	**2,519**
Effect of exchange rate changes on cash and cash equivalents		–99	137
Net change in cash and cash equivalents		**1,602**	**–255**
Cash and cash equivalents at beginning of year		**2,157**	**2,412**
Cash and cash equivalents at end of year		**3,759**	**2,157**

Notes

Amounts are shown in SEK million unless otherwise stated. The figures in brackets refer to the corresponding value in previous year.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

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

In accordance with IAS 1, the companies of the Stena AB Group apply uniform accounting policies, irrespective of local legislation. The policies below have been applied consistently for all the years covered by this Financial Report.

IAS 33 Earnings Per Share has not been applied, as Stena AB is not a listed company.

The Parent company's financial statements have been prepared according to the same accounting policies applied for the Group except for the exceptions described in the section "Parent Company's accounting policies".

The annual accounts and consolidated financial statements are approved for issue by the Board of Directors on 25 April 2024. The balance sheets and income statements will be presented for adoption by the Annual General Meeting on 25 April 2024.

In preparing these financial statements, senior management has made estimates and assumptions which affect the carrying amounts of assets, liabilities and contingent liabilities at the reporting date and recognised income and expense. The actual future outcome of specific transactions may differ from the outcome estimated at the date of preparation of these financial statements. Differences of this type will impact the outcome of financial statements in forthcoming accounting periods. Areas involving a high degree of assessment, which are complex or for which the assumptions and estimates are of material significance to the consolidated financial statements are stated in Note 2.

Assets and liabilities are measured at historical cost with exception of certain investment properties and certain financial assets and liabilities which are measured at fair value. Ports are recognised according to the revaluation model.

NEW OR AMENDED REPORTING STANDARDS 2023

Except for as noted below, no new or amended IFRS Standards have had any impact on the Group's accounting during 2023.

Change in application of revaluation model

IAS 16 allows for a policy choice when measuring property, plant and equipment (PP&E) subsequently to their initial recognition – cost model or revaluation model.

During 2023, Stena evaluated the use of the revaluation model for the vessels in the Ferry Operation and the units in the Drilling Operations. The company concluded that in order to present the relevant performance of the company the cost model is the preferred method.

Stena therefore decided to change the accounting policy from revaluation model to the cost model for the vessels in the Ferry Operations and the units in the Drilling Operations as per 1 January 2023.

The accounting effects from the change is described below for each of the two segments separately.

Ferry Operations

Stena decided to change the measurement policy for vessels within the segment from the revaluation model to cost model. Consequently, all previous revaluations, including subsequent depreciation charges, have been reversed. The effect of the change was calculated retrospectively, and the adjustment was recognised by adjusting the opening balance of retained earnings as per 1 January, 2022 and the comparative figures for 2022 have been restated.

The change has been recorded as a one-time effect in revaluation reserves within equity as of 1 January, 2022 with a decrease of SEK 5.7 billion, with a total equity reduction of SEK 4.7 billion. The remeasurement decreased the value of vessels in the segment with SEK 5.6 billion as of January 1, 2022. The remeasured value is the new basis for depreciation during 2023 and the comparative period 2022. The remeasurement resulted in decreased depreciations with SEK 776 million and increased income tax with SEK116 million in 2022. The remeasurement of the comparative period 2022 has affected the financial statements and the notes 3, 8, 10, 14, 15 and 23.

Offshore Drilling

Stena decided to change the measurement policy for units in the segment to the cost model. The change of policy had no effect on the accounting for the financial years ended 2023 and 2022 since the negative revaluation, recognised when entering the revaluation method, has been reclassified as impairment on group level.

BASIS OF CONSOLIDATION

The consolidated financial statements include Stena AB (publ.) and all subsidiaries, defined as companies in which Stena AB, directly or indirectly, owns shares representing more than 50% of the voting rights or has some other form of control. For companies acquired or divested during the year, the following applies:

- Companies acquired during the year are included from the date on which control was obtained
- Companies divested during the year until the date on which Stena's control ceases

The Group's consolidated financial statements include the financial statements for the Parent company and its directly or indirectly owned subsidiaries after:

- Elimination of intercompany transactions and
- Depreciation/amortisation of acquired surplus values

Consolidated equity includes equity in the Parent company and the portion of equity in the subsidiaries arising after the acquisition.

Acquisitions of non-controlling interests are recognised in equity. Non-controlling interests' share of profit/loss for the year is specified after profit/loss for the year in the income statement.

Business combinations and goodwill
All business combinations are accounted for in accordance with the acquisition method. The method requires measurement of the assets, liabilities and contingent liabilities owned by the acquired company at the acquisition date to determine their cost of acquisition on consolidation. The valuation of acquired land, buildings and equipment is carried out either by an external party or by an internal party on the basis of available market information. The reporting of financial assets and liabilities, as well as inventories, is based on available market information. The fair value of significant intangible assets is determined either with the help of independent valuation experts or internally, through the use of generally accepted valuation methods, which are usually based on future cash flows.

Acquisitions of investment properties and vessels, in companies with only assets, are accounted for as an asset deal.

In the event that the cost of acquisition exceeds the market value of the identified assets, liabilities and contingent liabilities, the difference is accounted for as goodwill.

In the event that the fair value of the acquired net assets exceeds the cost of acquisition, the acquirer shall identify and measure the acquired assets again. Any remaining surplus in a revaluation shall be immediately recognised as income. The acquisition analysis (the method used to allocate cost of acquisition to acquired identified net assets and goodwill), shall, in accordance with IFRS, be completed within twelve months of the acquisition date.

Once the acquisition analysis has been reviewed and approved by management, goodwill is allocated to cash generating units and impairment testing is carried out at least annually from the date on which this allocation is completed. If the acquisition is achieved in stages, goodwill is determined on the date when control is obtained. Previous shares are measured at fair value and the change in value is accounted for in the Income statement. Goodwill is not amortised.

Transaction costs, apart from those attributable to equity or liability instruments, are recognised as an expense in the income statement. A contingent consideration is reported according to the acquisition date fair value. If the contingent consideration is classified as an equity instrument, no revaluation is carried out and the adjustment is reported in equity. Other contingent considerations are revalued each quarter and the difference is reported in the income statement.

Investments in associates, joint ventures and other joint arrangements
Associates are companies in which the Group has a significant influence but not control, which as a rule applies to shareholdings equivalent to between 20% and 50% of the votes, or over which the Group in some other way exercises significant influence.

Joint arrangements are companies over which the Group, through collaboration agreements with one or more parties, has joint control with external parties (the arrangement's relevant activities). Investments in joint arrangements are classified either as a joint operation or a joint venture depending on the contractual rights and obligations of each investor. Stena has assessed its joint arrangements and established that the majority are joint ventures. One joint operation has been identified but is not considered to be of a material nature. Joint operations are accounted for using proportionate consolidation.

Investments in associates and joint ventures are accounted for using the equity method. The method requires the investment to be initially recognised at cost. The carrying amount is subsequently increased or reduced to reflect the owner company's share of the profit or loss of the associate/joint venture following the acquisition. In the consolidated balance sheet, the holdings are reported as "Investments reported according to the equity method". In the consolidated income statement, associates and joint ventures are divided according to strategic holdings and other holdings, with strategic holdings reported as "Profit/loss from investments in associates" within financial net and other holdings reported within each business area under operating profit. Dividends received are set off against the carrying amount of each participation. At the end of each reporting period, the Group assesses whether there is any objective evidence of impairment of the investments. If this is the case, the Group calculates the impairment amount as the difference between the associate's recoverable amount and the carrying amount and reports the amount under "Result from investments in associates" or under operating profit depending on whether the holding is classified as a strategic holding or other holding.

For holdings in joint operations, the assets, liabilities, revenues and costs that are associated with these holdings in the business are reported according to the accounting principles applicable to the specific assets, liabilities, revenues and costs.

Translation of foreign operations
The functional currency and reporting currency of the Parent company and the reporting currency of the Group is the Swedish krona (SEK). All foreign subsidiaries report in their functional currency, which is the currency used in the companies' primary economic environment. On consolidation, all balance sheet items have been translated into SEK at the closing rate of exchange. Profit/loss items have been translated using average exchange rates.

Transactions in foreign currency
Foreign currency transactions are converted to the functional currency at the exchange rate prevailing on the transaction day. The functional currency is the currency of the primary economic environment in which the company generates and expends cash. Monetary assets and liabilities in foreign currencies are converted to the functional currency at the exchange rate prevailing on the closing date.

Exchange differences which arise are reported in the income statement. Non-monetary assets and liabilities, which are reported at historical cost, are revaluated at the transaction date. Non-monetary assets and liabilities which are reported at fair value, are revalued to the functional currency at the exchange rate prevailing at the revaluation date.

SEGMENT REPORTING
Operating profit is reported in a manner consistent with the internal reporting submitted to the chief operating decision-maker. The chief operating decision-maker is the function responsible for the allocation of resources and the assessment of the operating segments' results. In the Group, this function has been identified as Stena AB's Board of Directors, which make strategic decisions.

The Group's segments, which are its business areas, have implemented systems and procedures to support internal control and reporting. This forms the basis of the

CONT. NOTE 1

identification of primary risks and the varying returns that exist in the business, and is based on the various business models for the Group's end clients. The segments are responsible for operating profit/loss, EBITDA (operating profit before result from operating associates, depreciation, amortisation and impairment) and the assets used in their operations, while financial net, taxes and equity are not reported per segment.

Operating profit/loss and assets for the segment are consolidated in accordance with the same principles as the Group as a whole. Sales between segments take place at market conditions and at market prices. The Stena AB Group's business areas and, thereby, its segments are:

- Ferry Operations
- Offshore Drilling
- Shipping
- Property
- New Businesses

REVENUE RECOGNITION

IFRS 15 is based on the principle that an entity shall recognize revenue when the control over delivered goods or services has been transferred to the customer. Contracts whose collectability is uncertain should not be recognised as revenue.

The identification of the Group's customer contracts is seldom or never a problem. As a consequence the revenue recognition process is initiated by identifying performance obligations in various contracts (the identification of what is promised in terms of goods and services). This process is closely related to each operating segments applied business model. So, in general terms, the various business models are essential when identifying the performance obligations even though separate contracts could deviate from the general content of these models. In the case separate contracts are drawn up that differs from the normal and customary contracts it is important to capture these changes in order to record revenues correctly.

The identified performance obligations in the customer contracts within the Group have been categorized based on the Group's revenue streams. The absolute majority of the Groups customer contracts consists of one performance obligation. Several of the Group companies are acting as a lessor and the principles of recognizing lease income is not included and described below as this income is presented in the section concerning leasing contracts. Stena has chosen to include lease income in the operating segment reporting in the annual report since the lease income and correlated sale of services are closely related.

The operating segments within the Group except for Offshore Drilling account for the sale of both goods and services. Revenue from delivered goods are recognised at one point in time or over time.

For the sale of goods revenue are recognised when control is passed to the customer and that is when the good is actually delivered. Group companies sell consumer goods and more advanced constructions and in the latter case the revenue is recognised over time as the control is passed over time in accordance with the signed construction contract. The sale of property is recognised as revenue when control over the property is transferred to the customer.

Each customer contract could initiate recognition of contract assets and liabilities. The Stena Group applies terms as accrued income and work in progress or in some cases other receivables in order to capture the information included in the term contract asset. The same is the case with deferred income and prepayments to capture the information included in the terms contract liabilities. Disclosures with regards to contract assets and liabilities are presented in Note 13 and 21. The main contract asset accounted for by the Group is accrued income. This is the case of customer contracts where revenue is recognised over time if the delivery will take place over a longer period of time. This is the case for the construction contracts delivered by Envac and certain projects delivered by Ballingslöv (as part of New Businesses). The main contract liabilities are recognised by Ferry Operation and they include received advances on travels and customer loyalty programs. The revenue streams and principles of recognition are presented in Note 3.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is recognised in the balance sheet when, on the basis of available information, it is likely that future economic benefits associated with ownership will flow to the Group and the cost of the asset can be measured reliably.

Ports are carried at revalued amounts according to the revaluation model, being their fair value at the revaluation date less subsequent depreciation and impairment. If a ports's carrying amount increases as a result of a revaluation, the increase is recognised in other comprehensive income and accumulated in equity under the translation reserve. A decrease arising as a result of a revaluation is recognised in the income statement.

Vessels, drilling units, equipment and buildings used in business operations are recognised at cost less accumulated depreciation and any impairment losses. Acquisition expenditure is capitalised on acquisition. Repairs and maintenance costs for property, plant and equipment are charged to the income statement for the year.

Dry-docking costs for vessels are capitalised and amortised over a period of two to five years.

For vessels and drilling units, the company uses appraisals carried out by independent brokers for impairment assessment. If a review indicates that the net carrying amount of an asset exceeds its recoverable amount, discounted cash flows based on estimated capital expenses and estimated future returns are used. Assets having a direct joint income, are defined as the smallest cash-generating unit. If impairment exists on the date of closing, the recoverable amount of the asset is estimated and the asset is written down to this value. Impairment is reversed if any change is made to the calculations used to determine the recoverable amount.

Construction in progress includes advance payments, as well as other direct and indirect project costs, including financial cost, which are capitalised on the basis of the actual borrowing cost.

Buildings used in business operations are divided into land and buildings, and refer to properties used by the company in its own operations.

Items of property, plant and equipment are depreciated according to plan on a straight-line basis. The residual values and useful lives of the assets are tested on date of closing and adjusted when needed. Depreciation is not applied to land.

All assets are divided into components.

Depreciation takes place from the date on which the asset is ready for use and over the estimated useful lives as follows:

Vessels	
Drilling rigs	20 years
Drilling rig vessels	20 years
Crude oil tankers	20 years
LNG carriers	20 years
RoPax vessels	20–25 years
RoRo vessels	20–25 years

Other non-current assets	
Buildings	50 years
Port terminals	20–50 years
Equipment	3–10 years

INVESTMENT PROPERTY

Investment property, that is properties held in order to generate rental income or increase in value or a combination of these, is valued continuously using the fair value model (estimated market value). Fair value is based on the estimated market value on the balance sheet date, which means the value at which a property could be transferred between knowledgeable parties that are independent of each other and have an interest in the transaction being carried out.

Changes in fair value are reported in the income statement, with an impact on changes in value of properties.

The term investment property, which mainly includes residential and office buildings, also includes land and buildings, land improvements and permanent equipment, service facilities etc. in the building or at the site.

Property sales and purchases are recognised when control has been transferred to the buyer, which normally takes place on the completion date as long as this does not conflict with the conditions of the sales contract.

Gains or losses on the sale or disposal of investment properties are composed of the difference between the net proceeds from sale and the most recently determined valuation (carrying amount based on the most recently determined revaluation to fair value). Income arising from sales or disposals is reported in the income statement as gains/losses on sale of non-current assets.

In the event that Stena utilises a portion of a property for its own administration, such a property will only be considered to be an investment property if an insignificant portion is used for administrative purposes. In any other case, the property will be classified as a building used in business operations, and be accounted for in accordance with IAS 16 Property, plant and equipment.

Subsequent costs are included in the carrying amount only when it is likely that future economic benefits associated with the asset will accrue to the company and the cost can be measured reliably. Other expenses are recognised as costs in the period in which they arise. One decisive factor in assessing when subsequent costs may be included in the carrying amount is whether the expense refers to the replacement of identified components, or parts of these, in which case the costs are capitalised. Costs relating to the construction of new components are also included in the carrying amount.

The valuation of investment properties at fair value (assessed market value) utilises an internal valuation model which has been quality assured by reconciling the assumptions with external property valuers, and through external valuation. The internal valuation is determined on an earnings basis, which means that each individual property's net rental income is divided by the required return by market yield for the property in question. Assumptions have been made in the calculation of net rental income regarding operating and maintenance expenses, as well as vacancies. These assumptions are based on market assumptions of those cash flows. However, historical outcome, budget and normalised costs have been a part of these assumptions. Different required returns have been utilised for different markets and types of properties.

INTANGIBLE ASSETS

Goodwill

Goodwill is the amount by which the cost exceeds the acquisition date fair value of the Group's share of the acquired subsidiary's identifiable net assets. Goodwill is recognised as an intangible asset and valued at cost less accumulated impairment.

Goodwill is tested at least annually for impairment. Goodwill impairment is not reversed. A gain or loss on the disposal of an entity includes the residual carrying amount of the goodwill that relates to the entity.

Goodwill is allocated to cash-generating units during impairment testing. This allocation refers to those cash-generating units, determined in accordance with the Group's operating segments, which are expected to benefit from the business combination in which the goodwill item arose.

Trademarks

Stena possesses trademarks with both determinable and undeterminable useful life. Trademarks with indeterminable useful life is recognised at cost reduced with accumulated impairment. These trademarks are tested for impairment. This test is performed at least yearly or where there is an indication that the value of the trademarks has gone down.

Trademarks with determinable useful life on the other hand are recognized at cost less accumulated depreciation and impairment. These trademarks are tested for impairment when there is an indication showing that the value of the asset has gone down.

IT investments

Acquired software is capitalised on the basis of acquisition and implementation costs. These costs are amortised over the asset's useful life, which is judged to be between three and five years, in accordance with the straight-line method. Useful life is reviewed on a yearly basis.

Distribution agreements

Distribution agreements are reported at cost less accumulated amortisation. Amortisation takes place according to the straight-line method over the asset's estimated useful life of 5 years. Useful life is reviewed on a yearly basis.

Rights to routes

Rights to routes are capitalised on the basis of acquisition and amortised over the asset's useful life, which is assumed to be 20 years, in accordance with the straight-line method. Useful life is reviewed on a yearly basis.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets with indefinite useful lives, goodwill and trademarks, are not amortised; instead, they are tested annually for impairment. Assets that are amortised are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment is the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value, less costs to sell, and its value in use.

CONT. NOTE 1

In the assessment of impairment requirements, assets are grouped at the lowest level at which there exist separate identifiable cash flows (cash-generating units).

Non-financial assets other than goodwill and trademarks for which impairment losses have previously been recognised are tested at each reporting date to determine whether there is any need for reversal of the previous impairment.

BORROWING COSTS

Borrowing costs that are attributable to the construction of qualifying assets are capitalised as part of the cost of the qualifying asset. A qualifying asset is an asset which necessarily takes a significant amount of time to prepare for its intended use. Borrowing costs incurred on loans that are specific to the qualifying asset are capitalised.

ACCOUNTING FOR GOVERNMENT GRANTS

Any government grants received in conjunction with new acquisitions of vessels, properties or port installations are recognised as a reduction of cost, while subsidies relating to operating activities reduce the corresponding costs. Recognition takes place when the grant can be estimated reliably. For Swedish-flagged vessels employed in international shipping activities, the company has received subsidies equal to all security costs and income taxes payable by the employers on behalf of employees who work on board such vessels. The amounts received have reduced personnel costs.

NON-CURRENT ASSETS HELD FOR SALE

Non-current assets are classified as available-for-sale when their carrying amounts will be recovered primarily through a sales transaction and a sale is considered highly probable. They are recognised at the lower of carrying amount and fair value less costs to sell if their carrying amount will be recovered primarily through a sales transaction and not through continuous usage.

FINANCIAL ASSETS AND LIABILITIES

General

A financial instrument is any form of agreement giving rise to a financial asset in one company and a financial liability or equity instrument in another company. Financial assets in the consolidated balance sheet consist of cash and cash equivalents, trade receivables, other financial assets and derivative assets.

Financial liabilities arise from claims for repayment of cash or of other financial assets. In the consolidated balance sheet, financial liabilities consist of trade payables, loans, finance leasing liabilities, bonds and derivative liabilities. All financial assets and liabilities are initially valued at their respective fair values reduced with transactions costs with the exception of assets and liabilities classified as fair value through profit and loss. In this case transaction costs are recognised in profit and loss on recognition of the respective asset or liability.

Financial instruments that will be settled within twelve months will be recognised as a current asset or a current liability and instruments that will be settled after twelve months or more will be recognised as a non-current assets or a non-current liabilities.

Derecognition of financial instruments

When the Stena Group has transferred its rights to receive cash flows from an asset or has entered into a so called pass-through arrangement, the Group evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability.

Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. Disclosures with regards to financial instruments where offsetting occurs is presented in Note 26.

Financial derivatives and hedging activities

The Stena Group is exposed to different types of financial risks. The Group actively seeks to mitigate these identified financial risks in order to eliminate negative effects on the Group. The mitigation of these financial risks often include financial derivatives.

The Group hedges the oil price risk, interest rate risk and exchange rate risk (translation risk and transaction risk). In order to mitigate the oil price risk the Group uses swaps and options in order to mitigate interest rate risk interest rate swaps is used and finally forward contracts is used to mitigate the exchange rate risk.

A financial derivative is valued at fair value at the transaction date and it is continuously valued at its fair value through profit and loss if the instrument is not used in an effective hedge relationship and hedge accounting is applied. There are different forms of hedge accounting techniques:

- Fair value hedge (applied)
- Cash flow hedge (applied)
- Hedge of net investment in foreign operations (applied)

In order to apply hedge accounting certain criteria's need to be fulfilled. The Stena Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items. Any ineffectiveness is recognised in profit and loss as a finance cost or income.

All financial derivatives are valued at their respective fair values and they are recognised as a financial asset if the value is positive and a financial liability if it is a negative value. The fair value of a financial derivative is classified and recognised as either a non-current asset or a non-current liability if the underlying hedge item will be settled or resolved after more than 12 months. Disclosures are presented in Note 26. All changes in the hedging reserve is presented in the Statement of changes in equity and in Statement of other comprehensive income.

Cash flow hedge

In the case of a cash flow hedge the hedged item is a highly probable future transaction, for instance purchase of bunker oil or the payment of fixed interest rate on outstanding borrowings. The Group is exposed to changes in the price of bunker oil used for the vessel operation. The Stena Group uses forwards and options in order to mitigate the bunker oil price risk and interest rate swaps in order to mitigate the interest rate risk. In both cases hedge accounting is applied. The fair value of the hedge instruments (options, forwards and swaps) is, in terms of effective hedge relationships, recognised in other comprehensive income and specified as part of the hedging reserve in equity until the underlying transaction is recognised in profit and loss, that is when bunker oil is purchased or when interest payments are made.

The accumulated fair values of the hedge instruments are transferred to profit and loss through other comprehensive income in the same period as the hedged item is recognised (that is when a gain or loss is recognised) and the recycled value is recognised on the same line item as the hedged item. When the actual purchase of bunker oil is performed the accumulated fair value of the bunker oil hedge instrument is recycled from the hedge reserve (as part of equity) to profit and loss through other comprehensive income, classified as an operation cost (meaning as an adjustment of the bunker oil expense, bunker oil as initially recognised as inventory) or as an adjustment of the interest cost of the period in terms of interest rate hedges. All fair value changes of financial derivatives, with the exception of those included in the Groups trading portfolios, will as a consequence of hedge accounting) be recognised as an adjustment of the asset bought or as an adjustment of the revenue or cost recognised in the profit and loss statement. The above technique is applied for all cash flow hedges.

If the hedged item (asset or liability) is sold or settled hedge accounting is discontinued and the accumulated fair value of the hedge instrument is recognised as an adjustment of the gain or loss.

If the Group chooses to discontinue hedge accounting voluntarily the accumulated fair value in equity will remain as part of equity until the underlying is recognised.

Hedging of net investments

Hedging of net investments in foreign operations is reported in the same manner as cash flow hedges. The gains or losses attributable to the effective portion of the hedge are reported through other comprehensive income and accumulated in the translation reserve. Gains or losses attributable to the ineffective portion of the hedge are directly reported in the income statement as financial items. Accumulated gains or losses are reclassified through other comprehensive income and reported in the income statement when the foreign operations, or portions of these operations, are sold.

Fair value determination of financial instruments measured at fair value

(i) Financial instruments quoted in an active market (level 1 measurement)

For financial instruments quoted on an active market, fair value is determined on the basis of the asset's listed buying current bid-rate on balance sheet date, with no addition for any transaction costs (for example brokerage) on acquisition date. A financial instrument is considered to be quoted in an active market if the quoted prices are readily available on a stock exchange, with a trader, broker, industry organisation, company providing current price information or supervisory authority, and if these prices represent actual and regular market transactions carried out under arm's length conditions. Any future transaction costs from disposals are not considered. The fair value of financial liabilities is determined on the basis of the listed selling rate.

ii) Valuation techniques using observable market inputs (level 2 measurement)

If the market for a financial instrument is not active, the Group determines fair value by utilising a valuation technique. The valuation techniques employed are based, as far as possible, on market information, with company specific information being used to the least extent possible. The Group calibrates valuation techniques at regular intervals and tests their validity by comparing the outcome of these valuation techniques with prices from observable current market transactions in the same instruments. The valuation models applied are calibrated so that fair value on the initial recognition date amounts to the transaction price, with changes in fair value subsequently being continuously reported on the basis of changes in the underlying market risk parameters.

(iii) Valuation techniques using significant unobservable inputs (level 3 measurement)

If there are no similar financial instruments on a quoted market and no observable pricing information from the market, the valuation is based on estimated discounted cash flows. Fair value is determined by hypothesising what a market price would be if there was a market i.e. calculated fair value is a prediction instead of an observation.

Financial assets and liabilities

Classification of financial instruments

Classification of financial instruments are based on the business model used while managing those instruments. The business model is based on the ultimate purpose of the holdings. AB Stena Finans manages substantial financial portfolios, for instance:

- Financial derivatives
- Equity instruments (shares and funds), listed and unlisted
- Interest bearing assets, current and non-current
- Interest bearing liabilities, current and non-current

Financial derivatives

Financial derivatives are valued at their respective fair values through profit and loss. A derivative either has a positive or negative fair value depending on the underlying asset or liability.

Derivatives are mainly used in order to mitigate different financial risks that the business is exposed to, for instance exchange rate risk, interest rate risk and bunker oil price risk (these risks are in detail described separately in disclosure Note 25). If hedge accounting is applied, the recognition of the change of the value, is dependent on what type of hedge accounting that is applied, see section on hedge accounting.

Equity instruments

All equity instruments are valued at their respective fair values. There are listed as well as unlisted equity instruments in the Group. Fair value changes are either recognised through profit and loss or through comprehensive income. If the latter is applied future gains and losses will as well be recognised in other comprehensive income and not be reclassified through profit and loss. Received dividends is recognised as finance income in the income statement.

CONT. NOTE 1

Equity instruments in the Group are classified as follows:

• Listed equity instruments	Fair value through profit or loss (FVTPL)
• Listed equity instrument	Fair value through other comprehensive income (FVTOCI)
• Unlisted equity instrument	Fair value through profit or loss (FVTPL) or through other comprehensive income (FVTOCI) depending on the purpose of the instrument

Interest bearing financial assets
The Stena Group has interest bearing financial assets in the form of bonds, customer receivables, leasing receivables and other interest bearing instruments.

Interest bearing financial instruments are classified and valued based on the business model applied by the Stena Group when managing the specific assets. Interest bearing financial assets can be valued at either:

- Amortised cost
- Fair value through other comprehensive income
- Fair value through profit and loss

In the case these financial assets are held for the primary purpose of receiving payments of principal and interest they are valued at amortised cost. Interest income is reported in the finance net in the income statement. Realised gains and losses are reported as other income or cost. This business model do however not mean that it is not possible under certain circumstances to sell these assets. It is important to state that the business model primarily is to hold to collect. The aim is not to recover its value through sale transactions. If so, the business model is rather a mixed one and then it is valued at fair value through other comprehensive income. Finally if the interest bearing financial assets are part of a business model focusing of trading they are valued at fair value through profit and loss.

In order for a financial assets to be valued at amortised cost the asset need to fulfil certain technical characteristics, and if these are not fulfilled they will as default be valued at fair value through profit and loss. There are the following financial assets in the Stena Group:

• Customer and leasing receivables	Amortised cost
• Non-current receivables	Amortised cost
• Financial investments	Amortised cost Fair value through other comprehensive income, Fair value through profit and loss

Stena has in some instances chosen to value interest bearing financial assets at their respective fair values through profit and loss.

Impairment of financial assets
In the case of interest bearing instruments valued at amortised cost or fair value through other comprehensive income a credit risk reserve is recognised based on the expected credit losses. There is a credit risk reserve recognised for consumer receivables and lease receivables as well as for instruments valued at fair value through other comprehensive income.

For customer receivables the reserve is based on the lifelong expected credit loss.

Financial liabilities
Financial liabilities in the Group are divided into the following categories:

- Financial liabilities at fair value through profit or loss, held for trading
- Other financial liabilities

Classification is based on the purpose of the acquisition of the financial instrument. The classification is carried out by senior management on the initial recognition date.

Other financial liabilities
Other financial liabilities in the balance sheet consist of senior notes, other non-current interest-bearing liabilities, other non-current liabilities, current interest-bearing liabilities, trade payables and other liabilities. Financial liabilities are recognised initially at fair value, net of transaction costs incurred.

Financial liabilities are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the liabilities using the effective interest method. Transaction costs initially decrease the debt and is thereafter allocated over time using the effective interest method.

RECEIVABLES AND LIABILITIES IN FOREIGN CURRENCY

Transactions in foreign currency are translated in accordance with current exchange rates at the transaction date.

Both in the individual Group companies and in the Group's annual accounts, receivables and liabilities in foreign currency are translated at the closing rate of exchange. Related exchange rate differences on current payments are included in operating profit, while differences in financial receivables and liabilities are reported under financial items. All exchange rate differences affect net profit/loss for the year.

An exception is the portion of the difference consisting of an effective hedge of the net investment, where recognition is directly in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities, as well as equities held at fair value through profit or loss, are recognised in the income statement as part of the fair value gain or loss.

The following currency exchange rates have been applied in the Group's annual accounts:

	Average rates		
	2023	2022	Change in %
USD	10.6128	10.1245	5
GBP	13.1979	12.4669	6
EUR	11.4765	10.6317	8

	Closing rates		
	2023	2022	Change in %
USD	10.0734	10.4283	–3
GBP	12.8245	12.6005	2
EUR	11.1200	11.1635	–

INCOME TAXES

General

The Group's total tax consists of current tax calculated on taxable profit and deferred tax. Current tax and changes in deferred tax are reported in the income statement, with the exception of those deferred taxes reported directly in other comprehensive income. Deferred tax includes unutilised deficits from the translation of tax assessment to current tax rates, and other temporary differences between book residual value and fiscal residual value. The tax value of unutilised loss carry-forward is capitalised to the degree it is probable that this will entail lower tax payments in the near future.

Significant assessments are required from management in the calculation of income tax liabilities, income tax receivables and deferred tax for provisions and receivables. This process requires the assessment of the Group's tax exposure of current tax and the adoption of temporary differences created by various taxation and accounting regulations. In particular, management must assess the likelihood that deferred tax assets can be settled against surpluses in future tax assessment see also Note 2.

The Stena AB Group is within the scope of the OECD Pillar Two model rules, an international tax reform which aims to ensure that large multinational groups pay a minimum tax on income arising in each jurisdiction in which they operate. Thus, Stena AB Group becomes liable to pay top-up taxes on profits in each jurisdiction where the effective tax rate calculated according to the GloBE rules is below the minimum tax rate of 15%. Pillar Two legislation has been enacted in Sweden, where Stena AB has its residence, and will start to apply as from financial year 2024. Since the legislation was not applicable on financial year 2023 there is no related current tax exposure. The Stena AB Group applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, provided in the amendments to IAS 12 that was issued in May 2023. Potential exposure arising from the new legislation is not expected to have any material impact on the Stena AB Group's tax expense.

Current tax

All companies within the Stena Group calculate income tax in accordance with the tax regulations and ordinances in force in those countries where the profit is taxed.

Deferred taxes

The Group uses the balance sheet method to calculate deferred taxes. The balance sheet method implies that deferred tax assets and liabilities are valued according to the tax rates adopted or announced on balance sheet date and which are expected to apply to the period in which the acquisition is executed or the liability settled. The tax rates are applied to the existing differences between the accounting or fiscal value of an asset or liability, as well as to loss carry forwards. These loss carry forwards can be used to reduce future taxable income. Deferred tax assets are reported to the extent that it is probable that a sufficient taxable surplus will exist to allow for accounting of such receivables.

LEASING

Leases where the Group is lessee

The Stena Group applies IFRS 16 for accounting of leases, which means that most lease contracts are recognized in the balance sheet, at commencement date, as a right-of-use asset and a lease liability. A contract is or contains a lease if it conveys, to the Group, the right to control the use of an identified asset for a period of time in exchange for a consideration.

Stena acts as a lessee with regards to a large number of assets such as vessels, buildings and land. In some cases, lease components are also included in signed operating contracts with port operators. By applying IFRS 16, the total value of assets and liabilities increases due to the recognition of the right-of-use assets and the lease liabilities.

Stena applies the optional exemptions which allow for the exclusion of short-term leases and leases of low-value assets from recognition on the balance sheet.

See Note 19 for more information regarding the impact on the Group's financial statements.

Leases where the Group is lessor

When the Group is the lessor, each lease is assessed at the commencement date to determine whether it will be classified as a finance lease or an operating lease. The classification is based on an overall assessment of whether the lease transfers substantially all the financial risks and rewards incidental to ownership of the underlying asset. If this is the case, the lease is a finance lease, otherwise, it is an operating lease.

A number of indicators are considered in the assessment. Examples of these indicators are as follows: the lease term is for the major part of the economic life of the asset; and the lease transfers ownership of the underlying asset to the lessee at the end of the lease term.

When a leased asset is subleased, the head lease and the sublease are reported as two separate leases. The lease is classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset. Lease payments from operating leases are recognised as revenue on a straight-line basis over the lease term.

INVENTORIES

Inventories are measured at the lower of cost, according to the first-in, first-out method (FIFO), or net realisable value, less deductions for any obsolescence. The acquisition cost for finished goods, products in progress and work in progress consists of raw materials, direct salaries, other direct expenses, and related indirect manufacturing expenses (based on normal manufacturing capacity). Net realisable value is the estimated selling price in the ordinary course of business, less the estimated variable costs necessary to make the sale. Inventories mainly include bunker fuel, spare parts, merchandise for onboard sale, products for bars and restaurants onboard the vessels and finished goods, products in progress and condominiums. Costs for inventories include transfers from

CONT. NOTE 1

comprehensive income of any gains or losses from cash flow hedges that comply with the conditions for hedge accounting as regards to purchases of raw material.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash and bank balances with an original maturity of three months or less.

EMPLOYEE BENEFITS

Post-employment benefits, such as pensions and other benefits, are predominantly settled by the means of regular payments to independent authorities or bodies thereby assuming pension commitments towards the employees. These arrangements are referred to as defined contribution plans. The company thus pays set fees to a separate legal entity and has no commitment to pay any further fees. Expenses are charged to the Group's income statement, as administration costs, at the rate that the benefits are earned. The remaining portion of post-employment benefits consists of defined benefit plans, in which the commitments remain with the company. Remuneration of employees and former employees is paid on the basis of salary at retirement date and number of years of service. The Company bears the risk for ensuring that the remuneration undertaken is paid. For defined benefit plans, the Company's costs and the value of outstanding commitments on the balance sheet date are calculated on the basis of actuarial assumptions intended to determine the present value of issued commitments.

The amount recognised in the balance sheet is the net total of the estimated present value of the commitments and the fair value of the plan assets, either as a provision or as a non-current financial receivable. In cases where a surplus in a plan cannot be fully utilised, only that portion of the surplus that the company can recover through decreased future contributions or repayments is recognised. The set-off of a surplus in a plan against a deficit in another plan is allowed only if a company has the right to utilise a surplus in a plan to settle a deficit in another plan, or if the commitments are to be settled on a net basis.

The pension expense and the pension commitment for defined benefit pension plans are calculated annually by independent actuaries. The commitment consists of the present value of expected future payments. The most important actuarial assumptions are stated in Note 16. Actuarial gains and losses may result upon determination of the present value of the defined benefit commitment and the fair value of plan assets. These result either from differences between the actual return and expected returns, or changes in assumptions. Changes in the present value of the obligations due to revised actuarial assumptions and experience adjustments on the obligation are recorded in other comprehensive income as remeasurements. The actual return less calculated interest income on plan assets is also included in other comprehensive income as remeasurements. Past-service costs are recognised immediately in income for the period. The described accounting principle is only applicable for Group accounting. The Parent company and the subsidiaries apply local rules and accounting principles.

PROVISIONS

Generally, provisions are reported when there is an obligation as a result of a historical event, in which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are recognised at the amount that represents the best estimate of the amount required to settle the existing obligation on the balance sheet date. Where there is doubt in the estimates regarding forthcoming events outside the Group's control, the actual outcome may differ significantly.

When an obligation does not meet the criteria for recognition in the balance sheet, it may be considered to comprise a contingent liability and be disclosed. These commitments derive from historical events and their existence will be confirmed only when one or several uncertain future events, which are not entirely within the Group's control, take place or fail to take place. Contingent liabilities also include existing commitments where an outflow of resources is not likely or a sufficiently reliable estimate of the amount cannot be made.

NEW OR AMENDED ACCOUNTING STANDARDS APPLIED AFTER 2023

New accounting standards and interpretations that have been published and are effective from 2023 and later are not considered to have a material impact on the Stena Group's financial statements.

NEW ACCOUNTING POLICIES 2023

No new or revised accounting standards or interpretations effective from January 1, 2023 have materially affected the Stena Group's financial statements.

PARENT COMPANY ACCOUNTING POLICIES

The Parent company applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities.

The Parent company primarily applies the policies regarding consolidated financial statements described above. The discrepancies arising between the policies applied by the Parent company and the Group result from limitations in the possibilities of applying IFRS in the Parent company due to the Annual Accounts Act and, in some cases, due to taxation legislation. The most significant differences between the accounting policies applied by the Group and the Parent company are shown below.

According to RFR 2, the principles for defined benefit plans in IAS 19 do not have to be applied for a legal entity.

Shares in subsidiaries are recorded at cost less any impairment.

Group contributions provided or received by the Parent Company are recognised as appropriations in the income statement.

In the Parent company, in accordance with the Swedish Annual Accounts Act, equity is split between restricted and unrestricted equity.

Stena AB applies IFRS 9 when calculating a reserve for the expected credit loss on receivables on subsidiaries. Based on the value of the receivable, the probability that the subsidiary will be in default as well as the loss at default, a credit risk reserve is booked. As per 31 December 2023 long term receivables on subsidiaries amounted to SEK 7,263 million and the short term receivables amounted to SEK 153 million.

NOTE 2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Board of Directors and Company management make estimates and assumptions concerning future developments in conjunction with the preparation of the annual accounts. The resulting accounting estimates will, by definition, rarely be equal to the actual results. Those estimations and assumptions implying a significant risk of material adjustments in the carrying amounts of assets and liabilities during the next financial period are discussed below.

A) IMPAIRMENT TESTING FOR INTANGIBLE ASSETS

According to IFRS, intangible assets are to be defined as having either finite or indefinite lives. Intangible assets with indefinite useful lives are not amortised but instead tested at least annually for impairment. Goodwill has by definition an indefinite useful life and is therefore not amortised.

Assets with indefinite useful lives

Goodwill and trademarks are subject to annual impairment testing according to the described accounting principle in Note 1. The recoverable amounts for cash-generating units have been determined by calculating value in use. These calculations require the use of estimates which affects future cash flows and the determination of a discount rate. See also Note 9.

Assets with finite useful lives

Intangible assets which are amortised are tested annually for impairment when circumstances indicate impairment of the intangible asset. Important indicators are:

– Significant decline in the external economic environment.
– Decline in the operating profit compared with historic and budgeted operating profit.

See also Note 9.

B) IMPAIRMENT TESTING OF VESSELS AND DRILLING UNITS

The Group conducts impairment testing for its vessels and drilling units at least twice a year. If there is any indication of impairment, the recoverable amount is determined based on the calculated value in use. These calculations are based on estimated future cash flows with significant assumptions such as discount rate, inflation, dayrates and expected volumes. Management continuously monitors changes in economic conditions that could affect the significant assumptions used to discount future cash flows.

As of 31 December 2023 the recoverable amounts based on value in use were not less than their carrying amount in any test and therefore no impairment has been made. Information on the carrying amounts of vessels and significant assumptions are presented in Note 10.

C) RETIREMENT BENEFITS

The Group has defined benefit pension plans, mainly in the United Kingdom and Sweden. The pension calculations are based on assumptions about discount rate, mortality rate, inflation and future pension and salary increases. Changes in assumptions directly affect the present value of the defined benefit obligation and costs and revenues associated with pensions. An analysis of sensitivity of the most essential assumptions is presented in Note 16.

D) DEFERRED TAXES

In the preparation of the financial statements, Stena prepares a calculation of income tax, including a calculation of every fiscal area in which the Group operates, as well as of deferred taxes attributable to temporary differences. Deferred tax assets that are primarily attributable to tax losses carried forward and temporary differences are reported if the tax assets can be expected to be recovered through future taxable income. Changes in the assumptions regarding forecasted future taxable income, as well as changes in tax rates, may result in significant differences in the valuation of deferred taxes.

E) PROVISIONS

Generally, provisions are recognised when there is an obligation as a result of a historical event, where it is likely that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are recognised at the amount that represents the best estimate of the amount required to settle the existing obligation on the balance sheet date. Where there is doubt in the estimates referring to forthcoming events outside the Group's control, the actual outcome may differ significantly. When a commitment does not meet the criteria for reporting in the balance sheet, the amount can be considered a contingent liability and be disclosed.

These commitments arise from events that have taken place and their existence will be confirmed only when one or several uncertain future events, which do not lie entirely within the Group's control, take place or fail to take place. Contingent liabilities also include present commitments where an outflow of resources is not likely or a sufficiently reliable estimate of the amount cannot be made.

F) FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group calculates discounted cash flows for different financial assets which are not traded in an active market.

G) VALUATION OF INVESTMENT PROPERTIES

The fair value of an investment property can only be determined with certainty at the date of sale. As the valuation of investment properties is based on accepted principles and assumptions, the fair value is not the exact value but an estimate.

H) REVENUES

Identification of performance obligations

This concerns the business of the Group companies performing construction contracts, Stena Property and Envac. The critical issue is whether the customer contracts include more than one performance obligation. If there are parts in the contract that is distinct from other parts in the contract they should be separated and recognised separately, this could be the case when Stena Property is selling land in the same transaction as when they are seller properties. The Group's view is that both Stena Property (with the exception of sale of land) and Envac are offering one performance obligation where there are no other distinct parts that could be separated from the whole. In Ferry Operation there are multiple performance obligations in terms of sales, including loyalty programs.

CONT. NOTE 2

Over time or one point in time
One general rule is that revenue from the sale of consumer goods is recognised when control is passed to the customer and that is normally when the sale is done (over the counter) and services of all sorts are recognised over time that is when the service is consumed by the customer.

Production and sale of property is recognised when control has passed and the Group's conclusion is that this is done when the turn-key property is finalised and delivered, that is when the condominium association is deconsolidated. During the production phase, the production vehicle is included in the consolidated accounts and a contract asset is recorded in the form of inventory. The control is not passed to anybody before the production is finalised. If Stena Property on the other hand is building for an external party revenues are recognised over time as the control is passed over time in accordance with the contract.

Relation between IFRS 15 and IFRS 16
Several Group companies are acting as a lessor and the leasing contracts include performance obligations as defined in IFRS 15. These are service deliveries in connection with the lease of a drilling platform, a ship or similar. The service part of these contracts are disclosed as service deliveries and separated from the lease income. In order to be able to perform this accounting, an allocation key for differentiating between the leasing income and the service revenue is applied.

Variable consideration – types and content
Stena Line and Blomsterlandet are operating a customer loyalty programme, meaning that customer are earning units on each buy, units that can be used in the future. As a consequence of this programme, a contract liability is recognised amounting to the fair value of the granted units. The customers can use these granted units under a one year period so the contract liability will be recognised as revenue during this period of time.

I) LITIGATIONS

The Group is by its size and spread from time to time involved in different litigations. During the year only a few litigations have been settled that all in all have not had any material effect on the financial result.

NOTE 3. SEGMENT INFORMATION

The Stena Group is an international group involved mainly in Ferry Operations, Offshore Drilling, Shipping, Property and New Businesses. There are no material transactions between these operating segments. For a more detailed information about the different segments, see Directors' Report.

The primary measures of profitability for these segments are the "operating profit" and "operational EBITDA". These measures are also those that are reported to the company's chief operating decision makers. In the Group, this function is held by the Stena Board of Directors, which makes all strategic decisions.

DISAGGREGATION OF REVENUES

The Stena Group is a diversified business including several different revenue streams, therefore it is difficult to present this information in generic terms with regards to business model content. The revenue streams of the Group could be described in different ways.

The main disaggregation of the revenue streams is based on the operating segments of the Group. Each operating segment or business unit is operating their specific business model including delivery of goods or services and a third dimension is whether revenue is recognized in one point in time or over time. A simple description of the Group companies revenue streams is presented on the following page:

Group companies revenue streams

		Revenue stream	Revenue recognition	Performance obligation
Ferry Operations		Sale of goods	One point in time	Delivery of consumer products (onboard sale)
		Sale of services	Over time	Personal transportation services
		Sale of services	Over time	Freight services
Offshore Drilling		Sale of services	Over time	Operating services
Shipping	RoRo	Sale of services	Over time	Transportation/logistic services
	Tanker	Sale of services	Over time	Transportation/logistic services
	Other	Sale of services	Over time	Technical Management & Crew management
		Sale of services	Over time	Catering sales
		Sale of goods	One point in time	Marine sales
		Sale of services	Over time	Freight services
Property		Sale of services	Over time	Facility management services
		Sale of goods	One point in time	Sale of condominiums
New Businesses	Envac	Construction contracts	Over time	Delivery of construction contracts (automatic waste management)
	S-Invest	Sale of goods	One point in time	Sale of flowers
	Ballingslöv	Sale of goods	One point in time	Sale of kitchens
		Construction contracts	Over time	Delivery of construction contracts (kitchen)
	Captum	Sale of services	One point in time	Provision of payment services

Revenue 2023

SEK in million		Lease income	Products	Service	Construction Contracts	Other	Total	One point in time	Over time	Total
Ferry Operations			1,166	17,717		9	18,892	1,166	17,726	18,892
Offshore Drilling		2,758		3,523		2	6,283		6,283	6,283
Shipping	RoRo	871		185		4	1,060		1,060	1,060
	Tanker	4,629		3,468		76	8,173	15	8,158	8,173
	Other		467	7,282		31	7,780	467	7,313	7,780
	Total	**5,501**	**467**	**10,935**		**110**	**17,013**	**482**	**16,531**	**17,013**
Property		2,961		57		607	3,625	506	3,119	3,625
New Businesses			6,618	181	2,073	17	8,889	6,635	2,254	8,889
Other		1		39		4	44		44	44
Total		**11,220**	**8,251**	**32,452**	**2,073**	**750**	**54,746**	**8,789**	**45,957**	**54,746**

Revenue 2022

SEK in million		Lease income	Products	Service	Construction Contracts	Other	Total	One point in time	Over time	Total
Ferry Operations			1,079	16,428		10	17,517	1,079	16,438	17,517
Offshore Drilling		2,197		2,081		3	4,281		4,281	4,281
Shipping	RoRo	766		80		5	851		851	851
	Tanker	5,102		3,731		61	8,894	26	8,868	8,894
	Other		370	7,194		19	7,583	370	7,213	7,583
	Total	**5,868**	**370**	**11,005**		**85**	**17,328**	**396**	**16,932**	**17,328**
Property		2,647		53		1,088	3,788	1,034	2,754	3,788
New Businesses			7,075	28	1,952	18	9,073	7,093	1,980	9,073
Other		1		13		3	17		17	17
Total		**10,713**	**8,524**	**29,607**	**1,952**	**1,207**	**52,004**	**9,602**	**42,402**	**52,004**

The total amount of the transaction price for building contracts that are unsatisfied or partially unsatisfied amounts to SEK 2,983 (3,603) million as of December 31 2023. Of this, 35% is expected to be reported as revenue during the next financial year. The remaining 65% will be reported in 2025 and onwards. Construction contracts are held by Ballingslöv and Envac, which are part of New Businesses.

CONT. NOTE 3

Reconciliation between operational EBITDA and operating profit by segment

		1 January–31 December	
SEK in million		**2023**	**2022**
Ferry Operations	Operational EBITDA	4,109	4,765
	Depreciation, amortisation and impairment	–2,339	–2,330
	Net result from investments in operating associates		2
	Operating result	**1,770**	**2,437**
Offshore Drilling	Operational EBITDA	2,838	1,101
	Net result on sale of operations	–73	50
	Depreciation, amortisation and impairment	–2,964	–2,790
	Operating result	**–199**	**–1,640**
Shipping			
– RoRo	Operational EBITDA	864	568
	Net result on sale of vessels		412
	Depreciation, amortisation and impairment	–336	–278
	Operating result	**528**	**703**
– Tanker	Operational EBITDA	3,432	3,237
	Net result on sale of operations	–17	–4
	Depreciation, amortisation and impairment	–1,754	–1,958
	Net result from investments in operating associates	90	18
	Operating result	**1,751**	**1,293**
– Other shipping	Operational EBITDA	357	295
	Net result on sale of operations	1	–42
	Depreciation, amortisation and impairment	–262	–176
	Net result from investments in operating associates	13	11
	Operating result	**109**	**88**
Total Shipping	**Operating result**	**2,388**	**2,083**
Property	Operational EBITDA	2,083	1,920
	Net result on sale of properties	18	
	Net result on sale of operations	1	85
	Change in fair value of investment properties	287	902
	Depreciation, amortisation and impairment	–9	–16
	Net result from investments in operating associates	17	16
	Operating result	**2,397**	**2,906**
New Businesses	Operational EBITDA	915	1,054
	Depreciation, amortisation and impairment	–375	–294
	Operating result	**540**	**760**
Other	Operational EBITDA	–459	–341
	Net result on sale of operations	–4	8
	Depreciation, amortisation and impairment	–74	–31
	Net result from investments in operating associates	–132	
	Operating result	**–669**	**–364**
Total	**Operational EBITDA**	**14,139**	**12,599**
	Net result on sale of vessels		**412**
	Net result on sale of properties	**18**	
	Net result on sale of operations	**–92**	**96**
	Change in fair value of investment properties	**287**	**902**
	Depreciation, amortisation and impairment	**–8,113**	**–7,874**
	Net result from investments in operating associates	**–12**	**47**
	Operating result	**6,227**	**6,182**

Depreciation, amortisation and impairment by segment

SEK in million		1 January–31 December 2023	2022
Ferry Operations		2,339	2,330
Offshore Drilling		2,964	2,790
Shipping	RoRo	336	278
	Tanker	1,754	1,958
	Other	262	176
	Total	**2,352**	**2,412**
Property		9	16
New Businesses		375	294
Other		74	31
Total		**8,113**	**7,874**

Depreciation, amortisation and impairment expense consists of the following components

SEK in million	1 January–31 December 2023	2022
Vessels	6,410	6,287
Equipment	675	631
Land and buildings	435	335
Ports	259	244
Total property, plant and equipment	**7,779**	**7,497**
Intangible assets	334	376
Total	**8,113**	**7,874**

Investments in property, plant and equipment by segment

SEK in million		1 January–31 December 2023	2022
Ferry Operations		1,301	2,342
Offshore Drilling		3,709	979
Shipping	RoRo	1,357	1,254
	Tanker	37	138
	Other	189	41
	Total	**1,583**	**1,433**
Property		1,223	3,592
New Businesses		270	231
Other		28	11
Total		**8,114**	**8,588**

CONT. NOTE 3

Total assets by segment

SEK in million		31 December 2023	2022
Ferry Operations		25,630	24,984
Offshore Drilling		22,576	20,881
Shipping	RoRo	6,890	6,206
	Tanker	9,183	12,390
	Other	5,053	5,089
	Total	**21,126**	**23,685**
Property		51,291	49,974
New Businesses		14,738	12,295
Other		11,810	13,254
Total		**147,172**	**145,072**

Geographic information
The Group's shipping operations within Stena RoRo and Stena Bulk are mainly conducted between ports all over the world under short and long-term contracts. These activities are not allocated to a geographic area.
The Ferry Operations and the Property Operations are conducted mainly in Scandinavia and the rest of Europe. The company's drilling operations are conducted in markets all around the world.

Total revenue by geographic area

SEK in million	1 January–31 December 2023	2022
Scandinavia	16,122	16,980
Rest of Europe	21,970	20,963
Other markets	7,699	5,730
Not allocated	9,168	9,741
Total	**54,959**	**53,414**

Total assets by geographic area

SEK in million	31 December 2023	2022
Scandinavia	70,371	70,376
Rest of Europe	37,155	35,752
Other markets	23,572	21,431
Not allocated	16,074	17,513
Total	**147,172**	**145,072**

NOTE 4. SALE OF NON-CURRENT ASSETS

SEK in million		1 January–31 December 2023	2022
Vessels	Sales price		596
	Carrying amount		–184
	Result on sale of vessels		412
Property	Sales price	60	26
	Carrying amount	–42	–26
	Result on sale of properties	18	0
Operations	Sales price	0	275
	Carrying amount	–92	–179
	Result on sale of operations	–92	96
Total	Sales price	60	897
	Carrying amount	–134	–389
Total result from sale of non-current assets		**–74**	**508**

Result from the sale of buildings and equipment are reported under profit/loss for the year.

The total sales price include paid selling expenses of SEK 0 (36) million. A comparison with the cash flow statement for the above asset classes shows differences. These are largely due to cash flow from the sale of development properties, buildings and equipment being included in the cash flow and deductions have been made in the cash flow for cash and cash equivalents in divested companies.

NOTE 5. ADMINISTRATIVE EXPENSES

Administrative expenses include R&D costs amounting to SEK 68 (67) million.

Fees and other renumeration to auditors and advisors are set forth below:

Fees to the auditors

SEK in million	1 January–31 December 2023	2022
Audit fees	30	27
Audit-related fees	3	4
Tax advisory services	4	3
Other fees	11	2
Total	**48**	**36**
Audit fees to other auditing firms	12	12
Group Total	**60**	**48**

Audit fees relate to examination of the annual report, financial accounting and the administration by the Board and the CEO as well as other tasks related to the duties of a company auditor. The audit-related fees include, except for the audit, other quality assurance services required by enactment, articles of association, regulations or agreement. Tax advisory services include both tax consultancy and tax compliance services. Other fees are related to other assignments.

NOTE 6. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD AND OTHER JOINT ARRANGEMENTS

All associates, joint ventures and other joint arrangements are reported under this heading. One joint operation has been identified under other joint arrangements but this is assessed to be of no material nature. Associates and joint ventures are reported according to the equity method, while joint operations are reported using proportionate consolidation. See also Note 1 under the heading "Investments in associates, joint ventures and other joint arrangements".

Associates are divided into strategic holdings and other holdings. The result from other holdings more directly attributable to operations is reported in operating profit, while strategic holdings are reported in the financial net under the heading "Result from investments in strategic associates".

All joint ventures within the Group are related to the operation and are reported in the operating profit.

The Group has five holdings that are regarded as strategic; Midsona AB (publ.), Svedbergs i Dalstorp AB (publ.), Ependion AB (publ.) (Name changed from Beijer Electronics Group AB), Gunnebo TopCo AB and SR Energy AB.

At 31 December 2023, the investment in Midsona AB (publ.) (reg. no. 556241-5322, headquartered in Malmö) represents 48% of the capital and 47% of the votes, which is unchanged to previous year. The share of profit/loss was SEK –27 (–142) million.

At 31 December 2023, the investment in Svedbergs in Dalstorp AB (publ.) (reg. no. 556052-4984, headquartered in Tranemo municipality) represents 41% of the capital and votes, which is unchanged to previous year. The share of profit/loss was SEK 52 (55) million.

At 31 December 2023, the investment in Ependion AB (publ.) (reg. no 556025-1851, headquartered in Malmö) represents 29% of the capital and votes, which is unchanged to previous year. The share of profit/loss was SEK 58 (42) million.

At 31 December 2023, the investment in SR Energy AB (reg. no. 556711-9549, headquartered in Göteborg) represents 20% of the capital and votes, which is unchanged to previous year. SR Energy AB is not a listed company. The share of profit/loss was SEK 29 (72) million.

At 31 December 2023, the investment in Gunnebo TopCo AB (reg. no. 559268-3352, headquartered in Göteborg) represents 26% of the capital and votes, which is unchanged to previous year. Gunnebo TopCo AB is not a listed company. The share of profit/loss was SEK 2 (–104) million.

Shares in Midsona, Svedberg in Dalstorp and Ependion have been pledged as collateral for liabilities to credit institutions.

	Strategic holdings[1]		Other holdings		Joint Venture		Total	
SEK in million	2023	2022	2023	2022	2023	2022	2023	2022
Opening balance	**4,052**	**2,950**	**205**	**211**	**374**	**792**	**4,631**	**3,953**
Investments	8	1,264	2			54	10	1,318
Disposals		–358			–64	–300	–64	–658
Profit/loss from associates/joint ventures								
– Share of profit/loss	114	–77	–151	–10	139	57	102	–30
– Write-down						–167		–167
– Other	136	3				–3	136	
Other comprehensive income	–25	282					–25	282
Dividend	–50	–4	–4	–10	–21	–101	–75	–115
Exchange differences	13	–11	10	13	–12	51	11	53
Other changes		3	–10	1	–9	–9	–19	–5
Closing balance	**4,248**	**4,052**	**52**	**205**	**407**	**374**	**4,707**	**4,631**

1) The closing balance per 31 December 2023 for investments reported according to the equity method includes for strategic holdings goodwill amounting to SEK 603 (451) million.

Summary of information about the Group's share of profit/loss and comprehensive income

Shown below are the assets (including goodwill), liabilities, equity, revenue and result for the significant associates and joint ventures in the Group. Furthermore, the result and the carrying amount in the Group is also shared.

Strategic holdings

SEK in million	Country of incorporation	Assets	Liabilities	Equity	Revenues	Profit/(loss)	Interest held	Group result	Carrying amount
2023									
Midsona AB (publ.)	Sweden	4,599	1,612	2,987	3,793	–53	48%	–27	1,465
Svedbergs i Dalstorp AB (publ.)	Sweden	2,921	1,942	979	1,824	119	41%	52	698
Ependion AB (publ.) (Name changed from Beijer Electronics AB)	Sweden	2,572	1,409	1,164	2,471	200	29%	58	604
SR Energy AB	Sweden	8,083	3,375	4,708	919	148	20%	29	980
Gunnebo TopCo AB	Sweden	6,437	4,633	1,804	4,597	7	26%	2	501
Total								**114**	**4,248**

SEK in million	Country of incorporation	Assets	Liabilities	Equity	Revenues	Profit/(loss)	Interest held	Group result	Carrying amount
2022									
Midsona AB (publ.)	Sweden	4,904	1,822	3,082	3,899	–501	48%	–142	1,323
Svedbergs i Dalstorp AB (publ.)	Sweden	2,290	1,355	935	1,833	163	41%	55	656
Ependion AB (publ.) (Name changed from Beijer Electronics AB)	Sweden	2,433	1,439	994	2,128	146	29%	42	545
SR Energy AB	Sweden	8,108	3,320	4,788	883	312	20%	72	992
Gunnebo TopCo AB	Sweden	6,132	4,196	1,936	4,387	–400	26%	–104	536
Total								**–77**	**4,052**

CONT. NOTE 6

Other holdings

SEK in million	Country of incorporation	Assets	Liabilities	Equity	Revenues	Profit/ (loss)	Interest held	Group result	Carrying amount
2023									
Örgryte Bostads AB & Co KB	Sweden	355	429	–74	68	22	20%	4	18
Collectius AG	Switzerland	628	626	2	407	–78	25%	–132	1
SIA Baltreiss	Latvia	40	28	12	184	1	25%		12
NMT Dubai International LLC	United Arab Emirates	27	6	20	121	4	49%	2	2
Orbit Inc.	United States	70	59	11	26	–42	55%	–23	
Smartchain Services	United Kingdom	3	3			–1	19%		1
Intebloc	United Kingdom	5	4	1	4		30%		6
Itx Itx Cargo	Italy	126	86	40	326	6	20%		12
Result from disposed holdings								–2	
Total								**–151**	**52**

SEK in million	Country of incorporation	Assets	Liabilities	Equity	Revenues	Profit/ (loss)	Interest held	Group result	Carrying amount
2022									
Örgryte Bostads AB & Co KB	Sweden	370	457	–86	64	21	20%	4	15
Collectius AG	Switzerland	710	613	97	406	–27	25%		129
SIA Baltreiss	Latvia	43	29	14	28	10	25%	2	14
NMT Oceania PTY Ltd	Australia	63	46	16	262	4	50%		8
NMT Dubai International LLC	United Arab Emirates	29	10	19	135	5	49%	5	1
Orbit Inc.	USA	53	45	8	21	–35	64%	–22	17
Golden Avenue (GSW) PTE Ltd	Singapore						30%		
Golden Adventure (GSW) PTE Ltd	Singapore						30%	1	
Smartchain Services	United Kingdom	2	1	1			20%		1
Intebloc	United Kingdom	4	3	1	3	–2	30%		6
Itx Itx Cargo	Italy	144	106	38	363	8	20%		14
Total								**–10**	**205**

1) Negative shares have reduced non-current assets for these holdings.

During 2023 all result of shares in associates have been recognised and negative shares have reduced non-current assets amounting to SEK 0 (0) million.

Joint venture

SEK in million	Country of incorporation	Assets	Liabilities	Equity	Revenues	Profit/ (loss)	Interest held	Group result	Carrying amount
2023									
Nordic Rio LLC	Marshall Islands	19	1	18	3	3	50%	1	9
Navigation Gothenburg LLC	Marshall Islands	5	5				50%		
Blå Tomten KB	Sweden	505	378	126	65	24	50%	12	213
Golden-Agri Stena Pte	Singapore	196	45	150	699	71	50%	21	46
GSW F Class Pte Ltd	Singapore	3	–1	4	26	64	50%	32	17
Golden Stena Bulk IMOIIMAX I	Cyprus	273	327	55	103	20	50%	10	27
Golden Stena Bulk IMOIIMAX III	Cyprus	261	300	39	106	24	50%	12	20
Golden Stena Bulk IMOIIMAX VII	Cyprus	265	273	8	105	21	50%	10	4
Golden Stena Bulk IMOIIMAX VIII	Cyprus	278	289	11	106	21	50%	10	5
Proman Stena Bulk Limited[1]	Cyprus	2 984	2 901	–59	37	–64	50%	–19	
Crowley-Stena Marine Solutions LLC	USA	1 425	1 388	38	316	40	49%	20	19
Stena Sonangol	USA	25	15	10	90	10	50%	10	5
Stena Glovis	Germany	97	5	92	59	3	50%	2	40
NMT Jordan Co Ltd	Jordan	9	5	4	85	1	50%		2
Result from disposed holdings								18	
Total								**139**	**407**

SEK in million	Country of incorporation	Assets	Liabilities	Equity	Revenues	Profit/ (loss)	Interest held	Group result	Carrying amount
2022									
Nordic Rio LLC	Marshall Islands	97	7	89	59	–15	50%	40	45
Navigation Gothenburg LLC	Marshall Islands	58	12	46	34	–377	50%	–93	23
Blå Tomten KB	Sweden	480	378	102	55	23	50%	11	195
Golden-Agri Stena Pte	Singapore	94	23	47	481	92	50%	46	47
GSW F Class Pte Ltd[1]	Singapore	165	368	203	88	–28	50%	–9	
Stenwec 1 P/S	Denmark	6		–1	4	7	50%	3	3
Golden Stena Bulk IMOIIMAX I	Cyprus	279	242	–37	96	28	50%	14	19
Golden Stena Bulk IMOIIMAX III[1]	Cyprus	300	283	–17	99	30	50%	15	
Golden Stena Bulk IMOIIMAX VII[1]	Cyprus	307	319	12	96	25	50%	12	8
Golden Stena Bulk IMOIIMAX VIII[1]	Cyprus	322	331	9	95	23	50%	12	
Partrederiet SUST III DA	Norway	4	3	1		–1	50%		
Stena Glovis	Germany	95	7	89	59	12	50%	6	32
NMT Jordan Co Ltd	Jordan	4		3	37		50%		2
Result from disposed holdings									
Total								**57**	**374**

1) Negative shares have reduced non-current assets for these joint ventures.

During 2023 all results of shares in joint ventures have been recognised and negative shares have reduced non-current assets amounting to SEK 19 (19) million.

NOTE 7. FINANCIAL NET

SEK in million	1 January–31 December 2023	2022
Result from investments in strategic associates (see Note 6)	**250**	**–77**
Dividends received from shareholdings	64	29
Dividends received from financial assets	46	63
Total dividends	**111**	**92**
Realised result from sale of trading shares	257	480
Realised result from sale of shares at fair value through other comprehensive income	–8	22
Realised result from sale of financial instruments at fair value through profit or loss	4	–144
Unrealised result from trading shares	–263	–85
Unrealised result from financial instruments at fair value through profit or loss	–34	–32
Result from securities	–45	**242**
Interest income	492	319
Total Interest income	**492**	**319**
Interest expense	–3,684	–2,948
Total Interest expense	**–3,684**	**–2,948**
Exchange differences pertaining to trading operations	5	12
Translation difference	–72	43
Total foreign exchange gain/loss	**–67**	**55**
Amortisation of deferred finance costs[1)]	–157	–168
Commitment fees	–170	–139
Bank charges	–19	–46
Other financial items	–22	22
Total other finance income/costs	**–368**	**–331**
Financial net	**–3,311**	**–2,648**

1) Amortisation of capitalised finance costs relates to the accrual of costs for certain long-term loans and lease obligations over the remaining term of such loans, see Note 26.

There has been no material ineffectiveness in our cash flow hedges.

NOTE 8. INCOME TAXES

Result before tax is distributed geographically as follows:

	1 January–31 December	
SEK in million	2023	2022
Sweden	2,456	2,505
Rest of the world	460	1,329
Total result before tax	**2,916**	**3,534**

Current and deferred taxes are distributed as follows:

	2023	2022
Current tax		
For the period, Sweden	–34	–33
Adjustments previous years, Sweden	–2	–2
For the period, rest of the world	–614	–423
Adjustments previous years, rest of the world	–2	–49
Total current tax	**–652**	**–507**
Deferred tax		
For the period, Sweden	–487	–403
Adjustments previous years, Sweden	–43	14
For the period, rest of the world	–67	–258
Adjustments previous years, rest of the world	–20	147
Total deferred tax	**–617**	**–500**
Total income taxes	**–1,269**	**–1,007**

During 2023 paid tax amounted to SEK 760 (376) million and repaid tax amounted to SEK 8 (17) million, which gives a net amount of SEK 752 (359) million.

Difference between the statutory tax rate in Sweden and the effective tax rate, percentage:

	1 January–31 December	
Percentage	2023	2022
Statutory income tax rate Sweden	21	21
Effect of other tax rates in foreign subsidiaries	4	
Impact of change in tax rate	1	
Income not taxable	–3	–5
Expenses not deductible	9	9
Taxes related to previous years	2	–3
Increase in tax losses carried forward without recognition of deferred tax	11	13
Utilised tax losses carried forward, previously not recognised	–3	–1
Other	2	–6
Effective income tax rate	**44**	**28**

The main factors that affect the effective tax rate are the ability to recognise and/or utilise tax losses carried forward, non deductible interest costs, withholding taxes, the tonnage tax systems within shipping businesses, and the sales of qualifying business related holdings.

NOTE 9. INTANGIBLE ASSETS

SEK in million	Goodwill	Trademarks	Rights to routes	Distribution agreements	IT investments	Other intangible assets	**Total**
Cost of acquisition							
Opening balance, 1 January 2022	**3,334**	**994**	**929**	**298**	**1,629**	**575**	**7,759**
Acquisitions and disposals of operations (Note 24)	664	40			27	74	805
Additions	7				129	187	323
Disposals					–5	–6	–11
Transfers					119	16	135
Translation differences	229	12	52	5	27	14	339
Closing balance, 31 December 2022	**4,234**	**1,046**	**981**	**303**	**1,926**	**860**	**9,350**
Acquisitions and disposals of operations (Note 24)	1,430	2			14	2	1,448
Additions					176	186	362
Disposals	–20				–7	–11	–38
Transfers	–13				60	286	333
Translation differences	–42		7		–1	–17	–53
Closing balance, 31 December 2023	**5,589**	**1,048**	**988**	**303**	**2,168**	**1,306**	**11,402**
Accumulated amortisation and impairment							
Opening balance, 1 January 2022	**–177**	**–131**	**–470**	**–298**	**–1,283**	**–260**	**–2,619**
Acquisitions and disposals of operations (Note 24)	–57				–10		–67
Amortisation and impairment for the year	–76	–5	–48		–185	–62	–376
Disposals					5		5
Transfers					–11		–11
Translation differences	–5		–24	–5	–20	–25	–79
Closing balance, 31 December 2022	**–315**	**–136**	**–542**	**–303**	**–1,504**	**–347**	**–3,147**
Acquisitions and disposals of operations (Note 24)		–2			–13		–15
Amortisation and impairment for the year	–2	–10	–49		–172	–101	–334
Disposals	20				4		24
Transfers	6						6
Translation differences	–23		–3		2	9	–15
Closing balance, 31 December 2023	**–314**	**–148**	**–594**	**–303**	**–1,683**	**–439**	**–3,481**
Carrying amount, 31 December 2022	3,919	910	439	0	422	513	6,203
Carrying amount, 31 December 2023	**5,275**	**900**	**394**	**0**	**485**	**867**	**7,921**

GOODWILL

Goodwill is allocated to the Group's cash generating units (CGUs). CGUs are determined individually within respective business segment presented below.

	31 December	
SEK in million	**2023**	**2022**
New Businesses	3,377	2,164
Shipping	1,110	1,118
Ferry Operations	687	533
Other	101	104
Total	**5,275**	**3,919**

Impairment testing of goodwill is conducted annually and whenever conditions indicate that impairment may be necessary. The recoverable amount of cash generating units is determined based on the highest value of fair value or calculated value in use. The key assumptions used to determine fair value are future earnings and a multiple of future earnings. The key assumptions used for calculating the value in use are discount rate and growth rate in addition to expectations about the operational future development.

The book value within New Businesses is determined by the recoverable amount by calculating fair value, primarily by using multiple valuations. New Businesses has a long-term ownership perspective and is working to further develop the companies through active ownership and financial strength without any disposals of companies. The same principles were applied within the segment New Businesses in the previous year.

The pre-tax discount rate used in the impairment testing of goodwill within Shipping was 7%. The growth rate for revenue used in Shipping has been individually assessed for each company. During the period 2024–2027, the growth rate has been assumed to be on average 9% per year. For subsequent periods, revenue is estimated to have a growth corresponding to 0% per year, based on reasonable prudence.

The pre-tax discount rate used in the impairment testing of goodwill within Ferry Operations was 10%. With the reduction of revenue which occurred in 2020, partly due to restrictions in private travel, the risk in future growth rate has increased. This risk is considered to be valid also in 2023. Hence, the increased discount rate of 13% used in 2020 for the travel agency segment, was used this year as well. For the other businesses a discount rate of 7,5% has been used. The growth rate for revenue has been individually assessed for each region and has been assumed to be on average 4% during the period 2024–2027.

TRADEMARKS

Trademarks are mainly related to the segments New Businesses and the logistics business within Shipping. During 2023, impairment testing has been performed for all trademarks. The tests have been performed according to the same procedure as for establishing fair value and value in use for goodwill, see description above.

None of the performed tests indicated any impairment need for trademarks. Trademarks within New Businesses and Other Shipping are not subject to amortisation as they are considered to have an indefinite useful life.

Trademarks in the rest of the Group are amortised over the economic useful life of the asset.

NOTE 10. PROPERTY, PLANT AND EQUIPMENT

SEK in million	Vessels	Construction in progress	Other equipment	Land and buildings	**Total**
Cost of acquisition					
Opening balance, 1 January 2022	**90,101**	**2,369**	**7,907**	**2,194**	**102,571**
Acquisitions and disposals of operations (Note 24)		4	185	63	252
Additions	3,709	625	204	513	5,051
Disposals	–1,694	4	–188	–97	–1,975
Transfers	865	–1,741	–104	31	–949
Translation differences	10,348	170	831	144	11,493
Closing balance, 31 December 2022	**103,329**	**1,431**	**8,835**	**2,848**	**116,443**
Acquisitions and disposals of operations (Note 24)		18	458	503	979
Additions	2,182	4,506	563	38	7,289
Disposals	–243	–7	–174	–44	–468
Transfers	–7,407	–412	253	–240	–7,806
Translation differences	–1,952	–225	–225	–27	–2,429
Closing balance, 31 December 2023	**95,909**	**5,311**	**9,710**	**3,078**	**114,008**

CONT. NOTE 10

SEK in million	Vessels	Construction in progress	Other equip-ment	Land and buildings	Total
Accumulated depreciation and impairment					
Opening balance, 1 January 2022	**–56,739**	**–45**	**–5,116**	**–935**	**–62,835**
Acquisitions and disposals of operations (Note 24)			–51	–7	–58
Depreciation and impairment for the year	–4,718		–631	–65	–5,414
Disposals	1,548		177	95	1,820
Transfers	681		93		774
Translation differences	–6,286	–4	–518	–68	–6,876
Closing balance, 31 December 2022	**–65,514**	**–49**	**–6,046**	**–980**	**–72,589**
Acquisitions and disposals of operations (Note 24)			–299	–182	–481
Depreciation and impairment for the year	–5,057	–25	–650	–112	–5,844
Disposals	248		113	3	364
Transfers	5,071				5,071
Translation differences	1,371		160	24	1,555
Closing balance, 31 December 2023	**–63,881**	**–74**	**–6,722**	**–1,247**	**–71,924**
Closing balance, 31 December 2022	37,815	1,382	2,789	1,868	43,854
Closing balance, 31 December 2023	**32,028**	**5,237**	**2,988**	**1,831**	**42,084**
Right of use assets, 31 December 2022 (Note 19)	3,169			1,541	4,710
Right of use assets, 31 December 2023 (Note 19)	1,613			1,812	3,425
Carrying amount, 31 December 2022	40,984	1,382	2,789	3,409	48,564
Carrying amount, 31 December 2023	**33,641**	**5,237**	**2,988**	**3,643**	**45,509**

As of 31 December 2023 construction in progress includes new orders of four RoPax-vessels and two RoRo-vessels. Two RoPax-vessels are expected to be completed during 2024 one during 2025 and the last one in 2026. The two RoRo-vessels are expected to be completed during 2025. Construction in progress also includes investments in offshore equipment, methanol conversion projects and scrubbers on both IMOMAX- and RoPax-vessels in ongoing operation.

Altogether the vessel orders amount to SEK 9,480 million. In the closing balance for construction in progress an advance of SEK 2,681 million to the shipyard and SEK 11 million for offshore equipment are included. Capitalised interest of SEK 178 million and other capitalised costs of SEK 2,368 million are also included.

The amount of interest capitalised on vessel projects was SEK 162 million and SEK 55 million for the years ended 31 December 2023 and 2022, respectively.

Impairment test of all vessels is conducted annually, see Note 1, Summary of significant accounting policies. The recoverable amount is determined based on the calculated value in use. The most material assumptions for determining the value in use are discount rate and growth rate in addition to expectations about the operational future development. The discount rate used in the calculation for value in use was 7–9% before tax. The growth rate is based on applicable contracts or assessed to 0–3% during the vessels estimated useful lives.

As of 31 December 2023, the recoverable amounts based on value in use were not less than their carrying amount in any test and therefore no vessels were impaired during current year.

Valuation certificates issued on 31 December 2023 by independent valuation institutions indicate that the values in the vessel fleet exceed the carrying amount by SEK 29,339 (21,370) million.

NOTE 11. PORTS

SEK in million	
Revalued costs of acquisition	
Opening balance, 1 January 2022	**4,747**
Additions	8
Disposals	–20
Transfers	53
Translation differences	179
Closing balance, 31 December 2022	**4,967**
Additions	71
Disposals	–3
Transfers	201
Translation differences	50
Closing balance, 31 December 2023	**5,286**
Accumulated depreciation	
Opening balance, 1 January 2022	**–644**
Depreciation for the year	–210
Disposals	18
Translation differences	–32
Closing balance, 31 December 2022	**–868**
Revaluations	566
Depreciation for the year	–225
Disposals	3
Translation differences	–16
Closing balance, 31 December 2023	**–540**
Closing balance, 31 December 2022	4,099
Closing balance, 31 December 2023	**4,746**
Right of use assets, 31 December 2022 (Note 19)	585
Right of use assets, 31 December 2023 (Note 19)	567
Carrying amount, 31 December 2022	4,684
Carrying amount, 31 December 2023	**5,313**

The Group owns ports in Sweden, the United Kingdom and the Netherlands. Ports are used in our own operation and include ports, terminal buildings etc.

The Group's accounting principle for valuation of ports is based on the revaluation method. Independent valuation institutions are used to determine the fair value for concerned ports at each revaluation occasion respectively. Revaluation was last made during 2024.

The closing balance at 31 December 2023 would have been SEK 1,635 (1,664) million if the ports had been valued at cost less accumulated depreciation.

NOTE 12. INVESTMENT PROPERTY

SEK in million	31 December 2023	2022
Fair value, opening balance	**45,058**	**39,958**
Additions	1,273	3,157
Reclassification	334	963
Disposals	–38	–222
Unrealised fair value adjustments	287	902
Translation differences	–48	300
Fair value, closing balance	**46,866**	**45,058**
Investment Property – Construction in progress		
Fair value, opening balance	**569**	**794**
Additions	329	734
Reclassification of construction in progress	–334	–956
Disposals	–5	–3
Fair value, closing balance	**559**	**569**
Total fair value of investment property, closing balance	**47,425**	**45,627**
Right of use assets, 31 December (Note 19)	587	585
Total value of investment property, closing balance	**48,012**	**46,212**

Investment Property – effect on profit for the period

SEK in million	1 January–31 December 2023	2022
Rental income	2,954	2,645
Change in fair value	287	902
Direct costs	–902	–830
Total	**2,339**	**2,717**

Investment properties are residential and commercial properties.

Valuation of the investment properties is performed at year-end and at each quarter by assessing each individual property's fair value. The valuation method is based on the direct yield method and the net operating income is based on market rental income with a deduction for rental vacancy level of 0–1% for residential properties and 0–25% for commercial properties. The assessment of the yield requirements is based on the market yield requirements in respect of the purchase and sale of comparable properties in similar locations. The assessment takes into consideration the type of property, technical standard and type of construction. The following rates of return were used for the valuation at 31 December 2023:

Location	Rate of return % Residential	Commercial
Sweden	3.0–5.5	4.1–8.50
Abroad	n/a	5.8–8.00

The estimated market value of investment properties is SEK 48,012 million, whereof SEK 44,758 million is attributable to Swedish properties. In the previous year, the estimated market value of investment properties was SEK 46,212 million, whereof SEK 42,709 million was attributable to Swedish properties.

The valuation of investment properties at fair value (assessed market value) utilises an internal valuation model. The internal valuation is determined on an earnings basis, which means that each individual property's net rental income is divided by the required return by market yield for the property in question. Assumptions have been made in the calculation of net rental income regarding operating and maintenance expenses, as well as vacancies. These assumptions are based on market assumptions of those cash flows. However, historical outcome, budget and normalised costs have been a part of these assumptions. Different required returns have been utilised for different markets and types of properties.

To guarantee the valuation, external valuations have been obtained from Cushman & Wakefield for the Swedish properties. The external valuations cover 20% of the total property value in absolute terms, but these selected properties represent 26% of the properties in terms of property types, technical standard and building design.

A comparison between the internal and external valuations reveals that the internal valuations are within a normal +/– 10% range compared with the external valuations.

NOTE 13. CURRENT RECEIVABLES

SEK in million	31 December 2023	2022
Trade receivables		
Trade receivables are classified on the basis of their due date:		
Outstanding but not due	4,203	3,919
Past due, up to 30 days	744	634
Past due, more than 30 days	550	1,542
Total	**5,497**	**6,095**
Other current receivables		
Other current receivables, related parties	359	554
Income tax receivables	118	84
Other current receivables	3,280	3,488
Total	**3,757**	**4,126**
Prepayments and accrued income		
Prepayments	1,324	1,337
Accrued income – Contract assets	834	877
Accrued income – Other	954	531
Total	**3,112**	**2,745**
Total current receivables	**12,366**	**12,966**

Contract assets mostly relate to work in progress for construction contracts, but also service and products. Accrued income mostly relates to accrued interest income.

The carrying amount of the receivables corresponds to their estimated fair value. The total allowance for doubtful trade receivables at 31 December 2023 was SEK –153 (–225) million. Selling expenses include costs for doubtful receivables of SEK –3 (–84) million.

The table below explains the changes in contract assets during 2023.

SEK in million	2023
Opening balance	**877**
Contract assets in the beginning of the period transferred to receivables during the year	–449
New contract assets during the year included in the closing balance	286
Sales	63
Other changes	60
Exchange differences	–3
Closing balance	**834**

NOTE 14. EQUITY

Dividends paid per share (SEK)	
2022	860
2023	**4,900**

Specification of reserves

SEK in million	Fair value reserve	Hedging reserve	Revaluation reserve	Translation reserve	Total
Opening balance, 1 January 2022	**129**	**–1,154**	**1,761**	**4,287**	**5,023**
Change in fair value reserve, net of tax	–345				–345
Change in hedging reserve, net of tax					
– valuation of bunker hedges		–71			–71
– valuation of interest hedges		4,361			4,361
– valuation of currency hedges		–300			–300
– hedge of net investment in foreign subsidiaries		–72			–72
– valuation of electricity hedges		41			41
Change in revaluation reserve, net of tax			109		109
Change in translation reserve, net of tax				612	612
Closing balance, 31 December 2022	**–216**	**2,805**	**1,871**	**4,899**	**9,358**
Opening balance, 1 January 2023	**–216**	**2,805**	**1,871**	**4,899**	**9,358**
Change in fair value reserve, net of tax	127				127
Change in hedging reserve, net of tax					
– valuation of bunker hedges		–233			–233
– valuation of interest hedges		–1,136			–1,136
– valuation of currency hedges		85			85
– hedge of net investment in foreign subsidiaries		6			6
– valuation of electricity hedges		–41			–41
Change in revaluation reserve, net of tax			503		503
Change in translation reserve, net of tax				24	24
Closing balance, 31 December 2023	**–89**	**1,486**	**2,374**	**4,923**	**8,693**

FAIR VALUE RESERVE

Gains and losses on revaluations of financial assets valued at their respective fair values through other comprehensive income (FVOCI) are included in the fair value reserve. Accumulated unrealised gain and losses with regards to interest bearing assets are recycled to the income statement when sold. For equity instruments there is no recycling, and accumulated gains and losses are recognised in other comprehensive income when sold.

HEDGING RESERVE

Hedge accounting is applied for purchases of bunker fuel, interest costs, transactions in other currency than functional currency and investments in subsidiaries.

The reserve includes gains and losses arising from the revaluation of hedging instruments that constitute effective hedges. The cumulative deferred gain or loss is recognised in the income statement when the hedged transaction affects the income statement.

REVALUATION RESERVE

This reserve includes revaluation of ports. The revaluation amount consists of the fair value of the assets at the time of revaluation. Concurrently with the depreciation of the asset, the revaluation reserve is reversed by the same amount as the depreciation of the surplus value from the revaluation.

If the carrying amount of the asset is higher as a result of the revaluation, the increase is recognised in other comprehensive income.

If the carrying amount of the asset is lower as a result of the revaluation, the decrease is recognised in the income statement. However, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

TRANSLATION RESERVE

Exchange differences relating to the translation from the functional currencies of the Stena AB Group's foreign subsidiaries into SEK are accumulated in the translation reserve. Upon the sale of a foreign operation, the accumulated translation amounts are recycled to the income statement and included in the gain or loss on the disposal.

NOTE 15. DEFERRED TAXES

SEK in million	31 December 2023	2022
Deferred tax liabilities		
Intangible assets	343	368
Property, plant and equipment	7,307	6,811
Financial assets	682	1,070
Pensions	148	210
Provisions	73	62
Other	58	58
Total deferred tax liabilities	**8,611**	**8,579**
Deferred tax assets		
Intangible assets	17	13
Property, plant and equipment	1,435	1,760
Financial assets	230	141
Pensions	180	134
Provisions	12	9
Tax losses carried forward	5,099	5,056
Other	2	26
Less deferred tax assets, not recognised tax losses carried forward	–3,593	–3,331
Total deferred tax assets recognised	**3,382**	**3,808**
Net deferred tax liability	5,229	4,771
Whereof reported as:		
Deferred tax assets	1,356	1,515
Deferred tax liabilities	6,585	6,286

Deferred taxes have been calculated net on a country basis. Net deferred tax assets are reported under other non-current assets. Calculation of deferred taxes is based on local nominal tax rates in each country respectively.

	2023			2022		
SEK in million	Taxes charged to income statement	Taxes charged to other comprehensive income	**Total taxes**	Taxes charged to income statement	Taxes charged to other comprehensive income	**Total taxes**
Current tax	–652		–652	–508		–508
Deferred tax	–617	239	–378	–499	–970	–1,469
	–1,269	**239**	**–1,030**	**–1,007**	**–970**	**–1,977**

Gross value of tax losses carried forward:

SEK in million	31 December 2023	2022
Sweden	767	1,803
Rest of the world	24,298	23,180
Total	**25,065**	**24,983**

37 percent of the tax losses are carried forward indefinitely. Tax losses of SEK 2,180 million expires between 2024 and 2032 and SEK 13,558 million expires later than 2032.

NOTE 16. EMPLOYEE BENEFITS

Post-employment benefits, such as pensions, healthcare and other benefits are mainly settled by means of regular payments to independent authorities or bodies that assume pension obligations and administer pensions through defined contribution plans. The remaining post-employment benefits are defined benefit plans; that is, the obligations remain within the Stena Group. Costs and obligations at the end of a period for defined benefit plans are calculated based on actuarial assumptions and measured on a discounted basis. The assumptions include discount rate, inflation, salary growth, long-term return on plan assets, mortality rates and other factors. Discount rate assumptions are based on long-term high-quality bonds, government bond yield and, for Sweden, mortgage bonds at year-end. The assets consist mainly of long-term high-quality corporate bonds, government bonds and equities and the asset allocation for each pension scheme is defined in an investment policy document. Defined benefits plans relate mainly to subsidiaries in the UK operations. Other large-scale defined benefit plans apply for salaried employees in Sweden (mainly through the Swedish PRI pension plan).

Expenses included in operating profit include current year service costs, past service costs, net interest expenses, administrative expenses and gains and losses on settlements. Remeasurement effects are recognised in other comprehensive income.

Some features of the main defined benefit plans are described below.

UNITED KINGDOM

The Stena Group's subsidiaries in the UK, participates in defined benefit pensions schemes, (Company Schemes) and in two industry wide defined benefit schemes, Merchant Navy Ratings Pension Fund (MNRPF) and Merchant Navy Officers Pension Fund (MNOPF). The Group estimates its share in MNRPF to 25 (25)% and in MNOPF to 11 (11)%, based on information from the trustees. The two multi-employer schemes are both closed to future accruals and therefore no active members. Of Stena's total pension obligation, around 90% represents the United Kingdom.

The company schemes provides benefits which are linked to each member's final salary at the earlier of their date of leaving or retirement. The benefits provided by the two industry schemes are linked to each member's career average salary according to a career index system. All schemes are closed to new members and to future accruals. According to the latest triennial valuations, the Company pays deficit contributions to two section of the company 's UK schemes, in spite of an IAS 19 surplus being recognised in the Company's financial statements. The funding valuations for the pension schemes differ in some areas from the Company's accounting valuation as they are prepared triennially and based on different set of assumptions which do not necessarily correspond to IAS 19. In particular, The fair value of the schemes' assets, which are not generally intended to be realised until the members are retired, are probably subject to significant change.

The assets of all schemes are managed on behalf of the trustee by independent fund managers. The operation of each section is governed by a "Trust Deed and Rules" and the schemes are managed through a trustee company, the boards of which are composed of representatives of the employers and the members. As of now, there is an investigation ongoing dealing with the obligations of the MNRPF. The investigation, which started in 2021, is still in an early phase and it is therefore too early to draw any conclusions with regards to the potential effects on the consolidated financial statements. It can not be ruled out that the analysis will render a negative impact on the financial statements.

SWEDEN

The main defined benefit plan in Sweden is the collectively agreed pension plan for white collar employees, the ITP 2 plan, insured with Alecta. According to an interpretation from the Swedish Financial Reporting Board, this is a multi-employer defined benefit plan. For fiscal year 2023, the Group did not have access to information from Alecta that would have enabled this plan to be recognised as a defined benefit plan. Accordingly, the plan has been recognised as a defined contribution plan.

The premium for the defined benefit plan is individually calculated and is mainly based on salary, accrued pension and expected remaining period of service.

The collective consolidation level is based on a percentage of Alecta's assets at market value. This is an insurance method which do not correspond with IAS 19. According to Alecta's consolidation policy for defined benefit pension insurance, the collective consolidation level is normally allowed to vary between 125% and 175%. If Alecta's collective consolidation level is below 125% or higher than 175% measures must be taken to create opportunities for the consolidation level to return to an accepted level. If the consolidation level falls short of or exceeds the normal interval, one measure may be to increase the contract price for new subscription and expanding existing benefits or introduce premium reductions. Alecta's consolidation ratio 2023 amounts to 158 (172)%.

Other defined benefit pension plans in Sweden are mainly funded by pension foundations. There is no lowest funding requirement. Benefits are paid directly by the Group and not from the foundation assets.

OTHER COUNTRIES

There has been a general change in the pension scheme in Holland and most companies have replaced their defined benefit schemes with defined contributions. As of 1 January 2017 the defined benefit scheme was replaced in Stena Line BV by a defined contribution scheme. The Company should guarantee the total pension obligation.

Information by country as at 31 December 2022, SEK in million	Sweden	United Kingdom	Other countries	Total
Reporting in the balance sheet				
Present value of funded and unfunded obligations	656	8,733	350	9,739
Fair value of plan assets	–286	–9,423	–336	–10,045
Total (surplus)/deficit	**370**	**–690**	**14**	**–306**
Whereof reported as				
Surplus in pension plans	–167	–783		–950
Pension liabilities	533	93	14	640
Pension liabilities, short term	4			4
Total funding level for all pension plans, %	44%	108%	96%	103%
Amounts included in the income statement				
Current service cost	11	1		12
Past service cost		6		6
Net interest cost	11	–25		–14
Administration expenses		68		68
Remeasurements (gain)/loss	–201	645	–18	426
Total expense (gain) for defined benefits	**–179**	**695**	**–18**	**498**

Main assumptions for the valuation of the obligation	Sweden	United Kingdom
Life expectancy, year		
Male – currently aged 65	20.9	21.6
Female – currently aged 65	23.6	24.3
Inflation, %[1]	2.00	3.10
Discount rate, %	3.50	5.00

1) Inflation for UK concerns RPI. Used CPI varies between 0.50 to 0.95 lower than RPI.

Average duration of the obligation is 14 years.

Information by country as at 31 December 2023, SEK in million	Sweden	United Kingdom	Other countries	Total
Reporting in the balance sheet				
Present value of funded and unfunded obligations	732	8,881	438	10,051
Fair value of plan assets	–307	–9,322	–337	–9,966
Total (surplus)/deficit	**425**	**–441**	**101**	**85**
Whereof reported as				
Surplus in pension plans	–165	–667		–832
Pension liabilities	586	226	101	913
Pension liabilities, short term	4			4
Total funding level for all pension plans, %	42%	105%	77%	99%
Amounts included in the income statement				
Current service cost	8		4	12
Past service cost				
Net interest cost	17	–37		–20
Administration expenses		67		67
Remeasurements (gain)/loss	45	266	–2	309
Total expense (gain) for defined benefits	**70**	**296**	**2**	**368**

CONT. NOTE 16

	Sweden	United Kingdom
Main assumptions for the valuation of the obligation		
Life expectancy, year		
Male – currently aged 65	21.9	21.1
Female – currently aged 65	23.9	23.9
Inflation, %[1]	2.00	3.05
Discount rate, %	3.25	4.60

1) Inflation for UK concerns RPI. Used CPI varies between 0.40 to 0.95 lower than RPI.

Average duration of the obligation is 14 years.

Reconciliation of change in present value of defined benefit obligation or funded and unfunded obligations, SEK in million	2023	2022
Opening balance, 1 January	**9,739**	**13,095**
Aquisition of operations	88	
Current service cost	12	12
Past service cost		6
Administrative expenses	67	68
Interest expenses	482	238
Remeasurement arising from changes in financial assumptions	388	–3,757
Remeasurement arising from changes in demographic assumptions	–179	–5
Remeasurement from experience	28	289
Remeasurement from changed share in pension plan	68	–32
Benefits paid	–798	–656
Settlement	1	
Other[1]		163
Exchange differences	155	318
Closing balance, 31 December	**10,051**	**9,739**

1) Other refer to an adjustment that was made in a subsidiary's Annual Report 2021

Reconciliation of change in the fair value of plan assets, SEK in million	2023	2022
Opening balance, 1 January	**10,045**	**13,995**
Interest income	501	252
Remeasurement arising from changes in assumptions	–69	–3,905
Remeasurement from changed share in pension plan	65	–27
Contributions by plan participants		–1
Employer contributions	28	24
Benefits paid	–782	–641
Settlement	1	
Exchange differences	177	348
Closing balance, 31 December	**9,966**	**10,045**

The sensitivity analysis below shows the effect of a change in actuarial assumptions on the defined benefit obligation.

The sensitivity analysis is not meant to express any view by Stena of the probability of a change.

The analyses are based on a change in an assumption while holding all other assumptions constant.

Sensitivity analysis of defined benefit obligation, SEK in million	Sweden	United Kingdom	Other countries	Total
Life expectancy +1 year	30	279	12	**321**
Inflation +0.5%	42	181	4[1]	**227**
Discount rate +0.5%	–70	–440	–24	**–534**
Discount rate –0.5%	79	440	25	**544**

1) Inflation rate does not have any impact on the DBO for this pension scheme, therefore sensitivity analysis is not relevant.

	2023			2022		
Market value of plan assets by category, SEK in million	Listed	Non-listed	Total	Listed	Non-listed	Total
Equity	554	169	723	733	1,289	2,022
Bonds	4,792	30	4,822	5,656	79	5,735
Property		79	79		82	82
Qualifying insurance		2,154	2,154		2,130	2,130
Cash and cash equivalents	1,140	1,048	2,188	76		76
Total	**6,486**	**3,480**	**9,966**	**6,465**	**3,580**	**10,045**

INVESTMENT STRATEGY AND RISK MANAGEMENT

Through the defined benefit pension plans, the Group is exposed to a number of risks.

The plan liabilities are calculated using a number of assumptions, for example inflation, mortality and discount rate. If plan assets underperform this yield, a deficit arises. The objective of the Group's investment strategy is to reduce the Group's total pension expenses over time. This means that certain risks are accepted in order to increase the return. The investment horizon is long-term and the allocation ensures that the investment portfolios are well diversified.

The Group management approves the limits for the investment strategy for plan assets. The final investment decisions are taken by the local trustees and boards in consultation with Stena AB.

Increased life expectancy for the beneficiaries and rising inflation are the main risks that affect future pension payments and hence the size of the obligation. The Group continuously monitors the discount rate, inflation and life expectancy assumptions to ensure that the plan assets match the obligations.

NOTE 17. BANK DEBT

SEK in million	2023 Current	2023 Non-current	2023 Total	2022 Current	2022 Non-current	2022 Total
Property loans	472	20,648	21,120	281	19,757	20,038
Other loans	3,413	20,444	23,857	3,472	20,203	23,675
Revolving credit facilities		7,956	7,956		9,227	9,227
Total	**3,885**	**49,048**	**52,933**	**3,753**	**49,187**	**52,940**

The schedule for repayment of bank debt is presented in Note 26.

The carrying amounts of the Group's borrowings are denominated in the following currencies

SEK in million	31 December 2023	31 December 2022
SEK	23,930	23,056
GBP	77	76
USD	16,196	20,358
EUR	12,723	9,436
Other currencies	7	14
Total	**52,933**	**52,940**

For information regarding pledged assets, see Note 23.

NOTE 18. SENIOR NOTES

In January 2014, a 10-year bond totalling USD 600 million was issued at an interest rate of 7.000% and with a term running up to and including 1 February 2024. The purpose of the transaction was to extend the amortisation profile and repay amounts under existing credit facilities.

In February 2014, a further 10-year bond totalling USD 350 million was issued at an interest rate of 5.750%. The units *Stena DrillMAX* and *Stena Carron* have been furnished as collateral for this bond. The purpose of this transaction was to extend the existing amortisation profile and free up further liquidity.

The Stena Group has during 2016 repurchased USD 73 million of the USD 600 million unsecured bond maturing 2024.

In January 2020, two further 5-year bonds was issued, one totalling USD 350 million issued at an interest rate of 6.125% and one totalling EUR 315 million issued at an interest rate of 3.750%.

In June 2021, the Stena Group repurchased USD 134 million of the USD 527 million outstanding unsecured bond maturing 2024.

In February 2023, a new bond was issued with due date 2028, amounting to EUR 325 million. The purpose with the transaction was to extend the debt maturity profile and to refinance the outstanding USD 350 million secured bond with original due date March 2024.

Stena AB and its affiliates may from time to time repurchase or otherwise trade in its own bonds in open market transactions.

Fair value of the senior notes were as per 31 December 2023 SEK 15,433 (14,117) million.

For details of the current financial and operative covenants linked to the bond loans, see Note 26.

Issued – Maturity	Nominal	Outstanding	Interest	Fair value, 31 December 2023	Fair value, 31 December 2022	Carrying amount, 31 December, SEK in million 2023	Carrying amount, 31 December, SEK in million 2022
2014–2024	MUSD 600	MUSD 393	7.000%	MUSD 393	MUSD 380	3,955	4,094
2014–2024	MUSD 350		5.750%		MUSD 333		3,650
2020–2025	MUSD 350	MUSD 350	6.125%	MUSD 348	MUSD 328	3,526	3,650
2020–2025	MEUR 315	MEUR 315	3.750%	MEUR 314	MEUR 292	3,503	3,517
2023–2028	MEUR 325	MEUR 325	7.250%	MEUR 346		3,614	
Total						**14,598**	**14,911**
Whereof							
Non-current portion of Senior Notes						10,643	14,911
Current portion of Senior Notes						3,955	

NOTE 19. LEASES

STENA GROUP AS LESSEE

The Stena Group applies the accounting standard IFRS 16. The impact on the consolidated balance sheet and income statement due to the implementation are described below. The lease agreements include chartering of crude oil tankers on a time-charter basis, chartering of ferries on a bareboat basis, as well as contracts related to rentals of properties and ports. Furthermore premises and land are leased. The right of use assets are depreciated on a straight line basis during the contract life time, which varies from one year to contracts with out end date. Payments for short-term leases are expensed as incurred in the income statement.

Amounts recognised in the consolidated balance sheet:

	31 December	
SEK in million	2023	2022
Right of use assets		
Vessels	1,614	3,169
Land and buildings	1,811	1,541
Ports	567	585
Investment properties	587	586
Total	**4,579**	**5,881**
Capitalised lease obligations		
Long-term	3,858	5,023
Short-term	1,163	1,521
Total	**5,021**	**6,544**

New right of use assets amounted to SEK 1,286 (896) million.

Amounts recognised in the consolidated income statement:

	1 January–31 December	
SEK in million	2023	2022
Depreciations of right of use assets		
Vessels	–1,352	–1,570
Land and buildings	–323	–270
Ports	–37	–34
Total	**–1,712**	**–1,874**
Interest expense	–247	–284
Expense for short-term leases	–2,515	–1,881

The cash flow related to leasing amounted to SEK –3,264 (–2,604) million.

CONT. NOTE 19

The company has used the following practical assumptions by applying IFRS 16:

- The marginal borrowing rate has been used as discounting factor for lease agreements. The discount rate is individual for the separate business areas and varies between 3.8% and 5.3%.
- Lease agreements with a shorter remaining lease period than 12 months as per 1 January 2024 have been classified as short-term leases.

STENA GROUP AS LESSOR

The company leases vessels and properties to third parties under operating leases. The carrying amounts of vessels and properties for external leasing at the reporting date were as follows:

	2023			2022		
SEK in million	Cost	Accumulated depreciation	Net carrying amount	Cost	Accumulated depreciation	Net carrying amount
Vessels	51,958	–35,442	16,516	56,305	–37,385	18,920
Investment property	48,012		48,012	46,212		46,212
Total	**99,970**	**–35,442**	**64,528**	**102,517**	**–37,385**	**65,132**

Future minimum lease payments receivable at the reporting date:

	2023		
SEK in million	Vessels	Investment property	Total
2024	6,773	999	7,772
2025	3,174	889	4,063
2026	1,898	743	2,641
2027	1,852	621	2,473
2028	1,755	494	2,249
2029 and thereafter	1,811	2,511	4,322
Total minimum lease payments receivable	**17,263**	**6,257**	**23,520**

	2022		
SEK in million	Vessels	Investment property	Total
2023	4,123	952	5,075
2024	1,485	882	2,367
2025	606	722	1,328
2026	598	571	1,169
2027	576	468	1,044
2028 and thereafter	2,052	2,536	4,588
Total minimum lease payments receivable	**9,440**	**6,131**	**15,571**

The information for investment property relates to office buildings and excludes residential properties since most residential leases have at most a three-month period term of notice.

NOTE 20. OTHER NON-CURRENT LIABILITIES

Repayment of non-current liabilities

SEK in million	1–3 years	4–5 years	More than 5 years	Total
Deferred income, non-current	297	1	15	313
Other liabilities	817	32	217	1,066
Total	**1,114**	**33**	**232**	**1,379**

NOTE 21. ACCRUALS AND DEFERRED INCOME

SEK in million	31 December 2023	2022
Accruals		
Charter hire/running costs	380	307
Interest costs	703	741
Accrued personnel costs	899	829
Other accruals	3,121	3,516
Total	**5,103**	**5,393**
Deferred income – Contract liabilities	1,376	1,128
Deferred income – Other	1,438	958
Total accruals and deferred income	**7,917**	**7,479**

Contract liabilities mostly relates to deferred service income. Other mostly relates to deferred lease income generated by rental of premises and vessels.

Below table explains the changes in contract liabilities during 2023.

SEK in million	2023	2022
Opening balance	**1,128**	**771**
Contract liability at the beginning of the period recognised to revenue during the year	–470	–360
New contract liabilities during the year not recognised to revenue in the end of the year	595	437
Contract liabilites related to customer loyality bonus recognised to revenue during the year	–43	–27
New contract liabilities related to customer loyality programs not recognised to revenue in the end of the year	44	39
Acquisitions	57	
Sales	–6	–12
Reclassification	–18	32
Other changes	98	198
Translation differences	–9	50
Closing balance	**1,376**	**1,128**

NOTE 22. ASSETS HELD FOR SALE

At December 31, 2023 assets held for sale amount to SEK 2,741 (0) million. Decision has been made to divest Captum Group, which includes assets worth SEK 196 million, as well as to divest three vessels with assets totaling SEK 2,545 million. The sale of two vessels was completed in March 2024, and the sale of the third vessel was completed in April 2024. The sale of Captum Group is expected to be finalized in the first half of 2024.

SEK in million	31 december 2023
Assets classified as held for sale:	
Property, plant and equipment	3
Intangible assets	2,545
Current assets	193
Total assets classified as held for sale	**2,741**
Liabilities directly attributable to assets classified as held for sale:	
Non-current liabilities	1,489
Current Liabilites	279
Total liabilities directly attributable to assets classified as held for sale	**1,768**

NOTE 23. PLEDGED ASSETS AND CONTINGENT LIABILITIES

PLEDGED ASSETS

Pledged assets represent assets securing various financing activities. These assets can only be used by the party benefiting from the pledge if there is an event of default under the respective financing documents or the appropriate remedy period has elapsed.

The following assets have been pledged as securities for bank debt

SEK in million	Book value 31 December 2023	2022
Shares in subsidiaries and associated companies	6,589	3,891
Mortgages on vessels	37,414	37,871
Mortgages on properties[1]	21,510	21,048
Marketable securities	3,991	4,046
Assets pledged, other	1,468	334
Total assets pledged for bank debt	**70,972**	**67,190**
Liabilities to credit institutions, including lease obligations	57,954	59,484
Total debt and capitalised lease obligations	**57,954**	**59,484**

1) Refers to pledged amount

In addition, certain insurance agreements have been pledged. No pledge assets have been provided for other liabilities.

Commitments

Guarantee obligations are mainly related to guarantees for property loans, vessel projects in associates and performance guarantees linked to certain subsidiaries' operating activities.

Beyond what is stated in the table above, a number of ships, port facilities and more are contracted, for which fees shall be paid amounting to SEK 4,743 million in 2024, SEK 2,056 million in 2025. As of 31 December, 2023 four RoPax vessels, two RoRo vessels and one drillship were ordered. The total contract amount was SEK 9,480 million, whereof SEK 2,681 million has been paid in advance.

In addition to the information above, there are also ongoing tax issues with tax authorities.

Contingent liabilities

SEK in million	31 December 2023	2022
Guarantees	1,449	1,802
Other contingent liabilities	180	156
Total	**1,629**	**1,958**

NOTE 24. ACQUISITIONS AND DISPOSALS OF OPERATIONS

During 2023 three mayor acquisitions have been made which are described below.

ACQUSITION

AS Stena Line Ports Ventspils

In May 2023, the Latvian company AS Stena Line Ports Ventspils was acquired by Stena Line Scandinavia AB. The company provides stevedoring and logistics services in the ferry and ro-ro terminal in the port of Ventspils. The company is based in Ventspils, Latvia, and has about 100 employees. AS Stena Line Ports Ventspils is consolidated into the Stena Group from May 2023.

Stena Real Estate Norrbacka AB

In October 2023, Stena Real Estate took possession of a property in Märsta, in the municipality of Sigtuna, through transfer. The property Norrbacka 1:48 covers about 30,000 sqm of leasable area distributed over 438 apartments. Stena Real Estate Norrbacka AB is consolidated into the Stena Group from October 2023.

DanKüchen

In October 2023, Ballingslöv International acquired DanKüchen, Austria's leading kitchen manufacturer. DanKüchen is consolidated into the Stena Group from November 2023. The takeover will drive growth in the Central European kitchen market where DanKüchen will play a leading role. DanKüchen is based in Austria and has about 450 employees.

The total purchase price for the three acquisitions amounted to 1,937 million SEK, and the difference between the purchase price and the net assets pertains to buildings and land as well as goodwill. The combined value of the acquired assets and liabilities for the acquisitions is preliminary and is shown in the table below, which also shows the cash flow impact of the acquisitions. All acquired assets and liabilities were reported according to IFRS, or no difference from IFRS, at the time of the acquisitions.

SEK in million	2023
Acquired assets and liabilities	
Intangible assets	1
Tangible assets	560
Inventories	98
Current receivables	11
Cash and cash equivalents	11
Long-term debt	–210
Current liabilities	–260
Acquired net assets	**211**
Land and buildings	289
Goodwill	1,437
Total	**1,726**
Purchase price	–1,937
Acquired cash and cash equivalents	11
Effect on the Group's cash and cash equivalents	**–1,926**

Acquisition-related costs amount to SEK 13.5 million and are accounted for as direct operating cost.

NOTE 25. CASH FLOW STATEMENT

Interest payments

SEK in million	1 January–31 December 2023	2022
Interest paid	2,592	2,267
Interest, received	467	207

Paid tax
During 2023 paid tax amounted to SEK 760 (376) million and repaid tax amounted to SEK 8 (17) million, which gives a net amount of SEK 752 (359) million.

Investing activities
Other investing activities 2023 mainly includes payments of loan to joint ventures and associates, same as in 2022.

Financing activities
In 2023, other financing activities mainly relates to finance cost, same as in 2022. The finance costs are capitalised and amortised over the period of the contracts.

Net debt reconciliation
This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

SEK in million	2021	Cash flow	Exchange differences	Transfers	New leases	Revaluations	2022
Short-term debt	2,834	–2,019	264	2,674			3,753
Long-term debt	42,846	6,842	2,176	–2,677			49,187
Senior Notes, long-term	13,136		1,775				14,911
Capitalised lease obligations	7,360	–1,807	510	65	416		6,544
Cash and cash equivalents	–2,412	393	–138				–2,157
Marketable securities	–3,971	221	–336	1		385	–3,700
Short-term investments	–2,130	25	–469	3		–168	–2,739
Net debt	**57,663**	**3,655**	**3,782**	**66**	**416**	**217**	**65,799**

SEK in million	2022	Cash flow	Exchange differences	Transfers	New leases	Revaluations	2023
Short-term debt	3,753	–1,744	–61	1,937			3,885
Long-term debt	49,187	3,902	–401	–3,640			49,048
Senior Notes, long-term	14,911	811	–984	–4,095			10,643
Senior Notes, short-term			–140	4,095			3,955
Capitalised lease obligations	6,544	–1,733	–41	–285	536		5,021
Cash and cash equivalents	–2,157	–1,690	100				–3,747
Marketable securities	–3,700	–655	114			–49	–4,290
Short-term investments	–2,739	690	–55			–163	–2,267
Net debt	**65,799**	**–419**	**–1,468**	**–1,988**	**536**	**–212**	**62,248**

NOTE 26. FINANCIAL RISK FACTORS AND FINANCIAL RISK MANAGEMENT

This note describes the financial risk management in the Stena Group. Accounting principles for financial instruments are described in Note 1 and financial information for the year 2023 is described in note 27. Other notes that include information used in Note 26 and 27 are Note 17 Bank debt and Note 19 Leases.

Financial instruments in the Stena Group consist of bank loans, derivatives, lease contracts, accounts payable, accounts receivable, bonds, shares and participations as well as short-term investments.

The primary risks deriving from trading of financial instruments are market risks including interest-rate risk, currency risk, price risk, credit risk and liquidity risk. All of these risks are handled in accordance with the established Finance Policy.

FINANCIAL RISK FACTORS

The Group's activities are exposed to a variety of financial risks. The Group's overall risk management policy focuses on the unpredictability of the financial markets and aims to minimise potential adverse effects on the Group's financial results.

The Group uses derivative instruments to hedge exposure to certain risks.

Risk management is handled by a central finance department, Stena Finance, in accordance with policies determined by the Board of Directors. Stena Finance identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board of Directors prepares written policies for both overall risk management and for risk management of specific areas such as currency risk, interest rate risk, credit risk, price risk, the utilisation of derivative and non-derivative financial instruments and the investment of excess liquidity.

The Group uses financial instruments to reduce the risk of major adverse effect on its results from price changes in currency, interest rates and oil markets.

As a basic principle fixed assets are financed with long-term funding in the form of issued bonds, bank debt and leasing liabilities. Each subsidiary's assets are financed in local currency and to the extent that assets and liabilities in foreign currency cannot be matched, the net exposure is hedged with financial derivative contracts.

To achieve a desired currency mix and interest fixing profile the Group uses various types of interest rate derivatives such as fixed rate swaps and cross currency interest rate swaps. Interest rate options are also used either to cap or to lock in a range of the interest rate level.

Currency risks arises when converting Income Statement or Balance Sheet items to SEK from foreign currencies and when converting cash flows in foreign currency. These risks are reduced by hedging with forward foreign exchange contracts, loans in local currency or with currency options.

Fluctuations in the price of bunker fuel, which predominantly affect Ferry Operations, are managed by fixed price agreements with the supplier for the various grades of bunker fuels or by using financial derivatives for crude oil. As part of its tanker operations the Group also uses, to a limited extent, contracts for freight rates and forward freight agreements.

Financial risk management is carried out within the scope of the Group's Finance Policy, mainly by the treasury unit in Sweden.

MARKET RISK – INTEREST RATE RISK

The Group holds fixed assets mainly in vessels and real estate in USD, SEK, EUR and GBP and as a consequence the debt portfolio and the accompanying interest rate risks are distributed by the same currencies. In order to manage this risk and to achieve desired interest rate levels the Group's management makes regular assessments of the interest rate risks. This exposure is adjusted with interest rate derivatives which to the largest possible extent are matched against the maturity profiles of the underlying debt.

Financial instruments for interest rates, such as futures, swaps or different types of interest rate options, are used to hedge future interest rate payments. Interest income or interest expenses under these contracts are allocated to specific periods and reported as an adjustment of the interest expense on the underlying liability. The Group reports accrued interest at the end of the accounting period, calculated in accordance with the conditions in the contracts. Generally, the underlying liabilities have a longer duration than the financial hedging contracts and allocation of accrued interest over a period of time is carried out as long as the hedging contracts are considered to form an effective portion of the Group's overall risk management.

Effects of hedge accounting regarding hedging of interest rate:

Interest rate swaps	2023	2022
Fair value	2,756	4,186
Notional value[1]	74,422	70,145
Maturity date	2024–2036	2023–2035
Hedge ratio	1:1	1:1
Change of value, outstanding hedging instruments since 1 January	-1,820	5,499
Change in value of hedged item used to determine hedge effectiveness	1,820	-1,820

1) After the implementation of the IBOR reform the USD LIBOR was replaced by SOFR during 2023. At the transition the Stena Group only had a few outstanding contracts with USD LIBOR, which were converted to SOFR with no significant effect in the income statement. No other significant IBOR reference rates for which the Stena Group has outstanding contract have a communicated timeframe for conversion.

MARKET RISK – CURRENCY RISK

The Group is exposed to the risk of fluctuations in foreign currency exchange rates due to the international nature and scope of its operations. A substantial portion of the Group's revenues and expenses are denominated in USD, but also in GBP and EUR. The Group's foreign currency risk arises from:

- the Group's investment in foreign subsidiaries' net assets (equity exposure)
- certain financial assets and liabilities (translation exposure when converting such balances to each company's functional currency)
- fluctuations in exchange rates on the value of the Group's sales and purchases in foreign currencies (transaction exposure).

The Group's policy is to hedge its translation exposure which mainly arises from USD and EUR borrowing in companies with SEK as their functional currency. The Group also hedges parts of its transaction exposure in USD, GBP, EUR, PLN, NOK and DKK from future cash flows from the Ferry Operation and Offshore Drilling operation. In the Ferry Operation sale mainly relates to GBP, EUR, PLN, NOK and DKK and purchase to USD. In the Offshore Drilling operation purchase mainly relates to USD and GBP.

CONT. NOTE 26

Translation differences from net investments
Translation differences from the exposure of net assets in foreign subsidiaries are reported directly in the Group's equity. Derivative instruments attributable to this exposure, such as currency swaps, currency forward agreements or currency option contracts, are valued at fair value. These hedge contracts are valued and reported directly against Other comprehensive income if the hedges are considered to be effective. If hedges are no longer considered to be effective the translation difference is recorded in the finance net. The interest rate differential is recorded in Other comprehensive income.

The book value of our net assets of subsidiaries denominated in a foreign currency, as of 31 December 2023, was SEK 19,5 billion. The net assets are expressed mainly in SEK, USD, EUR and GBP. A 1% change in the value of the SEK against each of the functional currencies of our subsidiaries would affect our shareholders' equity as of 31 December 2023 by SEK −154 million.

Translation differences from translation exposure
Monetary assets and liabilities in foreign currency are translated at the closing rate of exchange. Derivative instruments attributable to the financial hedging of the value of these balance sheet items, such as currency swaps, currency forward agreements or currency option contracts, are valued at fair value, which includes translation at the closing rate of exchange. Changes in fair value are reported gross as exchange rate differences in the Group's net financial income, where the translation of monetary assets and liabilities is also reported. Interest rate differential from currency swaps or forward agreements are reported as interest income or interest expense in the Group's net financial income. According to the Group's Finance Policy, 100% of such exposure should be hedged.

Translation differences from transaction exposure
Realised results from currency forward agreements or currency option contracts, including paid or received premiums from option contracts, which are intended to hedge expected or contracted future cash flows in foreign currency, are allocated to a particular period and reported as an adjustment of the underlying transaction when it takes place. Forward discounts or premiums from these contracts are recorded in the Group's finance net if they are not recorded as cash flow hedges. The hedge contracts are valued and reported directly against Other comprehensive income if an effective hedge. According to the Group's Finance Policy, 0–100% of such exposure should be hedged.

Effects of hedge accounting regarding hedging of currency risks:

Foreign currency forwards	2023	2022
Fair value	–15	36
Notional amount	8,309	9,900
Maturity date	Jan 2024–Feb 2024	Jan 2023–Feb 2024
Hedge ratio	1:1	1:1
Change of value, outstanding hedging instruments since 1 January	–87	19
Change in value of hedged item used to determine hedge effectiveness	87	–19

MARKET RISK – PRICE RISK

Oil price risk
The Group is exposed to the price of bunker fuel used for the operation of its vessels and uses forward contracts, swaps and options to hedge its oil price risk. Hedge contracts are regularly entered into to match the underlying costs of deliveries of bunker fuel. The hedge contracts are valued and reported directly against Other comprehensive income if an effective hedge. The results of these contracts are allocated to specific periods and matched against underlying exposure. The contracts are settled on a monthly basis and reported as an adjustment of the cost for bunker fuel for the current period.

For the current routes, Ferry operations have an annual consumption of marine bunker fuel and gas oil which combined converts to an annual volume of about 3 million barrels crude oil. A part of this is hedged on a consecutive basis. All contracts are settled monthly at a volume corresponding to the underlying consumption.

Effects of hedge accounting regarding hedging of bunker fuels swaps and options:

Foreign currency forwards	2023	2022
Bunker fuels swaps	**2023**	**2022**
Fair value	68	361
Notional amount	2,586	2,413
Maturity date	2024–2027	2023–2026
Hedge ratio	1:1	1:1
Change of value, outstanding hedging instruments since 1 January	–29	–352
Change in value of hedged item used to determine hedge effectiveness	29	352

Bunker fuels options	2023	2022
Carrying amount	0	0
Notional amount	0	0
Maturity date	2022	2022
Hedge ratio	1:1	1:1
Change of value, outstanding hedging instruments since 1 January	0	–15
Change in value of hedged item used to determine hedge effectiveness	0	15

Equity price risk
The majority of all equity holdings within Short-term investments and Marketable securities are traded at an active market at an exchange, hence no illiquidity, counterparty risk or other uncertainty discounts have been applied. A total risk limit for investment and trading in equities, equity indices and bonds has been approved by the Board of Directors and the utilisations of the limits are monitored on a daily basis. The risk mandate is allocated per trader/portfolio, reflecting a 10% overnight adverse price movement.

As a complement to the price risk measurement, specific risk, sector risks and geographic risks are followed up and reported. A minimum share of the total financial investments should be made in liquid securities. The Finance Policy also governs what type of financial instruments that are approved.

In order to reduce the credit risk when investing in corporate bonds, there are certain approved limits for credit rating of the issuer.

The portfolio of equities is well diversified, both in terms of markets and industries. Investments are made within the boundaries of our Finance Policy in terms of risk and loss limits. As of 31 December 2023, a change of +/–10% in the unrealised value of all our equity and bond holdings within Short-term investments and Marketable securities, would have an effect before tax of +/– SEK 250 million in profit and loss and +/– SEK 305 million in Other comprehensive income.

Trading activities

The Group also purchases and sells certain types of derivative financial instruments with the objective of generating profits on a short-term basis. All trading positions are taken within the limits of the Company's Financial Policy. All positions are recorded at fair value and the unrealised gains and losses are part of the profit/loss for the period.

CREDIT RISK

In the operating activities, credit risks occur in the form of receivables on customers. In the Ferry Operations, credit checks are regularly made on our customers using well known credit-rating agencies. If the credit worthiness of the customer is not satisfactory according to the credit policy, payment in cash is required. In the Offshore Drilling operations, the customers usually have a good credit rating. The RoRo vessels are typically chartered out on a long-term time or bareboat charter. Although such charter hire is paid in advance Stena has the contractual right to withdraw the vessel and cancel the charter contract if payment is not received within a certain time. Before entering into a charter agreement the credit worthiness of the charterer is investigated using well known credit-rating agencies. If the credit worthiness is not satisfactory a guarantee is required from the charterer, e.g. in the form of a bank guarantee.

In the Tanker operations where a spot charter arrangement is made, the charterer is scrutinised before the contract is signed in accordance with the QA system rules. If the charterer is not considered "first class" or has certain remarks on their payment possibility, chartering of the vessel can either be denied, or the charterer can be offered to provide a bank guarantee, or to pay the freight before discharge of the cargo (called BBB). In a period charter arrangement the charter hire is paid in advance. If the charter hire is not paid within a certain time Stena has the right to withdraw the vessel and cancel the charter contract. Regarding buy and sell arrangements of vessels the procedures are dictated by the buy/sale contract (MOA) where a vessel is not released to a buyer until the full payment has been received into sellers' bank account.

In the Property operations, both residential and commercial tenants make rental payments in advance. Nevertheless, a credit check is always made on new tenants, residential as well as commercial, and commercial tenants are put on regular "credit-watch" throughout the rental period. If the potential tenant does not fulfill the criteria set out in the Finance Policy, the tenant can either be denied a rental contract or be asked to make additional pre-payment or provide a bank guarantee (commercial tenants).

All financial instruments are entered into with counterparties that are considered to be creditworthy institutions and terms and conditions are documented. In the normal course of business, none of the parties demand collateral for credit exposure from financial instruments. All financial derivatives are traded within the framework of established ISDA agreements, where positive and negative market values are netted. In the table on the next page credit risk refers to net positive market values per counterparty. In the tables on the next page credit risk refers to net positive market values per counterparty.

LIQUIDITY RISK

Liquidity risk is managed by maintaining an adequate level of cash, cash equivalents and available financing through unutilised committed credit facilities and the possibility to sell short-term marketable holdings in equities and bonds. Due to the dynamic character of the business, the need for financing flexibility is satisfied by arranging part of the company's funding in the form of committed revolving credit facilities, under which short-term requirements for liquidity can be met.

The management regularly monitors the company's liquidity reserves, based on anticipated cash flows. This is carried out on both operational company level and centrally at the treasury department in line with best practice and the limits set up for on a group wide basis. Furthermore, it is the policy of the group to calculate future cash flows in all major currencies and quantify the liquidity needed to meet those cash flows, to monitor balance sheet liquidity ratios in relation to both internal and external minimum levels and to maintain plans for debt financing.

The table on the next page shows the Group's financial debts, sorted by the remaining years until the agreed maturity date. The figures shown in the table are based on agreed confirmations and constitute undiscounted cash flows. Cash flows in foreign currency are converted to SEK by using the closing exchange rates.

In February 2023 a new bond was issued amounting to EUR 325 million. The aim of the transaction was to extend the maturity profile and to refinance the outstanding bond of USD 350 million with an original maturity March 2024.

Property loans consist principally of bank mortgage loans on real estate, buildings and land in the Group's real estate business segment. These loans are denominated in SEK and EUR respectively. Other loans consist of long term bank loans used to finance the acquisition of vessels and other assets. They are denominated in USD, GBP, EUR and SEK, respectively.

During 2022, the Group refinanced the existing Revolving Credit Facility (RCF), extending the maturity to 2027 and the new credit facility amount was set to EUR 615 million. In March 2023 the credit facility of EUR 615 million was increased by EUR 93 million to EUR 708 million. Loans under the credit are secured primarily of ship mortgages. At the end of 2023 this credit was utilised by EUR 311 million, of which EUR 1 million used for issuing of bank guarantees. As of 31 December 2022 the utilised portion of the facility was USD 399 million, of which USD 2 million was used for issuing of bank guarantees.

Since 2007, the Group has an additional revolving credit facility of USD 300 million that is mainly used for share trading. The utilised portion of the facility as of 31 December 2023 was USD 159 million. As of 31 December 2022 the utilised portion of the facility was USD 123 million.

In May 2020, Stena AB issued a non secured revolving credit facility of SEK 10.7 billion of which 75% is guaranteed by Exportkreditnämnden (EKN). During 2021, the Credit Facility was decreased with SEK 1,1 billion to 9,6 billion. In June 2021 a new non secured revolving credit facility was

CONT. NOTE 26

issued, corresponding to USD 121 million, which 75% is guaranteed by Exportkreditnämnden (EKN).

As of 31 December 2023 the Group had a total of SEK 15,0 billion in unutilised overdraft facilities and RCFs, excluding the above mentioned USD 300 million equity trading facility.

In the table below, "not specified" includes borrowings and utilised credit lines for properties and vessels that have formal repayment dates in 2024. These loans have been classified as long-term because it is the intention of the Group to refinance these loans on a long-term basis.

The revolving credit facility imposes various financial and operating covenants. The principal financial covenants (i) require us to maintain current assets and committed undrawn facilities in an amount greater than or equal to 125% of consolidated current liabilities, (ii) require us and our subsidiaries to maintain minimum cash and cash equivalents of not less than USD 100 million, (iii) require our net debt to be no greater than 65% of the capitalisation, and (iv) require us to maintain ownership of the security parties that, at the date of execution of the credit facility agreement, are members of the Stena Group.

The following table summarises the notional volume and credit risks of financial derivative instruments:

	31 December 2023		31 December 2022	
SEK in million	Nominal amount	Credit risk	Nominal amount	Credit risk
Currency forward contracts and swaps	66,325	-59	82,020	36
Interest rate forward contracts and swaps	75,422	2,429	71,145	3,388
Commodity fixed price swaps and options – oil	2,586	68	2,413	36
Total	**144,333**	**2,437**	**155,578**	**3,784**

Maturity profile

SEK in million

31 December 2023	Total	2024	2025	2026–2028	2028–	Not specified
Property loans	21,290	782	453	165	20,391	
Other bank loans	31,229	6,346	5,347	7,264	6,008	5,256
Revolving Credit Facility	8,290	359	334	5,996		1,602
Other credit facilities	507					507
Senior Notes	16,439	4,704	436	11,299		
Derivatives	1,212	1,021	157	30	4	
Capitalised lease liabilities	5,164	1,246	832	1,282	1,804	
Accounts payable	3,152	3,152				
Total	**87,783**	**17,609**	**7,558**	**26,036**	**28,207**	**7,364**

NOTE 27. FINANCIAL INSTRUMENTS

This note describes the financial outcome from financial instruments in the Stena Group.
Accounting principles for financial instruments are described in Note 1 and financial risk management is described in Note 26.

Financial instruments per category

SEK in million 31 December 2022	Financial instruments measured at fair value through profit or loss Mandatory[1)]	Derivatives used for hedge accounting (OCI)	Fair value through other comprehensive income (FVOCI)	Amortised Cost (AC)	Total carrying amount	Total fair value
Assets						
Cash and cash equivalents				2,157	2,157	2,157
Marketable securities	2,023		1,677		3,700	3,700
Other non-current assets (financial part)	1,383	3,685			5,068	5,068
Trade receivables				6,095	6,095	6,095
Short-term investments	1,485		1,095	160	2,739	2,739
Other receivables (financial part)	512	888			1,399	1,399
Total	**5,401**	**4,573**	**2,772**	**8,412**	**21,158**	**21,158**
Liabilities						
Senior Notes				14,911	14,911	14,117
Other non-current liabilities (financial part)	91	225			316	316
Other non-current interest-bearing liabilities				53,165	53,165	53,165
Current interest-bearing liabilities				5,274	5,274	5,274
Trade payables				3,035	3,035	3,035
Other liabilities (financial part)	392	477			869	870
Total	**483**	**702**		**76,385**	**77,570**	**76,777**

SEK in million 31 December 2023	Financial instruments measured at fair value through profit or loss Mandatory[1)]	Derivatives used for hedge accounting (OCI)	Fair value through other comprehensive income (FVOCI)	Amortised Cost (AC)	Total carrying amount	Total fair value
Assets						
Cash and cash equivalents				3,759	3,759	3,759
Marketable securities	2,181		2,108		4,290	4,290
Other non-current assets (financial part)	1,188	2,493			3,681	3,681
Trade receivables				5,497	5,497	5,497
Short-term investments	1,568		611	89	2,267	2,267
Other receivables (financial part)	868	647			1,515	1,515
Total	**5,805**	**3,140**	**2,719**	**9,345**	**21,009**	**21,009**
Liabilities						
Senior Notes				14,598	14,598	15,433
Other non-current liabilities (financial part)	73	134			207	207
Other non-current interest-bearing liabilities				52,906	52,906	52,906
Current interest-bearing liabilities				9,003	9,003	9,003
Trade payables				3,151	3,151	3,151
Other liabilities (financial part)	708	289			997	997
Total	**781**	**423**		**79,658**	**80,862**	**81,698**

CONT. NOTE 27

DETERMINATION OF THE FAIR VALUE OF ITEMS RECOGNISED AT FAIR VALUE IN THE BALANCE SHEET

The different levels indicate the observerability in the underlying input data used when calculating the fair value.

Investments in Level 1 consists mainly of equity instruments. The financial instruments in this level consists of identical assets and liabilities which are traded on an active market and the fair value is determined on the basis of the assets' and liabilities' listed prices on the balance sheet date.

Financial instruments in Level 2 consist of foreign exchange contracts and interest rate swaps entered for trading or hedging purposes. The valuations of FX futures are based on quoted market prices. The valuation of interest rate swaps is conducted using discounted cash flows based on forward interest rates in observable yield curves. Level 2 also consists of financial assets and liabilities whose fair value is obtained from external parties and bonds where the valuation is based on observable market data that are not from active markets. Regarding unlisted receivables in Level 2, the fair value is calculated based on discounted future cash flows.

Level 3 for fair value includes the assets and liabilities for which fair value cannot be obtained directly from listed market prices or indirectly through valuation methods or valuation models based on observable market prices or input data.

SEK in million

31 December 2022	Level 1	Level 2	Level 3	**Total**
Assets				
Financial assets at fair value through profit or loss				
– Derivatives		695		695
– Securities	1,028	2,436	1,402	4,866
– Debt investments				
Derivatives used for hedging		4,573		4,573
Fair value through other comprehensive income				
– Equities	387	134	149	670
– Debt investments		2,236		2,236
Total assets	**1,415**	**10,074**	**1,551**	**13,040**
Liabilities				
Financial liabilities at fair value through profit or loss				
– Trading derivatives		483		483
Derivatives used for hedging		703		703
Total liabilities		**1,186**		**1,186**

SEK in million

31 December 2023	Level 1	Level 2	Level 3	**Total**
Assets				
Financial assets at fair value through profit or loss				
– Derivatives		997		997
– Securities	875	2,258	1,239	4,372
– Debt investments				
Derivatives used for hedging		3,140		3,140
Fair value through other comprehensive income				
– Equities	831	238	455	1,524
– Debt investments		1,760		1,760
Total assets	**1,706**	**8,392**	**1,694**	**11,793**
Liabilities				
Financial liabilities at fair value through profit or loss				
– Trading derivatives		781		781
Derivatives used for hedging		423		423
Total liabilities		**1,204**		**1,204**

During the year, no transfers between levels have taken place.

Specification of financial instruments in Level 3

SEK in million

31 December 2022	CBRE Dutch Office Fund	Debt investments convertible loan	Equities other	Total
Opening balance, 1 January 2022	**1,155**	**1**	**404**	**1,560**
Total unrealised gains/losses				
– recognised in profit or loss			8	8
– recognised in other comprehensive income			–115	–115
Reclassification		–1		–1
Impairment recognised in profit or loss				
Proceeds from acquisitions and sales, net			8	8
– of which realised gains/losses				
Translation differences	97		–5	92
Closing balance, 31 December 2022	**1,252**	**0**	**300**	**1,552**

SEK in million

31 December 2023	CBRE Dutch Office Fund	Debt investments convertible loan	Equities other	Total
Opening balance, 1 January 2023	**1,252**	**0**	**300**	**1,552**
Total unrealised gains/losses				
– recognised in profit or loss	–193		356	163
– recognised in other comprehensive income			–35	–35
Reclassification				
Impairment recognised in profit or loss				
Proceeds from acquisitions and sales, net			14	14
– of which realised gains/losses				
Translation differences	1			1
Closing balance, 31 December 2023	**1,060**	**0**	**634**	**1,695**

During the year, no transfers between levels have taken place.

CONT. NOTE 27

The table below shows information about the fair value measurements of Level 3 instruments

31 December 2021

Holdings	Description	Fair value at 31 December 2022	Valuation techniques	Unobservable inputs	Range of unobservable inputs (probability weighted average)	Relationship of unobservable inputs to fair value	Sensitivity analyses
CBRE Dutch Office Fund	The fund invests in prime office real estate only in the Netherlands, and consists of 8 properties	SEK 1,060 Million	Estimated discounted cash flows	Future development of the occupancy rates	Weighted average of vacancy rate is 10.95%	Changes in the properties' occupancy rates lead to a lower/ higher fair value	If the vacancy rate and income changes by +/– 10%, the effect on the fair value will be SEK +/– 106 million
Equities other	A portfolio of unlisted companies	SEK 634 Million	Stena Group use different techniques, depending of available observable inputs. Discounted cash flow models and valuation multiples are examples of applied methods for valuation	Interest level, future development in the oil and gas sector and in different pharmaceutical projects	N/A	N/A	N/A

As of 31 December 2022, a change of +/− 10% in the unrealised value of all our assets in the Level 3 category would have an effect of SEK +/− 169 (155) million on profit before tax and SEK +/− 5 (7) million recognised in other comprehensive income.

The table below shows the financial derivatives that are included in ISDA agreements and subject to netting

SEK in million 31 December 2022	Financial assets/liabilities, gross	Netted balances	Amounts shown in the balance sheet	Financial instruments included in ISDA agreements but not netted	Financial instruments, net
Derivative financial assets	5,268		5,268	1,484	3,784
Derivative financial liabilities	–1,186		–1,186	–1,484	298
Total	**4,082**		**4,082**	**0**	**4,082**

SEK in million 31 December 2023	Financial assets/liabilities, gross	Netted balances	Amounts shown in the balance sheet	Financial instruments included in ISDA agreements but not netted	Financial instruments, net
Derivative financial assets	4,136		4,136	1,699	2,437
Derivative financial liabilities	–1,204		–1,204	–1,699	495
Total	**2,932**		**2,932**	**0**	**2,932**

Trading contracts – Outstanding derivative contracts for trading activities

	2023		**2022**	
SEK in million	Notional amount	Carrying amount	Notional amount	Carrying amount
Foreign exchange spot and forwards	150	1	22	
Currency options	78		112	
Oil swaps and Oil options				
Total	**228**	**1**	**134**	**0**

NOTE 28. PERSONNEL

Average number of employees

	2023		2022	
	Total	No. of females	Total	No. of females
Parent company				
Executive management	3	1	3	1
Other employees	35	21	34	20
Subsidiaries in Sweden	4,354	1,711	4,623	1,743
Total Sweden	**4,392**	**1,733**	**4,660**	**1,764**
Subsidiaries outside Sweden				
United Kingdom	3,101	815	2,981	752
Denmark	1,806	563	1,667	534
The Netherlands	744	175	707	146
Spain	216	44	189	34
Germany	196	64	128	56
India	192	78	167	64
Norway	183	41	108	32
Singapore	180	73	178	74
Poland	161	80	144	76
Latvia	148	59	85	41
South Korea	147	14	143	13
China	110	28	123	30
Finland	92	30	20	4
United States	89	25	93	24
Austria	84	13	10	3
France	57	10	45	11
Croatia	44	1	48	1
Australia	31	13		
Belgium	24	9	26	7
Qatar	24		24	
United Arab Emirates	19	2	20	2
Ireland	19	10	19	10
Lithuania	13	8	13	8
Saudi Arabia	12		15	3
Portugal	9	1	9	1
Guyana	8		8	
Cyprus	7	4	8	4
Malaysia	7	3	7	3
Namibia	6	4	6	4
Luxembourg	5	2	6	2
New Zeeland	5	2	4	1
Switzerland	4	3	5	3
Estonia	3	1	4	2
Other	20	8	19	8
Seagoing employees	1,195	9	1,311	26
Total outside Sweden	**8,960**	**2,192**	**8,340**	**1,979**
Total Group	**13,352**	**3,925**	**13,000**	**3,743**

Seagoing employees refers to Offshore Drilling and Shipping activities, which are performed worldwide. For Ferry Operations (Stena Line), such persons have been allocated by country. The total number of seagoing employees in Stena Line was 3,986 (3,918).

Total number of employees including external seagoing employees through Northern Marine amounts to 17,442 (17,190).

CONT. NOTE 28

Total personnel costs

	2023			2022		
SEK in million	Parent company	Subsidiaries	**Total**	Parent company	Subsidiaries	**Total**
Wages, salaries and other remuneration	62	8,102	8,164	55	7,120	7,175
Pension costs	13	561	574	20	528	548
Other social security contributions	33	1,069	1,102	24	958	982
Total	**108**	**9,732**	**9,840**	**99**	**8,606**	**8,705**

For Swedish-flagged vessels employed in international shipping activities, the Group has received a subsidy equal to all social security costs and income taxes payable by the employers on behalf of employees who work on board such vessels. The amount of this subsidy in 2023 was SEK 334 (299) million. The amounts received have reduced personnel costs.

Remuneration of Chief Executives

In 2023, salaries of SEK 14 (13) million were paid to the Chief Executive Officer and the Executive Vice President. The corresponding pension charges in 2023 amounted to SEK 3 (2) million. The aggregate compensation paid by the Stena AB to its directors (a total of ten persons, CEO included) amounted to SEK 11 (10) million. Of the total salaries paid to other employees SEK 57 (67) million was paid to officers other than the Chief Executive Officer, the Executive Vice President and Board members (a total of seven persons).

Pension commitment applies from the age of 65 years according to the so called ITP plan with additions for salary above 30 base amounts. The Chief Executive Officer has additional retirement conditions allowing pension payments from year 2025. The obligation is provided for within pension liabilities. The period of notice from either parties is 12 months. Severance pay amounts to a maximum of 24 months salary.

The Board members of Stena AB were paid SEK 431 (467) thousand, out of which SEK 63 (63) thousand was paid to the Chairman of the Board and SEK 37 (37) thousand was paid to the Chief Executive Officer. The Chairman of the Board has in addition invoiced SEK 1,500 (1,500) thousand for consultations.

Gender distribution on the Board of Directors is 80 (80)% men and 20 (20)% women. 78 (78)% of other senior executives are men and 22 (22)% are women.

NOTE 29. RELATED-PARTY TRANSACTIONS

The Stena Group has certain relationships with other companies in the Stena Sphere, which include the companies wholly owned by the Sten A Olsson family, Stena AB (publ.), Stena Sessan AB ("Sessan") and Stena Metall AB and their respective subsidiaries. The partly-owned company Concordia Maritime AB (publ.) ("Concordia Maritime") is listed on Nasdaq Stockholm and 96% owned by Stena Sessan AB. No further transactions with related companies have occurred during the year than described below.

All related-party transactions are conducted on commercial and/or businesslike terms at market-related prices.

Significant transactions between the Stena Group ("Stena") and its affiliates are described below.

CONCORDIA MARITIME

Concordia Maritime and Stena are parties to an agreement, pursuant to which they conduct joint charter and contract business through Stena Bulk AB. Under the terms of this agreement, Concordia Maritime may elect to participate in a transaction on a 100%, 50% or 0% basis. During 2023, Concordia Maritime did not participate in any transactions.

Concordia Maritime buys regularly services from Stena, primarily Stena Bulk AB. These services relate to administration, marketing, insurance, technical support, development and commercial management of Concordia Maritime's fleet, chartering commission relating to Concordia Maritime's owned and chartered vessels, operation of any jointly chartered vessels as well as offices and office services for the company's personnel. Concordia Maritime's total payments for these services amounted to SEK 86 (108) million.

In August 2021, a five-year time charter agreement was entered into with Concordia Maritime regarding all ten P-MAX product tanker vessels in their fleet. During 2023, Stena Bulk has paid charter hire amounting to SEK 92 (425) million. At year-end 2023, no vessel was on a charter agreement. One vessel was under Stena Bulks commercial management.

STENA SESSAN

Stena conducts property management for Stena Sessan's properties. Stena received SEK 52 (50) million for the provision of these services. Stena Fastigheter AB has paid SEK 2 (0) million for office rent to Stena Sessan

STENA METALL

Stena purchases a substantial proportion of bunker fuel for vessels from Stena Metall. The purchases in 2023 amounted to SEK 3,532 (4,133) million. Stena Line charter the vessels *Stena Scandica* and *Skåne* from Kollsholmen Shipping, the rent in 2023 amounted to SEK 179 (236) million.

Stena Recycling AB has during 2023 paid SEK 11 (10) million to RFM Fastigheter AB for property management services and rent. Stena Recyling AB has during 2023 paid SEK 2 million rents to Stena Fastigheter Stockolm AB. Stena purchases waste management from Stena Metall for SEK 24 (13) million. Stena Teknik has during 2023 sold services to Stena Metall amounting to SEK 8 million.

OLSSON FAMILY

Stena rents office space from the Olsson family. The rental payments amounted to SEK 60 (49) million.

Stena conducts property management for a number of the family's properties. Stena received SEK 53 (47) million for the provision of these services.

Stena has undertaken to pay Dan Sten Olsson an annual indexed retirement benefit for life.

Stena Switzerland AG has invested in a company, Collectius AG, which is partly owned by Gustav Eriksson. Stena Switzerland has loaned EUR 20 million to Collectius AG. During 2023 this have generated interest income of EUR 1.8 million.

NOTE 30. SUBSEQUENT EVENTS

Stena has during 2024 refinanced several major loan facilities and thereby secured long-term liquidity.

In January 2024 one new bond was issued, amounting to USD 700 million and in February 2024 one additional bond was issued, amounting to USD 400 million. The purpose with the transactions was to extend the debt maturity profile and to refinance the outstanding secured USD 350 million and secured EUR 315 million bonds with original due date February 2025 as well as the unsecured USD 393 million bond with original due date March 2024.

In January 2024, Stena Evolution was delivered from Samsung Heavy Industries. The drillship will commence her contract with Shell beginning of April in the Gulf of Mexico.

In January 2024, a new loan was received with the drillship Stena Evolution as collateral.

In January 2024, new contract extensions were signed with Esso Exploration and Production Guyana Limited for Stena DrillMAX and Stena Carron, extending these contracts until December 31, 2024, with options for further extensions.

In January 2024, Stena Adactum participated in the rights issue in Svedbergs to finance Svedbergs' acquisition of Thebalux. The size of the rights issue amounted to SEK 400 million, where Stena Adactum was allocated its pro-rata share of SEK 165 million.

In February 2024, the RoPax vessel Ala'suinu was delivered and subsequently chartered out to Marine Atlantic.

Stena Adactum divested Captum to the Norwegian Lea Bank in December 2023, with the takeover in 2024.

In March 2024, the two LNG vessels Clear Sky and Crystal Sky were divested to the BW Group.

In April 2023, the LNG vessel Blue Sky was divested to Viet Phat.

In April 2024, Stena Line entered an agreement to acquire 49% of the stock share in Morocco based ferry company Africa Morocco Link (AML). The company will remain a majority owned Moroccan company, but Stena Line will run the daily operations. Today, AML operates a ferry route between Tanger Med (Morocco) and Algeciras (Spain).

PARENT COMPANY INCOME STATEMENT

SEK in million	Note	1 January–31 December 2023	2022
Revenue	1	163	160
Administrative expenses	2	–224	–200
Operating result		**–61**	**–40**
Result from investments in Group companies	3	881	200
Result from other securities and receivables held as non-current assets	4	149	1,301
Other interest and similar income	5	530	499
Interest and similar expenses	6	–1,080	–1,766
Financial net		**480**	**234**
Appropriations			
Group contributions	7	80	34
Profit before tax		**499**	**228**
Taxes	8	–65	
Profit for the year		**434**	**228**

OTHER COMPREHENSIVE INCOME

SEK in million	1 January–31 December 2023	2022
Profit for the year	434	228
Other comprehensive income		
Change in fair value reserve for the year, net of tax	–38	–62
Other comprehensive income	**–38**	**–62**
Change in fair value reserve for the year, net of tax	**396**	**166**

PARENT COMPANY BALANCE SHEET

SEK in million	Note	31 December 2023	2022
Assets			
Non-current assets			
Shares in Group companies	9	26,233	23,899
Non-current receivables, Group companies	9	7,263	6,257
Marketable securities	10		5
Other non-current assets	11	349	485
Total financial assets		**33,845**	**30,646**
Total non-current assets		**33,845**	**30,646**
Current assets			
Current receivables, Group companies		153	3,535
Other receivables		5	401
Prepayments and accrued income		6	
Cash and cash equivalents			
Total current assets		**164**	**3,936**
Total assets		**34,009**	**34,582**
Equity and liabilities			
Equity			
Share capital, 50,000 shares, SEK 100 each		5	5
Statutory reserve		2	2
Total restricted equity		**7**	**7**
Retained earnings		20,207	20,262
Result for the year		434	228
Total unrestricted equity		**20,641**	**20,490**
Total equity		**20,648**	**20,497**
Non-current liabilities			
Bank debt		1,519	3,162
Senior Notes	12		4,095
Total non-current liabilities		**1,519**	**7,257**
Current liabilities			
Senior Notes	12	3,955	
Trade payables		11	4
Liabilities to Group companies		7,644	6,593
Other liabilities		7	7
Accruals and deferred income	13	225	224
Total current liabilities		**11,842**	**6,828**
Total equity and liabilities		**34,009**	**34,582**

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

SEK in million	Share capital	Restricted reserves	Unrestricted equity	Total
Equity, 1 January 2022	**5**	**2**	**20,367**	**20,374**
Change in fair value reserve for the year, net of tax			–62	–62
Other comprehensive income			**–62**	**–62**
Profit for the year			228	228
Total comprehensive income			**166**	**166**
Dividend			–43	–43
Equity, 31 December 2022	**5**	**2**	**20,490**	**20,497**
Equity, 1 January 2023	**5**	**2**	**20,490**	**20,497**
Change in fair value reserve for the year, net of tax			–38	–38
Other comprehensive income			**–38**	**–38**
Profit for the year			434	434
Total comprehensive income			**396**	**396**
Dividend			–245	–245
Equity, 31 December 2023	**5**	**2**	**20,641**	**20,648**

PARENT COMPANY STATEMENT OF CASH FLOWS

SEK in million	Note	1 January–31 December 2023	2022
Cash flow from operating activities			
Profit for the year		434	228
Adjustments for non-cash items			
Result from financial instruments			–18
Exchange differences		161	–118
Deferred income taxes	8	65	
Group contributions		–80	–34
Other non-cash items		309	–2
Cash flow from operating activities before changes in working capital		**889**	**56**
Changes in working capital			
Increase (–)/decrease (+) in intra-group balances		4,479	4,070
Increase (–)/decrease (+) in current receivables		390	6
Increase (+)/decrease (–) in current liabilities		–134	–98
Cash flow from operating activities		**5,624**	**4,034**
Cash flow from investing activities			
Proceeds from sale of securities and long-term investments, net		–2,464	–3,132
Increase of long-term receivables to group companies		–1,349	
Cash flow from investing activities		**–3,813**	**–3,132**
Cash flow from financing activities			
Dividend		–245	–43
Group contributions received/paid, net		34	–649
Principal payments on debt		–1,600	–210
Cash flow from financing activities		**–1,811**	**–902**
Net change in cash and cash equivalents		0	0
Cash and cash equivalents at beginning of year		0	0
Cash and cash equivalents at end of year		**0**	**0**

Notes

All amounts in SEK million. Accounting principles, see Note 1 in the Consolidated Notes.

NOTE 1. REVENUE

Revenue in the Parent company refers to services rendered for subsidiaries.
Revenue was SEK 163 (160) million, 95 (97)% of which was from Group companies.

NOTE 2. ADMINISTRATIVE EXPENSES

Fees to the auditors

SEK in million	1 January–31 December 2023	2022
Audit services	6	5
Other services	2	2
Total	**8**	**7**

Audit fees relate to examination of the annual report, financial accounting and the administration by the Board and the CEO as well as other tasks related to the duties of a company auditor. Tax advisory services include both tax consultancy and tax compliance services. Other services refer to other assignments.

NOTE 3. RESULT FROM INVESTMENTS IN GROUP COMPANIES

SEK in million	1 January–31 December 2023	2022
Dividends	1,000	400
Result from sale of subsidiary	–49	
Write-downs	–70	–200
Total	**881**	**–200**

NOTE 4. RESULT FROM OTHER SECURITIES AND RECEIVABLES HELD AS NON-CURRENT ASSETS

SEK in million	1 January–31 December 2023	2022
Revaluation of securities		8
Exchange differences	–343	825
Intra-group interest income	492	468
Total	**149**	**1,301**

NOTE 5. OTHER INTEREST AND SIMILAR INCOME

	1 January–31 December	
SEK in million	2023	2022
Intra-group interest income	174	217
Revaluation of funds		12
Revaluation of internal derivates	8	110
Exchange differences	348	160
Total	**530**	**499**

NOTE 6. INTEREST AND SIMILAR EXPENSES

	1 January–31 December	
SEK in million	2023	2022
Interest expenses	–886	–592
Amortisation of capitalised finance costs	–50	–47
Revaluation of internal derivates	–8	–3
Exchange differences		–1,007
Borrowing costs	–136	–117
Total	**–1,080**	**–1,766**

SEK –408 (–125) million of total interest expenses are related to Group companies.

NOTE 7. GROUP CONTRIBUTION

	1 January–31 December	
SEK in million	2023	2022
Paid Group contributions	–1,007	–1,051
Received Group contributions	1,087	1,085
Total	**80**	**34**

NOTE 8. INCOME TAXES

	1 January–31 December	
SEK in million	2023	2022
Result before tax	499	228
Current tax related to previous years	–1	
Deferred tax related to previous years	–40	
Deferred tax	–24	0
Total taxes	**–65**	**0**
Reconciliation of the difference between the statutory tax rate in Sweden and the effective tax rate		
Statutory income tax according to tax rate	–103	–47
Income not taxable	72	120
Income not taxable, dividend received	206	82
Expenses not deductible	–199	–155
Tax related to previous years	–41	
Total taxes	**–65**	**0**

In 2023, tax paid amounted to SEK 0 (0) million.

NOTE 9. SHARES IN GROUP COMPANIES

SEK in million	Reg. no.	Reg. office	Ownership, %	Amount of shares in 000s	31 December Carrying amount 2023	Carrying amount 2022
Stena Rederi AB	556057-8360	Sweden	100	25	700	700
AB Stena Finans	556244-5766	Sweden	100	500	2,550	2,550
Stena RFM AB	556878-2980	Sweden	100	1	32	2
Stena Fastigheter AB	556057-3619	Sweden	100	119	4,590	4,590
Stena Adactum AB	556627-8155	Sweden	100	500	4,076	4,076
Blue Shipping AB	559137-8624	Sweden				174
Stena Ventures AB	556878-3020	Sweden	100	1	16	16
Stena International S.A.	B104173	Luxembourg	100	4,768	14,269	11,791
Total shares in Group companies					**26,233**	**23,899**

Subsidiaries´ holdings in major Group companies

	Reg. office	Ownership, %
Stena Bulk AB	Sweden	100
Stena Line Scandinavia AB	Sweden	100
Stena Line Holding BV	The Netherlands	100
Stena Holland BV	The Netherlands	100
Stena Line Ltd	The United Kingdom	100
Stena Drilling (Holdings) Ltd	The United Kingdom	100
Stena North Sea Ltd	The United Kingdom	100
Stena Ropax Ltd	The United Kingdom	100
Stena Holding (Cyprus) Ltd	Cyprus	100
Stena Switzerland AG	Switzerland	100
Stena Maritime AG	Switzerland	100

The Parent company has the following long-term receivables on Group companies

SEK in million	31 December 2023 Carrying amount
AB Stena Finans	7,263
Total non-current receivables Group companies	**7,263**
Opening balance	**6,257**
Additions	1,349
Exchange differences	–343
Closing balance	**7,263**

A complete list of the companies in the Group has been submitted to the Swedish companies registration office. For information on associates and joint ventures, see Note 6 in the Consolidated Notes.

NOTE 10. MARKETABLE SECURITIES

SEK in million	
Opening balance, 1 January 2023	**5**
Disposals	–5
Closing balance, 31 December 2023	

SEK in million	2023	2022
Marketable securities are classified as:		
Financial assets at fair value through other comprehensive income		5
Total taxes		**5**

Marketable securities are long-term holdings of listed shares (see Note 27 in the Consolidated Notes).

NOTE 11. OTHER NON-CURRENT ASSETS

SEK in million	Deferred tax receivables	Other securities held as non-current assets	Capitalised costs	Total
Opening balance, 1 January 2023	**220**	**149**	**116**	**485**
Additions		14		14
Disposals	–65		–50	–115
Revaluation		–35		–35
Closing balance, 31 December 2023	**155**	**128**	**66**	**349**

Other securities held as non-current assets are holdings of non-listed shares, see Note 27 in the Consolidated Notes. Capitalised costs refer to cost for Senior Notes. These costs are distributed over the remaining loan period of the Senior Notes.

NOTE 12. SENIOR NOTES

				Fair value, 31 December		Carrying amount, 31 December, SEK in million	
Issued – Maturity	Nominal	Outstanding	Interest	2023	2022	2023	2022
2014–2024	MUSD 600	MUSD 393	7.000%	MUSD 393	MUSD 378	3,955	4,095
Total						**3,955**	**4,095**

	2023	2022
Whereof		
Non-current portion of Senior Notes		4,095
Current portion of Senior Notes	3,955	

NOTE 13. ACCRUALS AND DEFERRED INCOME

SEK in million	31 December 2023	2022
Accrued interest expense	141	151
Accrued holiday pay and social security contributions	15	14
Other accruals	69	59
Total	**225**	**224**

NOTE 14. PLEDGED ASSETS AND CONTINGENT LIABILITIES

SEK in million	31 December 2023	2022
Guarantees, subsidiaries	37,190	37,368
Guarantees, other	252	297
Total	**37,442**	**37,665**

NOTE 15. PERSONNEL

For information about the average number of employees, salaries, other remuneration and social security contributions for employees, see Note 28 in the Consolidated Notes.

Proposed treatment of unappropriated earnings

The following funds in the Parent company are available to the Annual General Meeting (SEK in thousand)

Retained earnings	20,207,410
Profit for the year	434,364
Unrestricted equity	**20,641,774**
The Board of Directors propose the following:	
Dividend to the shareholders	275,000
To be carried forward	20,366,774
Total	**20,641,774**

Gothenburg the date stated on our electronic signature

Gunnar Brock
Chairman of the Board

Dan Sten Olsson
Managing Director

Christian Caspar
Board member

Marie Eriksson
Board member

Casper von Koskull
Board member

Lars-Peter Laurin
Board member

William Olsson
Board member

Anna Westerberg
Board member

Daniel Holmgren
Employee representative

Mikael Johansson
Employee representative

Our Audit Report was released the date stated on our electronic signature

Johan Rippe
Authorised Public Accountant

Johan Malmqvist
Authorised Public Accountant

Auditor's report

To the general meeting of the shareholders of Stena AB (publl), corporate identity number 556001-0802

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Stena AB (publ) for the year 2023. The annual accounts and consolidated accounts of the company are included on pages 2-81 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 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 International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and 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 can be found on pages 1 and 82-84. The other information also consists of Annual Review 2023 for pages 1-5, 14-38 and 50-52 which we obtained before the date of this auditor's report. The Board of Directors and the Managing Director are responsible for the 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 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 intends 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.

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

REPORT ON OTHER 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 Stena AB (publ) 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.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Gothenburg the date stated on our electronic signature

Johan Rippe	Johan Malmqvist
Authorized Public Accountant	*Authorized Public Accountant*

Sustainability data

Stena has four focus areas as the basis for strategic sustainability work, to guide the Group forward. The four focus areas are the environment, safety and security, people and society. These have been identified as the most important areas, based on the business units´ materiality analyses, as they unite Stena´s operations. The results of the materiality analyses form the basis for setting measurable goals and KPIs.

In 2022, all business units adopted targets and KPIs within the four focus areas. A selection of the most important goals and key performance indicators ("KPI") for each business unit is presented below and in the Annual Review.

ENVIRONMENT

KPI	Reporting units	Target	2023	2022	2021
Number of vessels (operating days)	Stena Line, Stena Drilling, Stena Bulk, Stena RoRo		83	100	99
Total distance sailed (1,000 nm)	Stena Line, Stena Bulk, Stena RoRo		5,323	6,593[4]	6,538[4]
CO_2 emissions from vessels (1,000 tonnes)	Stena Line	–30% to 2030	1,435	1,462[4]	1,377[4]
	Stena Drilling	–40% to 2030	206	199	205
	Stena Bulk	Netzero 2050	891	1,272	1,423
	Stena RoRo	–30% to 2030	96	148	227
	Total		2,628	3,081[4]	3,232[4]
g CO_2 / (GT NM)[1]	Stena Line		14.6	15.1	15.0
	Stena RoRo		17.6	20.4	19.5
EEOI[2] MR	Stena Bulk	–2%	11.02	10.06	10.08
EEOI[2] Suezmax	Stena Bulk	–2%	5.91	6.46	6.95
Total energy consumed by vessels (TWh)	Stena Line, Stena Drilling, Stena Bulk, Stena RoRo		9.5	11.2	11.9
Total NOx (1,000 tonnes)	Stena Line, Stena Drilling, Stena Bulk, Stena RoRo		59	73[4]	82[4]
Total SOx (1,000 tonnes)	Stena Line, Stena Drilling, Stena Bulk, Stena RoRo		4	5	5
Oil spills (number of spills)	Stena Line	0	7	6	6
	Stena Drilling	0	1	4	6
	Stena Bulk	0	0	0	0
	Stena RoRo	0	0	0	0
	NMG	0	0	0	0
Oil spills total quantity (litres)	Stena Line, Stena Drilling, Stena Bulk, Stena RoRo, NMG	0	380	1,074	531
On shore power supply (MWh)	Stena Line		19,224	17,854	16,399
Energy consumption (MWh)	Envac Sweden AB		413		
Carbon footprint Scope 1 (tonnes CO_2e)	Envac Sweden AB		315	-	-
Carbon footprint Scope 2 (tonnes CO_2e)	Envac Sweden AB		12	-	-
Energy consumption (MWh)[3]	Stena Property		297,562	302,956	307,480
Energy intensity (kWh/m2 A-temp)[3]	Stena Property	–2%	99.2	99.5	105.4
Carbon footprint Scope 1 (tonnes CO_2e)[3]	Stena Property	–55% to 2030	195	180	102
Carbon footprint Scope 2 (tonnes CO_2e)[3]	Stena Property	–55% to 2030	15,356	7,755	8,612
Carbon footprint Scope 3 (tonnes CO_2e)[3]	Stena Property	–55% to 2030	71,099	90,797	78,746
Total Carbon footprint (tonnes CO_2e)[3]	Stena Property	–55% to 2030	86,650	98,732	87,460

1) g CO_2 / (GT NM) is used to measure a vessels energy efficiency in relation to its capacity. Gross tonnage (GT) is used as the measure of capacity.
2) Energy Efficiency Operational Index is a method of measuring a vessel's energy efficiency per tonne of goods transported.
3) Energy consumption includes Stena Property in Sweden (approx. 99% of activities).
4) Updated numbers for Stena Line due to revised documentation.

SAFETY & SECURITY

KPI	Reporting units	Target	2023	2022	2021
LTIF – seafarers [5]	Stena Line	<1.0	1.8	2.7	2.2
	Stena Drilling	0	0.4	0	0
	Stena Bulk	<0.2	0.2	0.2	0.1
	Stena RoRo	<0.5	0.6	0.5	0
	NMG	<0.3	0.2	0.3	0.3
Workplace accidents	Envac Sweden AB	0	0		
Workplace accidents, land based	NMG	0	0	0	0

PEOPLE

KPI	Reporting units	Target	2023	2022	2021
Share of women on Board of Directors (%)[6]	Stena AB	40–60%	25%	25%	33%
	Stena Line Holding BV	40–60%	25%	25%	20%
	Stena Drilling Ltd	40–60%	0%	0%	0%
	Stena Bulk AB	40–60%	33%	33%	33%
	Stena RoRo AB	40–60%	33%	33%	33%
	Northern Marine Group Ltd	40–60%	50%	50%	29%
	Stena Fastigheter AB	40–60%	43%	43%	43%
	Stena Adactum AB	40–60%	0%	0%	0%
	Envac AB	40–60%	25%		
Diversity (share of employees with international background %)[7]	Stena Property	32% to 2027	22%	23%	19%
Vessel employee retention rate (%)	NMG	>90%	93%	96%	93%
Employee retention rate (%)	Stena Bulk	>90%	97%	93%	-

SOCIETY

KPI	Reporting units	Target	2023	2022	2021
Aktiv Bo Security index[8]	Stena Property	82% to 2027	79.5%	-	78.6%
Number of young adult jobs[9]	Stena Property	500	976	976	621
Number of ferry routes	Stena Line		17	18	18
Signed Supplier Code of Conduct of addressed suppliers (%)[10]	Stena Line	95%	95%	88%	
Develop and promote local personnel (share of locally employed personnel in Guyana %)[11]	Stena Drilling	>30% local personnel	33%	33%	

5) Lost Time Injury Frequency (LTIF) is a measure of workplace safety used for the crew on board. LTIF is calculated on a rolling 12-month basis according to the following formula: number of LTI x 1,000,000/total exposure hours (total time on board as working hours and resting time). The definition of LTI is absence on the following working day (24 h) for Northern Marine Group, Stena Bulk, Stena Line and Stena RoRo, and absence of more than 72 h for Stena Drilling.
6) The definition of board members includes ordinary members and CEO.
7) The share of employees with an international background should reflect society.
8) Security is measured through Aktiv Bo security index. The survey is run every second year.
9) Young adult jobs created by Stena Property and through partners.
10) Addressed purchase volume corresponds to approx. 86% of total purchases.
11) At *Stena Carron* & *Stena DrillMAX*.

FIVE-YEAR SUMMARY

SEK in million	2023[2]	2022[2]	2021[3]	2020[3]	2019[2]
Total income, net result on sale of non-current assets and change in fair value of investment properties	54,959	53,414	38,991	33,343	37,142
EBITDA, excluding sale of non-current assets	14,426	13,501	8,776	5,613	8,527
Operating profit	6,227	6,182	2,155	–1,791	1,731
Profit/loss from investments in strategic associates	250	–77	312	–19	86
Profit before tax	2,916	3,534	499	–4,858	240
Vessels	33,641	40,984	43,502	36,012	39,919
Investment property	48,012	46,212	41,354	40,902	38,684
Other non-current assets	42,654	38,157	32,504	29,770	31,743
Cash and cash equivalents/short-term investments	6,026	4,896	4,542	3,566	6,297
Other current assets	16,839	14,824	11,206	11,683	13,134
Equity including deferred tax liabilities	56,262	55,775	53,052	47,745	53,170
Other provisions	1,047	713	836	812	777
Other non-current liabilities	64,928	69,795	64,071	60,056	60,306
Current liabilities	24,935	18,789	15,149	13,320	15,524
Balance sheet total	147,172	145,072	133,108	121,933	129,777
Cash flow from operating activities	10,473	7,393	5,508	5,039	4,060
Cash flow from investing activities	–10,155	–10,304	–4,654	–5,858	–5,994
Cash flow from financing activities	1,383	2,519	–329	–603	3,377
Net change in cash and cash equivalents	1,602	–255	598	–1,552	1,483
Number of employees, average	13,352	13,000	11,438	11,483	11,813
Number of vessels[1]	131	136	137	134	137

1) Including owned and chartered in vessels.
2) According to the cost method, see note 1 for more information
3) According to the revaluation method, see note 1 for more information

Design & production: Narva Communications
Photography: Silverbullet, Henrik Sandsjö
Print: Elanders

NORDIC SWAN ECOLABEL
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Stena AB (publ.) SE-405 19 Göteborg
Phone +46 31 85 50 00 www.stena.com