

STENA ADACTUM

Stena Adactum is Stena AB's (publ) wholly-owned investment company that works in a long-term ownership perspective to develop and invest in listed and unlisted companies. Stena Adactum has a deep commitment, and works actively via the Boards of Directors to influence its portfolio companies, so that the activities create high value, based on sound business ethics, and a sustainability perspective.

Stena Adactum achieved a record result in 2018. The portfolio companies are well-positioned, and have strong management teams and sound finances, which has given good opportunities to leverage the sound cyclical position in recent years. Stena Adactum achieved strong underlying results, despite unfavourable weather conditions that mainly affected Stena Renewable and Blomsterlandet. Together with capital gains, the sound operating profit has contributed to a strong cash flow and result. However, Gunnebo's major write-down on the sale of its French activity had a negative impact.

WHOLLY-OWNED PORTFOLIO COMPANIES

Ballingslöv International, a Group with a number of leading kitchen brands, saw continued strong growth, with sound development in the kitchen markets in Norway, Denmark and Finland, and stable progress in Sweden. The Netherlands and Belgium also achieved strong growth during the year.

During 2018, the Blomsterlandet chain expanded and opened five new Garden Centers, and now has 58 units in Sweden. There are also plans to open additional centres in the coming years. S-Blommor, which handled the Group's sales via grocery outlets, was divested during the year. The full focus is on running the Blomsterlandet stores and further developing e-commerce.

Envac delivers infrastructure solutions in the form of automatic waste handling systems and has activities in over 20 countries. The company's largest market is the new development of residential areas and hospitals, and saw strong market development in 2018 in several Asian and Nordic countries.

Captum was started in 2017 and offers consumer credit and payment solutions. They are now in an expansive stage. After the company's geographical expansion in 2018, besides Sweden it now also has Norway and Denmark as its market.

PARTLY-OWNED PORTFOLIO COMPANIES

Electricity prices recovered in 2018, giving opportunities for investment in Stena Renewable's project portfolio. At the beginning of the year, construction of 19 wind turbines commenced, for a value of SEK 750 million.

Stena Adactum sold 65 per cent of its holdings in Stena Renewable, in order to support the investment in 300 new wind power projects, realising a net gain of MSEK 160.

During the year, Gunnebo divested its large French operation and is now focusing on the core activities of entry control, cash handling and secure storage solutions, for which the company has a leading position, with sound growth.

Svedbergs continued to perform well in the consumer segment in 2018, while the project market was weaker. The company launched several new products and is now establishing a stronger market and sales organisation.

Midsona is a leader in the Nordic region for healthy and organic foods and personal care. The company performed well during the year, with continued expansion and growth. In 2018, the company acquired the German company, Davert, which is a leading operator within organic foods in the German market.

STENA ADACTUM FACTS

21%

Share of Group revenue

2,700









Employees

7,300

MSEK income

5,400

MSEK capital employed

 Ballingslöv International 100%	 Blomsterlandet 100%
 envac 100%	 captum / 100%
 GUNNEBO 26%	 SVEDBERGS 26%
 midsona 24%	 Stena Renewable 35%

% = Share of ownership



Through active ownership we raise awareness of sustainability issues in our portfolio companies.



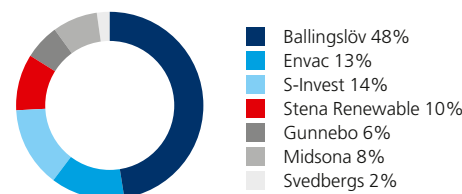
Martin Svalstedt MD

PARTNERSHIPS FOR CONTINUED DEVELOPMENT OF WIND POWER

Since 2006, Stena Renewable has developed into one of Sweden's largest and most successful land-based wind power companies, with 94 wind turbines and installed capacity of 244 MW. To ensure the company's continued expansion, during the year Stena Adactum sold 65 per cent of its holdings in Stena Renewable, in order to support the investment in 300 new wind power projects, realising a net gain of MSEK 160. Together with these strong owners, Stena Renewable will now be able to achieve the major project portfolio and continue to develop and acquire new projects. This lays the foundation for building the next generation's power companies based solely on renewable electricity production.



MARKET VALUE PER PORTFOLIO COMPANIES, %



RESPONSIBLE INVESTMENTS

BLOMSTERLANDET TAKES RESPONSIBILITY FOR PEOPLE AND THE ENVIRONMENT

Blomsterlandet¹ will take responsibility for our impact on society through our own activities, as well as our products. Our plants and accessories must always be of good quality and we work actively to create environmentally sound products that are manufactured in good conditions. In 2018, Blomsterlandet has identified those of the UN Sustainable Development Goals (SDG) that the company strives to achieve.

SDG	Focus areas	Target 2019	2018	2017
13.3	Climate impacts by changing transport modes (tonnes CO ₂)	Reduction by 500 tonnes. The aim is to use rail transport to cover a larger proportion of goods deliveries	3,500 tonnes	NA
12.5	Recycling (%)	Increase the recycling ratio by 7 percentage from the preceding year	17%	18%
12.2	Reduce the content of plastic in waste (tonnes)	Reduction by 2 tonnes/store	30 tonnes/store	31 tonnes/store
7.3	Green Property (GWh)	Reduction by 150 GWh	3,750 GWh	3,700 GWh

BALLINGSLÖV'S SUSTAINABILITY INITIATIVES PRODUCE RESULTS

Ballingslöv¹ works to reduce environmental impacts at every stage of the value chain, from procurement of more sustainable materials to reduced emissions of chemicals and carbon dioxide. Ballingslöv also has the vision of zero occupational accidents and for several years has worked with a code of conduct for suppliers. In 2018, Ballingslöv has identified those of the UN Sustainable Development Goals (SDG) that the company strives to achieve.

SDG	Focus areas	Target 2022	2018	2017	2016
13.2	CO ₂ emissions (kg/cabinet) ²	2,8	3.1	3.4	3.4
13.2	Chemicals - VOC ³ emissions				
	- efficiency, cleaning (%)	>95%	96.1	96.0	95.8
	- total VOC emissions (tonnes)	<20 tonnes	14.5	17.0	18.8
	- VOC emissions (kg/cabinet)	0.04	0.043	0.049	0.055
8.8	Safety and personnel: number of accidents ⁴	0	9	10	11
12.5	Products' recyclability (%)	>90%	90	90	90
16.5 & 16.B	Human rights: Suppliers with a procurement volume >300 TEUR must sign the BI Code of Conduct (%)	100%	98	80	50

1) Blomsterlandet and Ballingslöv are subject to statutory requirements concerning sustainability reporting, and more detailed sustainability information is therefore reported for these two holdings. 2) kg per produced cabinet unit from production 3) Volatile organic compounds. 4) Accident involving absence, 1 day absence or more