

YEAR-END REPORT 1 JANUARY–31 DECEMBER 2019

Market upturn

Q4 19

- **Total income**
Q4: SEK 317.6 (367.8) million
12 months: SEK 1,140.2 (1,052.9) million
- **EBITDA**
Q4: SEK 62.3 (77.1) million
12 months: SEK 249.5 (56.8) million
- **Result before tax**
Q4: SEK –29.3 (–19.4) million
12 months: SEK –102.3 (–182.1) million
- **Result per share after tax**
Q4: SEK –0.62 (–0.41)
12 months: SEK –2.15 (–3.81)

Events in the fourth quarter

- Three P-MAX vessels chartered out for two years
- Refinancing of eight P-MAX vessels; credit facility in place
- The Board proposes that the AGM adopt a dividend of SEK 0 (0) per share.

Events after the end of the quarter

- Implementation of a new corporate structure

Key figures

	Q4 (Oct–Dec)		Full year	
	2019	2018	2019	2018
Total income, SEK million	317.6	367.8	1,140.2	1,052.9
EBITDA, SEK million	62.3	77.1	249.5	56.8
EBITDA, USD million	6.5	8.9	26.4	6.5
Operating result, SEK million	–3.3	28.2	–0.4	–130.1
Result before tax, SEK million	–29.3	–19.4	–102.3	–181.9
Result after tax, SEK million	–29.5	–19.5	–102.6	–182.1
Equity ratio, %	29	38	29	38
Return on equity, %	–1	–16	–9	–15
Available liquid funds, including unutilised credit facilities, SEK million	354.8	160.1	354.8	160.1
Result per share after tax, SEK	–0.62	–0.41	–2.15	–3.81
Equity per share, SEK	22.12	22.24	22.12	22.24
Lost-time injuries	0	0	1	0

A new, strong market situation

At the end of the year, the tanker market took a sharp upturn. This development is evident in all market segments and is largely structurally driven. All in all, this means that, after several years of weak markets, we are now in a new, strong market position. The “tanker boom” that we talked about is now with us.

Looking at the year as a whole, developments were largely (unfortunately) as we expected. The year started weakly but still all right. There then followed two exceptionally weak quarters, which had an adverse effect on ship deliveries and refinery maintenance in particular. Then the upturn we had predicted for so long came in the fourth quarter. The drivers behind the upturn include structural factors in the form of underlying stable demand for oil, extensive US exports and ever-decreasing net tanker fleet growth. In addition, the installation of scrubbers on a relatively large number of vessels and delays in port for bunkering also reduced the total available fleet, which has further strengthened the market.

Delay effects due to previously signed charter contracts mean that, for our part, the stronger overall market was not noticed until the end of Q4 2019.

Result before tax for the full quarter amounted to SEK –29.3 (–19.4) million. EBITDA was SEK 62.3 (77.1) million, corresponding to USD 6.5 (8.9) million. For the full year, result before tax was SEK –102.3 (–181.9) million and EBITDA was SEK 249.5 (56.8) million, corresponding to USD 26.4 (6.5) million.

Active work on the fleet

Regarding our own fleet, we continued to position the vessels according to the current market conditions during the year. We have continued to seek niche trades for our P-MAX vessels, where their unique properties are particularly beneficial. At the time of writing, five of the P-MAX vessels are on special trade routes in Brazil, for which they are particularly well suited. The other five P-MAX vessels are in the spot market where they now have the potential to exploit their ice class during winter. We believe that there is a good mix of spot/fixed contracts at present. Other vessels in the fleet, the two IMOIIIMAX vessels and the Suezmax tanker *Stena Supreme*, continue to be employed in pools with market-leading earnings.

Looking at our sustainability work, we are satisfied with what we have achieved. Our vessels provide a good, safe workplace for the seagoing employees and our focus on maintenance and safety is confirmed by customers' ongoing controls and our own incident statistics. More about this on pages 7–8.

New legal structure

As part of our efforts to reduce our administrative costs and also establish ourselves within a relevant maritime cluster with a European tonnage tax, we are now changing our corporate structure as we enter 2020. The business will be run from Denmark and be part of the Danish tonnage tax system.



Market outlook 2020

2020 has started strongly and we now have the overall market situation that we have long predicted. Looking ahead, our overall view of market development is largely unchanged. We continue to expect a strong, stable market during 2020. 2021 also has the potential to be a year of good markets. The drivers include structural causes in the form of good demand for oil and balanced stock levels. At the same time, the weak markets in recent years have meant few new orders, resulting in record-low order books. At the beginning of 2020, the order book amounts to about 6.5 percent of the total existing fleet, while the average for the last 10 years is just under 15 percent.

As far as vessel orders are concerned, it is not uncommon for them to rise during periods of stronger markets. It bodes well that we are not seeing signs of this so far. From order to delivery takes about 18–24 months. This means that with each month that does not have an increasing number of orders, there is more opportunity for a profitable market.

We now have a very exciting year ahead of us. Based on a well-functioning operation and well-positioned fleet, we now very much look forward to taking advantage of the opportunities that arise in a stronger market.

Kim Ullman, President

Business activities

Spot market earnings for the product tanker fleet in the fourth quarter of 2019 were USD 14,800 (13,700) per day, which was lower than average earnings per day for the market¹⁾, USD 20,000 (11,000), due to delay effects. For the same reason, earnings for the suezmax fleet in the quarter were USD 44,000 (25,800) per day, compared with the average earnings per day for the market¹⁾, USD 72,800 (36,800).

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 agreements with Stena Bulk. The two IMOIIIMAX vessels *Stena Image* and *Stena Important* also continued to be employed on long-term charters under the cooperation with Stena Bulk.

Earnings

Average earnings for the entire product tanker fleet, spot and TC, during the fourth quarter were USD 14,900 (13,900) per day. For vessels employed in the spot market, average earnings for the quarter were USD 14,800 (13,700). For the full year, average earnings for the entire product tanker fleet, spot and TC, were USD 14,500 (12,900) per day. For vessels employed in the spot market, average earnings for the year were USD 14,300 (12,100).

Suezmax fleet

During the period, the Suezmax fleet consisted of the Suezmax tanker *Stena Supreme* (158,000 000 DWT), contracted in on

a long-term charter. The vessel was employed in 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 earnings.

Earnings

Average earnings for the suezmax fleet were USD 44,000 (25,800) per day for the quarter and USD 28,000 (18,500) per day for the year.

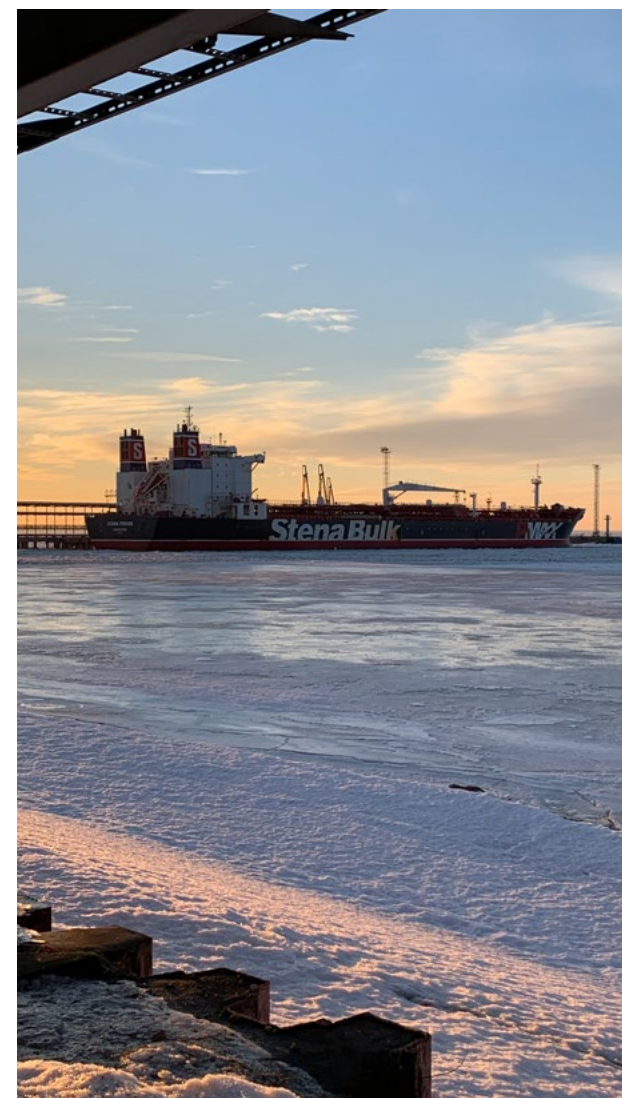
Repairs and drydock

There were no repairs or drydocking during the year.

Current status of contracted freights Q1 2020, 30 January

	Average earnings (\$/day)	Share of chartered days (%)
Product tankers, spot	20,300	56
Suezmax, spot	55,600	42

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	No. of ships	Average earnings, Concordia Maritime				Average earnings, market ^{1,2)}			
		Q4 2019	Q4 2018	Full year 2019	Full year 2018	Q4 2019	Q4 2018	Full year 2019	Full year 2018
Product tankers	10.5	14,800	13,700	14,300	12,100	20,000	11,000	13,700	8,800
Suezmax	1	44,000	25,800	28,000	18,500	72,800	36,800	31,600	16,300

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 reported lower earnings per day than the Clarksons theoretical index in the fourth quarter of 2019. Concordia Maritime's earnings in the Suezmax segment during the quarter were also lower than the Clarksons index. The main reason why both segments reported lower earnings than the

index during the quarter is that during rapid market changes, Clarksons is updated faster than the shipping companies' charters. The current charters must be terminated before new ones can be agreed at the new market level.

EBITDA per quarter

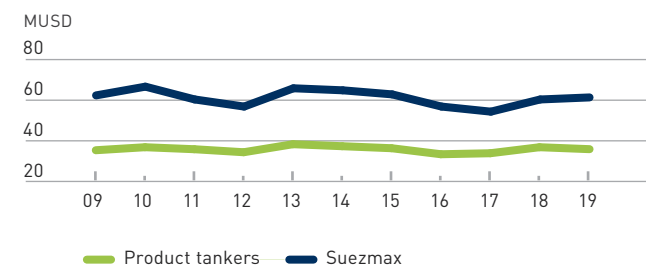
USD millions	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
Product tankers, time charter	1.5	1.9	4.3	4.3	4.1	4.5	5.8	7.6	4.8
Product tankers, spot, owned and leased tonnage	3.1 ³⁾	3.1 ²⁾	1.2	3.8	-0.5	-4.1	-4.5	-4.4	-1.8
Product tankers, spot, short-term chartered tonnage	0.0	-0.2	-0.1	0.1	-0.6	-1.1	-0.4	-0.1	-0.2
Sale of ships	—	—	—	—	—	—	—	—	—
Product tankers, total	4.7	4.8	5.5	8.1	3.0	-0.7	0.9	3.0	2.8
Suezmax, spot, owned and leased tonnage	3.1	1.0	0.9	1.6	-0.1	-1.1	-1.2	-1.3	-0.7
Suezmax, spot, short-term chartered tonnage	0.0	0.0	0.0	0.0	6.7 ¹⁾	0.2	-0.0	—	—
Sale of ships	—	—	—	—	—	—	—	—	—
Suezmax, total	3.1	1.0	0.9	1.6	6.6	-0.9	-1.2	-1.3	-0.7
Admin. and other	-1.3	-0.4	-0.7	-0.8	-0.7	-0.5	-0.8	-0.8	-0.9
Total	6.5	5.4	5.6	8.9	8.9	-2.1	-1.1	0.9	1.2

1)The figure includes the sales amount for shares in the period charters of Suezmax vessels.

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

3)The total includes a negative bunker hedge of MUSD -0.5.

Newbuilding prices

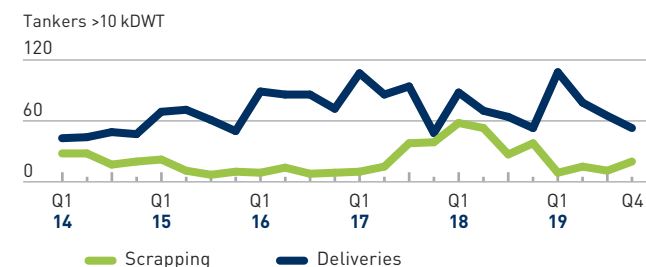


At the end of the quarter, the price of a standard product tanker was about USD 35.8 million. The price of an IMOII class MR tanker like our IMOIIIMAX vessels was about USD 39.5 million. This is the same price as when we placed our order with the shipyard in 2012. The price of a standard Suezmax tanker at the end of the quarter was about USD 61.5 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 increased compared with the previous quarter.

Source: Clarkson

Financial summary

Result

Result after tax for the quarter was SEK –29.5 (–19.5) million. The significantly stronger tanker market in the latter part of the quarter meant higher earnings for the vessels in the spot market. However, the current charters must be terminated before new ones can be agreed at the new market level. Costs for ongoing operation and administration were in line with the same period the previous year. Non-recurring costs of USD 0.4 million associated with the new corporate structure were recognised during the quarter. These costs are related to the closure of offices and staff reductions.

Equity

Equity per share was SEK 22.12 (24.24).

Changes in translation and hedging reserves

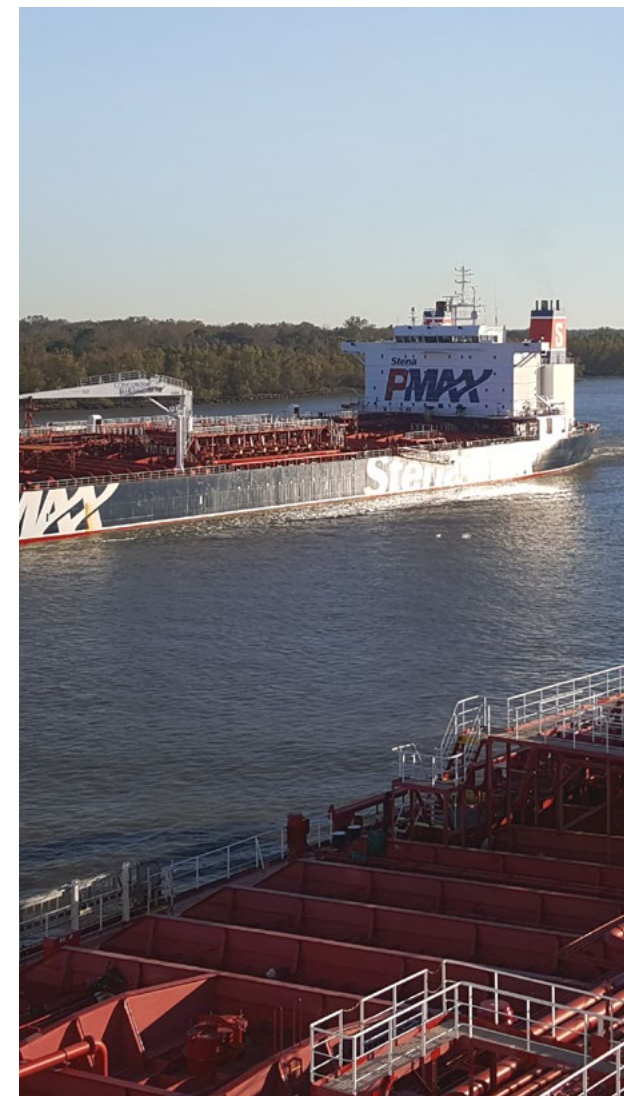
The Parent Company's functional currency is SEK, but the majority of the transactions in the Group are in USD. The Group's result is generated in USD, which means the result in SEK is a direct function of the SEK/USD exchange rate trend. An equity hedge has been in place since the second half of 2018 through the forward sale of USD 31 million, with a maturity of 24 months. At the end of Q4 2019, this hedging was valued at SEK –18,3 million and recognised in the hedging reserve through OCI.

The closing amount in the hedging reserve at the end of the quarter was SEK –35.1 (–59.6) million. The closing balance for the translation differences, which are recognised in equity, was SEK 531.2 (481.9) 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 26.6 (1.8) million. The investments for the quarter are related to periodic drydocking. The Company's net investments in financial assets during the quarter amounted to SEK –19.8 (–85.3) million and were related to the sale of equities and bonds. These are classified as short-term deposits in the Company's balance sheet. Hedge accounting is applied for the Company's bunker hedge, covering a total of 70,000 mt and effective November 2019 to June 2021, and the fair value is recognised in other comprehensive income. A fair value change of SEK 23.6 million for this position was reported in OCI during the quarter. The realised values are recognised in the Company's income statement at maturity. Total realised values of SEK –5.1 million for November and December 2019 were recognised during the quarter. The Company has positions for the price differential between bunker grades HSFO and MGO for the first six months of 2020. The total volume is 12,000 mt, with an average spread of USD 298. Market value changes for the positions are recognised in the income statement, and amount to SEK –0.9 (–26.0) million for the quarter. They are classified as current receivables in the Company's balance sheet.

The Company has FFA positions related to price developments for freight route TD20 for Q4 2019 and for the year 2020. The total volume for the positions is 30,000 mt for Q4 and 84,000 mt for 2020. The realised value for the positions for 2019 is recognised in the income statement, and is SEK 0.9 (0.0) million for the quarter. Market value changes for the positions for 2020 are recognised in the income statement, and amount to SEK 0.8 (0.4) million for the quarter. They are classified as current receivables in the Company's balance sheet.



The Company also has FFA positions in freight route TC2 for 2020. The total volume is 24,000 mt. Market value changes for the positions are recognised in the income statement, and amount to SEK 0.4 million for the quarter. They are classified as current receivables in the Company's balance sheet.

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 December 2019, the fleet's carrying amount did not exceed its recoverable amount, which meant that there was no impairment loss recognised. At this point the average of the three independent, external valuations of the fleet was higher than the book value of the fleet.

Seasonal variations

At the end of the quarter, 10.5 vessels in the sailing fleet of 13.5 (10 owned, 3 on bareboat contracts and 1 on a 50% time charter) were employed in the spot market, two of them on CVC contracts. Three vessels are each out on time charter of two years 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.

Refinancing

The eight P-MAX vessels that were previously financed through a banking group were refinanced in Q4. This refinancing was two years before expiry of the agreement.

This meant that the Company was able to secure financing until the end of December 2024 at similar conditions and also increase the loan by USD 24 million. Refinancing fees and costs will have a negative impact of about USD 1 million on cash flow in Q1 2020.

The Company has had an overdraft facility of USD 11 million with Handelsbanken. This was reduced to USD 9.5 million during the quarter and the Company also agreed a new overdraft facility of USD 10 million with Stena Finans.

Employees

The number of employees in the Group at 31 December 2019 was 6 (6). The Group employed 514 (488) temporary seagoing employees through Stena Sphere's manning company.

Parent Company

The Parent Company's sales for the quarter amounted to SEK 7.6 (124,4) million, with intragroup invoicing representing SEK 0.1 (0.7) million of this amount. The Parent Company's available liquid funds at the end of the quarter amounted to SEK 1,260.1 (1,036.0) million, which includes receivables from Group companies in the cash pool and unutilised credit facilities.

Other

During 2019, the Board decided to change the legal structure. This involves establishing ourselves in the Danish maritime cluster and applying Danish tonnage tax. Implementation of the Danish operations began in Q1 2020.

The Company is also investigating the feasibility of changing the trading venue for Concordia Maritime's shares to the Oslo Stock Exchange.

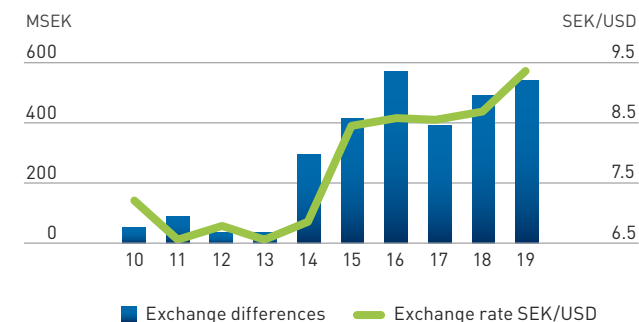
The Group's total income and earnings

SEK millions	Quarter 4		Full year	
	2019	2018	2019	2018
Total income ¹⁾	317.6	367.8	1,140.2	1,052.9
Operating result	-3.3	28.2	-0.4	-130.1
Result before tax	-29.3	-19.4	-102.3	-181.9
Result per share after tax, SEK	-0.62	-0.41	-2.15	-3.81

Liquidity and financial position

SEK millions	31 Dec 2019	31 Dec 2018
Available liquid funds ²⁾	354.8	160.1
Interest-bearing liabilities ³⁾	2,446.7	1,539.1
Equity	1,055.6	1,061.5
Equity ratio, %	29	38

Translation differences⁴⁾



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.

No Concordia Maritime vessel was involved in any incident that resulted in discharges of bunker oil or cargo during the quarter. There were also no workplace incidents resulting in an individual employee being unable to return to a work shift on the day after the incident.

The Company's vessels were not involved in any piracy-related incidents during the quarter. During the quarter, there were two incidents involving material damage (*Stena Paris*: lightning damaged the MF/HF antenna and *Stena Polaris*: broken mooring line). There were no medical treatment cases, but there was one restricted work case (*Stena Image*: crew member stumbled and sprained ankle) in the fourth quarter. Two incidents classified as high potential near misses occurred during the quarter (*Stena Important*: valve failure during loading and *Stena Progress*: small fire in changing rooms), but there were no high risk observations.

External controls

Five vetting inspections were conducted during the quarter. There were 11 observations recorded during these inspections, resulting in an average of 2.2 observations per inspection. There were 31 vetting inspections in the period January–December 2019, with 64 observations recorded, resulting in an average of 2.1 observations per inspection.

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

Energy management

Efforts to reduce bunker consumption continued during the quarter. Bunker consumption in tonnes per day at sea for the quarter fell by 0.1 tonnes. The outcome for the full year 2019 was a reduction in consumption of 0.24 tonnes. Reduced bunker consumption means lower emissions. See the table on page 8.



Targets and outcomes, sustainability

Safety first

	Q4 2019	Q4 2018	Full year 2019	Full year 2018	Target 2019
LTI	0	0	1	0	0
LTIF	0	0	0.35	0	0
Number of inspections with more than 5 observations (owned vessels)	0	1	0	2	0
Average number of vetting observations per inspection (owned vessels)	2.2	3.2	2.1	2.6	<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	2	1	4	11	0
Medical treatment case	0	1	1	1	0
Restricted work case	1	0	1	0	0
High potential near miss	2	0	4	5	0
High risk observation	0	0	0	0	0

Environmental responsibility

	Q4 2019	Q4 2018	Full year 2019	Full year 2018	Target 2019
Oil spills, litres	0	0	0	0	0
Reduced fuel consumption, mt/day (owned vessels) ¹⁾	0.1	0.68	0.24	0.23	0.3
CO ₂ reduction, mt	166	1,544	1,940	2,028	2,800
SO _x reduction, mt	2.1	9.9	26.5	19.2	36
NO _x reduction, mt	4.6	47	55	60	80
Reduction in emissions of particulates, mt	0.1	0.6	0.8	0.8	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 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.



How much do you know about marine litter?

Plastic waste in the sea is one of the biggest environmental problems of our time, with the world's oceans rapidly filling with litter, and our Swedish seas are unfortunately no exception. Concordia Maritime has joined Keep Sweden Tidy in a cooperation project in which we work together to inform the public about littering and its consequences, thereby preventing and reducing marine litter.

It's time to do something about marine litter. And it starts with you. Take the test at concordiamaritime.com to find out what you know about litter in the sea!

Follow the market's development at 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.

... and follow Concordia Maritime on social media



[concordiaab](https://twitter.com/concordiaab)



[concordiamaritime](https://www.instagram.com/concordiamaritime)

GROUP

Income statement

SEK millions	Quarter 4 2019	Quarter 4 2018	Full year 2019	Full year 2018
Consolidated income statement				
Average exchange rate SEK/USD	9.63	9.04	9.46	8.69
Time charter income, leasing of vessels	23.7	28.6	119.6	130.6
Time charter income, operational services	58.4	54.2	215.0	206.4
Spot charter income ¹⁾	235.2	234.5	757.5	665.4
Other income	0.3	50.5	48.0	50.5
Total revenue	317.6	367.8	1,140.2	1,052.9
Voyage-related operating costs	-122.5	-88.2	-351.1	-293.4
Operating costs, ships ¹⁾	-59.5	-135.6 ²⁾	-265.8	-447.9 ³⁾
Personnel costs, temporary seagoing	-53.0	-51.7	-212.1	-202.7
Personnel costs, land-based	-9.2	-6.6	-23.1	-20.4
Other external expenses	-11.1	-8.6	-38.5	-31.7
Depreciation/impairment	-65.5	-48.9 ²⁾	-249.9	-186.9 ³⁾
Total operating costs¹⁾	-320.9	-339.6²⁾	-1,140.6	-1,183.0³⁾
Operating result	-3.3	28.2²⁾	-0.4	-130.1³⁾
Interest and similar income	3.6	-27.1	24.8	30.9
Interest and similar expense	-29.7	-20.4 ²⁾	-126.7	-82.7 ³⁾
Financial net	-26.1	-47.6²⁾	-101.9	-51.8³⁾
Result before tax	-29.3	-19.4²⁾	-102.3	-181.9³⁾
Tax	-0.2	-0.1	-0.3	-0.2
Result after tax	-29.5	-19.4²⁾	-102.6	-182.1³⁾

1) Accounting policies, see page 18.

2) To show the effects of the implementation of IFRS 16, adjusted income statement items for Q4 2018 are stated below as if they had been reported under IFRS 16.

Other income statement items are unchanged.

Operating costs, ships	-110.8
Depreciation/impairment	-61.5
Operating costs	-327.3
Operating result	40.4
Interest and similar expense	-26.0
Financial net	-53.1
Result before tax	-12.6
Result after tax	-12.7

3) To show the effects of the implementation of IFRS16, adjusted income statement items for the full year 2018 are stated below as if they had been reported under IFRS 16. Other income statement items are unchanged.

Operating costs, ships	-354.5
Depreciation/impairment	-227.9
Operating costs	-1,130.6
Operating result	-77.7
Interest and similar expense	-115.6
Financial net	-84.7
Result before tax	-162.4
Result after tax	-162.6

Other comprehensive income

SEK millions	Quarter 4 2019	Quarter 4 2018	Full year 2019	Full year 2018
Result after tax	-29.5	-19.4	-102.6	-182.1
Items that have been/can be transferred to result for the period				
Translation differences	-41.7	-4.5	49.3	95.8
Changes in fair value of cash flow hedges for the period	15.2	-68.2	20.0	-68.2
Changes in fair value of cash flow hedges transferred to result for the period	7.5	-0.9	4.9	-3.5
Items that cannot be transferred to result for the year				
Changes in the fair value of equity instruments at fair value through OCI	2.5	-2.4	0.5	-2.4
Comprehensive income for the period	-46.1	-95.4	-27.9	-160.4

Per-share data, SEK

SEK millions	Quarter 4 2019	Quarter 4 2018	Full year 2019	Full year 2018
Per-share data, SEK				
Number of shares	47,729,798	47,729,798	47,729,798	47,729,798
Result per share, before/after dilution	-0.63	-0.41	-2.16	-3.81
Equity per share, SEK	22.12	22.24	22.12	22.24

GROUP

Condensed balance sheet

SEK millions	31 Dec 2019	31 Dec 2018
Closing exchange rate SEK/USD	9.37	8.85
Assets		
Ships and equipment ¹⁾	3,064.2	2,303.0 ³⁾
Financial assets	0.1	14.6
Total non-current assets	3,064.4	2,317.6³⁾
Current receivables	349.3	251.8
Short-term deposits	3.4	97.4
Cash and bank balances ²⁾	227.7	126.4
Total current assets	580.5	475.6
Total assets	3,644.9	2,793.2³⁾
Equity and liabilities		
Equity	1,055.6	1,061.5
Non-current liabilities	2,041.2	1,301.5 ³⁾
Current liabilities	548.1	430.2 ³⁾
Total equity and liabilities	3,644.9	2,793.2³⁾

1) Including right-of-use assets of SEK 1,080.0 (0.0) million.

2) Including restricted funds of SEK 0 (64.9) million.

3) To show the effects of the implementation of IFRS 16, adjusted balance sheet items for the full year 2018 are stated below as if they had been reported under IFRS 16. Other balance sheet items are unchanged.

Ships and equipment	3,113.0
Total non-current assets	3,127.6
Total assets	3,605.0
Non-current liabilities	2,048.5
Current liabilities	495.0
Total equity and liabilities	3,605.0

Changes in equity

SEK millions	Share capital	Other paid-in capital	Translation reserve	Hedging reserve	Fair value reserve	Retained earnings	Total
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
Changes Jan-Dec 2018							
Opening balance 01.01.2018	381.8	61.9	386.1	11.7	0.0	380.4	1,221.9
Comprehensive income for the period	0.0	0.0	95.8	-71.7	-2.4	-182.1	-160.4
Closing balance 31.12.2018	381.8	61.9	481.9	-60.0	-2.4	198.3	1,061.5

GROUP

Condensed cash flow statement

SEK millions	Quarter 4 2019	Quarter 4 2018	Full year 2019	Full year 2018
Operating activities				
Result before tax	-29.3	-19.4	-102.3	-181.9
Adjustments:				
Depreciation	65.5	48.9	249.9	186.9
Other items	1.3	-69.6	-3.3	-93.8
Cash flow from operating activities before changes in working capital	37.5	-40.0	144.3	-88.9
Changes in working capital	-81.7	29.0	-83.0	-27.4
Cash flow from operating activities	-44.2	-11.0	61.3	-116.3
Investing activities				
Sale of non-current assets	0.0	0.0	0.0	1.9
Investment in non-current assets	-26.6	-1.8	-62.2	-2.9
Sale of financial assets	-19.8	94.9	124.3	208.8
Investment in financial assets	0.0	-9.6	-14.2	-106.3
Other financial items	0.0	-0.2	0.0	0.2
Cash flow from investing activities	-6.9	83.4	48.0	101.3
Financing activities				
New loans	1,122.2	0.0	1,122.2	0.0
Amortisation of loans	-921.9	-4.4	-1,067.6	-99.6
Dividend to shareholders	0.0	0.0	0.0	0.0
Other financing	-19.2	-5.1	-74.7	-19.5
Cash flow from financing activities	181.2	-9.5	-20.0	-119.1
Cash flow for the period	130.1	62.9	89.3	-134.0
Balance at beginning of period (Note 1)	95.9	63.5	126.4	243.6
Exchange differences (Note 2)	1.8	0.0	12.0	16.8
Balance at end of period (Note 1)	227.8	126.4	227.8	126.4
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	-6.4	-1.1	6.9	19.4
Cash flow for the period	8.2	1.1	5.1	-2.5
	1.8	0.0	12.0	16.8

PARENT COMPANY

Condensed income statement

SEK millions	2019	2018
Net sales	74.0	224.6
Operating costs, ships	-75.4	-182.5
Other external expenses	-12.1	-10.9
Personnel expenses	-15.2	-14.8
Operating result	-28.8	16.4
Result from subsidiaries	84.0	0.0
Other interest and similar income	69.5	33.3
Interest and similar expense	-94.2	-132.9
Result before tax	30.6	-83.2
Tax	0.0	0.0
Result after tax	30.6	-83.2

Condensed balance sheet

SEK millions	31 December 2019	31 December 2018
Assets		
Ships and equipment	0.0	0.0
Financial assets	0.0	0.5
Investments in Group companies	746.4	745.8
Total non-current assets	746.5	746.3
Current receivables	11.5	8.4
Receivables from Group companies	978.8	1,022.6
Cash and bank balances	271.3	78.3 ¹⁾
Total current assets	1,261.6	1,109.3
Total assets	2,008.1	1,855.6
Equity and liabilities		
Equity	514.7	484.1
Non-current liabilities	1,133.7	1,066.2
Current liabilities	359.7	305.3
Total equity and liabilities	2,008.1	1,855.6

1) Including restricted funds of SEK 0 (64,9) million.

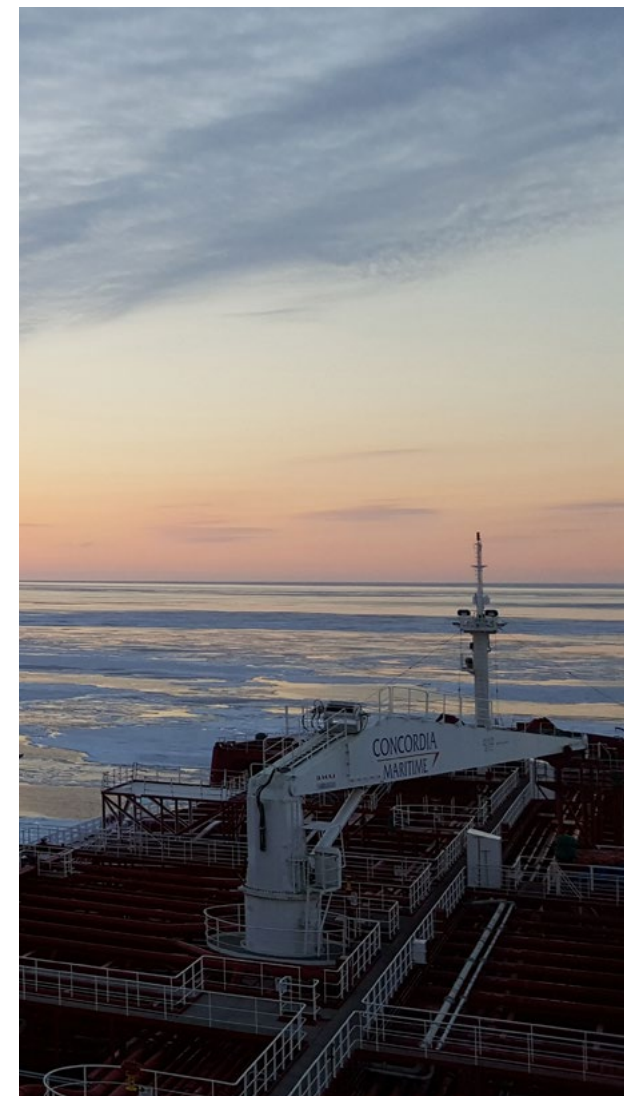
Risks and risk management

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 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.
- *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 2018 annual report, which is available at www.concordiamaritime.com.



Definitions, shipping

CO₂

Carbon dioxide.

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).

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).

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

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.

SO_x

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 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.

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.

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.

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

Reconciliation of alternative performance measures

EBITDA

SEK millions	Quarter 4 2019	Quarter 4 2018	Full year 2019	Full year 2018
Operating result	-3.3	28.2	-0.4	-130.1
Depreciation/impairment	65.5	48.9	249.9	186.9
EBITDA	62.3	77.1	249.5	56.8

Result excluding impairment and tax

SEK millions	Quarter 4 2019	Quarter 4 2018	Full year 2019	Full year 2018
Result after tax	-29.5	-19.4	-102.6	-182.1
Impairment	0.0	0.0	0.0	0.0
Tax	-0.2	0.1	-0.3	0.2
Result excluding impairment and tax	-29.3	-19.4	-102.3	-181.9

Result per share excluding impairment and tax

	Quarter 4 2019	Quarter 4 2018	Full year 2019	Full year 2018
Result excluding impairment and tax, SEK million	-29.3	-19.4	-102.3	-181.9
Number of shares	47,729,798	47,729,798	47,729,798	47,729,798
Result per share excluding impairment and tax, SEK	-0.62	-0.41	-2.15	-3.81

Return on equity

SEK millions	2019	2018
Result after tax	-102.6	-182.1
Equity	1,106.9	1,165.5
Return on equity	-9%	-15%

Return on capital employed

SEK millions	2019	2018
Result after financial net	-102.3	-181.9
Finance costs	124.9	82.7
Result after financial net plus finance costs	22.6	-99.2
Total assets	3,635.1	2,921.7
Non-interest-bearing liabilities	-169.8	-147.7
Capital employed	3,465.3	2,773.9
Return on capital employed	0.6%	-3.6%

Return on total capital

SEK millions	2019	2018
Result after financial net	-102.3	-181.9
Finance costs	124.9	82.7
Result after financial net plus finance costs	22.6	-99.2
Total assets	3,635.1	2,921.7
Return on total capital	0.6%	-3.4%

Equity ratio

SEK millions	2019	2018
Equity	1,055.6	1,061.5
Total assets	3,644.9	2,793.2
Equity ratio	29%	38%

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. The same accounting policies have been applied for the Group and the Parent Company as in the most recent annual report, with the exception of IFRS 16, which is described below.

IFRS 16 is effective for the reporting of leases from the 2019 financial year. As a lessee, the Company recognises a right-of-use asset, representing the right to use the underlying asset, and a lease liability, representing the obligation to make

lease payments, for three long-term leases for vessels contracted in on a bareboat basis. Recognition exemptions are allowed for leases that have a low value and leases with a lease term of 12 months or less. In the income statement, depreciation is recognised separately from interest expenses associated with the lease liability. The Company has chosen to apply the modified retrospective approach for the transition to IFRS 16, which means that comparatives have not been restated. The total effect of the transition to IFRS 16 on the Company's financial statements was an increase of SEK 766 (USD 86) million for both assets and liabilities in the balance sheet. The effect relates to two of the three leases and is calculated using

the Group's incremental borrowing rate of 2.36% at 1 January 2019 and the Group's latest updated assessment of whether any options to extend the leases or acquire the leased vessels will be exercised or not. Both contracts contain a fixed lease payment, but one contract also has variable lease payments based on LIBOR + 2.975% of the remaining accumulated fixed lease amount for the total charter period. The two contracts contain annual purchase options from years three and four onwards. The third contract was reported as a finance lease before the transition to IFRS 16 and the transition did not therefore have any effect on the accounting for the lease.

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 2018, 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.

Gothenburg, 30 January 2020

Carl-Johan Hagman
Chairman

Stefan Brocker

Mats Jansson

Helena Levander

Michael G:son Löw

Henrik Hallin

Alessandro Chiesi

Daniel Holmgren

Mahmoud Sifaf

Kim Ullman
CEO

Quarterly overview

SEK millions	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
Profit/loss items									
Total income ¹⁾	317.6	259.2	252.7	310.7	367.8	258.6	227.0	199.6	193.8
Operating costs excluding impairment ¹⁾	-320.9	-269.7	-260.5	-289.5	-339.6	324.5	-282.4	-236.0	-226.7
Operating result (EBIT)	-3.3	-10.6	-7.8	21.2	28.2	-66.4	-55.5	-36.4	-32.9
of which result from sale of investments in jointly-controlled entities (vessels)	—	—	—	—	—	—	—	—	—
Financial net	-26.1	-25.0	-31.4	-19.4	-47.6	-0.5	-1.6	-2.2	-9.1
Result after financial net	-29.3	-35.6	-39.2	1.8	-19.4	-66.9	-57.0	-38.7	-42.0
Result after tax	-29.5	-35.6	-39.2	1.7	-19.4	-67.0	-57.0	-38.7	-42.0
Cash flow from operating activities	-44.2	28.9	24.7	-10.0	-11.0	-31.4	-69.3	-4.4	-3.2
EBITDA	62.3	52.4	53.3	81.6	77.1	-18.0	-9.3	7.0	10.1
Balance-sheet items									
Ships (number)	3,052.8 (13)	3,243.4 (13)	3,097.7 (13)	3,212.0 (13)	2,303.0 (11)	2,359.0 (11)	2,421.7 (11)	2,303.9 (11)	2,305.7 (11)
Ships under construction (number)	0	0	0	0	0	0	0	0	0
Liquid funds incl. investments	231.2	119.5	186.5	231.3	223.9	263.9	359.7	435.5	466.4
Other assets	349.5	285.6	252.8	266.8	253.5	280.9	262.2	206.3	196.2
Interest-bearing liabilities	2,446.7	2,321.4	2,267.9	2,397.8	1,539.1	1,625.8	1,686.2	1,620.2	1,635.6
Other liabilities and provisions	142.6	225.5	152.4	158.6	194.4	121.2	119.5	120.3	111.0
Equity	1,055.6	1,101.6	1,116.7	1,153.7	1,061.5	1,156.9	1,238.1	1,205.3	1,221.9
Total assets	3,644.9	3,648.5	3,537.0	3,710.1	2,795.0	2,903.9	3,043.8	2,945.8	2,968.5
Key figures, %									
Equity ratio	29	30	32	31	38	40	41	41	41
Return on total capital	1	1	-1	-1	-3	-5	-20	-18	-17
Return on capital employed	1	1	-1	-2	-4	-5	-21	-19	-18
Return on equity	-9	-8	-11	-12	-16	-17	-54	-48	-42
Operating margin	-1	-4	-3	7	8	-26	-24	-18	-17
Share data									
Total income ¹⁾	6.65	5.43	5.29	6.51	7.71	5.42	4.76	4.18	4.06
Operating costs excluding impairment	-6.72	-5.65	-5.46	-6.07	-7.11	-6.81	-5.92	-4.95	-4.75
Operating result	-0.07	-0.22	-0.16	0.44	0.59	-1.39	-1.16	-0.76	-0.69
Financial net	-0.55	-0.52	-0.66	-0.41	-1.00	-0.01	-0.03	-0.05	-0.19
Result after tax	-0.62	-0.75	-0.82	0.04	-0.41	-1.40	-1.19	-0.81	-0.88
Cash flow from operating activities	-0.93	0.60	0.52	-0.21	-0.23	-0.66	-1.45	-0.09	-0.07
EBITDA	1.30	1.10	1.12	1.71	1.62	-0.38	-0.19	0.15	0.21
Equity	22.12	23.08	23.40	24.17	22.24	24.24	25.94	25.25	25.60

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 IMOIIIMAX.
- **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.

Purchase of services from Stena Sphere

SEK MILLIONS	Quarter 4		Full year	
	2019	2018	2019	2018
Group	70.5	70.4	274.8	291.5
Parent Company	0.7	0.3	1.8	1.2

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



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Calendar

2019 Annual report 20 March 2020
Q1 Interim Report and AGM 29 April 2020
Q2 Interim Report 13 August 2020

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 30 January 2020 at approximately 13.00 CET.

Fleet, 31 January 2020

PRODUCT TANKERS	Employment	Partner
P-MAX		
Stena Premium	Time charter to Dec 2021	Stena Bulk
Stena Polaris	CVC to May 2020	Stena Bulk
Stena Performance	CVC to May 2020	Stena Bulk
Stena Provence	Spot	Stena Bulk
Stena Progress	Time charter to Oct/Nov 2021	Stena Bulk
Stena Paris	Spot	Stena Bulk
Stena Primorsk	Spot	Stena Bulk
Stena Penguin	Spot	Stena Bulk
Stena Perros	Time charter to Nov 2021	Stena Bulk
Stena President	Spot	Stena Bulk

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

CRUDE OIL TANKERS		
Suezmax		
Stena Supreme ³⁾	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

CONCORDIA
MARITIME

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