



STENA AB (PUBL.)

INTERIM REPORT FOR THE SIX-MONTH PERIOD

1 JANUARY — 30 JUNE 2021



- **THE RESULT BEFORE TAXES** amounted to SEK -890 (-2,707) million for the six-month period ended 30 June 2021.
- **CONSOLIDATED EBITDA** for the six-month period ended 30 June 2021 amounted to SEK 2,973 (2,894) million.
- **CONSOLIDATED EBITDA**, excluding net gain on sale of assets and change in fair value of investment properties, for the six-month period ended 30 June 2021 amounted to SEK 2,521 (2,267) million.
- **LIQUIDITY** Ensuring a strong available liquidity position has always been the company's strategy. Available liquidity was further strengthened, mainly by the MidMAX arbitration award and sale of investment properties, and amounted to SEK 24.1 billion as of 30th of June 2021.

FERRY OPERATION

EBITDA increased compared to last year. Passenger and car volumes are still under pressure but are compensated by strong freight volumes and cost reductions.

DRILLING

Slightly increased EBITDA compared to last year due to more operating days, all units are on contract and operating, together with higher charter rates.

SHIPPING

Decreased EBITDA within Tanker segment compared to last year. The delivered RoPax newbuilding in Q3 2020 has commenced its 10-year charter contract which contributes to a stable EBITDA for RoRo operations. In May 2021, an additional RoPax vessel was delivered and simultaneously chartered out to the external operator.

PROPERTY

Continued strong and stable performance with an average occupancy rate in Sweden of around 97%. EBITDA decreased slightly compared to last year due to the sale of the international properties in mid March 2021. The fair value of investment properties has increased by SEK 498 million, i.e. 1.3 % of the total property portfolio.

NEW BUSINESSES

Continued strong performance and positive development by all portfolio companies and particularly by the consumer-focused holdings such as Blomsterlandet and Ballingslöv, which had a record year in 2020 and still continues to grow. In April 15% of the shares in Stena Renewable were sold to Alecta.

Göteborg, 27 August 2021

*Annika Hult
Deputy CEO and Principal Financial Officer*





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FORWARD-LOOKING STATEMENTS

This Interim Report includes statements that are, or may be deemed to be, forward-looking statements and can be identified as “forward-looking statements” by terms and phrases such as “anticipate,” “should,” “likely,” “foresee,” “believe,” “estimate,” “expect,” “intend,” “continue,” “could,” “may,” “project,” “plan,” “predict,” “will” and other similar expressions. These forward-looking statements include all matters that are not historical facts.

We do not intend, and undertake no obligation, to revise the forward-looking statements included in this report to reflect any future events or circumstances. Our actual results, performance or achievements could differ materially from the results expressed or implied by these forward-looking statements.

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)

(SEK in million)	Three-month period ended 30 June		Six-month period ended 30 June	
	2021	2020	2021	2020
Revenue				
Ferry Operations	2,852	2,141	5,164	4,944
Offshore Drilling	626	338	1,027	829
Shipping	2,605	2,840	4,794	5,757
Property	798	684	1,459	1,364
New Businesses	2,513	2,117	4,336	3,716
Other	3	8	16	22
Total revenue	9,396	8,128	16,796	16,632
Change in fair value of investment properties	250	209	498	456
Net gain/loss on sale of non-current assets	-7	152	-46	171
Total other income	243	361	452	627
Direct operating expenses				
Ferry Operations	-1,845	-1,618	-3,587	-3,900
Ferry Operations - redundancy costs		-37		-302
Offshore Drilling	-659	-417	-1,192	-981
Shipping	-2,108	-1,771	-3,717	-3,664
Property	-268	-193	-502	-424
New Businesses	-1,797	-1,524	-3,197	-2,766
Other	-5	5	-10	10
Total direct operating expenses	-6,682	-5,555	-12,205	-12,027
Selling and administrative expenses	-1,038	-1,067	-2,070	-2,338
Profit/loss from investments in operating associates	-5	24	-29	18
Depreciation, amortisation and impairment	-1,643	-1,801	-3,301	-3,668
Total operating expenses	-9,368	-8,399	-17,605	-18,015
Operating profit/loss	271	90	-357	-756
Profit/loss from investments in strategic associates	318	-3	333	24
Dividends received	23	37	62	68
Gains/losses on sale of securities	150	-26	270	-542
Interest income	40	25	87	77
Interest expenses	-512	-700	-1,167	-1,489
Exchange gains/losses	20	-3	26	-11
Other finance income/costs	-71	-26	-144	-78
Financial net	-32	-696	-533	-1,951
Profit/loss before tax	239	-606	-890	-2,707
Income taxes	28	-41	44	51
Profit/loss for the period	267	-647	-846	-2,656
Profit/loss for the period attributable to:				
Shareholders of the Parent company	255	-651	-864	-2,662
Non-controlling interests	12	4	18	6
Profit/loss for the period	267	-647	-846	-2,656

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

(SEK in million)	Three-month period ended 30 June		Six-month period ended 30 June	
	2021	2020	2021	2020
Profit/loss for the period	267	-647	-846	-2,656
Other comprehensive income				
<i>Items that may subsequently be reclassified to profit or loss</i>				
Change in fair value reserve, net of tax	23	90	85	-82
Change in net investment hedge, net of tax	92	288	994	-1,097
Change in translation reserve	-179	-987	245	-202
Share of other comprehensive income of associates	50	-107	44	-107
<i>Items that will not be reclassified to profit or loss</i>				
Change in fair value reserve, net of tax	-1	21	-21	5
Change in revaluation reserve, net of tax	-212	-152	24	-126
Remeasurements of post-employment benefit obligations	-63		-48	-21
Share of other comprehensive income of associates	6	1	5	1
Other comprehensive income for the period	-284	-846	1,328	-1,629
Total comprehensive income for the period	-17	-1,493	482	-4,285
Total comprehensive income attributable to:				
Shareholders of the Parent company	-32	-1,496	465	-4,289
Non-controlling interests	15	3	17	4
Total comprehensive income for the period, net of tax	-17	-1,493	482	-4,285

The accompanying notes form an integral part of these Condensed Consolidated Financial Statements.

CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)

(SEK in million)	30 June 2021	31 December 2020
Assets		
Non-current assets		
Intangible assets	4,730	4,731
Property, plant and equipment		
Vessels	36,229	36,012
Construction in progress	2,493	1,869
Equipment	2,688	2,797
Land and buildings	2,368	2,414
Ports	4,550	4,497
Total property, plant and equipment	48,328	47,589
Investment properties	39,010	40,902
Financial assets		
Investments reported according to the equity method	3,434	3,556
Marketable securities	4,464	3,363
Surplus in funded pension plans	1,249	1,195
Other non-current assets	6,007	5,348
Total financial assets	15,154	13,462
Total non-current assets	107,222	106,684
Current assets		
Inventories	1,353	1,080
Trade receivables	3,704	2,867
Other current receivables	2,302	5,591
Prepayments and accrued income	2,180	1,487
Short-term investments	2,026	1,752
Cash and cash equivalents	2,318	1,814
Assets held for sale	932	658
Total current assets	14,815	15,249
Total assets	122,037	121,933

(SEK in million)	30 June 2021	31 December 2020
Equity and liabilities		
Equity	43,482	42,925
Non-current liabilities		
Deferred tax liabilities	5,035	4,820
Pension liabilities	806	748
Other provisions	96	64
Long-term debt	39,628	40,539
Senior Notes	12,537	13,260
Capitalised lease obligations	3,360	2,826
Other non-current liabilities	2,892	3,431
Total non-current liabilities	64,354	65,688
Current liabilities		
Short-term debt	3,471	3,533
Capitalised lease obligations	775	778
Trade payables	2,334	1,944
Tax liabilities	99	109
Other liabilities	2,104	2,086
Accruals and deferred income	5,418	4,870
Total current liabilities	14,201	13,320
Total equity and liabilities	122,037	121,933

The accompanying notes form an integral part of these Condensed Consolidated Financial Statements.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

(SEK in million)	Equity attributable to shareholders of the Parent company					
	Share capital	Reserves	Retained earnings incl. Profit for the period	Total	Non-controlling interests	Total equity
Closing balance, 31 December 2019	5	4,483	43,403	47,891	159	48,050
Change in accounting policy (note 2)		3,717	-2,781	936		936
New opening balance, 1 January 2020	5	8,200	40,622	48,827	159	48,986
Change in fair value reserve		-131	54	-77		-77
Change in net investment hedge		-1,097		-1,097		-1,097
Change in revaluation reserve		-167	41	-126		-126
Change in translation reserve		-200		-200	-2	-202
Change in associates			-106	-106		-106
Remeasurement of post-employment benefit obligation			-21	-21		-21
Other comprehensive income		-1,595	-32	-1,627	-2	-1,629
Profit for the period			-2,662	-2,662	6	-2,656
Total comprehensive income		-1,595	-2,694	-4,289	4	-4,285
Changes in non-controlling interest					35	35
Closing balance, 30 June 2020	5	6,605	37,928	44,538	198	44,736
Closing balance, 31 December 2020	5	6,935	35,766	42,706	219	42,925
Change in fair value reserve		85	-21	64		64
Change in net investment hedge		994		994		994
Change in revaluation reserve		-19	43	24		24
Change in translation reserve		246		246	-1	245
Change in associates			49	49		49
Remeasurement of post-employment benefit obligation			-48	-48		-48
Other comprehensive income		1,306	23	1,329	-1	1,328
Profit for the period			-864	-864	18	-846
Total comprehensive income		1,306	-841	465	17	482
Changes in non-controlling interest			45	45	30	75
Closing balance, 30 June 2021	5	8,241	34,970	43,216	266	43,482

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(SEK in million)	Six-month period ended 30 June	
	2021	2020
Cash flow from operating activities		
Profit for the period	-846	-2,656
Adjustments to reconcile profit for the year to net cash provided by operating activities:		
Depreciation, amortisation and impairment	3,301	3,668
Change in fair value of investment properties	-498	-456
Gain on sale of non-current assets	46	-171
Gains/losses on sale of securities net	-270	542
Share of strategic associates result	-333	-24
Deferred income taxes	16	58
Exchange differences, unrealised	26	-221
Other non-cash items	266	325
Pensions	66	3
Dividend from operational associates and joint ventures	10	46
Net cash flow from trading securities	-312	559
Trade and other receivables	2,358	119
Prepayments and accrued income	-760	-154
Inventories	-264	214
Trade payables	371	-263
Accruals and deferred income	560	85
Income tax payable	-182	-109
Other current liabilities	-24	326
Cash flow from operating activities	3,531	1,891
Cash flow from investing activities		
Purchase of intangible assets	-61	-96
Sale of property, plant and equipment	202	157
Capital expenditure on property, plant and equipment	-3,617	-3,132
Purchase and sale of operations, net of cash	2,349	-182
Dividend from strategic associates and joint ventures	18	
Investments and disposals in strategic associates and joint ventures	576	-140
Sale of securities	1,077	1,496
Purchase of securities	-1,884	-904
Other investing activities	-263	532
Cash flow from investing activities	-1,603	-2,269
Cash flow from financing activities		
Proceeds from issuance of short and long-term debt	2,204	12,184
Principal payments on short and long-term debt	-3,361	-10,776
Net change in borrowings on line-of-credit agreements	43	--1,550
New leases	4	0
Principal payments on capitalised lease obligations	-447	-551
Net change in restricted cash accounts	103	280
Other financing activities	1	-373
Cash flow from financing activities	-1,453	-786
Effect of exchange rate changes on cash and cash equivalents	29	11
Net change in cash and cash equivalents	504	-1,153
Cash and cash equivalents at beginning of period	1,814	3,366
Cash and cash equivalents at end of period	2,318	2,213

The accompanying notes form an integral part of these Condensed Consolidated Financial Statements

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE 1. BASIS OF PRESENTATION

The accompanying condensed consolidated financial statements present the financial position and result of operations of Stena AB (publ) and its subsidiaries (Stena) and have been prepared in accordance with IAS 34, "Interim financial reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended on 31 December 2020, which have been prepared in accordance with IFRS.

The interim financial information included in the condensed consolidated financial statements has not been audited, and reflects all adjustments (consisting only of normal recurring adjustments) that are, in the opinion of management, necessary for a fair presentation of the results for the interim periods presented. Interim results for the six months ended on 30 June 2021 are not necessarily an indication of the results to be expected for the full year.

NOTE 2. ACCOUNTING POLICIES

Except for as noted below the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2020, as described in the annual financial statements.

Taxes on income during the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

Stena's Annual Report 2020 describes the content of the new accounting principles that are regarded as material for the Stena Group (see link [https:// www.stena.com/news-finance/investor-relations/reports/](https://www.stena.com/news-finance/investor-relations/reports/)).

Change in application of capitalised lease obligations

As stated in Note 19 of the Stena AB's annual report 2020, sale and lease back contracts with a repurchase agreement clause were included in capitalised lease obligations. From 1 January 2021 these liabilities have been reclassified to long- and short term debt in the balance sheet with the corresponding amounts of SEK 9,615 million and SEK 957 million respectively as per 31 December 2020.

New or amended accounting policies applied after 2021

There are no new accounting policies applicable from 2021 that significantly affects the Stena AB Group.

NOTE 3. SEGMENT INFORMATION

Revenue

Three-month period ended 30 June

(SEK in million)	Lease income		Products		Service		Construction Contracts		Other		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Ferry operations			166	117	2,669	1,919			17	105	2,852	2,141
Offshore Drilling	311	187			314	152			1		626	338
Shipping:												
Roll-on/Roll-off vessel	107	69			29	27				1	136	97
Tanker	597	1,007			416	686			6	10	1,019	1,703
Other Shipping			64	71	1,385	965			1	4	1,450	1,040
Total Shipping	704	1,075	64	71	1,830	1,678			7	15	2,605	2,840
Property	619	672				12			179		798	684
New Businesses			2,155	1,781		1	356	333	2	3	2,513	2,117
Other					2	4			1	4	3	8
Total	1,634	1,934	2,385	1,969	4,815	3,766	356	333	206	126	9,396	8,128

Six-month period ended 30 June

(SEK in million)	Lease income		Products		Service		Construction Contracts		Other		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Ferry operations			245	251	4,885	4,587			34	106	5,164	4,944
Offshore Drilling	520	463			506	363			1	3	1,027	829
Shipping:												
Roll-on/Roll-off vessel	223	143			46	51			1	2	270	196
Tanker	1,225	2,085			820	1,403			13		2,058	3,488
Other Shipping			135	155	2,328	1,913			3	4	2,466	2,072
Total Shipping	1,448	2,228	135	155	3,194	3,367			17	6	4,794	5,757
Property	1,259	1,342			22	22			178		1,459	1,364
New Businesses			3,667	3,058		3	665	650	4	6	4,336	3,716
Other					15	18			1	4	16	22
Total	3,227	4,033	4,047	3,464	8,622	8,360	665	650	235	125	16,796	16,632

(SEK in million)	Three-month period ended 30 June		Six-month period ended 30 June	
	2021	2020	2021	2020
Operating profit/loss				
Ferry Operations:	173	-329	-126	-712
Redundancy costs		-37		-302
Total Ferry Operations	173	-366	-126	-1,014
Offshore Drilling	-720	-844	-1,578	-1,897
Shipping: Roll-on/Roll-off vessels		4	31	41
Tanker	-234	357	-325	650
Other shipping	78	17	89	6
Total Shipping	-154	378	-204	697
Property:	468	433	837	824
Net gain on sale of properties		104		115
Net gain/loss on sale of operations	-1		-28	
Change in fair value of investment properties	250	209	498	456
Total Property	717	746	1,307	1,395
New Businesses	347	254	427	245
Other	-92	-78	-183	-182
Total Operating profit/loss	271	90	-357	-756

(SEK in million)	Three-month period ended 30 June		Six-month period ended 30 June	
	2021	2020	2021	2020
Depreciation, amortisation and impairment				
Ferry Operations	620	632	1,236	1,226
Offshore Drilling	591	658	1,220	1,467
Shipping: Roll-on/Roll-off vessels	41	40	83	73
Tanker	287	342	555	680
Other shipping	27	18	55	35
Total Shipping	355	400	693	788
Property	3	3	5	6
New Businesses	66	66	131	129
Other	8	42	16	52
Total	1,643	1,801	3,301	3,668

(SEK in million)	Three-month period ended 30 June		Six-month period ended 30 June	
	2021	2020	2021	2020
Profit/loss from investments in operating associates				
Shipping: Tanker	-10	23	-34	24
Other shipping	2	-2		-16
Total Shipping	-8	21	-34	8
Property	3	3	5	10
Total	-5	24	-29	18

(SEK in million)	Three-month period ended 30 June		Six-month period ended 30 June	
	2021	2020	2021	2020
EBITDA				
Ferry Operations:	793	304	1,110	514
Redundancy costs		-37		-302
Total Ferry Operations	793	267	1,110	212
Offshore Drilling	-129	-186	-358	-430
Shipping: Roll-on/Roll-off vessels	41	44	115	114
Tanker	64	676	265	1,306
Other shipping	103	36	143	57
Total Shipping	208	756	523	1,477
Property:	468	433	837	820
Net gain on sale of properties		104		115
Net gain/loss on sale of operations	-1		-28	
Change in fair value of investment properties	250	209	498	456
Total Property	717	746	1,307	1,391
New Businesses	414	320	558	374
Other	-85	-36	-167	-130
Total EBITDA	1,918	1,867	2,973	2,894

(SEK in million)	Six-month period ended 30 June	
	2021	2020
Capital expenditures		
Ferry Operations	687	1,132
Offshore Drilling	147	174
Shipping: Roll-on/Roll-off vessels	699	568
Tanker	222	143
Other shipping	17	9
Total Shipping	938	720
Property	1729	941
New Businesses	108	113
Other	13	52
Total	3,622	3,132

OPERATING AND FINANCIAL REVIEW

Stena generates revenue primarily from ferry operations, chartering out its owned, chartered-in and leased Roll-on/Roll-off vessels, tankers and drilling rigs, managing tankers, sales of vessels, income from Investments, New Businesses and real estate rents. The period from June through September is the peak travel season for passengers of the ferry operations. Chartering activities are not generally significantly affected by seasonal fluctuations, but variations over the year may occur as a consequence of, among other things, vessel utilisation rates, dry-docking and charter rates. Any sale or acquisition of vessels, drilling rigs and real estate may also have an impact on the results of each period.

Significant events of the first six-month period of 2021

As per 1 January the United Kingdom left the EU, which has not had a significant impact on the Stena AB Group operation.

In February, Stena Fastigheter acquired two commercial properties in Göteborg.

In March, Stena Realty acquired one commercial property in Poland.

On 5 March, a London Arbitration Tribunal determined certain issues in dispute between Stena Atlantic Limited ("Stena") and Samsung Heavy Industries Co, Ltd ("SHI") over the construction of a harsh environment semi-submersible drilling unit, formerly known as "Stena MidMAX". The Tribunal determined that Stena's termination of the Contract was valid and in doing so dismissed all claims by SHI against Stena. The Tribunal also ordered payment by SHI to Stena of the minimum sum of USD 411 million, which has been received, by way of refundment of Stena's predelivery payments plus further amounts in respect of interest and project costs.

In January, Stena signed an agreement to sell major part of its international properties as part of a restructuring of the international real estate portfolio. On March 11, the transaction was completed, which generated a positive cash flow of SEK 2.3 billion.

In March, *Stena Concert* was sold to an undisclosed party.

In March, the vessel *Stena Nova* was sold and delivered to her new owners.

In April, 15% of the total outstanding shares in Stena Renewable AB were sold to Alecta. After the transaction, Stena Adactum holds 20% of the shares in Stena Renewable.

In April, the term of the contracts with Exxon for *Stena Carron* and *Stena DrillMAX* in Guyana were extended to 31 December 2021.

In April, a contract was signed for *Stena Don* with Hurricane Energy PLC for 15 days commencing in June 2021.

A contract for *Stena IceMAX* has been signed with an undisclosed operator for a one well campaign (30 days)

commencing in Q4 2021.

In May, the ropax vessel *COTE D'OPALE* was delivered by the Chinese shipyard China Merchants Jinling Shipyard (Weihai). *COTE D'OPALE* was simultaneously delivered to the Danish ferry operator DFDS.

In June, the Stena AB Group repurchased USD 134 million of the USD 527 million outstanding unsecured bond maturing 2024. Stena AB and its affiliates may from time to time repurchase or otherwise trade in its own bonds in open market transactions.

In June, a revolving credit facility agreement was signed regarding a credit facility amounting to USD 121 million, whereof 75% is guaranteed by Exportkreditnämnden, EKN. For Stena AB this is an unsecured credit facility.

In June, a contract was signed for *Stena IceMAX* with Energean Israel for three firm wells plus two options commencing in Q1 2022.

Subsequent events

In July, the vessels *Stena Scandica* and *Skåne* were sold to Kollsholmen Shipping AB within Stena Metall Group, and are chartered back to Stena Line.

In August, time charter agreements were entered into with Concordia Maritime regarding 10 P-MAX vessels for five years.

In July, Stena ordered additional three new E-Flexer vessels from the CMI Jinling (Weihai) shipyard, now in total 12 E-Flexer vessels have been ordered. One of the vessels will be chartered out to Marine Atlantic for five years and is expected to be delivered during 2024. The other two vessels are expected to be delivered during 2024 and 2025 and will be chartered out for ten years to Brittany Ferries.

In August, S&L Access Systems AB, which developed the Salamander Quick Lift Crane Technology featuring a new top crane technology enabling heavy lifts on hub heights beyond 200 meters, owned by Stena AB, partnered up with Vestas. Vestas now owns 20% in S&L Access Systems AB.

Currency Effects

Our revenues and expenses, reported in Swedish kronor, are significantly affected by fluctuations in currency exchange rates, primarily relative to the U.S. dollar, the British pound and the Euro. We seek to mitigate the impact of potential adverse foreign currency exchange fluctuations by matching, to a possible extent, revenues and expenses in the same currency. In addition, we enter into certain derivative financial instruments. In the six-month period that ended on 30 June 2021, approximately 19% of our total revenues were generated in USD, approximately 21% were generated in EUR, approximately 13% were generated in GBP and approximately 33% were generated in SEK.

In the six-month period ended 30 June 2021, approximately 24% of our total expenses were incurred in USD, approximately 18% were incurred in EUR, approximately 18% were incurred in GBP and approximately 25% were incurred in SEK. The reported gross revenues and expenses were affected by changes in the currency rates. The exchange rates used for consolidation purposes are as follows:

	Jan – June	Jan – June	
Average rates:	2021	2020	Change
US \$	8.4039	9.6756	–13%
British pound	11.6718	12.1975	–4%
Euro	10.1281	10.6598	–5%

	As of 30 June	As of 31 Dec	
Closing rates:	2021	2020	Change
US \$	8.5509	8.2273	4%
British pound	11.8268	11.2467	5%
Euro	10.1397	10.0505	1%

SUMMARY FOR THE SIX-MONTH PERIOD 1 JANUARY – 30 JUNE 2021

Revenues

Total revenues increased by SEK 164 million to SEK 16,796 (16,632) million in the six months ended 30 June 2021. The revenues are higher in all segments except for the Tanker operations within the Shipping segment compared to the same period last year.

Direct Operating Expenses

Total direct operating expenses increased by SEK 178 million to SEK 12,205 (12,027) million in the six months ended on 30 June 2021. The operating expenses are higher in all segments except Ferry Operations compared to the same period last year.

Selling and Administrative Expenses

Selling and administrative expenses decreased by SEK 268 million to SEK 2,070 (2,338) million in the six months ended 30 June 2021 compared to the same period last year.

Depreciation, Amortisation and Impairment

Depreciation and amortisation charges decreased by SEK 367 million to SEK 3,301 (3,668) million in the six months ended 30 June 2021 compared to the same period last year.

EBITDA

The EBITDA for the consolidated Stena AB Group increased by SEK 79 million to SEK 2,973 (2,894) million in the six-month period ended on 30 June 2021 compared to the same period last year.

Ferry Operations

Ferry revenues are generated from ticket sales, freight haulage and onboard sales. Direct operating expenses consist primarily of personnel costs, costs of goods sold onboard the vessels, bunker fuel costs, vessel charter costs, commissions, package tour costs and other related costs. A significant portion of these costs do not vary on account of changes in our seasonal requirements.

EBITDA increased by SEK 898 million to SEK 1,110 (212) million in the six months ended 30 June 2021. Redundancy costs for closing routes affected the EBITDA with SEK 302 million in the corresponding period last year. Car volumes decreased 3% compared to last year and passenger volumes

decreased 13% compared to last year due to covid-19 restrictions on travel. Freight volumes increased 15% compared to the corresponding period last year. January-February 2020 was not affected by Covid-19. Stena Line has taken steps to mitigate the financial impact of the Covid-19 situation. This includes closure of routes in 2020, reducing costs and number of employees.

Offshore Drilling

Drilling revenues consist of charter hires for our drilling rigs. The direct operating expenses for drilling consist primarily of personnel costs, insurance, maintenance and catering costs.

EBITDA increased by SEK 72 million to SEK –358 (–430) million in the six-month period 2021. The increase is due to more operating days, all units are on contract and operating, together with higher charter rates compared to last year.

Shipping

Shipping revenues primarily represent charter hires for our owned and chartered in vessels and management fees for vessels managed by Stena. Direct operating expenses for shipping consist primarily of vessel charter costs, fuel costs, personnel costs, insurance and other related vessel costs.

Tankers

EBITDA decreased by 1,041 SEK to SEK 265 (1,306) million in the six-month period ended 30 June 2021, due to lower tanker rates and weaker demand for oil- and crude products.

RoRo Operations

EBITDA from chartering out Roll-on/Roll-off vessels increased by SEK 1 million to SEK 115 (114) million in the six-month period ended 30 June 2021.

Property

Property revenues consists of rents for properties owned and management fees for properties managed by Stena. Property expenses consists primarily of maintenance, heating and personnel costs.

EBITDA decreased by SEK 84 million to SEK 1,307 (1,391) million for the six months ended 30 June 2021, mainly due to the sale of the international properties except for properties in USA and Poland. The change in fair value of invest-

ment properties amounts to SEK 498 (456) million for the six months ended 2021. Occupancy rates for Swedish properties were approximately 97%.

New Businesses

The EBITDA for New Businesses increased by SEK 184 million to SEK 558 (374) million in the six-month period ended 30 June 2021.

Ballingslöv: EBITDA increased by SEK 139 million to SEK 369 (230) million for the six months ended 30 June 2021 due to higher sales together with lower costs. Higher sales is partly explained by lock-downs in the comparative period last year due to Covid-19.

Blomsterlandet: EBITDA increased by SEK 32 million to SEK 217 (185) million for the six months ended 30 June 2021 mainly due to increased sales.

Envac: EBITDA increased by SEK 26 million to SEK 17 (–9) for the six months ended 30 June 2021 mainly due to higher revenues in China and the Middle east as well as higher gross margin.

Captum: EBITDA decreased by SEK 1 million to SEK –3 (–2) million for the six months ended 30 June 2021.

Other Income

Net valuation on investment property

As a result of the revaluation to fair value according to IAS 40 "Investment properties", Stena recognised net gains of SEK 498 (456) million for the six months ended 30 June 2021.

Net gain/loss on sale of vessels

In the six months ended 30 June 2021 the net gain/loss on sale of vessels was SEK –13 million. In the corresponding period 2020 there were no sales of vessels.

Net gain/loss on sale of operations

In the six months ended 30 June 2021 the net gain/loss on sales of operations amounted to SEK –33 (56) million.

Financial Net

Total finance net increased by SEK 1,418 million to SEK –533 (–1,951) million in the six months ended 30 June 2021. The increase is mainly related to the positive development in the financial portfolios compared to last year.

Income Taxes

Income taxes for the six months ended 30 June 2021 were SEK 44 (51) million, consisting of current taxes of SEK 60 (109) million and deferred taxes of SEK –16 (–58) million.

LIQUIDITY AND CAPITAL RESOURCES

Our liquidity requirements principally relate to servicing of debt, financing the purchase of vessels and other assets and funding of working capital. We meet our liquidity requirements by cash in hand, cash flows from operations, borrowings under various credit facilities and other financing and refinancing arrangements.

As of 30 June 2021, total cash and marketable securities including short-term investments amounted to SEK 8,808 million as compared to SEK 6,929 million as of 31 December 2020.

For the six-month period ended 30 June 2021, cash flows provided by operating activities amounted to SEK 3,531(1,891) million. For the six-month period ended 30 June 2021, cash flows used in investing activities amounted to SEK –1,603 (–2,269) million, including SEK –3,617 (–3,132) million related to capital expenditures. Cash flows from financing activities for the six-month period ended 30 June 2021 amounted to SEK –1,453 (–786) million.

As of 30 June 2021, the total construction in progress was SEK 2,493 million, as compared to SEK 1,869 million as of 31 December 2020. The remaining capital expenditure commitment for newbuildings on order as of 30 June 2021 was SEK 3,758 million, of which SEK 709 million is due during 2021, SEK 1,009 million is due in 2022 and SEK 585 million is due in 2023 and after. Stena intends to finance the remainder of this unpaid balance, together with additional expenses and financing costs, with cash from operations, existing revolving credit facilities, new capital lease agreements, new bank loans and other financing arrangements.

As of 30 June 2021, total interest-bearing debt was SEK 59,771 million as compared to SEK 60,936 million as of 31 December 2020.

As of 30 June 2021, SEK 400 million was utilised under the SEK 10,7 billion EKN revolving credit facility.

As of 30 June 2021, the USD 121 million EKN revolving credit facility was unutilised.

As of 30 June 2021, USD 538 million was utilised under the USD 725 million revolving credit facility of which USD 3 million was used for issuing bank guarantees and letters of credit. As of 31 December 2020, USD 531 million was utilized, including USD 3 million used for issuing bank guarantees and letters of credit.

As of 30 June 2021, USD 135 million was utilised under the USD 300 million revolving credit facility entered into by Stena Investment Luxembourg S.à.r.l. compared to USD 68 million as of 31 December 2020.

As of 30 June 2021, the SEK 1,300 million revolving credit facility in Adactum was unutilised, compared to SEK 750 million as of 31 December 2020.

We believe that, based on current levels of operating performance and anticipated market conditions, cash flow from operations, together with other available sources of funds, including refinancing, will be adequate to make required payments of principal and interest on outstanding debt, to make proposed capital expenditures, including new buildings and other vessel acquisitions, and to fund anticipated working capital requirements.

OTHER FINANCIAL INFORMATION – RESTRICTED GROUP

For the six-month period ended 30 June 2021, Restricted Group Data represents the selected consolidated financial information excluding (i) the property business segment, (ii) the business segment of New Businesses, whose activities consist primarily of investing in companies outside our traditional lines of business, and (iii) our subsidiaries Stena Investment Luxembourg S.à.r.l., Stena Investment Cyprus Ltd and Mondaldi Ltd. Our real estate operations and the business of New Businesses are conducted through various subsidiaries. For purposes of the indentures under which our Senior Notes were issued, real estate business and Investments, New Businesses, together with our subsidiaries Stena Investment Luxembourg S.à.r.l., Stena Investment Cyprus Ltd and Mondaldi Ltd, are designated as unrestricted subsidiaries and, as a result, are not bound by the restrictive provisions of the bond indentures.

As of 30 June 2021, Stena had outstanding USD 393 million principal amounts of Senior Notes due 2024. Stena also had outstanding USD 350 million principal amounts of Senior Secured Notes due 2024, USD 350 million principal amounts of Senior Notes due 2025 and EUR 315 million principal amounts of Senior Notes due 2025.

Stena Holland BV has received a dividend from Stena Realty BV amounting to EUR 189 million.

Stena AB has received a dividend from Stena Fastigheter AB amounting to SEK 1,000 million.

Significant events of the first six-month period of 2021 specific to the restricted group

As per 1 January the United Kingdom left the EU, which has not had a significant impact on the Stena AB Group operation.

On 5 March, a London Arbitration Tribunal determined certain issues in dispute between Stena Atlantic Limited (“Stena”) and Samsung Heavy Industries Co, Ltd (“SHI”) over the construction of a harsh environment semi-submersible drilling unit, formerly known as “*Stena MidMAX*”. The Tribunal determined that Stena’s termination of the Contract was valid and in doing so dismissed all claims by SHI against Stena. The Tribunal also ordered payment by SHI to Stena of the minimum sum of USD 411 million, which has been received, by way of refundment of Stena’s pre-delivery payments plus further amounts in respect of interest and project costs.

In March, *Stena Concert* was sold to an undisclosed party.

In March, the vessel *Stena Nova* was sold and delivered to her new owners.

In April, the term of the contracts with Exxon for *Stena Carron* and *Stena DrillMAX* in Guyana were extended to 31 December 2021.

In April, a contract was signed for *Stena Don* with Hurricane Energy PLC for 15 days commencing in June 2021.

A contract for *Stena IceMAX* has been signed with an undisclosed operator for a one well campaign (30 days) commencing in Q4 2021.

In May, the ropax vessel *COTE D’OPALE* was delivered by the Chinese shipyard China Merchants Jinling Shipyard (Weihai). *COTE D’OPALE* was simultaneously delivered to the Danish ferry operator DFDS.

In June, the Stena AB Group repurchased USD 134 million of the USD 527 million outstanding unsecured bond maturing 2024. Stena AB and its affiliates may from time to time repurchase or otherwise trade in its own bonds in open market transactions.

In June, a revolving credit facility agreement was signed regarding a credit facility amounting to USD 121 million, whereof 75% is guaranteed by Exportkreditnämnden, EKN. For Stena AB this is an unsecured credit facility.

In June, a contract was signed for *Stena IceMAX* with Energean Israel for three firm wells plus two options commencing in Q1 2022.

Subsequent events

In July, the vessels *Stena Scandica* and *Skåne* were sold to Kollsholmen Shipping AB within Stena Metall Group, and are chartered back to Stena Line.

In August, time charter agreements were entered into with Concordia Maritime regarding 10 P-MAX vessels for five years.

In July, Stena ordered additional three new E-Flexer vessels from the CMI Jinling (Weihai) shipyard, now in total 12 E-Flexer vessels have been ordered. One of the vessels will be chartered out to Marine Atlantic for five years and is expected to be delivered during 2024. The other two vessels are expected to be delivered during 2024 and 2025 and will be chartered out for ten years to Brittany Ferries.

In August, S&L Access Systems AB, which developed the Salamander Quick Lift Crane Technology featuring a new top crane technology enabling heavy lifts on hub heights beyond 200 meters, owned by Stena AB, partnered up with Vestas. Vestas now owns 20% in S&L Access Systems AB.

GROUP CONSOLIDATED INCOME STATEMENTS – RESTRICTED GROUP (UNAUDITED)

(SEK in million)	Six-month period ended 30 June	
	2021	2020
Revenue		
Ferry Operations	5,164	4,944
Offshore Drilling	1,027	829
Shipping	4,794	5,757
Other	16	21
Total revenue	11,001	11,551
Net gain on sale of non-current assets	5	9
Total other income	5	9
Direct operating expenses		
Ferry Operations	-3,587	-3,900
Ferry Operations - redundancy costs		-302
Offshore Drilling	-1,192	-981
Shipping	-3,717	-3,665
Other	-16	9
Total direct operating expenses	-8,512	-8,839
Selling and administrative expenses	-1,358	-1,626
Profit/loss from investments in operating associates	-34	9
Depreciation, amortisation and impairment	-3,165	-3,510
Total operating expenses	-13,069	-13,966
Operating profit/loss	-2,063	-2,406
Dividends received	2,935	3,232
Gains/loss on securities, net	115	-229
Interest income	95	106
Interest expense	-883	-1,237
Foreign exchange gains/loss, net	27	14
Other financial income/expense, net	-139	-78
Financial net	2,150	1,808
Profit/loss after financial net	87	-598
Non-controlling interest	-19	-6
Group contribution		5
Profit/loss before tax	68	-599
Income taxes	414	328
Profit for the period	482	-271

CONDENSED CONSOLIDATED BALANCE SHEETS – RESTRICTED GROUP (UNAUDITED)

(SEK in million)	30 June 2021	31 December 2020
Assets		
Non-current assets		
Intangible assets	2,282	2,303
Property, plant and equipment		
Vessels	36,229	36,012
Construction in progress	2,309	1,752
Equipment	2,298	2,398
Land and buildings	1,254	1,275
Ports	4,550	4,497
Total property, plant and equipment	46,640	45,934
Financial assets		
Marketable securities	459	258
Intercompany accounts, non-current	1,004	1,048
Other non-current assets	17,254	16,676
Total financial assets	18,717	17,982
Total non-current assets	67,639	66,219
Current assets		
Inventories	428	349
Trade receivables	2,865	2,176
Other current receivables	1,903	5,352
Prepayments and accrued income	1,628	999
Short-term investments	1,993	1,629
Intercompany accounts, current	2,134	1,855
Cash and cash equivalents	1,101	1,259
Assets held for sale	932	658
Total current assets	12,984	14,277
Total assets	80,623	80,496

(SEK in million)	30 June 2021	31 December 2020
Equity and liabilities		
Equity		
Share capital	5	5
Reserves	28,792	27,348
Equity attributable to shareholders of the Parent company	28,797	27,353
Non-controlling interests	253	206
Total equity	29,050	27,559
Non-current liabilities		
Deferred tax liabilities	1,104	972
Pension liabilities	627	587
Other provisions	2	1
Long-term debt	21,189	21,897
Senior Notes	12,537	13,260
Capitalised lease obligations	2,278	1,722
Intercompany accounts, non-current		1,904
Other non-current liabilities	1,717	1,953
Total non-current liabilities	39,454	42,296
Current liabilities		
Short-term debt	3,448	3,337
Capitalised lease obligations	583	586
Trade payables	1,228	1,029
Tax liabilities	94	51
Other liabilities	1,528	1,483
Intercompany liabilities, current	1,171	683
Accruals and deferred income	4,067	3,472
Total current liabilities	12,119	10,641
Total equity and liabilities	80,623	80,496

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW – RESTRICTED GROUP (UNAUDITED)

(SEK in million)	Six-month period ended 30 June	
	2021	2020
Cash flow from operating activities		
Profit for the period	482	-271
Adjustments to reconcile profit for the year to net cash provided by operating activities:		
Depreciation, amortisation and impairment	3,165	3,510
Gain on sale of non-current assets	-5	-9
Gains/losses on securities, net	-115	229
Deferred income taxes	-347	-59
Exchange differences, unrealised	103	-231
Other non-cash items	262	327
Pensions	61	5
Net cash flow from trading securities	-312	559
Dividend from Unrestricted group	-2,910	-3,200
Dividend from operational associates and joint ventures	10	46
Changes in working capital	2,367	-172
Cash flow from operating activities	2,761	734
Cash flow from investing activities		
Capital expenditure of intangible assets	-43	-81
Sale of property, plant and equipment	190	2
Capital expenditure on property, plant and equipment	-1,785	-2,077
Purchase and sale of operations, net of cash	21	-182
Sale of securities	309	28
Purchase of securities	-480	-13
Other investing activities	-240	-36
Cash flow from investing activities	-2,028	-2,359
Cash flow from financing activities		
Proceeds from issuance of short and long-term debt	785	11,256
Principal payments on short and long-term debt	-2,408	-10,480
Net change in borrowings on line-of-credit agreements	-626	-1,042
New leases	4	0
Principal payments on capitalised lease obligations	-405	-530
Net change in restricted cash accounts	10	253
Intercompany accounts	-1,193	-1,544
Dividend received from Unrestricted group	2,910	3,200
Other financing activities	6	-354
Cash flow from financing activities	-917	759
Effect of exchange rate changes on cash and cash equivalents	26	10
Net change in cash and cash equivalents	-158	-856
Cash and cash equivalents at beginning of period	1,259	2,348
Cash and cash equivalents at end of period	1,101	1,492