

---

# *Stena Rederi A/S*

Tuborg Boulevard 12, DK-2900 Hellerup

## Annual Report for 2022

---

CVR No. 33 26 00 59

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 29/6 2023

Morten Rich  
Chairman of the  
general meeting



# Contents

	<u>Page</u>
<b>Management's Statement and Auditor's Report</b>	
Management's Statement	1
Independent Auditor's Report	2
<b>Management's Review</b>	
Company information	4
Financial Highlights	5
Management's Review	6
<b>Financial Statements</b>	
Income Statement 1 January - 31 December	10
Balance sheet 31 December	11
Statement of changes in equity	13
Notes to the Financial Statements	14

# Management's statement

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of Stena Rederi A/S for the financial year 1 January - 31 December 2022.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and of the results of the Company operations for 2022.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Hellerup, 29 June 2023

## Executive Board

Dhananjay Chandrakant Swadi  
CEO

## Board of Directors

Mats Anders Carlsson  
Chairman

Bengt Ambjörn Fröjd

Dhananjay Chandrakant Swadi

Ian James Hampton

# Independent Auditor's report

To the shareholder of Stena Rederi A/S

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Stena Rederi A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

## Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

# Independent Auditor's report

## Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark 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 Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 29 June 2023

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

René Otto Poulsen

State Authorised Public Accountant

mne26718

## Company information

<b>The Company</b>	Stena Rederi A/S Tuborg Boulevard 12 DK-2900 Hellerup  CVR No: 33 26 00 59 Financial period: 1 January - 31 December Municipality of reg. office: Gentofte
<b>Board of Directors</b>	Mats Anders Carlsson, chairman Bengt Ambjörn Fröjd Dhananjay Chandrakant Swadi Ian James Hampton
<b>Executive Board</b>	Dhananjay Chandrakant Swadi
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup

# Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2022	2021	2020	2019	2018
	TEUR	TEUR	TEUR	TEUR	TEUR
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	177,451	106,797	87,072	101,674	98,124
Gross profit/loss	17,329	17,547	20,490	33,276	18,269
Profit/loss before financial income and expenses	-13,131	-1,778	4,274	18,163	12,160
Profit/loss of financial income and expenses	-1,012	-702	-1,427	-360	-11,156
Net profit/loss	-14,021	-2,238	2,885	17,879	1,002
<b>Balance sheet</b>					
Balance sheet total	84,583	103,605	102,154	87,598	64,859
Investment in property, plant and equipment	10,930	7,456	1,500	56,378	266
Equity	34,918	48,941	51,178	48,292	59,420
Number of employees	852	450	275	328	205
<b>Ratios</b>					
Gross margin	9.8%	16.4%	23.5%	32.7%	18.6%
Profit margin	-7.4%	-1.7%	4.9%	17.9%	12.4%
Return on assets	-15.5%	-1.7%	4.2%	20.7%	18.7%
Solvency ratio	41.3%	47.2%	50.1%	55.1%	91.6%
Return on equity	-33.4%	-4.5%	5.8%	33.2%	3.4%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

# Management's review

## Key activities

The Company's main activity consists of operation of Ro-Pax vessels on the Baltic market, including the route services Nynashamn (Sweden) - Ventspils (Latvia) and Travemünde (Germany) - Liepaja (Latvia) and Nynashamn (Sweden) – Hanko (Finland). In addition to those the company also have technical management of RoRo and RoPax vessels on international trades.

## Development in the year

The income statement of the Company for 2022 shows a loss of TEUR 14,021, and at 31 December 2022 the balance sheet of the Company shows positive equity of TEUR 34,918.

## The past year and follow-up on development expectations from last year

Last year management expected a net loss for the year of TEUR 3.000 due to the expansion and growing of our Liner activities. The actual loss for the year is TEUR 14,020, which was heavily affected both by the Russian sanction and the high inflation experienced during 2022, as well as many operational challenges affecting vessel capacity and trips.

The Roro activities are that was affected by the COVID-19 situation in 2021 have readjusted in 2022 as appetite in the market and general shortage of available tonnage has resulted in growing TC-rates. Management considers the overall negative result disappointing but accepts and adjusts to the given marked conditions finds the operational outlook satisfying. The RoPax activities have started out nicely, and are expecting a decent profit over the next years.

The situation is still developing, and the assessment is that the high inflation and increase sanction schemes will most likely have a negative financial impact during 2023 for our Business Areas. The general increase in TC rates from 2022 is expected to stay at current levels for 2023.

The past years have in general been affected by the covid19 pandemic. Most countries have now eased their travel restrictions and made changes to the government support programs previously implemented. However, the duration and future development of the pandemic is still unknown. In addition to this the past year has also been affected by the war in Ukraine and the ensuing sanctions. Management evaluates the situation in the environment on an ongoing basis and 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 2022.

## Capital resources

Cash flows from operating activities are still good.

The Company's current assets exceed the short-term debt.

## Operating risks

The Company has entered into long term agreements concerning the chartering of vessels. Together with the Company's own vessels, these vessels are the most important resource of the Company in relation to ensuring stable operations. Moreover, the Company owns four vessels, of which two are hired out and two are operated in our Liner activities.

## Market risks

Due to the significant price fluctuations on the market, the Company's use of bunker oil for the operation of vessels involves a special risk as price increases may only to a relatively limited extent be recognized in the transportation price.

Due to spot market volatility, the Company's activity of entering into bareboat charter agreements for vessels and subsequently hiring out the vessels on a time charter basis involves a special risk and may therefore result in significant fluctuations in earnings.



# Management's review

The implementation of CII rating system and EU Emission Trading Scheme (ETS) will affect the Company's vessels however the Company is investing in making the vessels more efficient to reduce carbon emissions and thus it is expected that the negative impact will be limited.

Due to the impact of increased inflation and the continued shortage of qualified crew from Europe it is expected that crew costs will increase impacting revenue

## Foreign exchange risks

The Company's results, both income and expenses, are largely denominated in EUR. Therefore, the foreign exchange risk relating to EUR is limited.

Purchases of bunker oil are transacted in USD. As regards decisions to hedge USD, the Company is advised by the finance department of AB Stena Finans.

## Interest rate risks

The Company is not affected by any significant interest rate risks.

## Strategy and objectives

### Strategy

Stena Rederi A/S's strategy is to offer competitive transportation solutions in connection with transport by sea to customers in the Baltic Sea area. The Company's most important customer markets are the Baltics, Sweden, Germany and Finland.

It is part of the strategy to increase the market share in a growing market. This strategy requires Stena Rederi A/S to be able to adjust its tonnage to market needs in a flexible way.

Based on this strategy, it is Stena Rederi A/S's objective to generate a profit for the Company's shareholders which exceeds the shareholders' required return on their investment. Furthermore, it is the Company's strategy to distribute dividend on excess capital resources that are not going to be used for developing the business.

### Targets and expectations for the year ahead

The Company's expectations for the future are still affected by the inflation seen during 2022. The current conflict between Russia and Ukraine is affecting the expectations for our Line activities, but given the uncertainties expectation are still for keeping the freight level from last year and thereby a revenue is expected on same level as 2022.

The Company's operations are expected to generate a positive cashflow and a positive result due to large investments in growing charter capacity in the RoRo and RoPax activities. Profit for the year 2023 is also expected to amount to approximately TEUR 4,000 due to the expansion and growing of our RoPax and Liner activities.

The market growth of the services run by Stena Rederi A/S is still positive. The passenger market is expected to stay at current levels in 2023 and the freight market is expected to increase in second half of 2023 and onwards in 2024, from the decrease levels that we experienced in Q4 2022 as a result from the high inflation and that is expected to linger throughout first half 2023.

To meet the growing demand on Nynäshamn – Ventspils and Travemünde – Liepaja and in order to further strengthen our market position, we continue developing and enhancing our freight based routes in BR Baltic Sea North.

The newly opened route on the Baltic Sea from Nynäshamn in Sweden to Hanko in Finland while currently performing below expectations is expected to increase freight volumes over 2023 and the company are making a strategic long-term investment in gaining market share in the Finnish market.

# Management's review

## Research and development

The Company benefits from the investment in R&D activities at a Group level.

## External environment

The Company's primary focus is on maintaining the high level of attention on quality, safety and environmental protection as important elements in the operation of the vessels.

New stricter rules relating to the construction of vessels, inspection and age limits as well as updated rules relating to security, safety and environment require continuous focus on operating the fleet in accordance with national and international conventions and regulations and on implementing new measures and requirements in good time.

Increasing focus on regulations for lowering vessel emissions ( e.g. CII, ETS etc.) has potential to impact commercial operations, the Company is well positioned to manage this change.

As a minimum, all vessels are equipped and certified according to the recommendations of classification companies and the flag states. Daily operations include verification that the chartered tonnage complies with current rules and requirements.

## Intellectual capital resources

The Company's primary activity is transport by ship. Thus, the Company's most important intellectual capital resource are qualified crew who are able to operate the ships. Through contact with other companies in the Stena Group, including Stena Line and Northern Marine, there are good possibilities of ensuring access to these important resources.

## Statement on gender composition

The Stena Group has an overall policy of recruiting the best suited employees for any given position, irrespective of gender. In order to ensure the broadest possible recruitment basis, continuous efforts are made to create working conditions and a corporate culture that attract and retain qualified employees across gender, nationality and other criteria without impact to the performance. The Stena Group tries to optimize the use of its employee resources by giving everybody equal opportunities of developing professionally and career wise at all levels.

## *Top management*

It is the Company's objective that the underrepresented gender should constitute at least 25% of the Company's Board of Directors and other management levels by 2024 at the latest.

Currently the Board of Directors and the Executive Board now consist of four members, all males, and two alternates who are female.

In view of the above objective, it is, however, at all times the Company's and the owners' policy to employ the most qualified people for the positions, which may mean that, in some years, there may be a significant overweight of one gender in Company Management.

## *Other management levels*

Stena Rederi follows the Stena Group's overall gender equality objectives that recruitment, skills development and other forms of educational activities should be gender neutral, and discrimination must never occur.

All courses that are of a general or horizontal nature, such as introductory courses for new employees or continuing education courses, contain sections on Stena's gender equality work.

Employees in Stena have the opportunity of developing various skills such as different forms of education and individual development plans in relation to their individual goals.

## Management's review

Within Stena, the individual is expected to submit proposals for education and courses that he or she wishes to implement or want to participate in in order to further develop in his or her work and contribute to the continued development of the business.

Diversity and gender equality should be encouraged through external as well as internal recruitment, skills development, promotion and at workgroup assemblies within Stena. A priority objective is that the underrepresented gender should always be involved in the recruitment processes, when possible.

Each department will be associated with recruitment and promotion efforts to achieve and maintain as even distribution as possible between women and men in all types of work and in different categories of workers.

In 2022, we have continued to strengthen our focus on recruitment of the underrepresented gender. In recruiting where Stena hires external recruitment support in the form of crew, headhunters or equivalent for recruitment, we have in 2022 maintained focus on Stena's responsibility to take into account gender equality.

The gender distribution in Stena Rederi A/S is currently maintained at the same level as prior years for the offshore personnel and has equality on the shore based personnel management levels.

### Statement on data ethics

Stena Rederi A/S does not use advanced technologies such as artificial intelligence or machine learning. The Company handles general data in the form of customer data and employee data. Data is processed in accordance with the GDPR and our privacy and information security policies. With the limited processing of data, it is the Company's assessment that there is no need for a policy on data ethics. The company will continuously assess whether a policy is necessary.

### Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

### Unusual events

The financial position at 31 December 2022 of the Company and the results of the activities of the Company for the financial year for 2022 have not been affected by any unusual events.

## Income statement 1 January - 31 December

	Note	2022	2021
		TEUR	TEUR
Revenue	1	177,451	106,797
Other operating income		-26	0
Expenses for raw materials and consumables		-152,384	-83,274
Other external expenses		-7,712	-5,976
<b>Gross profit</b>		<b>17,329</b>	<b>17,547</b>
Staff expenses	2	-20,957	-10,562
Depreciation and impairment losses of property, plant and equipment	3	-9,503	-8,763
<b>Profit/loss before financial income and expenses</b>		<b>-13,131</b>	<b>-1,778</b>
Income from investments in subsidiaries		-207	324
Financial income	4	425	330
Financial expenses	5	-1,230	-1,356
<b>Profit/loss before tax</b>		<b>-14,143</b>	<b>-2,480</b>
Tax on profit/loss for the year	6	122	242
<b>Net profit/loss for the year</b>	7	<b>-14,021</b>	<b>-2,238</b>

## Balance sheet 31 December

### Assets

	Note	2022	2021
		TEUR	TEUR
Acquired other similar rights		0	0
<b>Intangible assets</b>	8	<b>0</b>	<b>0</b>
Other fixtures and fittings, tools and equipment		2,276	674
Vessels		41,231	44,609
Property, plant and equipment in progress		5,056	104
<b>Property, plant and equipment</b>	9	<b>48,563</b>	<b>45,387</b>
Investments in subsidiaries	10	1,175	1,383
Deposits		8	8
<b>Fixed asset investments</b>		<b>1,183</b>	<b>1,391</b>
<b>Fixed assets</b>		<b>49,746</b>	<b>46,778</b>
Finished goods and goods for resale		3,370	2,191
<b>Inventories</b>		<b>3,370</b>	<b>2,191</b>
Trade receivables		4,403	386
Receivables from group enterprises		13,287	50,614
Other receivables		608	732
Corporation tax receivable from group enterprises		43	43
Prepayments	11	13,068	2,744
<b>Receivables</b>		<b>31,409</b>	<b>54,519</b>
<b>Cash at bank and in hand</b>		<b>58</b>	<b>117</b>
<b>Current assets</b>		<b>34,837</b>	<b>56,827</b>
<b>Assets</b>		<b>84,583</b>	<b>103,605</b>

## Balance sheet 31 December

### Liabilities and equity

	Note	2022	2021
		TEUR	TEUR
Share capital	12	942	942
Reserve for net revaluation under the equity method		1,011	1,219
Retained earnings		32,965	46,780
<b>Equity</b>		<b>34,918</b>	<b>48,941</b>
Payables to group enterprises		22,000	30,000
<b>Long-term debt</b>	13	<b>22,000</b>	<b>30,000</b>
Trade payables		9,266	4,759
Payables to group enterprises	13	9,312	12,622
Other payables		8,886	6,991
Deferred income		201	292
<b>Short-term debt</b>		<b>27,665</b>	<b>24,664</b>
<b>Debt</b>		<b>49,665</b>	<b>54,664</b>
<b>Liabilities and equity</b>		<b>84,583</b>	<b>103,605</b>
Contingent assets, liabilities and other financial obligations	14		
Related parties	15		
Subsequent events	16		
Accounting Policies	17		

## Statement of changes in equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	TEUR	TEUR	TEUR	TEUR
Equity at 1 January	942	1,218	46,779	48,939
Net profit/loss for the year	0	-207	-13,814	-14,021
<b>Equity at 31 December</b>	<b>942</b>	<b>1,011</b>	<b>32,965</b>	<b>34,918</b>

# Notes to the Financial Statements

	<u>2022</u>	<u>2021</u>
	TEUR	TEUR
<b>1. Revenue</b>		
<b>Geographical segments</b>		
Revenue, Denmark	2,747	6,268
Revenue, exports	174,704	100,529
	<u>0</u>	<u>0</u>
	<u><b>177,451</b></u>	<u><b>106,797</b></u>
<b>Business segments</b>		
Freight	137,032	94,502
Charter	30,144	9,187
Other	10,275	3,108
	<u><b>177,451</b></u>	<u><b>106,797</b></u>

	<u>2022</u>	<u>2021</u>
	TEUR	TEUR
<b>2. Staff Expenses</b>		
Wages and salaries	19,106	9,546
Pensions	761	583
Other social security expenses	566	301
Other staff expenses	524	132
	<u><b>20,957</b></u>	<u><b>10,562</b></u>

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

<b>Average number of employees</b>	<u><b>852</b></u>	<u><b>450</b></u>
------------------------------------	-------------------	-------------------

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

The company hires ship personnel from its subsidiary and therefore the company indirectly has all the obligations attached. Consequently the average number of employees stated above includes personnel hired from its subsidiary. These employees are not included in the average number of employees stated in the subsidiary's Financial Statements. The cost for hired staff is included in Other External Expenses with TEUR 3,818 (2021: TEUR 4.874).



## Notes to the Financial Statements

	<u>2022</u>	<u>2021</u>
	TEUR	TEUR
<b>3. Depreciation and impairment losses of property, plant and equipment</b>		
Depreciation of property, plant and equipment	9,503	8,763
	<u>9,503</u>	<u>8,763</u>

	<u>2022</u>	<u>2021</u>
	TEUR	TEUR
<b>4. Financial income</b>		
Interest received from group enterprises	201	196
Other financial income	107	134
Exchange adjustments	117	0
	<u>425</u>	<u>330</u>

	<u>2022</u>	<u>2021</u>
	TEUR	TEUR
<b>5. Financial expenses</b>		
Interest paid to group enterprises	943	1,202
Other financial expenses	89	20
Exchange adjustments, expenses	161	134
Exchange loss	37	0
	<u>1,230</u>	<u>1,356</u>

	<u>2022</u>	<u>2021</u>
	TEUR	TEUR
<b>6. Income tax expense</b>		
Current tax for the year	-122	-86
Adjustment of tax concerning previous years	0	-156
	<u>-122</u>	<u>-242</u>

## Notes to the Financial Statements

	<u>2022</u>	<u>2021</u>
	TEUR	TEUR
<b>7. Profit allocation</b>		
Reserve for net revaluation under the equity method	-207	324
Retained earnings	<u>-13,814</u>	<u>-2,562</u>
	<u><b>-14,021</b></u>	<u><b>-2,238</b></u>

## 8. Intangible fixed assets

	<u>Acquired other similar rights</u>
	TEUR
Cost at 1 January	0
Transfers for the year	<u>2,300</u>
Cost at 31 December	<u>2,300</u>
Transfers for the year	<u>2,300</u>
Impairment losses and amortisation at 31 December	<u>2,300</u>
Carrying amount at 31 December	<u><b>0</b></u>

# Notes to the Financial Statements

## 9. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Vessels	Property, plant and equipment in progress
	TEUR	TEUR	TEUR
Cost at 1 January	1,592	87,173	104
Additions for the year	1,305	4,673	4,952
Transfers for the year	6,204	-6,204	0
Cost at 31 December	9,101	85,642	5,056
Impairment losses and depreciation at 1 January	917	42,564	0
Depreciation for the year	880	6,875	0
Transfers for the year	5,028	-5,028	0
Impairment losses and depreciation at 31 December	6,825	44,411	0
<b>Carrying amount at 31 December</b>	<b>2,276</b>	<b>41,231</b>	<b>5,056</b>

	2022	2021
	TEUR	TEUR
Cost at 1 January	164	164
Cost at 31 December	164	164
Value adjustments at 1 January	1,218	895
Net profit/loss for the year	-207	324
Value adjustments at 31 December	1,011	1,219
<b>Carrying amount at 31 December</b>	<b>1,175</b>	<b>1,383</b>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership	Equity	Net profit/loss for the year
SIA Stena Line	Riga, Latvia	EUR 100,000	100%	606,192	63,208
Stena Marine Management	Hellerup, Denmark	EUR 13,400	100%	569,153	-270,273

All foreign subsidiaries are recognised and measured as separate entities.

# Notes to the Financial Statements

## 11. Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions etc.

## 12. Share capital

	<u>Number</u>	<u>Nominal value</u> TEUR
Share capital at 1 January		942
		<u>942</u>

## 13. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>2022</u> TEUR	<u>2021</u> TEUR
<b>Payables to group enterprises</b>		
After 5 years	0	0
Between 1 and 5 years	22,000	30,000
Long-term part	<u>22,000</u>	<u>30,000</u>
Within 1 year	8,000	8,000
Other short-term debt to group enterprises	1,312	4,622
Short-term part	<u>9,312</u>	<u>12,622</u>
	<u><b>31,312</b></u>	<u><b>42,622</b></u>

# Notes to the Financial Statements

	2022	2021
	TEUR	TEUR

## 14. Contingent assets, liabilities and other financial obligations

### Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	55,677	18,835
Between 1 and 5 years	183,365	74,270
After 5 years	9,344	27,824
	<u>248,386</u>	<u>120,929</u>

### Specification of contingent liabilities

TC hire commitment	233,884	120,569
Rental obligation	151	360

There are unrecognized tax liabilities for any subsequent withdrawal of the tonnage tax scheme or for the sale of ferries without reinvestments. The company does not intend to withdraw from the scheme.

The Company is subject to Danish joint taxation with group enterprises. According to the Danish Corporation Tax Act, the Company is therefore jointly and severally liable to the Danish tax authorities for corporation taxes as well as withholding taxes on dividend and interest of the jointly taxed enterprises.

For employees under civil servants, the Company has a liability for a termination of 590 TEUR (2021: 877 TEUR) upon dismissal.

## 15. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
<b>Controlling interest</b>	
Stena AB	Ultimate parent company

### Consolidated Financial Statements

The Company is included in the consolidated report for Stena AB.

<u>Name</u>	<u>Place of registered office</u>
Stena AB	Göteborg, Sweden

The Group Annual report of Stena AB may be obtained at the following address:

Stena AB  
Masthuggskajen 19  
405-19 Göteborg  
Sweden

# Notes to the Financial Statements

## 16. Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

# Notes to the Financial Statements

## 17. Accounting policies

The Annual Report of Stena Rederi A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The Financial Statements for 2022 are presented in TEUR.

The accounting policies applied remain unchanged from last year.

### Change in comparative figures

In 2022, the management decided to carry out reclassifications of Expenses for raw materials and consumables, Other external expenses, and Staff expenses. The management assessed that these reclassifications provide a more accurate presentation of the company's assets, liabilities, financial position, and results. The total amount of the reclassifications is 99,707 TEUR.

The changed accounting practices do not have an impact on the company's assets, liabilities, equity, profit, and tax amounts for the current year's figures and comparative figures.

### Fee to auditors

With reference to section 96(3) of the Danish Financial Statements Act the fee to the auditors appointed at the general meeting has not been disclosed.

### Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2022 of Stena AB, Sverige, the Company has not prepared consolidated financial statements.

### Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Stena AB, Sverige, the Company has not prepared a cash flow statement.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Leases

All leases are considered operating leases as the Company does not assume substantially all the risks and rewards of ownership. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Onerous contracts are recognised when the unavoidable costs of meeting the contractual obligations outweigh the economic benefits and are recognised at the when incurred.

# Notes to the Financial Statements

## Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Income statements of enterprises that are integrated entities are translated at transaction date rates or approximated average exchange rates; however, items derived from non-monetary balance sheet items are translated at the transaction date rates of the underlying assets or liabilities. Monetary balance sheet items are translated at the exchange rates at the balance sheet date, whereas non-monetary items are translated at transaction date rates. Exchange adjustments arising on the translation are recognised in financial income and expenses in the income statement.

## Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in the fair value reserve under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

## Revenue

Information on business segments and geographical segments based on the Company's risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.



# Notes to the Financial Statements

## Income statement

### Net sales

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when the sale is considered effected based on the following criteria:

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined; and
- payment has been received or may with reasonable certainty be expected to be received.

### Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

### Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

### Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise depreciation and impairment of property, plant and equipment.

### Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of property, plant and equipment.

### Income from investments in subsidiaries

The item “Income from investments in subsidiaries” in the income statement includes the proportionate share of the profit for the year.

### Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

# Notes to the Financial Statements

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with . The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

## Balance sheet

### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

	years
Vessels	10-20 years
Other fixtures and fittings, tools and equipment	2-5 years
	years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

### Impairment of fixed assets

The carrying amounts of plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Goodwill, head office buildings and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

### Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at EUR 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

# Notes to the Financial Statements

## Other fixed asset investments

Other fixed asset investments consist of deposits.

## Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

Bunker and goods for resale equal landed cost.

## Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

## Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

## Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

## Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

## Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

## Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

## Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

# Notes to the Financial Statements

## Financial Highlights

### Explanation of financial ratios

Gross margin	$\text{Gross profit} \times 100 / \text{Revenue}$
Profit margin	$\text{Profit before financials} \times 100 / \text{Revenue}$
Return on assets	$\text{Profit before financials} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$