

Q4 20

YEAR-END REPORT, 1 JANUARY–31 DECEMBER 2020

Market remains weak

- **Total income**
Q4: SEK 165.7 (317.6) million
12 months: SEK 1,025.8 (1,140.2) million
 - **EBITDA**
Q4: SEK –4.6 (62.3) million
12 months: SEK 277.8 (249.5) million
 - **Result before tax**
Q4: SEK –86.5 (–29.3) million
12 months: SEK –65.1 (–102.3) million
 - **Result per share after tax**
Q4: SEK –1.83 (–0.62)
12 months: SEK –1.38 (–2.15)
- Events in the fourth quarter**
 - Two scheduled drydockings completed
 - Financing of installation of ballast water management system and refinancing of credit facility
 - The Board proposes to the AGM a dividend of SEK 0 (0) per share
 - Martin Nerfeldt new CFO and member of Group management

Key figures

	Q4 (Oct–Dec)		Full year	
	2020	2019	2020	2019
Total income, SEK million	165.7	317.6	1,025.8	1,140.2
EBITDA, SEK million	–4.6	62.3	277.8	249.5
EBITDA, USD million	0.1 ¹⁾	6.5	30.2	26.4
Operating result, SEK million	–59.9	–3.3	32.6	–0.4
Result before tax, SEK million	–86.5	–29.3	–65.1	–102.3
Result after tax, SEK million	–87.4	–29.5	–66.0	–102.6
Equity ratio, %	28	29	28	29
Return on equity, %	–6	–1	–6	–9
Available liquid funds, including unutilised credit facilities, SEK million	378.0	354.8	378.0	354.8
Result per share after tax, SEK	–1.83	–0.62	–1.38	–2.15
Equity per share, SEK	16.66	22.12	16.66	22.12
Lost-time injuries	1	0	2	1

1) EBITDA in USD for the quarter was USD 0.1 million. The conversion into SEK is negative as the USD–SEK exchange rate has changed from 8.96 to 8.23 during the quarter. Consequently, EBITDA in SEK is negative for the quarter.

Accounting policies, see page 18. Definitions: see page 16.

A weak quarter affected by Covid-19

As a direct consequence of the pandemic, we are now leaving another quarter affected by a weak market behind us. The fourth quarter was particularly weak, with rates at record lows. Behind this development is the second Covid-19 wave, which has left the oil market with a subdued rate of recovery in terms of oil production and consumption – and therefore low demand for tanker transport. The conditions for a turnaround are there and we expect a gradual strengthening of the market during the second half of 2021.

The market's development is, of course, also reflected in our own earnings. Result before tax for the quarter amounted to SEK –86.5 (–29.3) million. EBITDA was SEK –4.6 (62.3) million, corresponding to USD 0.1 (6.5) million. Looking at the year as a whole, we reported a result before tax of SEK –65.1 (–102.3) million. EBITDA was SEK 277.8 (249.5) million, corresponding to USD 30.2 (26.4) million.

In addition to the generally low freight rates, our financial position was also negatively affected by a large-scale drydock program, including significant investments in statutory ballast water treatment systems.

2020 – a roller coaster year

2020 was a special and particularly challenging year, dominated by Covid-19 and lockdowns of society on a scale we have never seen before. If we look at the tanker market's development, it can be summed up in one word – volatile. This has been a roller coaster year without historical parallel.

At the end of 2019, the entire tanker market was heading into a structural upturn. Freight rates were high and all arrows were pointing in the right direction. Then came the pandemic. Demand for oil fell at the most by approximately 20 percent compared with the end of 2019 and freight rates dropped like stones.

However, the fall was short-lived, as a record-low oil price led to a sharp increase in oil trading – resulting in sky-high rates in the tanker market. This rise, also very short-lived, was not driven by a real increase in demand for oil, but was entirely a consequence of the low price of oil. This resulted in large stock build-ups.

From summer onwards, the combination of stock withdrawals, extremely subdued oil consumption in general terms and massive production cuts resulted in a record-weak market. And although the short upturn in spring helped to balance out the dips to some extent, it was not long enough to create a positive full year result. The entire second half of the year has been extremely challenging and the structural upturn we saw at the end of 2019 has now been delayed by approximately 18 months until the middle of this year, 2021.

Outlook

We do not therefore expect any significant change in a shorter perspective, but the market is highly likely to remain weak for the rest of the first quarter of 2021. During the second quarter, we believe that the market may show signs of a slight strengthening from low levels. From the third quarter onwards, it is expected that the increase in oil consumption and oil production will have a positive effect on demand for tanker transport.



With regard to demand for oil, we note that consumption continues to recover. With the combination of increased oil consumption and continuing production cuts by the OPEC+ oil-producing countries, the large build up of stocks during spring is now gradually declining. The second wave of Covid-19 means that developments may not really be at the pace we previously expected – but they are clearly going in the right direction.

Looking at the supply side, we can see that the total order book for the product tank segment is at about 6 percent of the total tanker fleet, the lowest level in 25 years. Overall, this is expected to result in annual net fleet growth of about 2 percent in 2021 and 2022, including the phasing out of older vessels. This is a historically low level.

For many reasons, 2020 is a year we would rather forget. We now look forward to tackling 2021. A year that will probably also be characterised by volatility. The market has started as weakly as the year 2020 ended, but we believe that the long-awaited strengthening of the market will come in the second half of the year.

Kim Ullman, President

Business activities

Spot market earnings for the product tanker fleet in the fourth quarter of 2020 were USD 11,100 (14,800) per day, which was higher than average earnings per day for the market¹⁾, USD 6,400 (20,000). Earnings for the suezmax fleet in the quarter were USD 10,000 (44,000) per day, compared with the average earnings for the market¹⁾ of USD 6,500 (72,800) per day.

The product tanker fleet

The ten 65,200 dwt P-MAX tankers are the backbone of Concordia Maritime's fleet. At the end of the reporting period, three of the vessels were employed on time charters. The other seven were employed in the spot market under commercial management through Stena Bulk. The two IMOIMAX vessels *Stena Image* and *Stena Important*, contracted in on long-term charters, also continued to be employed in the spot market under the cooperation with Stena Bulk.

Earnings

Average earnings for the entire product tanker fleet, spot and TC, during the fourth quarter were USD 12,600 (14,900) per day. For vessels employed in the spot market, average earnings for the quarter were USD 11,100 (14,800) per day. For the full year, average earnings for the entire product tanker fleet, spot and TC, were USD 16,200 (14,500) per day. For vessels employed in the spot market, average earnings for the year were USD 16,100 (14,300) per day.

Suezmax fleet

During the quarter, the suezmax fleet consisted of the suezmax tanker *Stena Supreme* (158,000 dwt), which is on a long-term charter, and four vessels on short-term contracts. These are

joint charters with Stena Bulk, and Concordia Maritime's share is 33 percent for two of the vessels and 50 percent for the other two. All the vessels were employed in the spot market via Stena Sonangol Suezmax Pool, controlled by Stena and the Angolan state oil company Sonangol.

Earnings

Average earnings for the suezmax fleet were USD 10,000 (44,000) per day for the quarter and USD 27,100 (28,000) per day for the year.

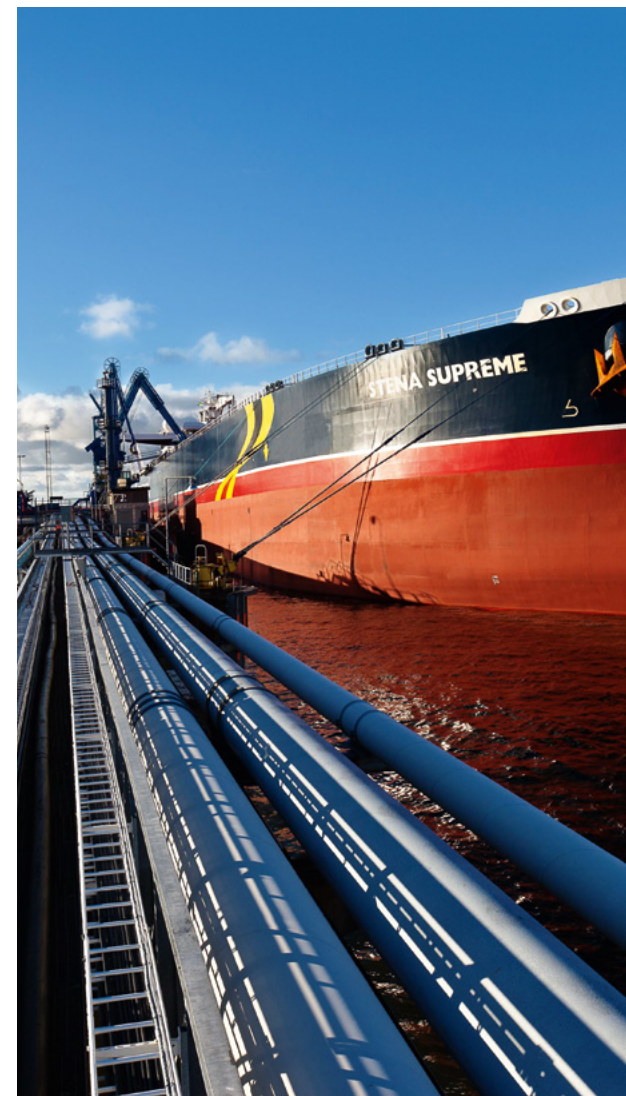
Repairs and drydock

During the fourth quarter, drydockings of *Stena Penguin* and *Stena Important* were completed and drydocking of *Stena Paris* was commenced.

Current status of contracted freights Q1 2021, 28 January

	Total number of available charter days	Share of chartered days (%)	Average earnings (\$/day)
Product tankers, spot	810	49	10,000
Suezmax, spot	240	46	12,400

The contracted average earnings are based on initial projections, which may change considerably during the course of an individual voyage. This means that the final accounting result may differ materially from the average earnings stated above.



1) Clarkson index

Earnings, spot

USD per day	Number of ships	Average earnings, Concordia Maritime				Average earnings, market ^{1,2)}			
		Q4 2020	Q4 2019	Full year 2020	Full year 2019	Q4 2020	Q4 2019	Full year 2020	Full year 2019
Product tankers	10.5	11,100	14,800	16,100	14,300	6,400	20,000	15,300	13,700
Suezmax	1	10,000	44,000	27,100	28,000	6,500	72,800	30,200	31,600

¹⁾ Clarksons w.w. average MR Clean Earnings

²⁾ Clarksons w.w. Suezmax Long Run Historical Earnings

Concordia Maritime's spot market product tanker fleet performed above Clarksons theoretical index during the quarter. Concordia Maritime's earnings in the Suezmax segment were higher than the index, which shows that the Stena Sonangol pool remains one of the industry's leaders.

EBITDA per quarter

USD millions	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Product tankers, time charter	4.6	4.5	4.2	4.6	1.5	1.9	4.3	4.3
Product tankers, spot, owned and leased tonnage	-2.0	0.3	5.2	5.5	3.1 ²⁾	3.1 ¹⁾	1.2	3.8
Product tankers, spot, short-term chartered tonnage	0.0	0.0	0.0	0.0	0.0	-0.2	-0.1	0.1
Sale of vessels	—	—	—	—	—	—	—	—
Product tankers, total	2.6	4.9	9.3	10.1	4.7	4.8	5.5	8.1
Suezmax, spot, owned and leased tonnage	0.1	1.4	3.4	3.6	3.1	1.0	0.9	1.6
Suezmax, spot, short-term chartered tonnage	-1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sale of vessels	—	—	—	—	—	—	—	—
Suezmax, total	-1.7	1.4	3.4	3.6	3.1	1.0	0.9	1.6
Admin. and other	-0.8	-0.7	-1.0	-0.9	-1.3	-0.4	-0.7	-0.8
Total	0.1	5.5	11.8	12.7	6.5	5.4	5.6	8.9

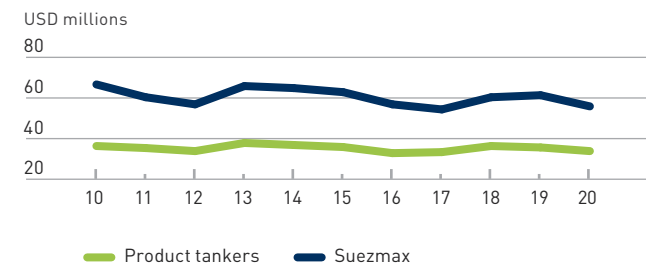
¹⁾ The total includes an IMOIIIMAX bonus of USD 5 million received.

²⁾ The total includes a negative bunker hedge of USD -0.5 million.

Earnings per vessel category

SEK millions	Q4 (Oct-Dec)		Full year	
	2020	2019	2020	2019
Product tankers, time charter	60.3	82.1	262.2	334.7
Product tankers, spot	85.1	196.6	638.0	660.9
Product tankers, total earnings	145.4	278.6	900.2	995.5
Suezmax, spot	17.6	38.7	122.8	96.6
Suezmax, total earnings	17.6	38.7	122.8	96.6
Other	2.8	0.3	2.9	48.0
Total income	165.7	317.6	1,025.8	1,140.2

Newbuilding prices

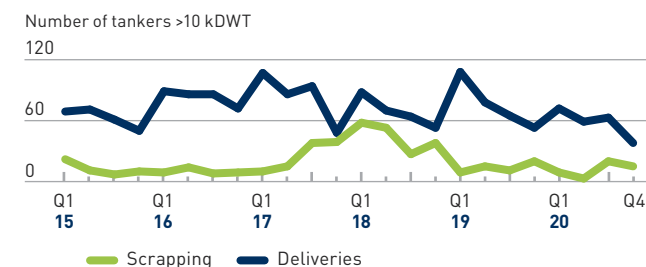


At the end of the quarter, the price of a standard product tanker was about USD 34 million. The price of an IMOII class MR tanker like *Stena Image* and *Stena Important* was about USD 39 million. The price of a standard suezmax tanker at the end of the quarter was about USD 56 million.

The charts show the value at the end of each period and refer to standard vessels.

Source: Clarkson

Scrapping and deliveries



Deliveries of new vessels showed a decline in Q4, while phasing-out through scrapping continued.

Source: Clarkson

Financial summary

Result

Result after tax for the quarter was SEK –87.4 (–29.5) million. The weak tanker market during the quarter meant lower earnings for the spot market vessels. Costs for ongoing operation and administration were in line with the same period the previous year.

Equity

Equity per share was SEK 16.66 (22.12).

Changes in translation and hedging reserves

The Parent Company's functional currency is SEK, but the majority of the transactions in the Group are in USD. The Group's result is generated in USD, which means the result in SEK is a direct function of the SEK/USD exchange rate trend.

The closing amount in the hedging reserve at the end of the quarter was SEK –110.9 (–35.1) million. The closing balance for the translation reserve in equity amounted to SEK 411.4 (531.2) million at the reporting date. The changes are recognised in equity through OCI.

Investments and deposits

Investments in property, plant and equipment during the quarter amounted to SEK 65.6 (26.6) million. Investments for the quarter are related to purchases for completed drydockings during the fourth quarter and planned drydockings during the first quarter 2021. During the quarter, the Company did not buy or sell any assets classified as short-term investments in the Company's balance sheet.

During the quarter, financing of the Company's ballast water installations was agreed with Tritec Marine Ltd. The agreement applies to all the Company's completed and future installations. USD 7.2 million was financed through this agreement during the quarter. The financing agreement also contains a working capital component, which means that the Company can utilise parts of the total investment framework of USD 19 million in advance. The credit facility from Stena Finans was refinanced during the quarter. This has now been increased to USD 15 million.

Bunker hedge

The Company has a bunker hedge of 67,200 tonnes, effective January 2021 to June 2022.

The settlement price for 46,200 tonnes of MGO in 2021 is USD 645/tonne and for 21,000 tonnes of MGO in 2022 USD 618/tonne.

Hedge accounting is applied for the bunker hedge, and the fair value is recognised in other comprehensive income. A fair value change of SEK –72.3 million for this position was reported in OCI during the quarter. The realised values are recognised in the Company's income statement at maturity.

Positions

The Company has positions for the price differential between bunker grades HSFO and MGO for March to June 2021 covering 8,000 tonnes, with a settlement price of USD 325/tonne. The positions are classified as current liabilities in the Company's balance sheet.

At the end of the quarter, the Company had FFA positions for the period January to December 2021. These were valued at SEK –2.1 million and are reported in the Company's income statement.



Valuation of the fleet

The Group's standard process is to conduct six-monthly assessments of the fleet to determine whether there is any indication of impairment. The fleet is defined as two cash-generating units, with product tankers representing one unit and suezmax another unit. An impairment loss is recognised when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. The recoverable amount is the higher of fair value (external valuations) and value in use (future discounted cash flows). At the end of the fourth quarter, the cash-generating units' carrying amounts did not exceed their recoverable amounts and no impairment was therefore recognised.

Seasonal variations

At the end of the quarter, 11.7 vessels in the sailing fleet of 14.7 (10 owned, 3 on bareboat contracts and 1.7 vessels on short time charters) were employed in the spot market, one of them on a CVC contract. Three vessels are out on time charters of two years (until October 2021, with an option for a further year).

Earnings for the vessels that are not signed out to time charters are related to the freight level on the open market. This fleet deployment means that earnings are affected by the seasonal variations that occur in tanker shipping.

Employees

The number of employees in the Group on 31 December 2020 was 3 (6). The Group employed 596 (514) temporary seagoing employees through Stena Sphere's manning company. The number of temporary seagoing employees has increased compared with the same period in 2019. This is due to cabotage trade in Brazil, which requires a certain percentage of the crew to be Brazilian. Another reason for the increase is inefficient crew changes during the period due to Covid-19.

Parent Company

The Parent Company's sales for the quarter amounted to SEK 10.2 (7.6) million, with intragroup invoicing representing SEK 0.0 (0.1) million of this amount. The Parent Company's available liquid funds at the end of the quarter amounted to SEK 198.0 (1,260.1) million, which includes receivables from Group companies in the cash pool and unutilised credit facilities.

Operational challenges

Due to Covid-19, the Company has been unable to carry out crew changes as normal during the quarter. Crew safety comes first and crew changes are carried out when possible.

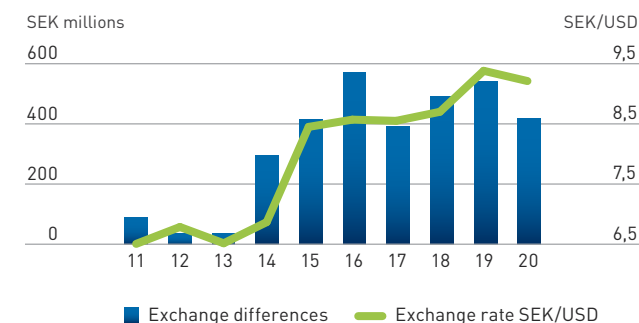
The Group's total income and earnings

SEK millions	Quarter 4		Full year	
	2020	2019	2020	2019
Total income ¹⁾	165.7	317.6	1,025.8	1,140.2
Operating result	-59.9	-3.3	32.6	-0.4
Result before tax	-86.5	-29.3	-65.1	-102.3
Result per share after tax, SEK	-1.83	-0.62	-1.38	-2.15

Liquidity and financial position

SEK millions	31 Dec 2020	31 Dec 2019
Available liquid funds ²⁾	378.0	354.8
Interest-bearing liabilities ³⁾	1,656.5	2,446.7
Equity	795.9	1,055.6
Equity ratio, %	28	29

Translation difference⁴⁾



As a result of the SEK/USD exchange rate, the Company's profit in SEK has changed, while profit in USD remains unchanged.

¹⁾ Accounting policies, see page 18.

²⁾ Including unutilised available credit facilities but not short-term investments in corporate bonds and equities.

³⁾ The increase in interest-bearing liabilities since 2018 is mainly due to the implementation of IFRS 16. Adjusted amounts for the balance sheet can be found on page 12.

⁴⁾ Reported in OCI.

Sustainability report

Sustainability work at Concordia Maritime is conducted on a long-term basis and with relevance, openness and transparency as its main guiding principles. The work is based on a materiality analysis in which the main and most relevant sustainability issues are identified.

None of Concordia Maritime's vessels were involved in any incident that resulted in discharges of bunker oil or cargo during the quarter. Unfortunately, a workplace incident occurred on *Stena Provence* on 14 October when a crew member was standing on some grating that gave way, causing the crew member to fall. On landing from the fall, the crew member received injuries. We are grateful that the crewman has now been given a clean bill of health.

No medical treatment cases or restricted work cases occurred during the quarter.

Two incidents classified as a high potential near miss occurred during the quarter. One happened when *Stena Important* came into port in at Ningbo. Currents and changes in wind direction meant that the mooring ropes could not keep the vessel securely berthed. More mooring ropes were added, enabling the vessel to berth in a secure manner. The second incident concerned *Stena Paris*. It was discovered that the vessel had no lookout and no communication radio on the bridge for a short period. There was one incident classified as damage to property during the quarter. When *Stena Important* was in drydock to undergo a special survey, a sandblasting machine started unintentionally, and before it was stopped, it had made a small hole in a ballast tank.

None of Concordia Maritime's vessels were involved in any piracy-related incidents during the quarter.

External controls

Seven vetting inspections were conducted during the quarter. There were 21 observations recorded during these inspections, resulting in an average of 3 observations per inspection. A total of 33 vetting inspections were conducted in the full year. There were 83 observations recorded during these inspections, resulting in an average of 2.5 observations per inspection.

No port state control resulted in the detention in port of any Concordia Maritime vessel during the quarter.

Energy management

The Company's fleet of owned vessels and vessels on long-term contracts consumed less bunker oil and reported reduced emissions to air compared with Q4 2019. However, fewer ton-miles (decreased transport efficiency) meant that CO₂ emission efficiency was worse in Q4 2020 than in Q4 2019. For the full year 2020, the Company's fleet of owned vessels and vessels on long-term contracts consumed more bunker oil and reported more emissions to air than for the full year 2019. However, more ton-miles (increased transport efficiency) meant that emission efficiency for the full year 2020 was better than for the same period in 2019. Bunker consumption, emissions and energy efficiency (EEOI) are shown in the table below.



Targets and outcomes, sustainability

Safety first

	Q4 2020	Q4 2019	Full year 2020	Full year 2019	Target 2020
LTI	1	0	2	1	0
LTIF	1.38	0	0.72	0.35	0
Number of inspections with more than 5 observations (owned vessels)	0	0	2	0	0
Average number of vetting observations per inspection (owned vessels)	3.0	2.2	2.5	2.1	<4
Number of PSC inspections with detentions	0	0	0	0	0
Number of piracy-related incidents	0	0	1	0	0
Damage to property	1	2	3	4	0
Medical treatment case	0	0	0	1	0
Restricted work case	0	1	1	1	0
High potential near miss	2	2	3	4	0
High risk observation	0	0	0	0	0

Environmental responsibility

	Q4 2020	Q4 2019	Full year 2020	Full year 2019
Bunker consumption (tonnes)				
HSFO	0	18,300	0	75,343
LSFO	19,982	3,179	79,399	3,256
MGO	3,245	5,516	20,407	19,903
Total	23,227	26,995	99,806	98,502
Emissions (tonnes)				
CO ₂	72,633	84,553	312,680	308,722
SO _x	203	957	847	3,838
NO _x	2,078	2,415	8,930	8,818
Particulates	24.9	27.4	101.6	100.5
Efficiency (EE01)				
gCO ₂ /tonne-NM	11.33	10.96	11.16	13.14
Oil spills, litres	0	0	0	0

Definitions: see page 16.

Framework and guidelines

In addition to internal regulations, Concordia Maritime follows a number of international frameworks and principles.

Global Compact

Concordia Maritime follows both the UN Global Compact Initiative and the Universal Declaration of Human Rights. The corporate members undertake to comply with ten principles on human rights, environment, labour and anti-corruption, and to respect them throughout the value chain.

MACN

In 2016, Concordia Maritime became a member of the Maritime Anti-Corruption Network (MACN), an international initiative created by maritime industry players to share experiences and promote best practice in combating all forms of corruption and bribery.

OECD guidelines

Concordia Maritime complies with the OECD guidelines for multinational enterprises. The guidelines deal with how these enterprises are to relate to human rights, environment and labour.

ILO's Fundamental Conventions

Concordia Maritime complies with the International Labour Organization's (ILO) eight fundamental conventions, which represent a minimum global standard for labour. The conventions address fundamental human rights at work.

World Ocean Council

Concordia Maritime is a member of the World Ocean Council, a global organisation consisting of shipping-related businesses that want to join together in taking responsibility for the world's ocean.

UN's Sustainable Development Goals

Concordia Maritime sees the goals as a shared commitment that requires cooperation between governments, companies and society at large. We fully support the 17 goals and believe that they have the potential to contribute to more sustainable development – both for society at large and individual companies and businesses.



**Follow the market's development at
www.concordiamaritime.com**

The market for transportation of crude oil and refined oil products is in an exciting phase. Continuous updates and analysis of developments can be found on Concordia Maritime's website.

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GROUP

Income statement

SEK millions	Quarter 4 2020	Quarter 4 2019	Full year 2020	Full year 2019
Consolidated income statement				
Average exchange rate SEK/USD	8.63	9.63	9.20	9.46
Time charter income, leasing of vessels	22.0	23.7	95.7	119.6
Time charter income, operational services	38.3	58.4	166.5	215.0
Spot charter income ¹⁾	102.6	235.2	760.7	757.5
Other income	2.8	0.3	2.9	48.0
Total revenue	165.7	317.6	1,025.8	1,140.2
Voyage-related operating costs	-41.5	-122.5	-274.3	-351.1
Operating costs, ships ¹⁾	-65.2	-59.5	-207.9	-265.8
Personnel costs, temporary seagoing	-50.9	-53.0	-210.3	-212.1
Personnel costs, land-based	-4.4	-9.2	-16.0	-23.1
Other external expenses	-8.3	-11.1	-39.6	-38.5
Depreciation/impairment	-55.3	-65.5	-245.2	-249.9
Total operating costs¹⁾	-225.7	-320.9	-993.2	-1,140.6
Operating result	-59.9	-3.3	32.6	-0.4
Interest and similar income	1.5	3.6	5.8	24.8
Interest and similar expense	-28.0	-29.7	-103.5	-126.7
Financial net	-26.5	-26.1	-97.7	-101.9
Result before tax	-86.5	-29.3	-65.1	-102.3
Tax	-0.9	-0.2	-0.9	-0.3
Result after tax	-87.4	-29.5	-66.0	-102.6

1) Accounting policies, see page 18.

Other comprehensive income

SEK millions	Quarter 4 2020	Quarter 4 2019	Full year 2020	Full year 2019
Result after tax	-87.4	-29.5	-66.0	-102.6
Items that have been/can be transferred to result for the period				
Translation differences	-80.8	-41.7	-119.6	49.3
Changes in fair value of cash flow hedges for the period	-49.5	15.2	-72.3	20.0
Changes in fair value of cash flow hedges transferred to result for the period	-2.3	7.5	-3.5	4.9
Items that cannot be transferred to result for the year				
Changes in the fair value of equity instruments at fair value through OCI	2.7	2.5	0.9	0.5
Comprehensive income for the period	-217.4	-46.1	-260.6	-27.9

Per-share data

	Quarter 4 2020	Quarter 4 2019	Full year 2020	Full year 2019
Number of shares	47,729,798	47,729,798	47,729,798	47,729,798
Result per share, before/after dilution	-1.83	-0.63	-1.38	-2.16
Equity per share, SEK	16.66	22.12	16.66	22.12

GROUP

Condensed balance sheet

SEK millions	31 Dec 2020	31 Dec 2019
Closing exchange rate SEK/USD	8.23	9.37
Assets		
Ships and equipment ¹⁾	2,599.1	3,064.2
Financial assets	0.0	0.1
Total non-current assets	2,599.1	3,064.4
Current receivables	145.2	349.3
Short-term deposits	0.0	3.4
Cash and bank balances ²⁾	130.2	227.7
Total current assets	275.5	580.5
Total assets	2,874.6	3,644.9
Equity and liabilities		
Equity	795.0	1,055.6
Non-current liabilities	1,627.8	2,041.2
Current liabilities	451.8	548.1
Total equity and liabilities	2,874.6	3,644.9

1) Including right-of-use assets of SEK 901.4 (0.0) million.

2) Including restricted funds of SEK 0 (0) million.

Changes in equity

SEK millions	Share capital	Other paid-in capital	Translation reserve	Hedging reserve	Fair value reserve	Retained earnings	Total
Changes Jan–Dec 2020							
Opening balance 01.01.2020	381.8	61.9	531.2	–35.1	–2.2	118.1	1,055.6
Comprehensive income for the period			–119.7	–75.8	2.2	–67.4	–260.6
Closing balance 31.12.2020	381.8	61.9	411.4	–110.9	0.0	50.7	795.0
Changes Jan–Dec 2019							
Opening balance 01.01.2019	381.8	61.9	481.9	–60.0	–2.4	198.3	1,061.5
Comprehensive income for the period			49.3	24.9	0.2	–102.3	–27.9
IFRS 16 transition effect						22.1	22.1
Closing balance 31.12.2019	381.8	61.9	531.2	–35.1	–2.2	118.1	1,055.6

GROUP

Condensed cash flow statement

SEK millions	Quarter 4 2020	Quarter 4 2019	Full year 2020	Full year 2019
Operating activities				
Result before tax	-87.4	-29.3	-66.0	-102.3
Adjustments:				
Depreciation/Impairment	55.3	65.5	245.2	249.9
Other items	-105.2	1.3	-176.2	-3.3
Cash flow from operating activities before changes in working capital	-137.2	37.5	3.0	144.3
Changes in working capital	75.1	-81.7	300.0	-83.0
Cash flow from operating activities	-62.1	-44.2	303.0	61.3
Investing activities				
Sale of non-current assets	0.0	0.0	0.0	0.0
Investment in non-current assets	-65.6	-26.6	-140.9	-62.2
Sale of financial assets	3.4	-19.8	3.4	124.3
Investment in financial assets	0.0	0.0	0.0	-14.2
Other financial items	-0.1	0.0	0.0	0.0
Cash flow from investing activities	-62.4	-6.9	-137.5	48.0
Financing activities				
New loans	59.5	1,122.2	59.5	1,122.2
Amortisation of loans	-41.0	-921.9	-239.3	-1,067.6
Dividend to shareholders	0.0	0.0	0.0	0.0
Other financing	-28.8	-19.2	-73.7	-74.7
Cash flow from financing activities	-10.2	181.2	-253.5	-20.0
Cash flow for the period	-134.7	130.1	-87.9	89.3
Balance at beginning of period (Note 1)	262.8	95.9	227.8	126.4
Exchange differences (Note 2)	2.2	1.8	-9.5	12.0
Balance at end of period (Note 1)	130.2	227.8	130.2	227.8
Note 1. Balance consists of cash, bank balances and credit facility				
Note 2. Exchange differences attributable to:				
Cash and cash equivalents at beginning of year	-17.1	-6.4	-27.4	6.9
Cash flow for the period	19.2	8.2	17.9	5.1
	2.2	1.8	-9.5	12.0

PARENT COMPANY

Condensed income statement

SEK millions	2020	2019
Net sales	12.2	74.0
Operating costs, ships	-30.2	-75.4
Other external expenses	-15.0	-12.1
Personnel expenses	-9.7	-15.2
Operating result	-42.7	-28.8
Result from subsidiaries	0.0	84.0
Other interest and similar income	97.2	69.5
Interest and similar expense	-129.8	-94.2
Result before tax	-75.3	30.6
Tax	0.0	0.0
Result after tax	-75.3	30.6

Condensed balance sheet

SEK millions	31 December 2020	31 December 2019
Assets		
Ships and equipment	0.0	0.0
Financial assets	0.0	0.0
Investments in Group companies	746.4	746.4
Non-current receivables, Group companies	832.0	0.0
Total non-current assets	1,578.5	746.5
Current receivables	15.5	11.5
Receivables from Group companies	16.7	978.8
Cash and bank balances ¹⁾	20.2	271.3
Total current assets	52.3	1,261.6
Total assets	1,630.8	2,008.1
Equity and liabilities		
Equity	439.4	514.7
Non-current liabilities	724.5	1,133.7
Current liabilities	466.9	359.7
Total equity and liabilities	1,630.8	2,008.1

¹⁾ Including restricted funds of SEK 0 (0) million.

Risks and risk management

As with all commercial enterprises, Concordia Maritime's activities are associated with certain risks, the occurrence of which may have a material adverse effect on the Company's business, earnings, financial position and future prospects or result in a fall in value for the Company's shares, meaning that investors could lose all or part of their invested capital. The risks below are not presented in order of importance and are not the only risks and uncertainties the Company faces.

Additional risks and uncertainties of which the Company is currently unaware or does not consider significant may also develop into factors that may have a material adverse effect on the Company's business, earnings, financial position or future prospects. The description does not claim to be complete or exact, as risks and their extent vary over time.

The overall risk areas are corporate risks, market risks, operational risks and financial risks.

- *Corporate* risks refer mainly to overall risks related to the actual management and operation of the Company. These include risks associated with trademarks, employees, liquidity and funding.
- *Market-related* risks are primarily risks associated with changes in the external environment and market. The Board and management have only a limited opportunity to control these risks in the short term, but must still deal with them in the longer-term planning of the business. These include risks associated with the economy, freight rates, oil price movements and political risks.
- *Operational* risks are risks related to the management of the operational side of the business. These include risks associated with insurance issues, the environment and ship operation.
- *Credit* and *financial* risks are mainly counterparty risks relating to customers, shipyards and other subcontractors and cooperation partners.

More information about risks and risk management can be found in Concordia Maritime's 2019 annual report, which is available at www.concordiamaritime.com



Definitions, shipping

CO₂

Carbon dioxide.

CVC

Consecutive Voyage Charter.

Damage to property

An event that results in damage to the vessel, and/or vessel equipment costing more than USD 2,000 to repair (excludes system/equipment failure).

Energy Efficiency Operational Indicator (EEOI)

An operational measure tool for assessing the ship energy efficiency and CO₂ emissions.

FFA

Forward Freight Agreement - a financial contract entitling the holder to buy or sell freight prices at a future date.

High potential near miss

Incident that could have resulted in a serious accident.

Lost-time injury (LTI)

An accident that results in an individual being unable to carry out his or her duties or return to work on a scheduled shift on the day after the injury, unless this is due to delays getting medical treatment ashore. Also includes fatalities.

Lost-time injury frequency (LTIF)

Safety performance measure which is the number of LTIs per million exposure hours in man-hours (LTIF = LTIs x 1,000,000/ exposure hours).

Medical treatment case (MTC)

Work-related injury requiring treatment by a doctor, dentist, surgeon or qualified health professional. MTC does not include LTI, RWC, hospitalisation for observation or a consultative examination by a doctor.

NO_x

Nitrogen oxides.

Restricted work case (RWC)

An injury that results in an individual being unable to carry out normal duties during a scheduled work shift or being temporarily or permanently assigned other duties on the day after the injury.

SO_x

Sulphur oxides.

Spot charter (open market)

Hiring of vessels on a voyage-by-voyage basis.

Time charter

Hiring of vessels for a specified period at a fixed rate.

Alternative performance measures¹⁾

EBITDA

Performance measure indicating operating result before interest, taxes, impairment, depreciation and amortisation. The Company believes that the key figure provides a deeper understanding of the Company's profitability.

Equity ratio

Equity as a percentage of total assets. The Company believes that the key figure makes it easier for investors to form a picture of the Company's capital structure.

Result excluding impairment and tax

Performance measure which indicates result before tax and impairment. The Company believes that the key figure provides a deeper understanding of the Company's profitability and better comparability over reporting periods.

Result per share excluding impairment and tax

Performance measure which indicates result per share before tax and impairment. The Company believes that the key figure provides a deeper understanding of the Company's profitability and better comparability over reporting periods.

Return on capital employed

Result after financial net plus finance costs as an average of the last twelve months expressed as a percentage of average capital employed on a 12-month rolling basis. Capital employed refers to total assets minus non-interest-bearing liabilities, including deferred tax liability. The Company believes that the key figure provides a deeper understanding of the Company's profitability.

Return on equity

Result after tax as an average of the last twelve months expressed as a percentage of average equity on a 12-month rolling basis. The Company believes that the key figure provides a deeper understanding of the Company's profitability.

Return on total capital

Result after financial net plus finance costs as an average of the last twelve months expressed as a percentage of average total assets on a 12-month rolling basis. The Company believes that the key figure provides a deeper understanding of the Company's profitability.

1) Alternative performance measures as defined by the European Securities and Markets Authority (ESMA)

Reconciliation of alternative performance measures

EBITDA

SEK millions	Quarter 4 2020	Quarter 4 2019	Full year 2020	Full year 2019
Operating result	-59.9	-3.3	32.6	-0.4
Depreciation/impairment	55.3	65.5	245.2	249.9
EBITDA	-4.6	62.3	277.8	249.5

Result excluding impairment and tax

SEK millions	Quarter 4 2020	Quarter 4 2019	Full year 2020	Full year 2019
Result after tax	-87.4	-29.5	-66.0	-102.6
Impairment	0.0	0.0	0.0	0.0
Tax	-0.9	-0.2	-0.9	-0.3
Result excluding impairment and tax	-86.5	-29.3	-65.1	-102.3

Result per share excluding impairment and tax

	Quarter 4 2020	Quarter 4 2019	Full year 2020	Full year 2019
Result excluding impairment and tax, SEK million	-86.5	-29.3	-65.1	-102.3
Number of shares	47,729,798	47,729,798	47,729,798	47,729,798
Result per share excluding impairment and tax, SEK	-1.81	-0.62	-1.36	-2.15

Return on equity

SEK millions	2020	2019
Result after tax	-66.0	-102.6
Equity	995.2	1,106.9
Return on equity	-6.6%	-9.3%

Return on capital employed

SEK millions	2020	2019
Result after financial net	-56.8	-102.3
Finance costs	103.5	124.9
Result after financial net plus finance costs	46.7	22.6
Total assets	3,343.2	3,635.1
Non-interest-bearing liabilities	-270.2	-169.8
Capital employed	3,073.0	3,465.3
Return on capital employed	1.5%	0.6%

Return on total capital

SEK millions	2020	2019
Result after financial net	-56.8	-102.3
Finance costs	103.5	124.9
Result after financial net plus finance costs	46.7	22.6
Total assets	3,343.2	3,635.1
Return on total capital	1.4%	0.6%

Equity ratio

SEK millions	2020	2019
Equity	795.0	1,055.6
Total assets	2,874.6	3,644.9
Equity ratio	28%	29%

Accounting policies

This interim financial report in summary for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and relevant provisions of the Swedish Annual Accounts Act.

The interim report for the Parent Company has been prepared in accordance with chapter 9 of the Swedish Annual Accounts Act.

For the Group and Parent Company, the same accounting policies have been applied as in the most recent annual report.

The Concordia Maritime Group applies International Financial Reporting Standards (IFRS) as adopted by the EU. The Group applies the same accounting policies and calculation methods in the quarterly reports as in the annual report for 2019, in addition to those described in this report.

The Group's interim report has been prepared in accordance with IAS 34 and the Swedish Annual Accounts Act.

The report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act. The Board of Directors and CEO confirm that the interim report provides a true and fair overview of the operations, financial position and performance of the Parent Company and Group, and describes material risks and uncertainties faced by the Parent Company and Group companies. The report has not been reviewed by the Company's auditors.

Gothenburg, 28 January 2021

Carl-Johan Hagman
Chairman

Stefan Brocker

Mats Jansson

Helena Levander

Michael G:son Löw

Henrik Hallin

Alessandro Chiesi
Employee representative

Daniel Holmgren
Employee representative

Mahmoud Sifaf
Employee representative

Kim Ullman
CEO



Quarterly overview

SEK millions	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Profit/loss items								
Total income ¹⁾	317.6	210.7	300.7	348.6	317.6	259.2	252.7	310.7
Operating costs excluding impairment ¹⁾	-320.9	-224.8	-252.2	-290.6	-320.9	-269.7	-260.5	-289.5
Operating result (EBIT)	-3.3	-14.0	48.5	58.0	-3.3	-10.6	-7.8	21.2
of which result from sale of investments in jointly-controlled entities (vessels)	—	—	—	—	—	—	—	—
Financial net	-26.1	-21.9	-20.2	-29.0	-26.1	-25.0	-31.4	-19.4
Result before tax	-29.3	-35.9	28.3	29.0	-29.3	-35.6	-39.2	1.8
Result after tax	-29.5	-35.9	28.3	29.0	-29.5	-35.6	-39.2	1.7
Cash flow from operating activities	-44.7	21.2	238.9	105.0	-44.2	28.9	24.7	-10.0
EBITDA	62.3	45.1	114.1	123.2	62.3	52.4	53.3	81.6
Balance-sheet items								
Ships (number)	2,599.1 (13)	2,820.1 (13)	2,954.5 (13)	3,198.9 (13)	3,052.8 (13)	3,243.4 (13)	3,097.7 (13)	3,212.0 (13)
Ships under construction (number)	0	0	0	0	0	0	0	0
Liquid funds incl. investments	130.2	264.4	346.6	206.9	231.2	119.5	186.5	231.3
Other assets	145.2	167.0	167.0	372.6	349.5	285.6	252.8	266.8
Interest-bearing liabilities	1,656.5	2,047.9	2,199.6	2,407.0	2,446.7	2,321.4	2,267.9	2,397.8
Other liabilities and provisions	423.0	192.6	191.2	273.9	142.6	225.5	152.4	158.6
Equity	795.0	1,011.0	1,077.3	1,097.5	1,055.6	1,101.6	1,116.7	1,153.7
Total assets	2,874.6	3,251.5	3,468.2	3,778.4	3,644.9	3,648.5	3,537.0	3,710.1
Key figures, %								
Equity ratio	28	31	31	29	29	30	32	31
Return on total capital	1	3	3	1	1	1	-1	-1
Return on capital employed	2	3	3	2	1	1	-1	-2
Return on equity	-7	0	0	-7	-9	-8	-11	-12
Operating margin	-36	-7	16	17	-1	-4	-3	7
Share data								
Total income ¹⁾	3.47	4.41	6.30	7.30	6.65	5.43	5.29	6.51
Operating costs excluding impairment	-4.73	-4.71	-5.28	-6.09	-6.72	-5.65	-5.46	-6.07
Operating result	-1.26	-0.29	1.02	1.22	-0.07	-0.22	-0.16	0.44
Financial net	-0.56	-0.46	-0.42	-0.61	-0.55	-0.52	-0.66	-0.41
Result after tax	-1.83	-0.75	0.59	0.61	-0.62	-0.75	-0.82	0.04
Cash flow from operating activities	1.30	0.44	5.01	2.20	-0.93	0.60	0.52	-0.21
EBITDA	-0.10	0.95	2.39	2.58	1.30	1.10	1.12	1.71
Equity	16.66	21.18	22.57	22.99	22.12	23.08	23.40	24.17

Definitions: see page 16.

1) Accounting policies, see page 18.

Other information

Related party transactions

Concordia Maritime has a small internal organisation, and purchases services from related-party companies in Stena Sphere, which include Stena Bulk. The latter company conducts tanker business that coincides with Concordia Maritime in some respects. Accordingly, there is an agreement, entered into many years ago, which regulates the relationship between the two companies with respect to new business. Under the terms of this agreement, Concordia Maritime has the right to opt for 0, 50 or 100 percent participation in each new transaction (with the exception of shorter transactions of less than 12 months).

Stena Bulk

Stena Bulk specialises in transportation of refined petroleum products and vegetable oils. Under an agreement with Stena Bulk, Concordia Maritime is entitled to the financial result arising from vessels chartered in by Stena Bulk for a period of more than one year, should Concordia Maritime decide to participate in such charters. Other business generated by Stena Bulk is not available to Concordia Maritime.

Concordia Maritime purchases services on a regular basis from the Stena Sphere in the following areas

- **Vessel charter**
Payment is based on commission on freight rates as follows: 1 percent for P-MAX, 1.25 percent for Suezmax and 2 percent for IMOIMAX.
- **Commission on the purchase and sale of vessels**
Payment is based on a commission of 1 percent.
- **Operation and manning of the Group's vessels (ship management)**
Payment is based on a fixed price per year and vessel, with an additional payment for manning of vessels.
- **Commercial operation, administration, marketing, insurance, technical monitoring and development of Concordia Maritime's fleet**
Payment is based on a fixed price per month and vessel. With regard to technical consulting services for newbuild projects, an hourly rate is applied on a cost-plus basis, which is then charged to the project.
- **Office rent and office services**
A fixed annual price is charged.
- **Financing agreements**
Concordia Maritime has a revolving credit facility with AB Stena Finans. It also has a finance facility with Tritec Marine Ltd for financing of ballast water system installations.

Purchase of services from Stena Sphere

SEK MILLIONS	Quarter 4		Full year	
	2020	2019	2020	2019
Group	62.9	70.5	269.8	274.8
Parent Company	0.2	0.7	0.6	1.8

All related party transactions are conducted on commercial terms and at market-related prices.



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Calendar

2020 Annual report	19 March 2021
Q1 Interim Report and AGM	28 April 2021
Q2 Interim Report	12 August 2021
Q3 Interim Report	3 November 2021

Distribution For environmental reasons, we only publish our interim reports digitally. Concordia Maritime's interim reports and additional financial information about the Company can be read or downloaded from concordiamaritime.com

This information is information that Concordia Maritime Aktiebolag (publ) is obliged to publish in accordance with the EU Market Abuse Regulation. The information was provided by the contact person above for publication on 28 January 2021 at approximately 13.00 CET.

Fleet, 28 January 2021

Product tankers	Employment	Partner
P-MAX		
Stena Premium	Time charter to October 2021	Stena Bulk
Stena Polaris	Spot	Stena Bulk
Stena Performance	CVC to May 2021	Stena Bulk
Stena Provence	Spot	Stena Bulk
Stena Progress	Time charter to October 2021	Stena Bulk
Stena Paris	Spot	Stena Bulk
Stena Primorsk	Spot	Stena Bulk
Stena Penguin	Spot	Stena Bulk
Stena Perros	Time charter to October 2021	Stena Bulk
Stena President	Spot	Stena Bulk

IMOIMAX		
Stena Image ¹⁾	Spot	Stena Bulk
Stena Important ²⁾	Spot	Stena Bulk

Crude oil tankers

Suezmax		
Stena Supreme ³⁾	Spot	Stena Sonangol Suezmax Pool
Unnamed vessel ⁴⁾	Spot	Stena Sonangol Suezmax Pool
Unnamed vessel ⁴⁾	Spot	Stena Sonangol Suezmax Pool
Unnamed vessel ⁵⁾	Spot	Stena Sonangol Suezmax Pool
Unnamed vessel ⁶⁾	Spot	Stena Sonangol Suezmax Pool

- 1) Contracted on a bareboat basis until 2024, with annual purchase options from 2020
 2) Contracted on a bareboat basis until 2026, with purchase obligation in the same year and annual purchase options from 2021
 3) Contracted on a bareboat basis until 2028, with annual purchase options from 2019
 4) 33% charter September 2020 – September 2021
 5) 50% charter October 2020 – October 2021
 6) 50% charter November 2020 – November 2021

**CONCORDIA
MARITIME**

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