

# Interim Report 1 January–30 September 2017

Q3  
17

## Continuing weak market and impairment of the fleet

- Total income<sup>1)</sup>  
Q3: SEK 197.7 (215.3) million  
9 months 2017: SEK 633.8 (759.7) million
- Result excluding impairment and tax for the period  
Q3: SEK -59.4 (-22.4) million  
9 months 2017: SEK -144.4 (23.4) million
- EBITDA  
Q3: SEK 1.9 (50.9) million  
9 months 2017: SEK 41.2 (211.4) million
- Result per share excluding impairment and tax  
Q3: SEK -1.24 (-0.47)  
9 months 2017: SEK -3.03 (0.49)
- Vessels written down by USD 55 million, SEK 473.7 (0.0) million
- Contract signed to charter out the P-MAX tanker *Stena Provence*. The contract is for one year, with an option to extend for a further year.
- Another quarter without any lost time injuries\*.

## Key ratios

	Quarter 3 (Jul-Sep)		9 months (Jan-Sep)		Full year
	2017	2016	2017	2016	2016
Total income <sup>1)</sup> , SEK million	197.7	215.3	633.8	759.7	1,038.2
EBITDA, SEK million	1.9	50.9	41.2	211.4	319.9
EBITDA, USD million	0.4	5.9	4.8	25.2	37.4
Operating result, SEK million	-521.8	-9.8	-591.7	35.2	82.7
Result excluding impairment and tax, MSEK	-59.4	-22.4	-144.4	23.4	56.9
Result before tax, SEK million	-533.1	-22.4	-618.1	23.4	56.9
Result after tax, SEK million	-533.1	-10.6	-618.1	35.2	69.5
Equity ratio, %	41	44	41	44	50
Return on equity, %	-32	5	-32	5	3.6
Available liquid funds, including unutilised credit facilities, SEK million	442.2	401	442.2	401	507.4
Result per share after tax, SEK	-11.17	-0.22	-12.95	0.74	1.46
Equity per share, SEK	26.38	40.11	26.38	40.11	43.78
Lost-time injuries	0	0	0	0	0

1) Accounting policies: see page 16.

\* Definitions: see page 14.



## PRESIDENT'S OVERVIEW

# Market bottoming out – gradual improvement from next year

Concordia Maritime continued to generate higher earnings than the overall market in the quarter, but the generally weak market still led to a negative result before non-recurring items for the quarter. Result excluding impairment and tax for the third quarter was MSEK -59.4 (-22.4). EBITDA was MSEK 1.9 (50.9), corresponding to MUSD 0.4 (5.9).

We are now in the sixth consecutive quarter in which the market has been weak or even poor. One of the main reasons is record-large stock building of oil and oil products throughout 2015 and in the first half of 2016. Full inventories in the second half of 2016 and 2017 have resulted in subsequent destocking – leading to a reduced demand for transport. In addition, there were extensive deliveries of new vessels, the overall result of which was a situation where vessel supply exceeded demand for transport.

### Freedom of action and room for manoeuvre

Tanker shipping is both volatile and cyclical in nature. In order to bridge periods of weak markets, there are requirements for financial sustainability and a business model that can be adapted to a specific market situation. This is the basis on which we have built our strategy.

The weak market since the middle of 2016 did not come as a surprise to us, but was expected and we have adjusted step-by-step according to the current situation. Financially, we have strengthened ourselves through three sale & leaseback transactions and refinancing of the entire P-MAX fleet at favourable terms. The measures have resulted in a strong and stable financial position that gives us important freedom of action.

In parallel, efforts to identify and secure niche trades for the vessels in the fleet continue. During the quarter, we signed a chartering contract for the P-MAX tanker *Stena Provence*. To see these efforts bringing a renewal of confidence from one of the world's largest oil and gas companies for the fourth consecutive year is obviously very pleasing. A further three vessels on fixed and relatively good time-charter contracts are helping to secure future income. Income for the vessels employed via the cooperation with Stena Weco and Stena Bulk is higher than the market. Income for the two newly chartered MR tankers will also start to generate profits during the fourth quarter.

### Impairment of vessel values

As an effect of the weak markets during a number of quarters, market values for tankers have declined considerably. Although the P-MAX vessels continue to show better earning capacity than the market (Clarkson MR World Wide Clean Index), and despite high customer satisfaction from demanding oil companies and industry-leading vetting statistics, the market values have

fallen. In addition to weak markets, vessels' market values are affected by new regulations on ballast water, new regulations on bunker quality and the market's increased focus on vessel ages. These changes concern the entire industry and it is our assessment that they have partly affected the latest market values for the vessels that the Company brought in on 30 June. The Board has made an analysis of the consequences that these changes may have. It is the Board's conclusion that the changes have a negative impact on the Company's future cash flows and an updated impairment test indicates impairment. An impairment loss of SEK 473.7 million has therefore been reported in the quarter.

### No serious incidents and continued reduction of environmental impact

From a purely operational perspective, we have reason to be satisfied. We have continued to be spared from accidents and serious incidents. This is something that is often taken for granted, but behind the development lies an extensive focus on continuous training and education, compliance with procedures and monitoring of processes. In addition to the continuous safety work, we also allocate considerable resources on reducing our environmental and climate impact. A major focus here is on reducing emissions into the sea and air. It is pleasing to note that we reduce the emissions even more than the targets for the quarter.

### Gradual improvement of markets from 2018

We can clearly see that inventory levels are falling and we expect this to translate into increased demand for oil transportation, and therefore tankers, within 3–6 months. On the supply side, the order book is low and net growth in new MR vessels is only expected to be 1–2 percent in 2018. However, the crude oil tanker order book remains. All in all, this means that we substantial expect a gradual improvement from next year.

Our own position is stable. We have good vessels, a good contractual balance and a strong financial position that enables us to cope with the current weak market – but also to be ready to act when the expected stronger market arrives.



## Business activities

Spot market income for the product tanker fleet in the third quarter of 2017 was USD 12,600 (12,900) per day, which was higher than the average income for the market<sup>1)</sup>, USD 9,900 (9,900) million, but lower than for the same quarter in 2016. Income for the suezmax tanker *Stena Supreme* for the quarter was USD 13,500 (20,100) per day, compared with the average income for the market<sup>1)</sup>, USD 11,100 (15,200) 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, four of the vessels were employed on longer contracts (time charters). The other six vessels were employed on the spot market under agreements with Stena Bulk and Stena Weco. The two IMOIIIMAX vessels *Stena Image* and *Stena Important* continued to be employed under the cooperation with Stena Weco.

During the quarter, a chartering contract was signed for the P-MAX tanker *Stena Provence*. The contract is for one year, with an option for a further year, and runs from mid-September 2017. The contractual partner is one of the world's largest oil and gas companies.

The product tanker fleet also includes an IMO2/3 class MR tanker (ECO design) that was previously chartered in. This is a joint charter with Stena Weco, and Concordia Maritime's share amounts to 50 percent. The contract, which runs from the end of November 2015, is for two years with an option for a further 1-6 months. In addition, two IMO2/3 class MR tankers were chartered in. These are also 50-50 joint charters with Stena Weco. The contracts are for one year and run from June and July 2017.

### Income

Average income for the entire product tanker fleet, spot and TC, during the third quarter was USD 13,400 (14,500) per day. For vessels

employed on the spot market, average income for the quarter was USD 12,600 (12,900). For the first nine months of 2017, average income for the entire product tanker fleet, spot and TC, was USD 13,800 (18,100) per day. For vessels employed on the spot market, average income for the nine-month period was USD 12,800 (17,700).

### Suezmax

The suezmax tanker *Stena Supreme* (158,000 dwt) is employed on the spot market via Stena Sonangol Suezmax Pool, controlled by Stena and the Angolan state oil company Sonangol. The pool is a long-time market leader in terms of suezmax tanker income.

### Income

Average income for *Stena Supreme* was USD 13,500 (20,100) per day for the quarter and USD 18,200 (29,900) per day for the first nine months of 2017.

### Repairs and drydock

The scheduled drydocking of *Stena President* took place during the quarter.

1) Clarkson index

## Income, spot

USD per day	Number of vessels	Average income, Concordia Maritime				Average income, market			
		Q3 2017	Q3 2016	9 months 2017	9 months 2016	Q3 2017	Q3 2016	9 months 2017	9 months 2016
Product tankers	9.5	12,600	12,900	12,800	17,700	9,900	9,900 <sup>1)</sup>	10,200	13,000 <sup>1)</sup>
Suezmax	1.0	13,500	20,100	18,200	29,900	11,100	15,500 <sup>2)</sup>	15,300	26,900 <sup>2)</sup>

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 achieved a higher income per day than the Clarksons theoretical index in the first three quarters of 2017. Niche trades for the P-MAX vessels and a good performance from the Stena Weco pool, given the weak market, are among the main drivers.

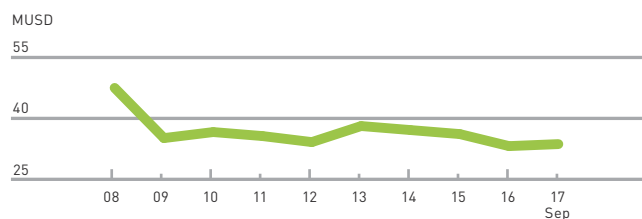
In the Suezmax segment, Concordia Maritime's income for the first three quarters of 2017 was better than the Clarksons theoretical index (as it was for the full year 2016), which shows that the Stena Sonangol Pool remains one of the industry's leaders.

## EBITDA per quarter

USD millions	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015
Product tankers, time charter	3.3	3.6	4.0	5.6	5.4	4.5	2.4	1.3
Product tankers, spot, owned and leased tonnage	-0.5	0.0	0.7	-0.2	0.5	0.9 <sup>1)</sup>	7.9	10.3
Product tankers, spot, chartered tonnage	-0.3	-0.2	-0.2	-0.2	-0.2	0.1	0.1	0.0
Sale of ships	—	—	—	2.9	—	—	—	—
<b>Product tankers, total</b>	<b>2.5</b>	<b>3.4</b>	<b>4.5</b>	<b>8.1</b>	<b>5.7</b>	<b>5.5</b>	<b>10.5</b>	<b>11.6</b>
Suezmax, spot, owned and leased tonnage	-1.3	-1.4	-0.4	1.4	0.9	2.2	2.4	2.8
Suezmax, spot, chartered tonnage	—	—	—	0.0	-0.2	0.3	0.3	0.9
Sale of ships	—	—	—	3.5	—	—	—	—
<b>Suezmax, total</b>	<b>-1.3</b>	<b>-1.4</b>	<b>-0.4</b>	<b>4.9</b>	<b>0.7</b>	<b>2.5</b>	<b>2.7</b>	<b>3.7</b>
Admin. and other	-0.8	-0.9	-0.8	-0.6	-0.5	-1.0	-1.0	-1.4
<b>Total</b>	<b>0.4</b>	<b>1.1</b>	<b>3.3</b>	<b>12.4</b>	<b>5.9</b>	<b>7.0</b>	<b>12.2</b>	<b>13.9</b>

1) Includes cost of USD 9.25 million for settlement of the arbitration case and receipt of additional non-recurring IMOIIIMAX-related payment of USD 5.0 million.

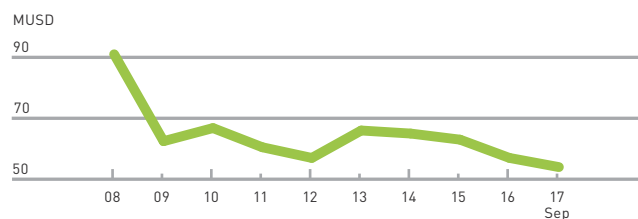
## Newbuilding prices product tankers (MR)



At the end of the quarter, the price of a standard product tanker was about USD 33.5 million. The price of an IMOII class MR tanker like our IMOIIIMAX vessels was about USD 35 million. This is the same price as when we placed our order with the shipyard in 2012. The price of a standard suezmax tanker at the end of the quarter was about USD 54 million.

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

## Newbuilding prices Suezmax



Source: Clarkson





## Financial summary

### Result

Result after tax for the quarter was SEK –533.1 (–10.6) million. Weak markets mean low income for the vessels on the spot market. Vessel values were written down by a total of SEK 473.7 million during the quarter.

In addition to the impairment, the result decline compared with Q3 2016 is largely due to lower income in a generally weaker market.

### Equity

Equity per share was SEK 26.38 (40.11).

### 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.

In 2016, the Company entered into an interest rate swap totalling USD 75 million and expiring in 2021, to provide protection against interest rate fluctuations. During the quarter, the Company decided to terminate this swap, generating a positive liquidity effect of SEK 13.5 million. Fair value changes previously reported in OCI and accumulated in a separate component of equity (hedging reserve) are recognised in the income statement over the original maturity of the contract. The income for the period transferred to the Company's income statement is SEK 0.9 million. The remaining amount in the hedging reserve at the end of the period is SEK 12.5 million. The accumulated translation differences, which are recognised in equity, amounted to SEK 380.2 (443.0) million. The changes are recognised in equity through OCI.

### Investments and deposits

Investments during the quarter amounted to SEK 24.0 (19.6) million and were related to vessels. The Company's deposits during the quarter amounted to SEK 53.6 (0.0) million and were related to bond purchases.

### 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 a cash-generating unit, and 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 Q2 2017, the fleet's carrying amount did not exceed its recoverable amount and no impairment loss was therefore recognised. During the third quarter, the Board conducted an analysis of important new changes that affect the entire industry. These changes are new regulations on ballast water, new regulations on bunker quality with effect from 2020 and the market's increased focus on vessel ages. It is the Board's conclusion that the changes have a negative impact on the Company's future cash flows and an updated impairment test indicates impairment. An impairment loss of SEK 473.7 million has therefore been reported in the quarter.

### Seasonal variations

Four vessels from our fleet of 14.5 (ten owned, three on bareboat contracts and three on 50% time charters) were out on time charters at the end of the quarter. Income for the vessels that are not signed out to time charters is related to the freight level on the open market. This fleet deployment means that income is affected by the seasonal variations that occur in tanker shipping.



### Employees

The number of employees in the Group at 30 September 2017 was 6 (6). The Group employed 468 (473) temporary seagoing employees through Stena Sphere's manning company.

### Parent Company

The Parent Company's sales for the third quarter amounted to SEK 29.8 (–1.6) million. Intragroup invoicing represented SEK 0.0 (0.0) million of this amount. Sales for the quarter are an effect of a change in the accounting treatment of the Company's shares in chartered vessels. The Parent Company's available liquid funds at the end of the quarter amounted to SEK 1,285.3 (1,416.6) million, which includes receivables from Group companies in the cash pool and "unutilised credit facilities".

### Other

To generate returns on cash and cash equivalents, the Company has deposited USD 32 (260.7) million in a USD account. As the maturity of the deposit is less than three months at the end of the quarter, it is classified as cash and cash equivalents. During the quarter, the Company purchased corporate bonds at a value of SEK 53.6 million. These are classified as short-term deposits.

Disclosures under IAS 34.16A, also appear in the financial statements and their associated notes in other parts of the interim report.

### Events after the reporting date

There are no significant events to report after the end of the reporting period.

## Liquidity and financial position

SEK millions	30 Sep 2017	30 Sep 2016
Available liquid funds <sup>1)</sup>	442.2	395.2
Interest-bearing liabilities	1,702.3	2,310.5
Equity	1,259.0	1,914.5
Equity ratio, %	41	44

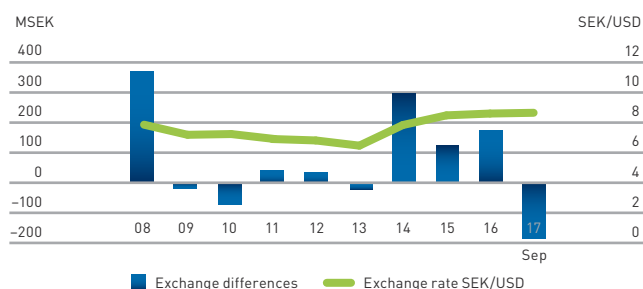
1) Includes unutilised available credit facilities.

## The Group's total income and earnings

SEK millions	Quarter 3		9 months (Jan-Sep)	
	2017	2016	2017	2016
Total income <sup>1)</sup>	197.7	215.3	633.8	759.7
Operating result	–521.8	–9.8	–591.7	35.2
Result after financial items	–533.1	–22.4	–618.1	23.4
Result per share after tax, SEK	–11.17	–0.22	–12.95	0.74

1) Accounting policies: see page 16.

## Translation differences (reported in OCI)



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



# 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.

No Concordia Maritime vessel was involved in any incident that resulted in discharges of bunker oil or cargo during the quarter. This was another quarter in which there were no workplace accidents on vessels resulting in an individual employee being unable to return to a work shift on the day after the accident. There were no medical treatment cases or restricted work cases during the quarter.

During the quarter, there was an incident that included damage to property (damage to the anchor winch engine on *Stena Supreme*). Another incident has been classified as a high potential near miss (discovery of unclosed valve for tank cleaning on *Stena Image*). Concordia Maritime's vessels were not involved in any piracy-related incidents.

## External controls

Eight vetting inspections were conducted during the quarter. There

were 16 observations during these inspections, resulting in an average of 2.0 observations per inspection. No single inspection had more than 5 observations. This outcome for the quarter is well in line with the Company's goal to have an average of less than 4 observations per inspection for the fleet and to never have an inspection with more than 5 observations. No port state control resulted in the detention in port of any Concordia Maritime vessel during the quarter.

## Mercy Ships Cargo Day

The second Mercy Ships Cargo Day was held during the quarter and Concordia Maritime is one of the companies involved in and supporting the activities on board Mercy Ships' hospital ship.

Mercy Ships is a charity organisation providing free surgery, dental care and other qualified medical care for people in poor countries



## 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.



where there is no other possibility of obtaining the care they need. Since 1978, the organisation has assisted more than 2.5 million people. Mercy Ships operates the world's largest private hospital ship, Africa Mercy, with five fully-equipped operating theatres on board.

**Energy management**

Efforts to reduce bunker consumption continued during the quarter. Bunker consumption in tonnes per day at sea fell by 1.0 tonnes

(12 months rolling). This is better than the target for the year, which is to reduce consumption by 0.3 tonnes per day. This is a positive result of focused control and monitoring but also efficient maintenance and technical innovations.

Reduced bunker consumption means lower emissions. CO<sub>2</sub> emissions decreased by 1,628 tonnes during the quarter. SO<sub>x</sub> emissions decreased by 15 tonnes and NO<sub>x</sub> emissions by 46 tonnes.

**Targets and outcomes, sustainability**

**Safety first**

	Q3 2017	Q3 2016	9 months 2017	9 months 2016	Target 2017
LTI	0	0	0	0	0
LTIF	0	0	0	0	0
Number of inspections with more than 5 observations (owned vessels)	0	0	0	0	0
Average number of vetting observations (entire fleet)	2.0	2.1	2.2	2.3	<4
Number of port state controls resulting in detention	0	0	0	0	0
Number of piracy-related incidents	0	0	0	0	0
Material damage	1	2	3	6	0
Medical treatment case	0	0	2	0	0
Restricted work case	0	0	0	1	0
High potential near miss	1	0	3	4	0
High risk observation	0	0	0	2	0

**Environmental responsibility**

	Q3 2017	Q3 2016	9 months 2017	9 months 2016	Target 2017
Oil spills, litres	0	0	0	0	0
Reduced fuel consumption, mt/day (owned vessels) <sup>1)</sup>	1.0	0.5	1.2	0.5	0.3
Reduced CO <sub>2</sub> , mt	1,628	1,033	6,336	2,861	2,800
Reduced SO <sub>x</sub> , mt	15	13	55.5	35.8	36
Reduced NO <sub>x</sub> , mt	46	29	177	82.8	80
Reduction in emissions of particulates, mt	0.7	0.4	2.3	1.0	0.9

1) Bunker consumption for days at sea for the last 12 months is measured on the last day of the quarter. This 12-month figure is then compared with the same period the previous year.

Definitions: see page 14.

**Community engagement**

It is Concordia Maritime's aim to contribute to positive social development in various ways. The projects or initiatives that are supported must be clearly linked to Concordia Maritime's values and be related to shipping. They must contribute to a safer everyday life for each seagoing individual, support the progression towards more environmentally and socially sustainable shipping, or contribute to positive development of the local markets in which the Company operates.

**Mercy Ships Cargo Day**

Concordia Maritime is one of the participants that supports Mercy Ships Cargo Day. Mercy Ships provides surgery, dental care and other qualified medical care in places where the need is greatest. The activities are conducted on board the world's largest private hospital ship, Africa Mercy. [mercyshipscargoday.org](http://mercyshipscargoday.org)



**Next generation of officers**

Since Concordia Maritime's scholarship program was launched in 2011, it has served as a springboard for maritime students in Bermuda. Scholarships are awarded annually to one or more applicants. In addition to the financial award, there is also an opportunity for supervision and mentoring.





## Other information

### Related party transactions

Concordia Maritime has a small internal organisation, and purchases services from related-party companies in the Stena Sphere, which include Stena Bulk. Stena Bulk 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.

### Stena Weco

At the beginning of April 2011, Stena Bulk and the Danish company Weco started a 50–50 joint venture which resulted in a newly established company, Stena Weco. In the first quarter of 2017, Stena acquired the remaining 50 percent share from Weco. Stena Weco specialises mainly in the transportation of vegetable oils. Under a new agreement with Stena Bulk, Concordia Maritime is entitled to the financial result arising from vessels that may from time to time be chartered in by Stena Weco for a period of more than one year, should Concordia Maritime decide to participate in such charters. Other business generated by Stena Weco 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 a commission of 1.25 percent on freight rates.
- **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.
- **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 construction 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.

All related party transactions take place on commercial terms and at market-related prices.

## GROUP

# Income statement, other comprehensive income and per-share data

SEK millions	Quarter 3 2017	Quarter 3 2016	9 months (Jan-Sep) 2017	9 months (Jan-Sep) 2016	Full year 2016
<b>Consolidated income statement</b>					
Average exchange rate SEK/USD	8.14	8.52	8.61	8.40	8.56
Time charter income	41.3	44.9	108.4	102.9	151.2
Spot charter income <sup>1)</sup>	156.5	170.1	525.4	614.8	789.4
Result from sale of ships	0.0	0.0	0.0	0.0	54.8
Other external income	0.0	0.3	0.0	42.0	42.8
<b>Total income</b>	<b>197.7</b>	<b>215.3</b>	<b>633.8</b>	<b>759.7</b>	<b>1,038.2</b>
Operating costs, ships <sup>1)</sup>	-135.0	-104.5	-400.2	-285.6	-384.0
Personnel costs, temporary seagoing	-46.4	-48.1	-149.2	-144.0	-195.6
Personnel costs, land-based	-5.1	-3.5	-14.6	-14.0	-21.2
Other external expenses	-9.4	-8.3	-28.5	-104.7	-117.5
Depreciation/impairment	-523.7	-60.7	-632.9	-176.2	-237.2
<b>Total operating costs<sup>1)</sup></b>	<b>-719.6</b>	<b>-225.1</b>	<b>-1,225.4</b>	<b>-724.5</b>	<b>-955.5</b>
<b>Operating result</b>	<b>-521.8</b>	<b>-9.8</b>	<b>-591.7</b>	<b>35.2</b>	<b>82.7</b>
Interest and similar income	6.0	1.0	28.6	25.9	27.3
Interest and similar expense	-17.2	-13.6	-55.1	-37.8	-53.2
<b>Financial net</b>	<b>-11.2</b>	<b>-12.6</b>	<b>-26.5</b>	<b>-11.9</b>	<b>-25.8</b>
<b>Result before tax</b>	<b>-533.1</b>	<b>-22.4</b>	<b>-618.1</b>	<b>23.4</b>	<b>56.9</b>
Tax	0.0	11.9	0.0	11.9	12.7
<b>Result after tax</b>	<b>-533.1</b>	<b>-10.6</b>	<b>-618.1</b>	<b>35.2</b>	<b>69.5</b>
<b>Other comprehensive income</b>					
Items that have been/can be transferred to result for the period					
Translation differences	-34.1	19.6	-179.3	47.4	166.7
Exchange differences transferred to income statement	0.0	0.0	-2.8	-10.6	-10.6
Available-for-sale financial assets	0.0	0.0	0.0	0.0	0.0
Cash flow hedges, interest-related	-0.5	4.5	-5.9	-2.4	19.3
Changes in fair value of cash flow hedges transferred to result for the period	-0.9	0.0	-0.9	0.0	0.0
Tax attributable to items that have been/can be transferred to result for the period	0.0	0.0	0.0	0.0	0.0
<b>Comprehensive income for the period</b>	<b>-568.6</b>	<b>13.5</b>	<b>-807.0</b>	<b>69.6</b>	<b>244.9</b>
<b>Per-share data, SEK</b>					
Number of shares	47,729,798	47,729,798	47,729,798	47,729,798	47,729,798
Result per share, before/after dilution	-11.17	-0.22	-12.95	0.74	1.46
Equity per share, SEK	26.38	40.11	26.38	40.11	43.78

1) Accounting policies: see page 16.

## GROUP

# Condensed balance sheet

SEK millions	30 Sep 2017	30 Sep 2016	31 Dec 2016
Closing exchange rate SEK/USD	8.15	8.57	9.11
<b>Assets</b>			
Ships and equipment	2,319.5	3,810.4	3,165.5
Ships under construction	0.0	0.0	0.0
Financial assets	0.1	0.1	20.5
<b>Total non-current assets</b>	<b>2,319.6</b>	<b>3,810.5</b>	<b>3,198.8</b>
Current receivables	201.4	223.2	276.7
Short-term deposits	196.3	0.0	273.3
Cash and bank balances	350.7	305.3	406.2
<b>Total current assets</b>	<b>748.5</b>	<b>528.5</b>	<b>956.2</b>
<b>Total assets</b>	<b>3,068.1</b>	<b>4,339.0</b>	<b>4,142.2</b>
<b>Equity and liabilities</b>			
Equity	1,259.0	1,914.5	2,089.8
Non-current liabilities	1,479.5	2,046.1	1,699.7
Current liabilities	329.6	378.4	352.7
<b>Total equity and liabilities</b>	<b>3,068.1</b>	<b>4,339.0</b>	<b>4,142.2</b>

Shares in subsidiaries have been pledged as collateral for the Company's liabilities

## Changes in equity

SEK millions	Share capital	Other paid-in capital	Translation reserve	Hedging reserve	Fair value reserve	Retained earnings	Total
<b>Changes Jan-Sep 2017</b>							
Opening balance 01/01/2017	381.8	61.9	562.3	19.3	0.0	1,064.5	2,089.8
Comprehensive income for the period	0.0	0.0	-182.1	-6.8	0.0	-618.1	-807.0
Dividend	0.0	0.0	0.0	0.0	0.0	-23.9	-23.9
<b>Closing balance 30/09/2017</b>	<b>381.8</b>	<b>61.9</b>	<b>380.2</b>	<b>12.5</b>	<b>0.0</b>	<b>422.5</b>	<b>1,259.0</b>
<b>Changes Jan-Sep 2016</b>							
Opening balance 01/01/2016	381.1	61.9	406.2	0.0	0.0	1,018.8	1,868.7
Comprehensive income for the period	0.0	0.0	36.8	-2.4	0.0	35.2	69.6
Dividend	0.0	0.0	0.0	0.0	0.0	-23.9	-23.9
<b>Closing balance 30/09/2016</b>	<b>381.8</b>	<b>61.9</b>	<b>443.0</b>	<b>-2.4</b>	<b>0.0</b>	<b>1,030.1</b>	<b>1,914.5</b>



## GROUP

# Condensed cash flow statement

SEK millions	Quarter 3 2017	Quarter 3 2016	9 months (Jan-Sep) 2017	9 months (Jan-Sep) 2016	Full year 2016
<b>Operating activities</b>					
Result before tax	-533.1	-22.4	-618.1	23.4	56.9
Adjustments:					
Depreciation/impairment	523.7	60.7	632.9	176.2	237.2
Other items	-21.1	3.5	-25.6	-20.5	-12.2
<b>Cash flow from operating activities before changes in working capital</b>	<b>-30.5</b>	<b>41.8</b>	<b>-11.0</b>	<b>179.0</b>	<b>227.0</b>
Changes in working capital	54.7	-4.2	60.3	85.7	17.7
<b>Cash flow from operating activities</b>	<b>24.2</b>	<b>37.5</b>	<b>49.3</b>	<b>264.7</b>	<b>244.7</b>
<b>Investing activities</b>					
Sale of non-current assets	-9.1	0.0	310.1	0.0	826.2
Investment in non-current assets	-8.8	-19.6	-58.6	-79.0	-144.3
Sale of financial assets	266.7	0.0	275.7	0.0	0.0
Investment in financial assets	-53.6	0.0	-216.5	0.0	0.0
Other financial items	0.0	0.0	-0.6	0.0	0.0
<b>Cash flow from investing activities</b>	<b>195.2</b>	<b>-19.6</b>	<b>310.1</b>	<b>-79.0</b>	<b>736.7</b>
<b>Financing activities</b>					
New loans	0.0	0.0	0.0	0.0	29.7
Amortisation of loans	-34.4	-7.5	-339.9	-137.8	-647.6
Dividend to shareholders	0.0	0.0	-23.9	-23.9	-23.9
Other financing	-1.6	0.0	-9.7	0.0	-256.8
<b>Cash flow from financing activities</b>	<b>-36.0</b>	<b>-7.5</b>	<b>-373.4</b>	<b>-161.7</b>	<b>-898.6</b>
Cash flow for the period	183.5	10.5	-14.1	24.1	82.8
Balance at beginning of period (Note 1)	186.7	291.1	406.3	273.6	273.6
Exchange differences (Note 2)	-19.5	3.8	-41.6	7.7	50.0
<b>Balance at end of period (Note 1)</b>	<b>350.7</b>	<b>305.3</b>	<b>350.7</b>	<b>305.3</b>	<b>406.3</b>
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	-12.5	3.0	-42.0	7.1	24.1
Cash flow for the period	-7.0	0.8	0.4	0.6	25.9
	<b>-19.5</b>	<b>3.8</b>	<b>-41.6</b>	<b>7.7</b>	<b>50.0</b>

## PARENT COMPANY

# Condensed income statement

SEK millions	9 months 2017	9 months 2016
Net sales	29.8	3.6
Operating costs, ships	-36.0	0.0
Other external expenses	-9.9	-9.8
Personnel expenses	-10.8	-10.3
<b>Operating result</b>	<b>-26.8</b>	<b>-16.5</b>
Result from subsidiaries	49.7	0.0
Other interest and similar income	55.1	27.5
Interest and similar expense	-50.7	-26.8
<b>Result before tax</b>	<b>23.4</b>	<b>-15.9</b>
Tax	0.0	0.0
<b>Result after tax</b>	<b>23.4</b>	<b>-15.9</b>

# Condensed balance sheet

SEK millions	30 Sep 2017	30 Sep 2016
<b>Assets</b>		
Ships and equipment	0.0	0.0
Financial assets	0.0	40.0
Investments in Group companies	745.8	745.8
<b>Total non-current assets</b>	<b>745.8</b>	<b>785.8</b>
Current receivables	17.6	4.3
Receivables from Group companies	1,253.8	1,397.2
Cash and bank balances	21.5	19.4
<b>Total current assets</b>	<b>1,292.9</b>	<b>1,420.9</b>
<b>Total assets</b>	<b>2,038.7</b>	<b>2,206.7</b>
<b>Equity and liabilities</b>		
Equity	584.0	572.3
Non-current liabilities	1,242.3	1,412.0
Current liabilities	212.4	222.3
<b>Total equity and liabilities</b>	<b>2,038.7</b>	<b>2,206.7</b>

At 30 September 2017, the Company had pledged assets of SEK 715.8 (715.8) 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-related 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 have 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.
- The main *credit* and *financial* risks are 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 2016 annual report, which is available at [www.concordiamaritime.com](http://www.concordiamaritime.com).

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## Definitions

### Shipping

**CO<sub>2</sub>**  
Carbon dioxide.

### CVC

Consecutive Voyage Charter. Contract involving full employment to a contracted customer. Payment (freight) is based on the spot market.

### 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<sub>x</sub>

Nitric oxide.

### 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.

### Material damage

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).

SO<sub>x</sub> Sulphur oxide.

### 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 measures <sup>1)</sup>

## EBITDA

Performance measure which indicates 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.

## Cash flow from operating activities

Result after financial net plus depreciation minus tax paid (cash flow before change in working capital and investments and before effect of ship sales). 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 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 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.

## 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.

## Reconciliation of alternative performance measures

### EBITDA

SEK millions	Quarter 3 2017	Quarter 3 2016	9 months 2017	9 months 2016	Full year 2016
Operating result	-521.8	-9.8	-591.7	35.2	82.7
Depreciation/impairment	523.7	60.7	632.9	176.2	237.2
<b>EBITDA</b>	<b>1.9</b>	<b>50.9</b>	<b>41.2</b>	<b>211.4</b>	<b>319.9</b>

### Return on equity

SEK millions	9 months 2017	9 months 2016	Full year 2016
Result after tax	-583.9	84.6	69.5
Equity	1,799.1	1,886.6	1,941.8
<b>Return on equity</b>	<b>-32%</b>	<b>4%</b>	<b>4%</b>

### Return on capital employed

SEK millions	9 months 2017	9 months 2016	Full year 2016
Result after financial net	-584.6	73.2	56.9
Finance costs	66.8	19.1	25.3
<b>Result after financial net plus finance costs</b>	<b>-517.8</b>	<b>92.3</b>	<b>82.1</b>
Total assets	3,761.9	4,336.6	4,283.4
Non-interest-bearing liabilities	-104.6	-122.2	-123.2
<b>Capital employed</b>	<b>3,657.3</b>	<b>4,214.4</b>	<b>4,160.3</b>
<b>Return on capital employed</b>	<b>-14.2%</b>	<b>2.2%</b>	<b>2.0%</b>

### Return on total capital

SEK millions	9 months 2017	9 months 2016	Full year 2016
Result after financial net	-584.6	73.2	56.9
Finance costs	66.8	19.1	25.3
<b>Result after financial net plus finance costs</b>	<b>-517.8</b>	<b>92.3</b>	<b>82.1</b>
Total assets	3,761.9	4,336.6	4,283.4
<b>Return on total capital</b>	<b>-13.8%</b>	<b>2.1%</b>	<b>1.9%</b>

### Equity ratio

SEK millions	9 months 2017	9 months 2016	Full year 2016
Equity	1,259.0	1,914.5	2,089.8
Total assets	3,068.1	4,339.0	4,142.2
<b>Equity ratio</b>	<b>41%</b>	<b>44%</b>	<b>50%</b>

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

# 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 principles have been applied as in the most recent annual report. From 1 January 2016, it has been decided to report sport charter income and costs on a gross basis under 'Spot charter income' and 'Operating costs, ships' in the consolidated income statement. These were previously netted under 'Spot charter income' and the change is being made in order to clearly reflect the individual components of the spot charter result. The Group's income and operating expenses are affected, but the change will not have any net effect on the Group's operating result. No new or revised IFRS recommendations or IFRIC interpretations have had any material effect on the Group's or Parent Company's financial position, results or disclosures.

The Company's surplus liquidity is invested in bonds and shares. In accordance with IAS 39, these are reported as "financial assets at fair value through profit or loss", which means they are recognised at fair value in the income statement. Reporting is expected to remain unchanged on transition to IFRS 9. The bonds and shares are measured at fair value according to Level 1, observable market data. The Group's derivative instruments have been acquired to hedge the risk

of interest rate exposure to which the Group is exposed. Derivatives are initially recognised at fair value, with transaction costs recognised in the income statement. Subsequent to initial recognition, derivative instruments are measured at fair value, and fair value changes are recognised as follows. To meet the requirements for hedge accounting under IAS 39, there must be a clear link to the hedged item. In addition, the hedge must effectively protect the hedged item, hedging documentation must be prepared and the effectiveness must be measurable. Gains and losses attributable to hedges are recognised in profit or loss at the same time as gains or losses attributable to the hedged items. To hedge the uncertainty associated with highly probable forecast interest flows relating to borrowing at variable interest rates, interest rate swaps are used, with the Company receiving a variable interest rate and paying a fixed interest rate. The interest rate swaps are measured at fair value in the statement of financial position. The interest coupon portion is recognised in the income statement under interest expenses. Unrealised changes in the fair value of interest rate swaps are recognised in OCI and included as part of the hedging reserve until the hedged item affects profit or loss and for as long as the criteria for hedge accounting and effectiveness are met. Gains or losses relating to the ineffective portion of unrealised changes in the fair value of interest rate swaps are recognised in profit or loss. The Company's derivative instruments are measured at fair value according to Level 1, observable market data.

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The Concordia Maritime Group applies International Financial Reporting Standards (IFRS) as adopted by the EU. The Group prepares its interim reports in accordance with the accounting policies and calculation methods used in the 2016 annual report, unless otherwise indicated 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.

Gothenburg, 9 November 2017

Carl-Johan Hagman  
*Chairman*

Stefan Brocker  
*Deputy Chairman*

Daniel Holmgren

Mats Jansson

Helena Levander

Mahmoud Sifaf

Alessandro Chiesi

Michael G:son Löw

Morten Chr. Mo

Dan Sten Olsson

Kim Ullman  
*CEO*

# Audit review report

Concordia Maritime AB  
Corp. ID 556068-5819

## Introduction

We have reviewed the condensed set of financial statements in the interim report for Concordia Maritime AB (publ) for the third quarter and the nine months ended 30 September 2017. The Board of Directors and CEO are responsible for the preparation and presentation of this interim financial report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express an opinion on this interim report based on our review.

## Scope of the review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain a level of assurance

that would make us aware of all significant matters that might be identified during an audit. Consequently, conclusions based on a review do not have the level of assurance of those based on an audit.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report has not been prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act for the Group and the Swedish Annual Accounts Act for the Parent Company.

Gothenburg, 9 November 2017

KPMG AB

Jan Malm  
*Authorised Public Accountant*



# Quarterly overview

SEK millions	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015
<b>Profit/loss items</b>								
Total income <sup>1)</sup>	197.7	211.1	224.9	278.5	215.3	280.8	263.6	274.2
Operating costs excluding impairment <sup>1)</sup>	-245.9	-256.5	-249.3	-231.0	-225.1	-280.2	-219.2	-216.6
Operating result (EBIT)	-521.8	-45.4	-24.4	47.5	-9.8	0.7	44.4	57.6
of which result from sale of investments in jointly-controlled entities (vessels)	—	—	—	—	—	—	—	—
Financial net	-11.2	1.6	-16.8	-14.0	-12.6	11.7	-11.0	-7.8
Result after financial net	-533.1	-43.9	-41.2	33.5	-22.4	12.4	33.4	49.8
Result after tax	-533.1	-43.9	-41.2	34.3	-10.6	12.4	33.4	49.4
Cash flow from operating activities	39.5	11.4	-1.6	-20.0	37.5	96.7	130.7	80.0
EBITDA	1.9	10.0	29.3	108.4	50.8	57.2	103.4	117.3
<b>Balance-sheet items</b>								
Ships (number)	2,319.5 (11)	2,892.1 (11)	3,104.7 (11)	3,165.5 (11)	3,810.4 (13)	3,810.6 (13)	3,681.9 (13)	3,809.0 (13)
Ships under construction (number)	0	0	0	0	0	0	0	0
Liquid funds incl. investments	546.9	589.1	722.7	679.5	305.3	291.1	359.4	273.5
Other assets	201.4	261.4	267.0	276.7	223.2	242.1	267.2	271.4
Interest-bearing liabilities	1,702.3	1,808.6	1,975.3	1,946.5	2,310.5	2,292.9	2,321.5	2,387.2
Other liabilities and provisions	106.8	106.7	98.8	105.9	114.0	150.2	124.8	102.2
Equity	1,259.0	1,827.4	2,020.4	2,089.8	1,914.5	1,900.9	1,862.2	1,868.7
Total assets	3,068.1	3,742.7	4,094.6	4,142.2	4,339.0	4,344.0	4,308.5	4,354.5
<b>Key ratios, %</b>								
Equity ratio	41	49	49	50	44	44	43	43
Return on total capital	-14	0	0	2	2	4	5	5
Return on capital employed	-14	0	0	2	2	4	5	5
Return on equity	-32	-3	-3	4	5	8	10	10
Operating margin	-264	-21	-11	17	-5	0	17	21
<b>Share data</b>								
Total income <sup>1)</sup>	4.14	4.42	4.71	5.83	4.51	5.88	5.52	5.74
Operating costs excluding impairment	-5.15	-5.37	-5.22	-4.84	-4.72	-5.87	-4.59	-4.54
Operating result	-10.93	-0.95	-0.51	0.99	-0.21	0.01	0.93	1.21
Financial net	-0.23	0.03	-0.35	-0.29	-0.26	0.25	-0.23	-0.14
Result after tax	-11.17	-0.92	-0.86	0.72	-0.22	0.26	0.70	1.03
Cash flow from operating activities	0.83	0.24	-0.03	-0.42	0.79	2.03	2.74	1.68
EBITDA	0.04	0.21	0.61	2.27	1.06	1.2	2.17	2.46
Equity	26.38	38.29	42.33	43.78	40.11	39.83	39.02	39.15

Please note that there has been no dilution effect since 2002.

Definitions: see page 14.

1) Accounting policies: see page 16.

## Contact



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## Calendar

2017 Year-end	30 January 2018
Q1 2018, AGM	24 April 2018
Q2 2018	14 August 2018
Q3 2018	8 November 2018

**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](http://concordiamaritime.com)

The information in this report is information that Concordia Maritime is required to disclose in accordance with the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. The information was made public on 9 November 2017, at approx. 2 p.m.

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## Fleet at 30/09/2017



Vessel name	Employment	Partner
<b>PRODUCT TANKERS</b>		
<b>P-MAX</b>		
Stena Premium	Spot	Stena Weco
Stena Polaris	Spot	Stena Weco
Stena Performance	Spot	Stena Weco
Stena Provence	Time charter to Sep 2018	Stena Weco
Stena Progress	Time charter to May 2019	Stena Weco
Stena Paris	Time charter to July 2018	Stena Weco
Stena Primorsk	Time charter to June 2018	Stena Bulk
Stena Penguin	Spot	Stena Bulk
Stena Perros	Spot	Stena Bulk
Stena President	Spot	Stena Bulk
<b>IMOIMAX</b>		
Stena Image	Spot	Stena Weco
Stena Important	Spot	Stena Weco
<b>MR ECO</b>		
3 unnamed vessels <sup>1)</sup>	Spot	Stena Weco
<b>CRUDE OIL TANKERS</b>		
<b>Suezmax</b>		
Stena Supreme	Spot	Stena Sonangol Suezmax Pool

1) 50% charter of one vessel, November 2015–November 2017 (with option for an additional 1–6 months), and 50% charter of two vessels, June/July 2017–June/July 2018.