Stena Denmark Holding A/S

Tuborg Boulevard 12, DK-2900 Hellerup

Annual Report for 1 January - 31 December 2019

CVR No 40 44 78 65

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 26/6 2020

Morten Rich Chairman of the General Meeting



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Stena Denmark Holding A/S for the financial year 1 January - 31 December 2019.

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 2019 of the Company and of the results of the Company operations for 2019.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Hellerup, 26 June 2020

Executive Board

Sindo Dominic Fernandez-Ares CEO

Board of Directors

Per Lars Erik Hånell Lanze Kristian Trengereid Per Erik Westling

Chairman

Ulf Niklas Mårtensson Sindo Dominic Fernandez-Ares



Independent Auditor's Report

To the Shareholder of Stena Denmark Holding 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 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Stena Denmark Holding A/S for the financial year 1 January - 31 December 2019, 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other 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 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 Financials 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 misstate-



Independent Auditor's Report

ment, 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.

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



Independent Auditor's Report

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, 26 June 2020 **PricewaterhouseCoopers** Statsautoriseret Revisionspartnerselskab *CVR No 33 77 12 31*

René Otto Poulsen statsautoriseret revisor mne26718



Company Information

The Company Stena Denmark Holding A/S

Tuborg Boulevard 12 DK-2900 Hellerup

CVR No: 40 44 78 65

Financial period: 1 January - 31 December

Financial year: 1st financial year Municipality of reg. office: Gentofte

Board of Directors Per Lars Erik Hånell, Chairman

Lanze Kristian Trengereid

Per Erik Westling Ulf Niklas Mårtensson

Sindo Dominic Fernandez-Ares

Executive Board Sindo Dominic Fernandez-Ares

Auditors PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

Strandvejen 44 DK-2900 Hellerup



Financial Highlights

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

	2019 TEUR
Key figures	
Profit/loss	
Net profit/loss for the year	18.701
Balance sheet	
Balance sheet total	91.363
Equity	84.465
Ratios	
Return on assets	20,5%
Solvency ratio	92,4%
Return on equity	44,3%

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 activities are to hold and Invest in shares and any other activities related hereto.

The Company was established in April 2019 by capital injection of the shares in Stena Rederi A/S and Stena Bulk Denmark ApS. The Stena Denmark Holding group consists of Ferry and Lines (Stena Rederi A/S) and Shipping (Stena Bulk Denmark ApS)

The Company was established retrospective with effect, accounting wise, from 1 January 2019.

Development in the year

The income statement of the Company for 2019 shows a profit of EUR 18,701,057, and at 31 December 2019 the balance sheet of the Company shows equity of EUR 84,464,883.

Targets and expectations for the year ahead

The Company's expectations for the future are adversely affected by the Covid-19 outbreak and the measures taken by governments in most of the world to mitigate the effects of the outbreak, see also the discussion of events after the balance sheet date in note 7.

Before the Covid-19 outbreak, the Company expected profit around 25 MEUR to 40 MEUR. Although many of the customers in the Company's subsidiaries have indicated that they maintain ongoing operations, there is a risk that revenue and earnings will fall as a result of Covid-19. Management is closely following the development, but it is too early to say whether and if so, what effect Covid-19 will have on revenue and earnings in 2020. However, management expects the expected development to be adversely affected.

The capital ressources and liquidity is secured in the subsidiaries and thus the required liquidity for activities at least for 2020. Thus management assesses that the Company as well as the subsidiaries have sufficient capital ressources and liquidity.

Statement of corporate social responsibility

The Stena Group has an overall policy of recruiting the best suited employees for any given position, irrespective of gender. 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 importance 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.

Please refer to the Group's CSR report prepared by Stena AB, Sweden, which can be found via the following link:

 $https://www.stena.com/app/uploads/2020/05/Stena_\%C3\%85rsrapport_2019_ENG.pdf$



Management's Review

Statement on gender composition

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 2025 at the latest.

The board composition is defined from the Group by the persons employed in certain key position. For example, the CEO's of the business areas within operational companies beneath the Holding structure and the MD for the Company.

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. This is also the reason why the 25% objective has not been met in 2019.

Other management levels

Referring to SEL§139 stk. 7. The Company will not disclose policy for the underrepresented gender as the Company have no employees.

Uncertainty relating to recognition and measurement

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

Subsequent events

Corona virus

The consequences of outbreak of Covid-19 on Stena AB is at this stage still evolving. Stena has taken steps to ensure the health and safety of its employees and in parallel is focused on minimizing any negative impact on the business. The situation is developing rapidly, and the assessment is that there is a risk that the outbreak of the corona virus may have a negative financial impact during 2020 for our Business Areas.

Ferry Lines (Stena Rederi A/S)

The outbreak of Covid-19 has rapidly changed the possibility of movement for individuals which has had a severe negative effect on passenger volumes in Stena Line. The freight volumes are also at a lower level than expected. As a consequence, Stena Line has introduced a rapid cost cutting program including reduction of staff cost ashore and onboard as well as lay-up off vessels. Stena Rederi has been cutting down OBS staff and number of crossings. These measures will mitigate part of the loss of revenue for 2020.



Management's Review

Shipping (Stena Bulk Denmark ApS)

The restrictions in travel has negatively affected the possibility to change crew according to schedules. Congestions in ports due to restrictions slows down loading and unloading. Decline in demand of RoRo and RoPax ships has increased number of laid up vessels. Planned visits to shipyards in some cases postponed. Tanker operation has so far not seen any other negative impacts due to the Corona virus and are enjoying strong TCE rate and low oil prices throughout Q1.



Income Statement 1 January - 31 December

	Note	2019 EUR
Results from investments in subsidiaries Other external expenses	1	18.703.200 -2.143
Profit/loss before financial income and expenses		18.701.057
Profit/loss before tax		18.701.057
Tax on profit/loss for the year		0
Net profit/loss for the year		18.701.057



Balance Sheet 31 December

Assets

	Note	2019
		EUR
Investments in subsidiaries	2	84.467.026
Fixed asset investments		84.467.026
Fixed assets		84.467.026
Receivables from group enterprises		6.896.094
Receivables		6.896.094
Currents assets		6.896.094
Assets		91.363.120



Balance Sheet 31 December

Liabilities and equity

	Note	2019
		EUR
Share capital		53.572
Share premium account		7.903.796
Reserve for net revaluation under the equity method		25.047.190
Retained earnings		51.460.325
Equity	3	84.464.883
Payables to group enterprises		534.561
Long-term debt		534.561
Trade payables		2.143
Corporation tax		6.361.533
Short-term debt		6.363.676
Debt	,	6.898.237
Liabilities and equity		91.363.120
Distribution of profit	4	
Contingent liabilities	5	
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Statement of Changes in Equity

			Reserve for		
		Share	net revaluation		
		premium	under the	Retained	
	Share capital	account	equity method	earnings	Total
	EUR	EUR	EUR	EUR	EUR
Capital injection at 1 January	53.572	7.903.796	0	51.462.468	59.419.836
Exchange adjustments	0	0	0	710.105	710.105
Fair value adjustment of hedging instruments,					
end of year	0	0	0	5.633.885	5.633.885
Net profit/loss for the year	0	0	25.047.190	-6.346.133	18.701.057
Equity at 31 December	53.572	7.903.796	25.047.190	51.460.325	84.464.883



		2019
		EUR
1	Results from investments in subsidiaries	
		40 700 000
	Share of profits of subsidiaries	18.703.200
		18.703.200
2	Investments in subsidiaries	
	Cost at 1 January	0
	Additions for the year	59.419.836
	Cost at 31 December	59.419.836
	Value adjustments at 1 January	0
	Exchange adjustment	710.105
	Net profit/loss for the year	18.703.200
	Fair value adjustment of hedging instruments for the year	5.633.885
	Value adjustments at 31 December	25.047.190
	Carrying amount at 31 December	84.467.026

Investments in subsidiaries are specified as follows:

	Place of		Votes and		Net profit/loss
Name	registered office	Share capital	ownership	Equity	for the year
Stena Rederi A/S	Hellerup	TDKK 7.001	100%	48.291.906	17.879.277
Stena Bulk Denmark ApS	Hellerup	TDKK 500	100%	36.175.120	823.923
				84.467.026	18.703.200

Equity and net profit/loss for the year is presented in EUR.



3 Equity

The share capital consists of 1 share of a nominal value of DKK 400,000. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

	2019
4 Distribution of profit	EUR
Reserve for net revaluation under the equity method	25.047.190
Retained earnings	-6.346.133
	18.701.057

5 Contingent liabilities

Contingent liabilities

The Company is subject to Danish joint taxation with group enterprises. According to 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.

The Company is administration company in the joint taxation.



Related parties Basis Controlling interest Stena AB Ultimate parent company Ownership The following shareholder is recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital: **Consolidated Financial Statements** The Company is included in the consolidated report for Stena AB. Name Place of registered office 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

7 Subsequent events

Sweden

The consequences of outbreak of Covid-19 is at this stage still evolving. Stena has taken steps to ensure the health and safety of its employees and in parallel is focused on minimizing any negative impact on the business. The situation is developing rapidly, and the assessment is that there is a risk that the outbreak of the corona virus will have a negative financial impact during 2020 for our Business Areas.

Management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date (31 December 2019), and therefore will not have any effect on the Financial Statements for 2019 (a non-adjusting event).



7 Subsequent events (continued)

The capital ressources and liquidity is secured in the subsidiaries and thus the required liquidity for activities at least for 2020. Thus management assesses that the Company as well as the subsidiaries have sufficient capital ressources and liquidity.



8 Accounting Policies

The Annual Report of Stena Denmark Holding A/S for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The order of the items of the income statement differs from the format prescribed by the Danish Financial Statements Act as the order has been adjusted to the nature of the Company's activities.

The Financial Statements for 2019 are presented in EUR.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Stena AB, 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, 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.



8 Accounting Policies (continued)

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences 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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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 rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

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 retained earnings 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.

Income Statement

Other external expenses

Other external expenses comprise office expenses, etc.



8 Accounting Policies (continued)

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.

Tax on profit/loss for the year

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

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

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.

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 o. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

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



8 Accounting Policies (continued)

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 liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

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

Financial Highlights

Explanation of financial ratios

Return on assets	Profit before financials x 100
	Total assets
Solvency ratio	Equity at year end x 100 Total assets at year end
Return on equity	Net profit for the year x 100
	Average equity

