

Stena International S.A.
Société anonyme

Audited annual accounts
for the year ended
December 31, 2020

26B, boulevard Royal
L-2449 Luxembourg
R.C.S. Luxembourg B 104.173.

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Audit report

To the Shareholder of
Stena International S.A.

Our opinion

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of Stena International S.A. (the "Company") as at 31 December 2020, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

What we have audited

The Company's annual accounts comprise:

- the balance sheet as at 31 December 2020;
- the profit and loss account for the year then ended; and
- the notes to the annual accounts, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the annual accounts" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts. We have fulfilled our other ethical responsibilities under those ethical requirements.

Responsibilities of the Board of Directors for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors 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 unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit 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 the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual accounts, 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 the Board of Directors;
- conclude on the appropriateness of the Board of Directors’ use of the going concern basis of accounting 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 audit report to the related disclosures in the annual accounts 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 audit report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.



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.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 22 April 2021

Gilles Vanderweyen

Annual Accounts Helpdesk :

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RCSL Nr. : B104173

Matricule : 2014 2202 655

eCDF entry date :

BALANCE SHEET

Financial year from ⁰¹ 01/01/2020 **to** ⁰² 31/12/2020 (in ⁰³ EUR)

Stena International S.A.

26B, boulevard Royal
 L-2449 Luxembourg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid			
I. Subscribed capital not called	1101 _____	101 _____	102 _____
II. Subscribed capital called but unpaid	1103 _____	103 _____	104 _____
	1105 _____	105 _____	106 _____
B. Formation expenses	1107 _____	107 _____	108 _____
C. Fixed assets			
I. Intangible assets	1109 _____	109 <u>2.408.522.336,00</u>	110 <u>2.286.508.112,00</u>
1. Costs of development	1111 _____	111 _____	112 _____
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1113 _____	113 _____	114 _____
a) acquired for valuable consideration and need not be shown under C.I.3	1115 _____	115 _____	116 _____
b) created by the undertaking itself	1117 _____	117 _____	118 _____
	1119 _____	119 _____	120 _____
3. Goodwill, to the extent that it was acquired for valuable consideration	1121 _____	121 _____	122 _____
4. Payments on account and intangible assets under development	1123 _____	123 _____	124 _____
II. Tangible assets	1125 _____ <u>3</u>	125 _____	126 _____
1. Land and buildings	1127 _____	127 _____	128 _____
2. Plant and machinery	1129 _____	129 _____	130 _____

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Matricule : 2014 2202 655

	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131	131	132
4. Payments on account and tangible assets in the course of construction	1133	133	134
III. Financial assets	1135 4	135 2.408.522.336,00	136 2.286.508.112,00
1. Shares in affiliated undertakings	1137 4.1	137 1.411.631.733,00	138 1.308.892.311,00
2. Loans to affiliated undertakings	1139 4.2	139 996.887.440,00	140 977.612.638,00
3. Participating interests	1141	141	142
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143	143	144
5. Investments held as fixed assets	1145 4.3	145 3.163,00	146 3.163,00
6. Other loans	1147	147	148
D. Current assets	1151	151 32.472.326,00	152 117.270.172,00
I. Stocks	1153	153	154
1. Raw materials and consumables	1155	155	156
2. Work in progress	1157	157	158
3. Finished goods and goods for resale	1159	159	160
4. Payments on account	1161	161	162
II. Debtors	1163	163 30.424.438,00	164 106.407.532,00
1. Trade debtors	1165	165	166
a) becoming due and payable within one year	1167	167	168
b) becoming due and payable after more than one year	1169	169	170
2. Amounts owed by affiliated undertakings	1171 5	171 30.405.163,00	172 106.407.532,00
a) becoming due and payable within one year	1173	173 30.405.163,00	174 106.407.532,00
b) becoming due and payable after more than one year	1175	175	176
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177	177	178
a) becoming due and payable within one year	1179	179	180
b) becoming due and payable after more than one year	1181	181	182
4. Other debtors	1183	183 19.275,00	184
a) becoming due and payable within one year	1185	185 19.275,00	186
b) becoming due and payable after more than one year	1187	187	188

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	Reference(s)	Current year	Previous year
III. Investments	1189 _____	189 _____	190 _____
1. Shares in affiliated undertakings	1191 _____	191 _____	192 _____
2. Own shares	1209 _____	209 _____	210 _____
3. Other investments	1195 _____	195 _____	196 _____
IV. Cash at bank and in hand	1197 _____	197 <u>2.047.888,00</u>	198 <u>10.862.640,00</u>
E. Prepayments	1199 <u>6</u>	199 <u>7.922.862,00</u>	200 <u>2.833.958,00</u>
TOTAL (ASSETS)		201 <u>2.448.917.524,00</u>	202 <u>2.406.612.242,00</u>

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Matricule : 2014 2202 655

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves			
	1301 <u>7,8</u>	301 <u>1.542.354.846,00</u>	302 <u>1.592.265.044,00</u>
I. Subscribed capital	1303 _____	303 <u>125.199.100,00</u>	304 <u>125.199.100,00</u>
II. Share premium account	1305 _____	305 <u>1.345.771.990,00</u>	306 <u>1.113.371.990,00</u>
III. Revaluation reserve	1307 _____	307 _____	308 _____
IV. Reserves	1309 _____	309 <u>12.519.910,00</u>	310 <u>12.519.910,00</u>
1. Legal reserve	1311 _____	311 <u>12.519.910,00</u>	312 <u>12.519.910,00</u>
2. Reserve for own shares	1313 _____	313 _____	314 _____
3. Reserves provided for by the articles of association	1315 _____	315 _____	316 _____
4. Other reserves, including the fair value reserve	1429 _____	429 _____	430 _____
a) other available reserves	1431 _____	431 _____	432 _____
b) other non available reserves	1433 _____	433 _____	434 _____
V. Profit or loss brought forward	1319 _____	319 <u>341.174.044,00</u>	320 <u>339.278.539,00</u>
VI. Profit or loss for the financial year	1321 _____	321 <u>-282.310.198,00</u>	322 <u>1.895.505,00</u>
VII. Interim dividends	1323 _____	323 _____	324 _____
VIII. Capital investment subsidies	1325 _____	325 _____	326 _____
B. Provisions	1331 _____	331 _____	332 _____
1. Provisions for pensions and similar obligations	1333 _____	333 _____	334 _____
2. Provisions for taxation	1335 _____	335 _____	336 _____
3. Other provisions	1337 _____	337 _____	338 _____
C. Creditors	1435 _____	435 <u>906.243.823,00</u>	436 <u>814.207.879,00</u>
1. Debenture loans	1437 <u>9</u>	437 <u>905.744.266,00</u>	438 <u>261.181.096,00</u>
a) Convertible loans	1439 _____	439 _____	440 _____
i) becoming due and payable within one year	1441 _____	441 _____	442 _____
ii) becoming due and payable after more than one year	1443 _____	443 _____	444 _____
b) Non convertible loans	1445 _____	445 <u>905.744.266,00</u>	446 <u>261.181.096,00</u>
i) becoming due and payable within one year	1447 _____	447 <u>17.725.275,00</u>	448 <u>5.982.639,00</u>
ii) becoming due and payable after more than one year	1449 _____	449 <u>888.018.991,00</u>	450 <u>255.198.457,00</u>
2. Amounts owed to credit institutions	1355 <u>10</u>	355 _____	356 <u>446.688.443,00</u>
a) becoming due and payable within one year	1357 _____	357 _____	358 <u>4.739.400,00</u>
b) becoming due and payable after more than one year	1359 _____	359 _____	360 <u>441.949.043,00</u>

The notes in the annex form an integral part of the annual accounts

RCSL Nr. : B104173

Matricule : 2014 2202 655

	Reference(s)	Current year	Previous year
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361 _____	361 _____	362 _____
a) becoming due and payable within one year	1363 _____	363 _____	364 _____
b) becoming due and payable after more than one year	1365 _____	365 _____	366 _____
4. Trade creditors	1367 _____	367 <u>40.918,00</u>	368 <u>60.651,00</u>
a) becoming due and payable within one year	1369 _____	369 <u>40.918,00</u>	370 <u>60.651,00</u>
b) becoming due and payable after more than one year	1371 _____	371 _____	372 _____
5. Bills of exchange payable	1373 _____	373 _____	374 _____
a) becoming due and payable within one year	1375 _____	375 _____	376 _____
b) becoming due and payable after more than one year	1377 _____	377 _____	378 _____
6. Amounts owed to affiliated undertakings	1379 <u>11</u>	379 <u>366.085,00</u>	380 <u>106.092.698,00</u>
a) becoming due and payable within one year	1381 _____	381 <u>366.085,00</u>	382 <u>106.092.698,00</u>
b) becoming due and payable after more than one year	1383 _____	383 _____	384 _____
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385 _____	385 _____	386 _____
a) becoming due and payable within one year	1387 _____	387 _____	388 _____
b) becoming due and payable after more than one year	1389 _____	389 _____	390 _____
8. Other creditors	1451 _____	451 <u>92.554,00</u>	452 <u>184.991,00</u>
a) Tax authorities	1393 <u>12</u>	393 <u>68.997,00</u>	394 <u>161.818,00</u>
b) Social security authorities	1395 _____	395 <u>23.557,00</u>	396 <u>23.173,00</u>
c) Other creditors	1397 _____	397 _____	398 _____
i) becoming due and payable within one year	1399 _____	399 _____	400 _____
ii) becoming due and payable after more than one year	1401 _____	401 _____	402 _____
D. Deferred income	1403 _____	403 <u>318.855,00</u>	404 <u>139.319,00</u>
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		405 <u>2.448.917.524,00</u>	406 <u>2.406.612.242,00</u>

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RCSL Nr. : B104173

Matricule : 2014 2202 655

eCDF entry date :

PROFIT AND LOSS ACCOUNT

Financial year from ⁰¹ 01/01/2020 **to** ⁰² 31/12/2020 (in ⁰³ EUR)

Stena International S.A.

26B, boulevard Royal
L-2449 Luxembourg

	Reference(s)	Current year	Previous year
1. Net turnover	1701 _____	701 _____	702 _____
2. Variation in stocks of finished goods and in work in progress	1703 _____	703 _____	704 _____
3. Work performed by the undertaking for its own purposes and capitalised	1705 _____	705 _____	706 _____
4. Other operating income	1713 _____	713 _____	714 _____
5. Raw materials and consumables and other external expenses	1671 _____	671 <u>-1.984.806,00</u>	672 <u>-1.627.662,00</u>
a) Raw materials and consumables	1601 _____	601 _____	602 _____
b) Other external expenses	1603 _____	603 <u>-1.984.806,00</u>	604 <u>-1.627.662,00</u>
6. Staff costs	1605 _____ 13	605 <u>-1.157.090,00</u>	606 <u>-1.282.407,00</u>
a) Wages and salaries	1607 _____	607 <u>-907.596,00</u>	608 <u>-1.018.412,00</u>
b) Social security costs	1609 _____	609 <u>-63.495,00</u>	610 <u>-66.887,00</u>
i) relating to pensions	1653 _____	653 <u>-39.948,00</u>	654 <u>-42.205,00</u>
ii) other social security costs	1655 _____	655 <u>-23.547,00</u>	656 <u>-24.682,00</u>
c) Other staff costs	1613 _____	613 <u>-185.999,00</u>	614 <u>-197.108,00</u>
7. Value adjustments	1657 _____	657 <u>-27.009,00</u>	658 <u>-52.991,00</u>
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____	659 _____	660 _____
b) in respect of current assets	1661 _____	661 <u>-27.009,00</u>	662 <u>-52.991,00</u>
8. Other operating expenses	1621 _____ 14	621 <u>-131.836,00</u>	622 <u>-274.506,00</u>

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Matricule : 2014 2202 655

	Reference(s)	Current year	Previous year
9. Income from participating interests	1715 <u>4.1,15</u>	715 <u></u>	716 <u>195.077.482,00</u>
a) derived from affiliated undertakings	1717 <u></u>	717 <u></u>	718 <u>195.077.482,00</u>
b) other income from participating interests	1719 <u></u>	719 <u></u>	720 <u></u>
10. Income from other investments and loans forming part of the fixed assets	1721 <u>16</u>	721 <u>67.275.586,00</u>	722 <u>59.432.263,00</u>
a) derived from affiliated undertakings	1723 <u></u>	723 <u>67.275.586,00</u>	724 <u>59.432.263,00</u>
b) other income not included under a)	1725 <u></u>	725 <u></u>	726 <u></u>
11. Other interest receivable and similar income	1727 <u>17</u>	727 <u>46.438.605,00</u>	728 <u>14.248.250,00</u>
a) derived from affiliated undertakings	1729 <u></u>	729 <u>46.279.799,00</u>	730 <u>1.801.897,00</u>
b) other interest and similar income	1731 <u></u>	731 <u>158.806,00</u>	732 <u>12.446.353,00</u>
12. Share of profit or loss of undertakings accounted for under the equity method	1663 <u></u>	663 <u></u>	664 <u></u>
13. Value adjustments in respect of financial assets and of investments held as current assets	1665 <u>4.1,4.2,18</u>	665 <u>-140.320.711,00</u>	666 <u>-176.833.626,00</u>
14. Interest payable and similar expenses	1627 <u></u>	627 <u>-252.359.927,00</u>	628 <u>-86.791.298,00</u>
a) concerning affiliated undertakings	1629 <u>11,19</u>	629 <u>-155.668.330,00</u>	630 <u>-35.637.892,00</u>
b) other interest and similar expenses	1631 <u>10,19</u>	631 <u>-96.691.597,00</u>	632 <u>-51.153.406,00</u>
15. Tax on profit or loss	1635 <u>12</u>	635 <u></u>	636 <u></u>
16. Profit or loss after taxation	1667 <u></u>	667 <u>-282.267.188,00</u>	668 <u>1.895.505,00</u>
17. Other taxes not shown under items 1 to 16	1637 <u></u>	637 <u>-43.010,00</u>	638 <u></u>
18. Profit or loss for the financial year	1669 <u></u>	669 <u>-282.310.198,00</u>	670 <u>1.895.505,00</u>

Stena International S.A.

Notes to the annual accounts
for the year ended December 31, 2020

1 General information

Stena International S.A. (“the Company”) was incorporated on December 6, 2004 and is organised under the laws of Luxembourg as a Société Anonyme for an unlimited period. On February 7, 2014, the Company changed its legal form from Société à responsabilité limitée (S.à r.l.) to Société Anonyme (S.A.). The registered office is established at 26B, boulevard Royal, L-2449 Luxembourg and is registered with the Registre de Commerce et des Sociétés du Grand-Duché de Luxembourg under Section B Number 104.173.

The Company’s financial year starts on January 1 and ends on December 31 of each year.

The objectives of the Company are to acquire and manage participations, in any commercial, industrial, financial or other Luxembourg or foreign enterprises; to acquire any securities and rights through participation, contribution, option or in any other way and to grant loans.

The ultimate parent company, Stena A.B. (publ), is a company incorporated in Sweden, whose consolidated accounts are available at its registered office. The Company is included in the consolidated accounts of Stena A.B. (publ). In accordance with Article 1711-5 of the amended law of August 10, 1915 on commercial companies, the Company is exempt from the requirement to prepare consolidated accounts and a consolidated management report.

2 Summary of significant accounting policies

2.1 Basis of preparation

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention “Lux Gaap”.

Accounting policies and valuation rules are besides the ones laid down by the modified law of December 19, 2002, determined and applied by the Board of Directors. They have not been modified compared to previous year.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial years. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances.

Stena International S.A.

Notes to the annual accounts
for the year ended December 31, 2020
(continued)

2.1 Basis of preparation (continued)

The consequences of the global outbreak of Covid-19 has affected the Stena AB Group as from mid-March 2020. Stena has taken steps to ensure the health and safety of its employees and in parallel focusing on minimizing any negative impact on the business. The impact is related to the general situation and decisions made by local authorities affecting the demand for services and products provided by the Stena AB Group. The Covid-19 outbreak is affecting Stena's business areas in different ways and there has been a negative financial impact on the Stena AB Group. In summary, the businesses have gradually improved during the year, and the Stena AB Group has experienced recovery in terms of demand during the latter part of the reporting period. In order to mitigate the negative effects from Covid-19, measures were taken to adapt the cost structure. Disciplined cost efficiency activities were implemented to meet both short-and longer-term challenges. Short-term, furlough with governmental support related to Covid-19 were implemented, mainly in Sweden. Moreover, the Stena AB Group has taken further measures in order to reduce costs going forward, such as a reduction of approximately 1,400 employees, reduction of the number of consultants and other cost mitigation actions related to fixed costs. Considering the signs of recovery during the latter part of the reporting period, the measures taken lay a good foundation for a strong recovery going forward for the Stena AB Group.

The main valuation rules applied by the Company are the following:

Stena International S.A.

Notes to the annual accounts
for the year ended December 31, 2020
(continued)

2.2 Foreign currency translation

The Company maintains its accounting records in Euro ("EUR") and the balance sheet and the profit and loss account are expressed in this currency.

All transactions denominated in foreign currencies are translated separately into EUR at the exchange rates ruling at the date of transaction.

2.2.1 Fixed assets with exception of long term loans

Fixed assets, with the exception of long term loans disclosed under fixed assets, which are expressed in currencies other than EUR, are translated into EUR at the exchange rate effective at the date of the transaction. At balance sheet date, these assets remain translated at historical exchange rates.

2.2.2 Assets and liabilities hedged through derivative financial instruments

Assets and liabilities expressed in currencies other than EUR that are hedged through the use of derivative instruments are converted in EUR at the exchange rate effective at balance sheet date. Unrealized losses arising from this conversion are recorded in the profit and loss account of the year. Unrealized gains arising from this conversion are recorded in the profit and loss account of the year up to the amount of realized or unrealized loss of the related derivative financial of the related derivative financial instrument. Derivative financial instruments hedging assets and liabilities in foreign currencies are revalued at year-end balance sheet date. Unrealized gains and losses resulting from the revaluation of these derivative financial instruments are recorded in the profit and loss account.

2.2.3 Other assets

Except cash, all other assets, including long term loans disclosed under fixed assets, expressed in currencies other than EUR are valued individually at the lower of their value translated into EUR at historical exchange rates or at exchange rates prevailing at balance sheet date.

Unrealized exchange losses resulting from this conversion are recorded in the profit and loss account of the year. Realised exchange losses or gains are recorded in the profit and loss account of the year.

Cash denominated in a currency other than EUR is converted at the exchange rate effective at balance sheet date.

Exchange losses and gains resulting from this conversion are recorded in the profit and loss account of the year.

Stena International S.A.

Notes to the annual accounts
for the year ended December 31, 2020
(continued)

2.2 Foreign currency translation (continued)

2.2.4 Other liabilities

All other liabilities expressed in currencies other than EUR are valued individually at the higher of their value translated into EUR at historical exchange rates or at the exchange rates prevailing at balance sheet date.

Unrealized exchange losses resulting from this conversion are recorded in the profit and loss account of the year.

Realized exchange gains and losses are reflected in the profit and loss account of the year.

2.2.5 Assets economically linked to liabilities

For assets, including long term loans disclosed under fixed assets, and liabilities expressed in currencies other than EUR where there is an economic link between an asset and a liability, these are converted on a net basis according to the method described under points 2.2.3 and 2.2.4 above and the net unrealized losses are recorded in the profit and loss account whereas the net unrealized exchange gains are not recognized.

2.3 Tangible assets

Tangible assets are valued at purchase price including the expenses incidental thereto or at production cost. They are depreciated over their estimated useful economic lives. Office equipment is depreciated on a linear basis over 3 years.

Where the Company considers that a tangible asset has suffered a durable depreciation in value, an addition write-down is recorded to reflect this loss. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.4 Financial assets

Shares in affiliated undertakings are stated at purchase price. Loans to affiliated undertakings held as financial assets are valued at nominal value. If, in the opinion of the Board of Directors, there has been a durable diminution in value in respect of financial fixed assets, a value adjustment is recorded. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

2.5 Debtors

Debtors are stated at nominal value less any specific value adjustments for doubtful accounts, if necessary. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

2.6 Creditors

Creditors are stated at their reimbursement value.

Stena International S.A.

Notes to the annual accounts
for the year ended December 31, 2020
(continued)

2.7 Provisions

Provisions are intended to cover losses or debts the nature of which is clearly defined and which, at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

Provisions for taxation corresponding to the difference between the tax liability estimated by the Company and the advance payments for the financial years for which the tax return has not yet been filed are recorded under:

- i) the “Other debtors” if the advance payments exceed the corresponding provisions for taxation or;
- ii) the “Other creditors – tax authorities” if the provision for taxation exceeds the corresponding advance payments.

2.8 Interest income and expenses

Interest income and expenses are accounted for on an accrual basis.

2.9 Prepayments

This asset item includes expenditures incurred during the financial year but relating to a subsequent financial year.

2.10 Deferred income

This liability item includes income received during the financial year but relating to a subsequent financial year.

Stena International S.A.

Notes to the annual accounts
for the year ended December 31, 2020
(continued)

3 Tangible assets

Tangible assets comprise items of office equipment. Movements in the year are summarised as follows:

	2020 EUR'000	2019 EUR'000
Gross book value at the beginning of the year	163	163
Additions for the year	-	-
Disposals for the year	-	-
Transfers for the year	-	-
Gross book value at the end of the year	<u>163</u>	<u>163</u>
Accumulated value adjustments at the beginning of the year	(163)	(163)
Value adjustments of the year	-	-
Reversals for the year	-	-
Transfers for the year	-	-
Accumulated value adjustments at the end of the year	<u>(163)</u>	<u>(163)</u>
Net book value at the end of the year	<u>-</u>	<u>-</u>
Net book value at the beginning of the year	<u>-</u>	<u>-</u>

Stena International S.A.

Notes to the annual accounts
for the year ended December 31, 2020
(continued)

4 Financial assets

4.1 Shares in affiliated undertakings

Shares in affiliated undertakings comprise:

Name	Registered office	Percentage held	Gross book value as at December 31, 2020 EUR'000	Accumulated value adjustment as at December 31, 2020 EUR'000	Net book value as at December 31, 2020 EUR'000	** Share of net equity unaudited accounts as at December 31, 2020 EUR'000	**Result for the year ended December 31, 2020 EUR'000
Stena Drilling AS*	Norway	100%	-	-	-	15,360	(10,343)
Stena Holding (Cyprus) Ltd*	Cyprus	100%	3,818	-	3,818	176,643	(47,698)
Stena Holland B.V. *	Netherlands	100%	669,551	-	669,551	541,445	58,688
Stena (Switzerland) AG***	Switzerland	100%	197,640	(146,083)	51,557	43,862	(9)
Stena (UK) Ltd*	UK	100%	419,527	-	419,527	236,718	(279,811)
Stena Holding (Hungary) Kft*	Hungary	100%	950	(900)	50	50	(69)
Stena Property (Hungary) Kft*	Hungary	100%	1,296	(1,139)	157	135	(27)
Stena Drilling International S.à r.l.*	Luxembourg	100%	599,419	(599,419)	-	(411,016)	(240,267)
Stena Services Brazil Ltda*	Brazil	100%	5,885	(5,680)	205	205	(170)
Stena Maritime AG***	Switzerland	100%	208,536	(70,225)	138,311	90,963	(25,842)
Stena Investment S.à r.l. ****	Luxembourg	100%	144,357	(15,901)	128,456	88,261	29,425
Total			2,250,979	(839,347)	1,411,632		

* amounts are based on standalone unaudited figures following the accounting framework of the affiliated undertaking.

** amounts converted to EUR at the closing exchange rate.

*** audited accounts for Stena (Switzerland) AG and Stena Maritime AG in accordance with local accounting framework..

**** audited account as at 31.12.2019 following the accounting framework of the affiliated undertaking.

Stena International S.A.

Notes to the annual accounts
for the year ended December 31, 2020
(continued)

4.1 Shares in affiliated undertakings (continued)

Movements in shares in affiliated undertakings were as follows:

	2020	2019
	EUR'000	EUR'000
Gross book value opening balance	1,974,954	1,825,466
Additions for the year	416,619	152,988
Disposals for the year	(140,594)	(3,500)
Gross book value closing balance	<u>2,250,979</u>	<u>1,974,954</u>
Accumulated value adjustment opening balance	(666,062)	(527,054)
Value adjustment charged for the year	(283,445)	(171,181)
Reversal of value adjustment for the year	110,160	32,173
Accumulated value adjustment closing balance	<u>(839,347)</u>	<u>(666,062)</u>
Net book value closing balance	<u><u>1,411,632</u></u>	<u><u>1,308,892</u></u>
Net book value opening balance	<u><u>1,308,892</u></u>	<u><u>1,298,412</u></u>

• Stena Don AB

At the end of 2019, in the opinion of the Board of Directors, the total accumulated value adjustment of the shares in Stena Don AB amounted to EUR 102,131,000.

Stena Don AB has been liquidated in 2020. The liquidation proceeds has been received in cash on December 9, 2020 for EUR 1,481,341. Therefore the liquidation had a positive impact amounting to EUR 81,576 in the profit and loss account as at December 31, 2020, after the reversal of prior year's accumulated value adjustment.

The registered office of Stena Don AB was established at Masthuggskajen, SE-405 19 Goteborg, Sweden.

• Stena Drilling AS

The registered office of Stena Drilling AS is established at Mekjarvik 15, NO-4072 Randaberg, Norway.

• Stena Holding (Cyprus) Ltd

The registered office of Stena Holding (Cyprus) Ltd is established at Lophitis Business Centre II, 28th October Street, CY-3035 Limassol, Cyprus.

Stena International S.A.

Notes to the annual accounts
for the year ended December 31, 2020
(continued)

4.1 Shares in affiliated undertakings (continued)

- **Stena Holland BV**

The registered office of Stena Holland B.V. is established at Burgemeester Haspelslaan 61, NL-1181 Amstelveen, The Netherlands.

- **Stena Royal S.à r.l.**

At the end of 2019, in the opinion of the Board of Directors, the total accumulated value adjustment of the shares in Stena Royal S.à r.l. amounted to EUR 20,071,682.

On October 14, 2020, the Company decided to put Stena Royal S.à r.l. into liquidation. The convertible Multi-Currency Investor Facility amounting to EUR 153,320,000 was repaid in kind with the participation held by Stena Royal S.à r.l. in Stena Investment S.à r.l. amounting to EUR 144,357,166, according to the Minutes of the resolutions of the Liquidator of Stena Royal S.à r.l. taken on October 15, 2020 (note 4.2). The outstanding liabilities amount of EUR 8,962,834 resulting from this operation was further settled through an increase in the share premium of Stena Royal S.à r.l., just before its liquidation, thereby increasing the liquidation loss by the same amount.

Stena Royal S.à r.l. has been liquidated in December 2020 resulting for the Company in a loss for an amount of EUR 37,062,834.

The registered office of Stena Royal S.à r.l. was established at 26B, boulevard Royal, L-2449 Luxembourg.

- **Stena (Switzerland) AG**

At the end of 2019, in the opinion of the Board of Directors, the total accumulated value adjustment of the shares in Stena (Switzerland) AG amounted to EUR 143,665,000.

At the end of 2020, in the opinion of the Board of Directors, a durable diminution in value of the shares in Stena (Switzerland) AG arose at the balance sheet date, resulting in an additional downwards value adjustment of EUR 2,418,000. The total durable diminution in value of the shares in Stena (Switzerland) AG amounts to EUR 146,083,000 as at December 31, 2020. The registered office of Stena (Switzerland) AG is established at Bahnhofplatz, CH-6300 Zug, Switzerland.

- **Stena (UK) Ltd**

The registered office of Stena (UK) Ltd is established at 45 Albemarle Street, W1S 4JL London, Great Britain.

Stena International S.A.

Notes to the annual accounts
for the year ended December 31, 2020
(continued)

4.1 Shares in affiliated undertakings (continued)

- **Stena Holding (Hungary) Kft**

At the end of 2019, in the opinion of the Board of Directors, the total accumulated value adjustment of the shares in Stena Holding (Hungary) Kft amounted to EUR 780,570.

In September 2020, the Company provided cash contribution to Stena Holding (Hungary) Kft in the amount of USD 200,000 (EUR 169,262) in order to increase the share capital from USD 21,000 to USD 22,000 and the capital reserve from USD 670,000 to USD 869,000.

At the end of 2020, in the opinion of the Board of Directors, a durable diminution in value of the shares in Stena Holding (Hungary) Kft arose at the balance sheet date, resulting in an additional downwards value adjustment of EUR 119,327.

The total durable diminution in value of the shares in Stena Holding (Hungary) Kft amounts to EUR 899,897 as at December 31, 2020. The registered office of Stena Holding (Hungary) Kft is established at Advance Tower II, 4th Floor, Vaci ut 41. H-1134 Budapest, Hungary.

- **Stena Property (Hungary) Kft**

At the end of 2019, in the opinion of the Board of Directors, the total accumulated value adjustment of the shares in Stena Property (Hungary) Kft amounted to EUR 1,133,787.

At the end of 2020, in the opinion of the Board of Directors, a durable diminution in value of the shares in Stena Property (Hungary) Kft arose at the balance sheet date, resulting in an additional downwards value adjustment of EUR 5,160.

The total durable diminution in value of the shares in Stena Property (Hungary) Kft amounts to EUR 1,138,947 as at December 31, 2020. The registered office of Stena Property (Hungary) Kft is established at Advance Tower II, 4th Floor, Vaci ut 41. H-1134 Budapest, Hungary.

- **Stena Drilling International S.à r.l.**

At the end of 2019, in the opinion of the Board of Directors, the total accumulated value adjustment of the shares in Stena Drilling International S.à r.l. amounted to USD 430,043,000 (EUR 371,339,112).

In June 2020, the Company provided cash contribution to Stena Drilling International S.à r.l. in the amount of USD 112,000,000 (EUR 99,697,360) in order to increase the share premium from USD 422,603,700 to USD 534,603,700.

In December 2020, the Company provided cash contribution to Stena Drilling International S.à r.l. in the amount of USD 157,500,000 (EUR 128,382,817) in order to increase the share premium from USD 534,603,700 to USD 692,103,700.

At the end of 2020, in the opinion of the Board of Directors, a durable diminution in value of the shares in Stena Drilling International S.à r.l. arose at the balance sheet date, resulting in an additional downwards value adjustment of EUR 228,080,177.

Stena International S.A.

Notes to the annual accounts
for the year ended December 31, 2020
(continued)

4.1 Shares in affiliated undertakings (continued)

The total durable diminution in value of the shares in Stena Drilling International S.à r.l. amounts to USD 699,543,000 (EUR 599,419,289) as at December 31, 2020. The registered office of Stena Drilling International S.à r.l. is established at 26B, boulevard Royal, L-2449 Luxembourg.

- **Stena Services Brazil Ltda**

At the end of 2019, in the opinion of the Board of Directors, the total accumulated value adjustment of the shares in Stena Services Brazil Ltda amounted to EUR 5,488,128.

At the end of 2020, in the opinion of the Board of Directors, a durable diminution in value of the shares in Stena Services Brazil Ltda arose at the balance sheet date, resulting in an additional downwards value adjustment of EUR 191,217.

The total durable diminution in value of the shares in Stena Services Brazil Ltda amounts to EUR 5,679,345 as at December 31, 2020. The registered office of Stena Services Brazil Ltda is established at Av. Rio Branco, 311, suite 520 – part Centro – CEP 20040-903, Rio de Janeiro, Brazil.

- **Stena Maritime AG**

At the end of 2019, in the opinion of the Board of Directors, the total accumulated value adjustment of the shares in Stena Maritime AG amounted to EUR 33,494,000.

At the end of 2020, in the opinion of the Board of Directors, a durable diminution in value of the shares in Stena Maritime AG arose at the balance sheet date, resulting in an additional downwards value adjustment of EUR 36,731,000.

The total durable diminution in value of the shares in Stena Maritime AG amounts to EUR 70,225,000 as at December 31, 2020. The registered office of Stena Maritime AG is established at Bahnhofplatz, CH-6300 Zug, Switzerland.

- **Stena Investment S.à r.l.**

As described previously, the Company decided to put Stena Royal S.à r.l. into liquidation on October 14, 2020. The convertible Multi-currency Investor Facility amounting to EUR 153,320,000 was repaid in kind with the participation held by Stena Royal S.à r.l. in Stena Investment S.à r.l. amounting to EUR 144,357,166, according to the Minutes of the resolutions of the Liquidator of Stena Royal S.à r.l. taken on October 15, 2020 (note 4.2).

At the end of 2020, in the opinion of the Board of Directors, a durable diminution in value of the shares in Stena Investment S.à r.l. arose at the balance sheet date, resulting in a downwards value adjustment of EUR 15,901,392.

The registered office of Stena Investment S.à r.l. is established at 26B, boulevard Royal, L-2449 Luxembourg.

Stena International S.A.

Notes to the annual accounts
for the year ended December 31, 2020
(continued)

4.1 Shares in affiliated undertakings (continued)

Dividends received:

During 2020, the Company did not receive any dividends (2019: EUR 194,988,300, recognised in the profit and loss account under “income from participating interests derived from affiliated undertakings”) (refer to note 15).

4.2 Loans to affiliated undertakings

The Company has granted loans as follows:

	2020 EUR' 000	2019 EUR' 000
Multi currency investor credit facility		
Stena Royal S.à r.l	-	153,320
less value adjustment	-	-
	<u>-</u>	<u>153,320</u>
Loan Facility		
Stena Drillmax Lux 3 S.à r.l.	261,723	232,313
Stena Carron Lux 3 S.à r.l.	311,296	286,198
AB Stena Finans	<u>315,000</u>	<u>183,376</u>
	888,019	701,887
Loans		
Stena Drilling International S.à r.l.	519,884	566,388
less value adjustment	<u>(411,016)</u>	<u>(443,982)</u>
	108,868	122,406
Total	<u><u>996,887</u></u>	<u><u>977,613</u></u>

Stena International S.A.

Notes to the annual accounts
for the year ended December 31, 2020
(continued)

4.2 Loans to affiliated undertakings (continued)

Movements in loans to affiliated undertakings were as follows:

	2020 EUR'000	2019 EUR'000
Cost at the beginning of the year	1,255,142	1,259,882
Additions for the year	315,000	-
Reimbursement for the year	(344,571)	(4,740)
Cost at the end of the year	<u>1,225,571</u>	<u>1,255,142</u>
Value adjustments at the beginning of the year (*)	(277,529)	(252,249)
Value adjustments for the year - impairments	(3,302)	(36,265)
Reversal of value adjustments for the year - impairments	-	12,807
Value adjustments for the year - net forex impacts	52,147	(1,822)
Value adjustments at the end of the year (*)	<u>(228,684)</u>	<u>(277,529)</u>
Net book value at the end of the year	<u>996,887</u>	<u>977,613</u>
Net book value at the beginning of the year	<u>977,613</u>	<u>1,007,633</u>

(*) Value adjustments amounts include forex impacts which are recorded under captions 17 and 19.

- Multi-Currency Investor Credit Facilities to Stena Royal S.à r.l.

On September 27, 2007, Stena International S.A. and Stena Royal S.à r.l. concluded a Multi-Currency Investor Credit Facility up to EUR 600 million. The maturity date of the facility is September 27, 2067. On September 27, 2007 Stena Royal S.à r.l. drew down an amount of EUR 154 million to finance its acquisition of the shares of Stena Investment Luxembourg S.à r.l.. Under the terms of the Multi-currency Investor Credit Facility any draw down of funds under the facility shall not bear interest during an initial six-month period. The parties may decide to review the interest rate after the initial six months, otherwise no interest will be charged unless agreed between parties. On December 17, 2014, Stena Royal S.à r.l. repaid an amount of EUR 680,000 of this Credit Facility. The remaining amount as at December 31, 2015 amounted to EUR 153,320,000. On June 13, 2018, the limit amount of the Multi-Currency Investor Credit Facility has been reduced to an amount of EUR 154 million.

Under the terms of the Facility, Stena Royal S.à r.l. is entitled to convert any amount owing into shares at any time by requiring Stena International S.A. to exchange the amount owed to it under the facilities into share capital.

As at December 31, 2019, an amount of EUR 153,320,000 was outstanding.

Stena International S.A.

Notes to the annual accounts
for the year ended December 31, 2020
(continued)

4.2 Loans to affiliated undertakings (continued)

As mentioned previously (note 4.1), on October 14, 2020, the Company decided to put Stena Royal S.à r.l. into liquidation. The convertible Multi-Currency Investor Facility amounting to EUR 153,320,000 was repaid in kind with the participation held by Stena Royal S.à r.l. in Stena Investment S.à r.l. amounting to EUR 144,357,166, according to the Minutes of the resolutions of the Liquidator of Stena Royal S.à r.l. taken on October 15, 2020. The outstanding liabilities amount of EUR 8,962,834 resulting from this operation was further settled through an increase in the share premium of Stena Royal S.à r.l., just before its liquidation, thereby increasing the liquidation loss by the same amount. Stena Royal S.à r.l. has been liquidated in December 2020.

- **Loan to Stena Drilling International S.à r.l.**

On December 6, 2012, a loan note was issued by Stena Drilling International S.à r.l. to the Company for the amount of USD 258,219,892 (EUR 195,843,680) with a maturity date of December 6, 2072, in order for Stena Drilling International S.à r.l. to finance its subsidiary's acquisition of a drillship from a group company.

Under the terms of this Loan Agreement, the Loan shall not bear any interest during a six-month period. The parties may decide to review the interest rate after the expiry of this six-month period. Stena Drilling International S.à r.l. is entitled to convert the Loan amount at any time into shares by requiring Stena International S.A. to exchange the amount owed to it under the Loan into share capital.

On May 15, 2013, an additional loan note was issued by Stena Drilling International S.à r.l. to the Company for the amount of USD 392,771,000 (EUR 305,480,002) with a maturity date of May 15, 2073, in order for Stena Drilling International S.à r.l. to finance its subsidiary's acquisition of a drillship from a group company.

On June 18, 2014, Stena Drilling International S.à r.l. repaid an amount of USD 15,900,000 (EUR 12,324,897) of the loan.

Under the terms of this Loan Agreement, the Loan shall not bear any interest during a six-month period. The parties may decide to review the interest rate after the expiry of this six-month period. Stena Drilling International S.à r.l. is entitled to convert the Loan amount at any time into shares by requiring Stena International S.A. to exchange the amount owed to it under the Loan into share capital.

The total amount outstanding as at December 31, 2020 is USD 635,090,892 (2019: USD 635,090,892). This amount is shown in the balance sheet at the exchange rate applicable as at December 31, 2020 equivalent to EUR 519,884,489, while the amount outstanding is equal to EUR 492,291,187 when converting at its historical Euro equivalent. The difference of EUR 27,593,302 is the accumulated unrealised exchange gain on this transaction. This loan is closely related with foreign exchange hedge contracts set up with AB Stena Finans. Therefore the unrealised gain has been recognised and presented in the profit and loss account.

At the end of 2019, in the opinion of the Directors, the total accumulated value adjustment of the loan to Stena Drilling International S.à r.l. amounted to EUR 443,982,287.

Stena International S.A.

Notes to the annual accounts
for the year ended December 31, 2020
(continued)

4.2 Loans to affiliated undertakings (continued)

At the end of 2020, in the opinion of the Directors, the impairment recognized is reduced due to a durable increase of the value of the loan to Stena Drilling International S.à r.l. of EUR 32,966,246.

The total durable diminution in value of the loan amounts to USD 502,097,196 (EUR 411,016,041) as at December 31, 2020.

As at December 31, 2020, the amount of the loan, net of diminution in value, was USD 132,993,696 (EUR 108,868,448).

- Loan facility Stena Carron Lux 3 S.à r.l.

On March 3, 2014, the Company and Stena Carron Lux 3 S.à r.l. concluded a Subordinated Loan Facility Agreement of up to USD 450 million to reimburse the existing credit facility between Citibank and Stena Carron Lux 3 S.à r.l., which was used to finance the drillship Stena Carron. The maturity date of the facility is March 3, 2021. Interest is charged at “cost of funds” plus a margin of 0.25%, and capital of USD 812,500 is repaid each quarter starting on September 30, 2014, with full repayment of the outstanding amount on March 3, 2021. On September 30, 2014, Stena Carron Lux 3 S.à r.l. drew down an additional amount of USD 33 million (EUR 26,132,403).

As at December 31, 2019, an amount of USD 391,038,264 (EUR 286,197,235) was outstanding. On January 31, 2020, Stena Carron Lux 3 S.à r.l. repaid partially to the Company the amount USD 10,759,416 related to this Loan Facility.

In the event of default under the terms and conditions of the Senior Secured Notes (note 9) or Senior Secured Term Loan Facility (note 10), this loan granted to Stena Carron Lux 3 S.à r.l. has priority over any debt that Stena Carron Lux 3 S.à r.l. has incurred.

This loan is closely related with non-subordinated debts (see note 9 and 10).

On January 31, 2020, following the repayment by the Company of the Senior Secured Term Loan Facility for an outstanding amount of USD 612,625,000 plus corresponding interest (note 10), and the issuance of a Senior Secured Notes for an amount of USD 350 million with a maturity on February 1, 2025, and the issuance of a Senior Secured Notes for an amount of EUR 315 million with a maturity on February 1, 2025 (note 9), this Subordinated Loan Facility Agreement has been cancelled and replaced by a new Subordinated Loan Facility Agreement of up to USD 380,278,847.

The maturity of the facility is February 1, 2025. Interest is charged at “cost of funds” plus a margin of 1.09%. Interest shall be payable in cash semi-annually in arrears on February 1 and August 1 commencing on August 1, 2020.

As at December 31, 2020, the amount of USD 380,278,847 (EUR 311,295,717) was outstanding, and accrued interest was USD 12,609,254 (EUR 10,321,923).

In the event of default under the terms and conditions of the Senior Secured Notes (note 9), this loan granted to Stena Carron Lux 3 S.à r.l. has priority over any debt that Stena Carron Lux 3 S.à r.l. has incurred. This loan is closely related with non-convertible loans (see note 9).

Stena International S.A.

Notes to the annual accounts
for the year ended December 31, 2020
(continued)

4.2 Loans to affiliated undertakings (continued)

- Loan facility Stena Drillmax Lux 3 S.à r.l.

On March 3, 2014, the Company and Stena Drillmax Lux 3 S.à r.l. concluded a Subordinated Loan Facility of up to USD 450 million to reimburse the existing credit facility between Citibank and Stena Drillmax Lux 3 S.à r.l., which was used to finance the drillship Stena Drillmax. The maturity date of the facility is March 3, 2021. Interest is charged at “cost of funds” plus a margin of 0.25%, and capital of USD 812,500 is repaid each quarter starting on September 30, 2014, with full repayment of the outstanding amount on March 3, 2021.

As at December 31, 2019 an amount of USD 319,721,153 (EUR 232,313,226) was outstanding.

In the event of default under the terms and conditions of the Senior Secured Notes (note 9) or Senior Secured Term Loan Facility (note 10), this loan granted to Stena Drillmax Lux 3 S.à r.l. has priority over any debt that Stena Drillmax Lux 3 S.à r.l. has incurred.

This loan is closely related with non-subordinated debts (see note 9 and 10).

On January 31, 2020, following the repayment by the Company of the Senior Secured Term Loan Facility for an outstanding amount of USD 612,625,000 plus corresponding interest (note 10), and the issuance of a Senior Secured Notes for an amount of USD 350 million with a maturity on February 1, 2025, and the issuance of a Senior Secured Notes for an amount of EUR 315 million with a maturity on February 1, 2025 (note 9), this Subordinated Loan Facility Agreement has been cancelled and replaced by a new Subordinated Loan Facility Agreement of up to USD 319,721,153.

The maturity of the facility is February 1, 2025. Interest is charged at “cost of funds” plus a margin of 1.09%. Interest shall be payable in cash semi-annually in arrears on February 1 and August 1 commencing on August 1, 2020.

As at December 31, 2020, the amount of USD 319,721,153 (EUR 261,723,275) was outstanding, and accrued interest was USD 10,601,287 (EUR 8,678,203).

In the event of default under the terms and conditions of the Senior Secured Notes (note 9), this loan granted to Stena Drillmax Lux 3 S.à r.l. has priority over any debt that Stena Drillmax Lux 3 S.à r.l. has incurred. This loan is closely related with non-convertible loans (see note 9).

- Loan facility AB Stena Finans

On March 3, 2014, the Company and AB Stena Finans concluded a Loan Facility of up to USD 400 million. The maturity date of the facility is March 3, 2021. Interest is charged at “cost of funds” plus a margin of 0.25%, with full repayment of outstanding amount on March 3, 2021.

On March 3, 2014, AB Stena Finans drew down an amount of USD 176 million (EUR 127,883,712), and on June 30, 2014, an additional amount of USD 108,865,584 (EUR 79,519,124).

On September 30, 2014, AB Stena Finans repaid an amount of USD 33 million (EUR 24,026,397) of the loan.

As at December 31, 2019 an amount of USD 251,865,584 (EUR 183,376,439) was outstanding.

Stena International S.A.

Notes to the annual accounts
for the year ended December 31, 2020
(continued)

4.2 Loans to affiliated undertakings (continued)

On January 31, 2020, following the repayment by the Company of the Senior Secured Term Loan Facility for an outstanding amount of USD 612,625,000 plus corresponding interest (note 10), and the issuance of a Senior Secured Notes for an amount of USD 350 million with a maturity on February 1, 2025, and the issuance of a Senior Secured Notes for an amount of EUR 315 million with a maturity on February 1, 2025 (note 9), this Loan Facility has been fully repaid for an outstanding amount of USD 251,865,584 and the Agreement has been cancelled. On the same date, a new Loan Facility Agreement of up to EUR 315,000,000 has been set up.

The maturity of the facility is March 1, 2024. Interest is charged at “cost of funds” plus a margin of 1.09%. Interest shall be payable in cash semi-annually in arrears on February 1 and August 1 commencing on August 1, 2020.

As at December 31, 2020, the amount of EUR 315,000,000 was outstanding, and accrued interest was EUR 7,780,766. This loan is closely related with non-convertible loans (see note 9).

4.3 Investments held as fixed assets

Investments held as fixed assets comprise:

Name	Registered office	Percentage held	Gross book value as at December 31, 2020 EUR'000	Accumulated value adjustment as at December 31, 2020 EUR'000	Net book value as at December 31, 2020 EUR'000	Share of net equity* as at December 31, 2020 EUR'000	Result for the year ended December 31, 2020 EUR'000
Mondaldi Limited	Cyprus	10%	-	-	-	13	(1)
Stena Drilling Egypt LLC	Egypt	10%	3	-	3	623	-
Total			3	-	3		

* stated inclusive of the result for the year.

Amounts are based on standalone unaudited figures following the accounting framework of the affiliated undertaking.

Stena International S.A.

Notes to the annual accounts
for the year ended December 31, 2020
(continued)

4.3 Investments held as fixed assets (continued)

Movements in investments held as fixed assets were as follows:

	2020 EUR'000	2019 EUR'000
Gross book value opening balance	3	3
Additions for the year	-	-
Disposals for the year	-	-
Gross book value closing balance	<u>3</u>	<u>3</u>
Accumulated value adjustment opening balance	-	-
Value adjustment charged for the year	-	-
Accumulated value adjustment closing balance	<u>-</u>	<u>-</u>
Net book value closing balance	<u><u>3</u></u>	<u><u>3</u></u>
Net book value opening balance	<u><u>3</u></u>	<u><u>3</u></u>

- **Mondaldi Ltd**

The registered office of Mondaldi Ltd is established at Lophitis Business Centre II, 28th October Street, CY-3035 Limassol, Cyprus.

- **Stena Drilling Egypt LLC**

The registered office of Stena Drilling Egypt LLC is established at 19 (23) July Street, Trob Tower, Port Said, Arab Republic of Egypt.

Dividends received:

During 2020, the Company did not receive any dividends (2019: EUR 89,182, recognised in the profit and loss account under “income from participating interests derived from affiliated undertakings”) (refer to note 15).

Stena International S.A.

Notes to the annual accounts
for the year ended December 31, 2020
(continued)

5 Amounts owed by affiliated undertakings

Becoming due and payable within one year

In order to avoid foreign exchange exposure, the Company entered into foreign exchange hedge contracts with AB Stena Finans. The unrealized gain arising from these open contracts as at December 31, 2020 is recognized in the accounts at year end, in accordance with accounting policy. The annual gain on forex exchange hedge contracts in the profit and loss account amounts to EUR 44,282,792 (see note 17).

On September 27, 2019, Stena Investment S.à r.l. and the Company concluded a short-term deposit for an amount of EUR 100 million with a date of maturity in December 27, 2019. This deposit can be renewed every three months. Both parties agreed on a fixed interest rate of 0,10%. The outstanding amount EUR 100 million has been fully repaid on September 30, 2020, including corresponding interest.

6 Prepayments

Costs incurred in order to obtain financing with Senior Secured Notes for respectively amounts of USD 350 million, EUR 315 million, USD 350 million and a Senior Secured Term Loan Facility for an amount of USD 650 million have been capitalized under "Prepayments" and are amortized through the profit and loss account "Interest payable and similar expenses" during the life of each financing. Following the repayment on January 31, 2020 of the Senior Secured Term Loan Facility (see note 10), the corresponding capitalized amount has been fully released to the profit and loss account on the same date.

7 Capital and reserves

The subscribed share capital amounts to EUR 125,199,100, represented by 5,007,964 corporate units with a par value of EUR 25.

Under Luxembourg law an amount equal to at least 5% of the annual net profit must be appropriated to a non-distributable legal reserve until such reserve is at least equivalent to 10% of the value of the subscribed capital. This reserve is not available for distribution.

On June 30, 2020, Stena AB increased the share premium account of the Company by the amount EUR 100,000,000, registered as a capital contribution without issuance of corporate units.

On December 17, 2020, Stena AB increased the share premium account of the Company by the amount EUR 132,400,000, registered as a capital contribution without issuance of corporate units.

No dividend was paid during 2020 and 2019.

Stena International S.A.

Notes to the annual accounts
for the year ended December 31, 2020
(continued)

8 Movements for the year on the capital and reserves and profit and loss items

	Subscribed capital EUR'000	Share premium and similar premium account EUR'000	Legal reserve EUR'000	Profit / (Loss) brought forward EUR'000	Profit / (Loss) for the financial year EUR'000	Total EUR'000
As at December 31, 2019	125,199	1,113,372	12,520	339,279	1,895	1,592,265
Movement for the year						
Allocation of prior year's profit	-	-	-	1,895	(1,895)	-
Profit/(Loss) of the year	-	-	-	-	(282,310)	(282,310)
Dividend paid	-	-	-	-	-	-
Share premium account increase	-	232,400	-	-	-	232,400
As at December 31, 2020	125,199	1,345,772	12,520	341,174	(282,310)	1,542,355

9 Non-convertible loans

• USD Senior Secured Notes maturity 2024

On February 21, 2014, the Company issued Senior Secured Notes for an amount of USD 350 million (EUR 254,314,200) guaranteed by Stena AB and secured by mortgages on the vessels Stena Carron and Stena Drillmax. The notes are classified under "Non-convertible loans" in the balance sheet.

The notes bear interest at the rate of 5.75% per year. The notes will mature on March 1, 2024. Interest on the notes are payable on March 1 and September 1 of each year, beginning on September 1, 2014.

As at December 31, 2020 the amount of USD 350,000,000 (EUR 286,509,496) was outstanding, and accrued interest was USD 6,708,333 (EUR 5,491,435).

As at December 31, 2019, the outstanding amount was USD 350,000,000 (EUR 255,198,457) and accrued interest was USD 6,708,333 (EUR 5,982,639).

• USD Senior Secured Notes maturity 2025

On January 31, 2020, the Company issued Senior Secured Notes for an amount of USD 350 million (EUR 315,514,150) guaranteed by Stena AB and secured by mortgages on the vessels Stena Carron and Stena Drillmax. The notes are classified under "Non-convertible loans" in the balance sheet.

The notes bear interest at the rate of 6.125% per year. The notes will mature on February 1, 2025. Interest on the notes are payable on February 1 and August 1 of each year, beginning on August 1, 2020.

As at December 31, 2020 the amount of USD 350,000,000 (EUR 286,509,496) was outstanding, and accrued interest was USD 8,932,292 (EUR 7,311,965).

Stena International S.A.

Notes to the annual accounts
for the year ended December 31, 2020
(continued)

9 Non-convertible loans (continued)

- **EUR Senior Secured Notes maturity 2025**

On January 31, 2020, the Company issued Senior Secured Notes for an amount of EUR 315 million guaranteed by Stena AB and secured by mortgages on the vessels Stena Carron and Stena Drillmax. The notes are classified under “Non-convertible loans” in the balance sheet.

The notes bear interest at the rate of 3.75% per year. The notes will mature on February 1, 2025. Interest on the notes are payable on February 1 and August 1 of each year, beginning on August 1, 2020.

As at December 31, 2020 the amount of EUR 315,000,000 was outstanding, and accrued interest was EUR 4,921,875.

Amounts due and payable for the accounts shown under “Non-convertible loans” are as follows:

	Within one year	After one year and within five years	After more than five years	Total 2020	Total 2019
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Non-convertible USD loans maturity 2024	5,491	286,510	-	292,001	261,181
Non-convertible USD loans maturity 2025	7,312	286,510	-	293,822	-
Non-convertible EUR loans maturity 2025	4,922	315,000	-	319,922	-
Total	17,725	888,020	-	905,745	261,181

10 Amounts owed to credit institutions

The amounts owed to credit institutions are amounts owed under a cash pooling arrangement with Svenska Handelsbanken in London. Interest charged on overdraft was at base rate plus a margin of 2.35%. No overdraft as at December 31, 2019 was outstanding.

In addition, on March 3, 2014, the Company and various lenders entered into a Senior Secured Term Loan Facility for an amount of USD 650 million (EUR 427,297,800) guaranteed by Stena AB and secured by mortgages on the vessels Stena Carron and Stena Drillmax. The maturity date of this facility is March 3, 2021, and capital of USD 1,625,000 is repaid each quarter starting on June 30, 2014. The interest terms of this loan are Libor, with a minimum floor of 1%, plus a margin of 3%.

As at December 31, 2019 an amount of USD 612,625,000 (EUR 446,688,443) was outstanding and there was no accrued interest.

On January 31, 2020, the Company repaid the Senior Secured Term Loan Facility for an outstanding amount of USD 612,625,000 plus corresponding interest.

Stena International S.A.

Notes to the annual accounts
for the year ended December 31, 2020
(continued)

10 Amounts owed to credit institutions (continued)

Amounts due and payable for the accounts shown under “creditors” are as follows:

	Within one year	After one year and within five years	After more than five years	Total 2020	Total 2019
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Amounts owed to credit institutions	-	-	-	-	446,688
Total	-	-	-	-	446,688

11 Amounts owed to affiliated undertakings

Becoming due and payable within one year

The Company recorded as guarantees expense in the profit and loss account an amount of EUR 6,879,989 (see note 19) towards Stena Carron Lux 3 S.à r.l., Stena Drillmax Lux 3 S.à r.l. for pledging their assets as security for Stena International S.A.’s Senior Secured Notes and Senior Secured Term Loan Facility. Furthermore, Stena AB has guaranteed the Stena International S.A.’s Senior Secured Notes and Senior Secured Term Loan Facility (refer to notes 9 and 10).

On September 27, 2019, AB Stena Finans and the Company concluded a short-term deposit for an amount of EUR 100 million with a date of maturity in December 27, 2019. This deposit can be renewed every three months. Both parties agreed on a negative fixed interest rate of 0,10%. The outstanding amount EUR 100 million has been fully repaid on September 30, 2020, including corresponding interest.

12 Taxation

The Company is subject to normal taxation under the Luxembourg tax regulations applicable to commercial companies. The Luxembourg companies, Stena International S.A., Stena Investment S.à r.l., Stena Royal S.à r.l., Stena Drilling International S.à r.l., Stena Midwater S.à r.l., Stena Forth Lux 1 S.à r.l., Stena Forth Lux 3 S.à r.l., Stena Carron Lux 1 S.à r.l., Stena Carron Lux 3 S.à r.l., Stena Drillmax Lux 1 S.à r.l., Stena Drillmax Lux 3 S.à r.l. and Wasa Chip S.à r.l. of the Stena group have been entered into a tax grouping.

Due to the utilization of losses carried forward, the Company does not pay tax during 2020, with the exception of a net wealth tax amount of EUR 43,010.

Stena International S.A.

Notes to the annual accounts
for the year ended December 31, 2020
(continued)

13 Staff costs

As at December 31, 2020, the Company has three full-time employees and two part-time employees, a full-time Manager and a part-time Manager. (2019: three full-time employees and two part-time employees, a full-time Manager and a part-time Manager).

14 Other operating expenses

Other operating expenses mainly include remuneration granted to Directors during 2020 for an amount of EUR 52,454 (2019: EUR 164,975).

15 Income from participating interests

Amounts shown under “Income from participating interests” are as follows:

	2020	2019
	EUR'000	EUR'000
Dividends from affiliated undertakings	-	195,077
Total	-	195,077

16 Income from other investments and loans forming part of the fixed assets derived from affiliated undertakings

Amounts shown under “Income from other investments and loans forming part of the fixed assets derived from affiliated undertakings” are as follows:

	2020	2019
	EUR'000	EUR'000
Interest from other investments and loans forming part of the fixed assets derived from affiliated undertakings	67,276	59,432
Total	67,276	59,432

Stena International S.A.

Notes to the annual accounts
for the year ended December 31, 2020
(continued)

17 Other interest receivable and similar income

Amounts shown under “Other interest receivable and similar income” are as follows:

	2020	2019
	EUR'000	EUR'000
Income from affiliated undertakings:		
Other financial income (on hedging)	44,283	-
Interest receivable	195	148
Other income	<u>1,802</u>	<u>1,654</u>
	46,280	1,802
Other income:		
Net foreign exchange gains	-	12,438
Interest income on bank accounts	45	8
Other income	<u>114</u>	<u>-</u>
	159	12,446
Total	<u><u>46,439</u></u>	<u><u>14,248</u></u>

18 Value adjustments in respect of financial assets and of investments held as current assets

Amounts shown under “Value adjustments in respect of financial assets and of investments held as current assets” are as follows:

	2020	2019
	EUR'000	EUR'000
Value adjustments of financial fixed assets on shares in affiliated undertakings	(283,446)	(171,181)
Reversal of value adjustments of financial fixed assets on shares in affiliated undertakings	110,159	32,173
Value adjustments of financial fixed assets on amounts owed by affiliated undertakings	-	(50,633)
Reversal of value adjustments of financial fixed assets on loans to affiliated undertakings	<u>32,966</u>	<u>12,807</u>
Total	<u><u>(140,321)</u></u>	<u><u>(176,834)</u></u>

Stena International S.A.

Notes to the annual accounts
for the year ended December 31, 2020
(continued)

19 Interest payable and similar expenses

Amounts shown under “Interest payable and similar expenses” are as follows:

	2020	2019
	EUR'000	EUR'000
Expense from affiliated undertakings:		
Other financial charges (on hedging)	-	(12,265)
Interest payable	(9,676)	(16,884)
Guarantees expense	(6,880)	(6,489)
Result from sale / liquidation of participations	(139,112)	-
	<u>(155,668)</u>	<u>(35,638)</u>
Other expense:		
Net foreign exchange loss	(46,282)	-
Interest on debenture loans	(44,330)	(18,156)
Interest on loan facility	(2,352)	(30,564)
Interest on bank accounts	(209)	(741)
Amortization financing costs	(3,514)	(1,692)
Guarantees expense	(5)	-
	<u>(96,692)</u>	<u>(51,153)</u>
Total	<u>(252,360)</u>	<u>(86,791)</u>

As mentioned in note 4.1, the affiliated undertakings Stena Don AB and Stena Royal S.à r.l. have been liquidated in 2020, resulting in a loss of EUR 102,049,424 and EUR 37,062,834 respectively, and shown above under “Result from sale / liquidation of participations”.

20 Off balance sheet commitments

As at December 31, 2020 Stena International S.A. has issued corporate guarantees amounting to EUR 782 million (2019: EUR 1,011 million) on behalf of a number of its subsidiaries; initially these guarantees amounted to EUR 1,129 million, but after payment of planned instalments they have been reduced to EUR 782 million. These guarantees have been provided to shipyards and suppliers in order to guarantee various obligations of the subsidiaries in question under shipbuilding and other contracts. In the event of a default, Stena International S.A. would be required to perform under the guarantees. A corporate guarantee amounting to EUR 410 million as at December 31, 2020 has expired in April 2021.

Stena International S.A. has issued a Parent Company guarantee in connection with a subsidiary's obligations to Hess Corporation under a contract for the employment, by Hess, of the deepwater drillship Stena Forth, which commenced September 21, 2007.

Stena International S.A.

Notes to the annual accounts
for the year ended December 31, 2020
(continued)

20 Off balance sheet commitments (continued)

Stena International S.A. has issued a guarantee to the Buyers of HH Ferries, First State Infrastructure Investments AB in connection with all obligations of “Stena” companies under the share purchase agreement dated on January 9, 2015.

Stena International S.A. has issued a Parent Company guarantee in connection with a subsidiary’s obligations to Tullow Ghana Limited under a contract of employment for the deepwater drillship Stena Forth dated on July 4, 2018.

Stena International S.A. has issued a Parent Company guarantee in connection with a subsidiary’s obligations to Adyen N.V. for all current and future obligations existing or arising pursuant to the Merchant Agreement dated on March 25, 2019.

Stena International S.A. has issued a Parent Company guarantee in connection with a subsidiary’s obligations to Karoon under a Marine Drilling contract for the deepwater drillship Stena Forth dated on June 1, 2018.

Stena International S.A. has issued a Parent Company guarantee in connection with a subsidiary’s obligations to Repsol Exploracion Mexico S.A. de C.V. under a Marine Drilling contract for the deepwater drillship Stena Icemax dated on September 21, 2020.

Stena International S.A. has issued a Parent Company guarantee in connection with a subsidiary’s obligations to Tullow Suriname BV under a Marine Drilling contract for the deepwater drillship Stena Forth dated on August 31, 2020.

Stena International S.A. has issued guarantees in favour of banks to guarantee the liabilities of various Stena AB Group companies in connection with outstanding transactions under ISDA Master Agreements. As at December 31, 2020, the value of the guarantees is EUR 64 million.

Stena International S.A. has issued guarantees for rent of offices and apartments for a total amount of EUR 127,422.

In addition to the above mentioned parent company guarantees, Stena AB, Stena International S.A.’s parent company, has granted various guarantees on behalf of subsidiaries of Stena International S.A.. In September 2008, Stena International S.A. entered into an indemnity agreement with Stena AB whereby Stena International S.A. undertakes to reimburse Stena AB for any amounts paid out under such guarantees. As at December 31, 2020, the value of the guarantees is EUR 2,526 million (2019: EUR 2,423 million).

As at December 31, 2020, the Company has signed foreign exchange SWAP contracts with AB Stena Finans for a total amount of USD 642,900,000 (maturity February 18, 2021) in order to hedge mainly the currency exposure USD/EUR of various Inter Company loans receivables and external financial debts.

Stena International S.A.

Notes to the annual accounts
for the year ended December 31, 2020
(continued)

20 Off balance sheet commitments (continued)

As of December 31, 2020, the Company's unused credit line facilities granted to Stena International SA group companies are the following:

Name	EUR'000 *
Stena Drilling International S.à r.l.	13,016
Total	13,016

* amounts converted to EUR with closing rate.

21 Subsequent events

No events.