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Annual Report

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The audited annual report for Concordia Maritime AB (publ), 556068-5819, consists of pages 47–83. The annual report is published in Swedish and English, with Swedish being the original version. Sustainability priorities are integrated into the entire annual report.



Concordia Maritime is an international tanker shipping company. We focus on safe, sustainable and reliable transportation of refined oil products, chemicals and vegetable oils. The Company's B shares were first listed on Nasdaq Stockholm in 1984.



**14.7**  
Number of ships

**596**  
Number of crew members

**1984**  
Share listed on Nasdaq Stockholm

**GLOBALA MÅLEN**  
för hållbar utveckling  
Concordia Maritime fully supports Agenda 2030

**Fleet's position, 24/02/2021**

- |                     |                    |
|---------------------|--------------------|
| 1 Stena Premium     | 8 Stena Penguin    |
| 2 Stena Polaris     | 9 Stena Perros     |
| 3 Stena Performance | 10 Stena President |
| 4 Stena Provence    | 11 Stena Image     |
| 5 Stena Progress    | 12 Stena Important |
| 6 Stena Paris       | 13 Stena Supreme   |
| 7 Stena Primorsk    |                    |

**Focus on transportation of refined oil products**



# 2020 in brief

**1,025.8**

Net sales,  
SEK million (1,140.2)

**28%**

equity ratio (29%)

**-65.1**

Result before tax,  
SEK million (-102.3)

**0.0**

Dividend per share,  
SEK (0.0)

## Key figures

	2020	2019
Total income	<b>1,025.8</b>	1,140.2
EBITDA, SEK million	<b>277.8</b>	249.5
EBITDA, USD million	<b>30.2</b>	26.4
Operating result, SEK million	<b>32.6</b>	-0.4
Result before tax, SEK million	<b>-65.1</b>	-102.3
Result after tax, SEK million	<b>-66.0</b>	-102.6
Equity ratio, %	<b>28</b>	29
Return on equity, %	<b>-6</b>	-9
Available liquid funds, including unutilised credit facilities, SEK million	<b>378.0</b>	354.8
Result per share after tax, SEK	<b>-1.38</b>	-2.15
Equity per share, SEK	<b>16.66</b>	22.12
Dividend per share, SEK	<b>0.00</b>	0.00
Share price on closing date, SEK	<b>8.18</b>	14.60
Lost-time injuries	<b>2</b>	1

## Significant events

### Extremely volatile market

The tanker markets were significantly dominated by the global pandemic and extremely volatile during the year and – looking at the full year – very weak.

### New corporate structure implemented

As part of efforts to reduce administrative costs and to establish the Company within a relevant maritime cluster with European tonnage tax, Concordia Maritime has been conducting its operations from Denmark since January 2020.

### Position in crude oil segment

During the year, four suezmax vessels were chartered in on short-term contracts. These are joint charters with Stena Bulk, and Concordia Maritime's share is 33 percent for two of the vessels and 50 percent for the other two.

### Operational challenges due to coronavirus pandemic

The global pandemic brought operational challenges for Concordia Maritime during the year. This was particularly the case for crew changes, with the pandemic resulting in longer working periods on board in many cases.

### Majority of drydockings completed

During the year, five of the fleet vessels went into drydock for periodic maintenance and installation of ballast water treatment systems.

### Improved transport efficiency

The fleet's transport efficiency (grams of CO<sub>2</sub> emissions per tonne-mile) improved by 15 percent compared with 2019. At the same time, the transition to low-sulphur bunker oil contributed to significantly lower emissions of sulphur oxides.

### First year of IMO 2020

On 1 January 2020, the IMO's new regulations on maximum permissible sulphur content in ship fuel came into force. This has resulted in about 80 percent of the world's tankers, including Concordia Maritime's vessels, moving to new approved fuels. Others have chosen to install scrubbers that clean exhaust gases during use of high-sulphur fuel.

## CEO's overview

# A special and strange year in every way

**2020 will go down in history as a particularly special year. The pandemic swept in and presented decision-makers, individuals and companies with challenges we had never seen before. It was a year, the like of which we had never experienced before – and hopefully will never have to again.**

**2020 SHOULD HAVE BEEN THE YEAR WHEN THE TANKER MARKET TOOK AN UPTURN AGAIN.** At the end of 2019, all arrows were pointing in the right direction – upward. The tanker market was heading for a structural upturn, with increased demand for transport and rising rates.

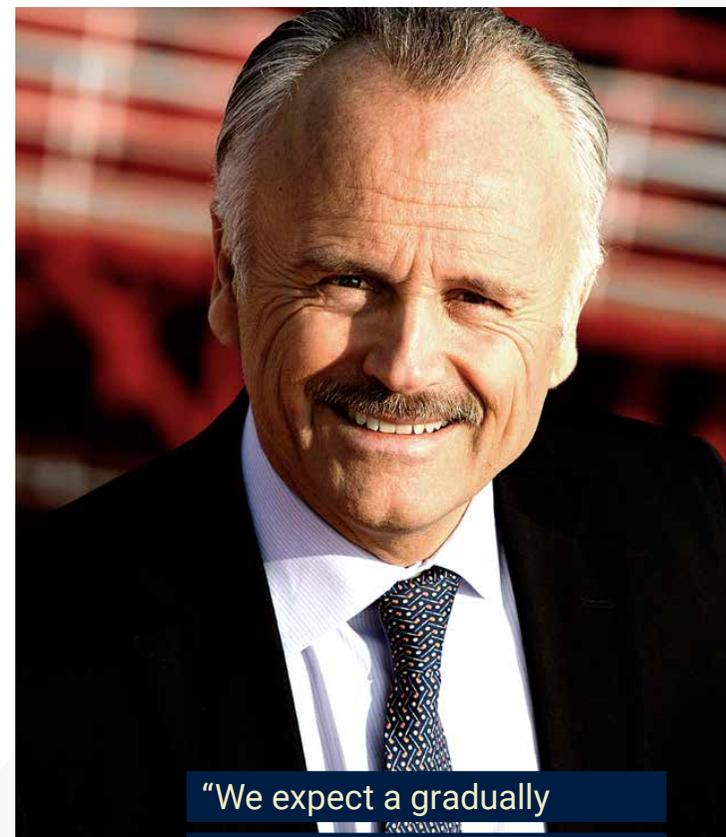
Then came the pandemic. The world economy came to a halt, demand for oil plummeted – and the air went completely out of the tanker market.

However, the tanker market fall was short-lived, as a crash in oil prices shortly afterwards led to a sharp increase in oil trading. For a very short time in early spring, we saw rates in the tanker market that had almost never been seen before. However, the rise was not driven by any real increase in demand for oil – it was actually down – but was entirely a consequence of the low price of oil. The result was a very extensive stock build-up. Between February and March alone, OECD stocks increased by just over 25 percent – from 67 days of average consumption to 84.

The tanker market has subsequently suffered a great deal from this stock build-up. From summer onwards, the combination of stock withdrawals, a continuation of extremely subdued oil consumption and massive production cuts resulted in a record-weak tanker market.

### Extensive docking programme

The market's development is, of course, also reflected in our own earnings. Looking at the year as a whole, we reported a result before tax of SEK –65.1 (–102.3) million. EBITDA was SEK 277.8 (249.5) million, corresponding to USD 30.2 (26.4) million. In addition to the generally low freight rates, our financial position was also adversely affected by a large-scale docking programme. During the year, we sent five of the fleet vessels into drydock. In addition to periodic maintenance and upgrades, we have installed statutory ballast water treatment systems.



**"We expect a gradually stronger market from the second half of 2021."**

This has involved significant costs and a loss of earnings during the time when the vessels were out of service. It is obviously better to do this in a weak market than in a strong one, as earnings are low anyway.

### Major operational challenges

Since the Covid-19 outbreak, our highest priority has been to safeguard the health of seagoing employees and minimise the risk of infection on board the vessels. In addition to complying with the recommendations of the relevant authorities, we and our crewing partner Northern Marine Management have also implemented a large number of our own preventive measures. These include continuous risk assessments and exercises.

Overall, new routines on vessels, tough restrictions and generally increased travel difficulties have substantially increased the complexity of ship operation. This is particularly the case for crew changes, with the pandemic resulting in longer working periods on board in many cases. During the last year, our seagoing employees have shown flexibility and drive that in many ways went beyond what could be expected.

### Market prospects in the period ahead

At the time of writing, we are in the middle of March 2021 and the tanker market remains weak. It is of course difficult to assess how the market will develop in the future as this is dependent on the course of the Covid-19 pandemic. However, our belief in a market strengthening from summer 2021 stands firm. Several factors point to this:

#### *Demand for oil and oil products will soon be back at pre-pandemic levels*

World oil consumption continues to recover at a good pace. We, and many other analysts, expect the recovery to continue during 2021, perhaps even returning to pre-pandemic levels by the end of the year. Overall, this will have a positive effect on demand for tanker transport.

#### *Increased need for transport due to longer distances*

As the oil market now recovers, the shift from west to east appears even clearer. Emerging countries in Asia are expected to continue to account for a growing share of the increase in oil consumption in the future. Several new refineries are now also being built there. At the same time, new oil discoveries, particularly in the west, are resulting in longer distances and therefore also increased transport needs.

#### *Stocks heading down to the five-year average*

The current OPEC+ production cuts are 7.5 million barrels per day. In addition, Saudi Arabia announced in early March that it would cut oil production by a further 1 million barrels per day until the end of April. In combination with increased consumption, this will mean that worldwide oil stocks will continue to fall at a steady pace – down to the five-year average. The road there is a bitter pill for the tanker industry - but is also necessary for an eventual market upturn.

#### *Record low net fleet growth*

Looking at the supply side, the situation looks really promising. Net fleet growth in 2021 and 2022 is expected to be about 2 percent – a historically low level. In the current situation,

virtually no new orders are being placed either, which means that the low growth rate will be gradually extended. This is obviously good for the tanker market as a whole.

#### *No general oversupply of vessels*

Basically, the tanker market is relatively well balanced, which means there is no significant oversupply of vessels. Despite the fact that the markets are poor at present, all vessels still have fairly continuous employment and no vessels are laid up. Even small changes in demand for transport can have a major impact on freight rates. In a “normal” market, the utilisation rate for the total fleet is around 85 percent. At 90 percent, the market is extremely strong and at 80 percent extremely weak. That is how small the differences are.

#### **Gradually stronger market from summer 2021**

In summary, we can say that several factors point to a continuation of the volatile market during the first half of 2021. After that, things appear much more positive, with a gradually stronger market from the second half of the year. Through our exposure to the spot market, we are well positioned to take advantage of the positive trend in the market. We have a flexible fleet that is in good shape. We can now put a challenging year behind us and look ahead instead. We very much look forward to doing so.

Gothenburg, March 2021

Kim Ullman  
CEO

# Business and revenue model

Concordia Maritime’s business model is built on two pillars – daily ship operation and the purchase and sale of vessels.



## Vision

To always be the preferred carrier and business partner within tanker transportation.

## Business concept

- To create value for our customers and shareholders by providing safe, sustainable and reliable tanker transportation based on innovation and performance.
- To make timely investments in vessels and gain financially from fluctuations in their values.

## Business and revenue model

### Daily ship operation

Income from daily operation is mainly derived from compensation for contracting either through the spot market or time charters. Freight rate levels for spot charters are completely variable and based on supply and demand at any given time. With time charters, on the other hand, income consists of a pre-agreed time charter rate that applies throughout the negotiated charter period. In addition to the owned vessels, supplementary vessels can be chartered in for short or long periods.

### Vessel transactions

Tanker shipping is capital intensive in nature, with high values attached to the vessels. The prices of both new and second-hand tonnage vary according to the market and the ship’s condition. The ability to optimise the timing of purchases and sales is therefore critical to the overall profitability of the business.

# Goals and strategies

Concordia Maritime overall goal is to ensure a level of profitability that allows continuous investments and a good return for shareholders. Operations must be conducted with the utmost regard for both people and the environment.



## Financial targets

	Target	Outcome 2020	Comments
<b>Profitability</b>	<b>10%</b> Return on equity	-6%	2020 was a year in which the tanker market was very challenging, resulting in poor profitability.
<b>Equity ratio</b>	<b>&gt;40%</b> over a business cycle	28%	2020 saw considerable operating losses as a result of a challenging tanker market. The average equity ratio over the last five years is 37%.
<b>Growth</b>	<b>10%<sup>1)</sup></b> average annual fleet growth over a business cycle.	5%	On 31 December 2020, Concordia Maritime had 13 (14) vessels in the fleet. In addition, another 1.7 vessels were chartered in under the cooperation with Stena Bulk.

<sup>1)</sup> Trading in vessels, both purchases and sales, is a key part of shipping operations. The right timing of purchases and sales of vessels can be crucial to long-term financial growth. For Concordia Maritime, this means that the fleet size may vary over time. For this reason, annual growth in the fleet is not an overall objective in itself. However, the aim is for operations to generate a return over time that allows average fleet growth of 10 percent over a business cycle.



## Sustainability targets

	Outcome 2020	Comments
<b>Provide safe tanker transport</b>	0.72 LTIF	During the year, two crew members suffered lost-time injuries. Concordia Maritime had almost 3 million man-hours of exposure on board vessels during 2020.
	0 oil spills, litres	None of Concordia Maritime's vessels was involved in any incident that resulted in bunker oil or cargo discharging into the water during the year.
<b>Reducing our environmental impact</b>	11.16 EEOI	The fleet consumed more bunker oil during the year and therefore had higher emissions to air compared with 2019. However, more tonne-miles (increased transport work) meant that emission efficiency (EEOI) for 2020 was better than in 2019, when the corresponding figure was 13.14.
	312,680 mt CO <sub>2</sub> emissions	
	847 mt SO <sub>x</sub> emissions	The transition to low-sulphur bunker oil also contributed to significantly lower emissions of sulphur oxides.
	8,930 mt NO <sub>x</sub> emissions	

## Overall strategy

### Preferred partner

Concordia Maritime will be the partner of choice for the transportation of oil and oil products. We will use our comprehensive understanding of market drivers and the individual customer's business to satisfy specific transportation and logistics needs. Collaboration with customers will be based on long-term relationships, characterised by partnership – whether this applies to one voyage or the development of a brand new vessel concept.

### Diversified fleet strategy

Concordia Maritime's fleet and employment strategy is aimed at optimising earnings capacity, balancing risks and opportunities and enabling good growth in invested capital if vessels are sold. Although the main focus is on the product tanker segment, this does not exclude a presence in other segments. As a complement to the owned tonnage, other vessels may also be chartered in.

### Major focus on sustainability

Concordia Maritime has high ambitions in the area of sustainability, and aims to be a leader in safety, quality and environment. Sustainability work has been an integral part of our activities for many years. The Company's strong position in sustainability will be further strengthened through systematic improvement work, innovation and continuous training programmes.

### Cost efficiency and flexibility

Collaboration with several other companies in the Stena Sphere ensures world-leading and unique expertise in all areas of shipping – from shipbuilding and manning to technical operation, chartering and commercial operation. This also allows for a cost-effective and flexible organisation.

#### MONITORING IN 2020

##### New contracts

During the year, one P-MAX vessel was contracted out on a consecutive voyage charter to a Brazilian refinery company. A further three P-MAX vessels have been contracted out on time charters to a Brazilian oil company.

#### MONITORING IN 2020

##### High proportion of niche routes

During the year, several of the vessels in the fleet sailed on niche routes, including in Brazil.

##### Balance between spot and time charter

Efforts to adapt the fleet's disposition to current market conditions and expected future developments continued during the year. A large proportion (about 65 percent) of the vessels were employed in the spot market during the year.

##### Suezmax vessels chartered in

Four suezmax vessels were chartered in on short-term contracts during the year. These are joint charters with Stena Bulk, and Concordia Maritime's share is 33 percent for two of the vessels and 50 percent for the other two.

#### MONITORING IN 2020

##### Two LTI (Lost Time Injury)

During the year, two crew members suffered lost-time injuries. Both have made a good recovery and are back in service.

##### Improved emission efficiency

The fleet's emission efficiency (grams of CO<sub>2</sub> emissions per tonne-mile) improved by 15 percent compared with 2019. The transition to low-sulphur bunker oil resulted in significantly lower emissions of sulphur oxides.

##### Investment in ballast water treatment systems

During the year, ballast water treatment systems were installed on two of the vessels in the fleet. All vessels in the fleet will have the systems installed by the end of 2021.

#### MONITORING IN 2020

##### New long-term sustainable legal structure

As part of efforts to reduce administrative costs and also establish the Company within a relevant maritime cluster with European tonnage tax, Concordia Maritime changed its corporate structure in early 2020. With effect from January 2020, the business is run from Denmark and is part of the Danish tonnage tax system.



# Fleet & organisation



# Diversified fleet with a product tanker focus

At the end of March 2021, Concordia Maritime’s fleet consisted of ten P-MAX class product tankers and two IMOIIIMAX class tankers. The presence in the crude oil segment consisted of the suezmax vessel *Stena Supreme* and shares in four suezmax vessels on short-time charters.

## P-MAX

The P-MAX concept combines transport economy and flexibility with safety of the highest class. The P-MAX were originally developed in response to a need to operate in shallow waters and ports while carrying more cargo than corresponding vessels of the same size class. To make this possible,

the P-MAX tankers are considerably wider than traditional MR tankers. The increased volume means that they are able to transport up to 30 percent more cargo, allowing them to compete for cargo in both the MR and panamax segments.

## IMOIIIMAX

The IMOIIIMAX vessels are Eco MR chemical and product tankers. On delivery, the IMOIIIMAX vessels set a new standard for chemical and product tankers in terms of both bunker consumption and cargo efficiency, with fuel consumption about

25 percent lower than the previous generation of MR tankers. With 18 separate cargo tanks and an efficient tank cleaning system, the IMOIIIMAX vessels offer great flexibility and can carry both oil products, such as vegetable oils, and chemicals.

## Suezmax

As a complement to the transportation of refined oil products, Concordia Maritime is also active in the transportation of crude oil. The presence in the suezmax segment consists of the suezmax tanker *Stena Supreme* and four suezmax vessels on

short-term contracts. All of the vessels are employed on the spot market via *Stena Sonangol Suezmax Pool*. The pool consists of a fleet of about 25 efficient suezmax tankers.

## Fleet employment (05/03/2021)

Product tankers	DWT	Ice class	Year	Employment
<b>P-MAX</b>				
<i>Stena Premium</i>	65,200	1B	2011	Time charter to October 2021
<i>Stena Primorsk</i>	65,200	1B	2006	Spot
<i>Stena Performance</i>	65,200	1B	2006	CVC to May 2021
<i>Stena Provence</i>	65,200	1B	2006	Spot
<i>Stena Progress</i>	65,200	1B	2009	Time charter to October 2021
<i>Stena Paris</i>	65,200	1B	2005	Spot
<i>Stena Polaris</i>	65,200	1A	2010	Spot
<i>Stena Penguin</i>	65,200	1A	2010	Spot
<i>Stena Perros</i>	65,200	1B	2007	Time charter to October 2021
<i>Stena President</i>	65,200	1B	2007	Spot
<b>IMOIIIMAX</b>				
<i>Stena Image</i> <sup>1)</sup>	50,000		2015	Spot
<i>Stena Important</i> <sup>2)</sup>	50,000		2015	Spot
<b>Suezmax</b>				
<i>Stena Supreme</i> <sup>3)</sup>	158,000		2012	Spot
Unnamed vessel <sup>4)</sup>				Spot
Unnamed vessel <sup>4)</sup>				Spot
Unnamed vessel <sup>5)</sup>				Spot
Unnamed vessel <sup>6)</sup>				Spot

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

# A cost-efficient organisation

Through close collaboration with partners within the Stena Sphere, Concordia Maritime conducts cost-effective operations, with access to world-leading competence in all areas of shipping.

**CONCORDIA MARITIME'S OWN SHORE-BASED ORGANISATION** is small and focuses on strategy, business and market development, financing and reporting. Day-to-day operational work in the form of chartering and manning is purchased and conducted in cooperation with industry-leading companies within the Stena Sphere.

## Part of the Stena Sphere

With over 19,000 employees across the world, the Stena Sphere is currently one of Sweden's largest family-owned groups of companies, and its operations encompass shipping, recycling, real estate and finance. Success factors include care for customers, innovative solutions and perfect performance.

# 3

**employees in shore-based organisation**  
(6)

# 596

**contracted seagoing employees**  
(514)





## Concordia Maritime



### Stena Bulk Chartering and commercial operation

Stena Bulk is responsible for chartering, marketing and commercial operation of Concordia Maritime's fleet and acts as the Company's marketing organisation.

Stena Bulk is a worldwide organisation with offices in Gothenburg, Copenhagen, Houston, Singapore, Dubai, Shanghai and Yokohama.

Stena Bulk charters and operates about 100 vessels worldwide. Customers include leading oil and gas companies and independent trading houses.

[www.stenabulk.com](http://www.stenabulk.com)



### Northern Marine Management Operation, manning and maintenance

Northern Marine Management carries out manning, operation and technical maintenance of Concordia Maritime's vessels.

NMM is responsible for operation and/or manning of about 130 vessels of varying types and sizes, with an industry-leading focus on quality and safety. The company has about 7,500 seagoing employees and customers include many of the world's leading shipping and oil companies. NMM's head office is in Glasgow and there are offices in Aberdeen, Gothenburg, Rotterdam, St Petersburg, Houston, Mumbai, Shanghai, Singapore, Busan, Jakarta and Manila.

[www.nmm-stena.com](http://www.nmm-stena.com)



### Stena Teknik Newbuilding and conversion projects, R & D and procurement

Stena Teknik provides Concordia Maritime with expertise in areas that range from corrosion protection, classification and safety to more comprehensive projects that include development and design of new ships.

Stena Teknik is a resource for all maritime-related business in the Stena Sphere. Operations include newbuilding and conversion projects, general marine technical consultation and procurement services. The company also conducts research and development in the marine sector. The business is conducted from the office in Gothenburg.

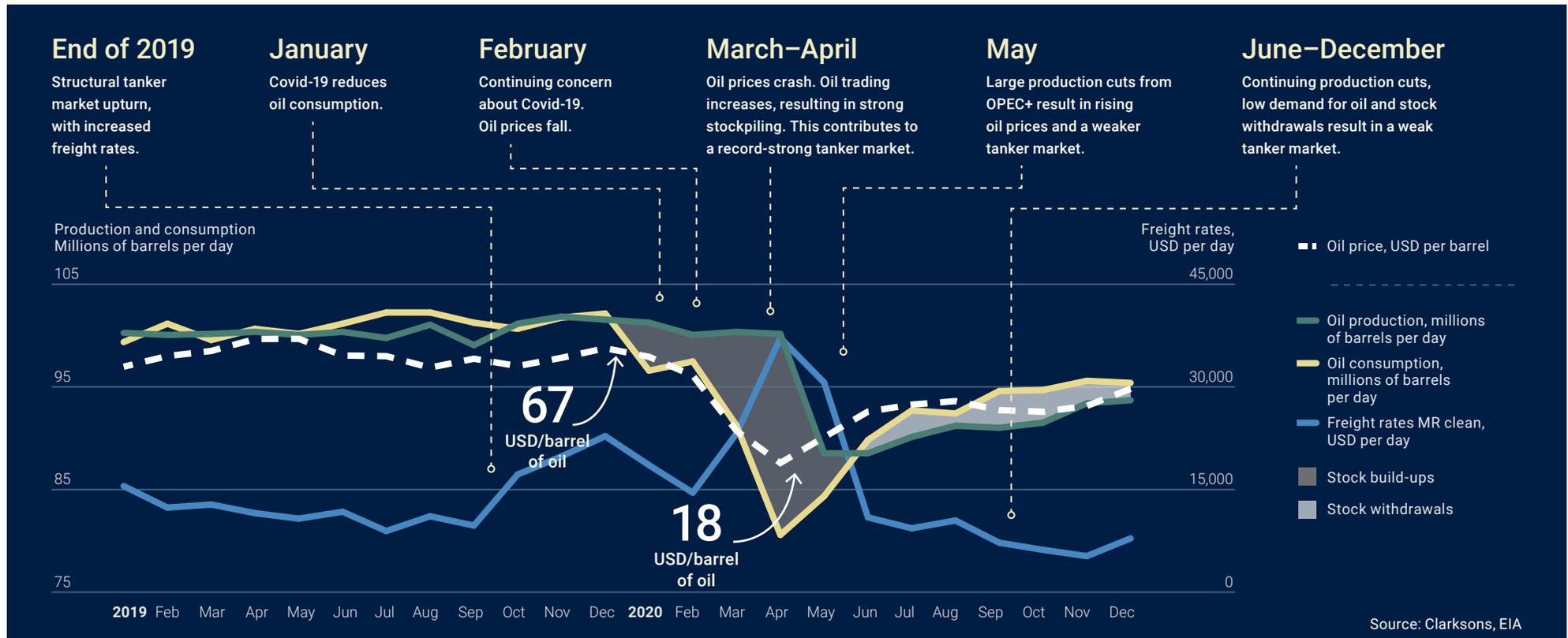
[www.stenateknik.com](http://www.stenateknik.com)

Flexible and safe transportation with good transport economy

# External trends & market



# A volatile year dominated by Covid-19



The tanker market was particularly volatile in 2020. At the end of 2019, the entire tanker market was heading for a structural upturn. Demand for tanker transportation was good and freight rates were high. Then came the pandemic. Demand for oil decreased the most by about 20 percent compared with the end of 2019 and freight rates fell sharply.

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

stock withdrawals, extremely subdued oil consumption in general terms and massive production cuts resulted in a record-weak market.

# Concordia Maritime's earnings in 2020

For Concordia Maritime, the year was largely focused on the continuing process of positioning and deploying the fleet in line with the employment strategy and current market conditions. A central part of this work involved continuing to concentrate P-MAX vessel employment on trade routes and cargo systems where the vessels' unique properties are most beneficial – which in turn creates opportunities for premium rates.

**FOR THE FULL YEAR**, average earnings for the entire product tanker fleet, spot and TC, were USD 16,200 (14,500) per day. For vessels employed in the spot market, average earnings for the year were USD 16,100 (14,300) per day. In the suezmax segment, average earnings for the year were USD 27,100 (28,000) per day.

## Product tankers

### P-MAX

The ten vessels in the P-MAX fleet were employed on time charters or in the spot market during the year. Several vessels sailed on niche routes for customers with special requirements. For example, five of the vessels transporting lighter oil products were employed on niche routes in Brazil.

### IMO IIMAX

The IMO IIMAX vessels *Stena Image* and *Stena Important* continued to be employed under the cooperation with Stena Bulk. Through their pool employment during the year,

both vessels had earnings that exceeded the market, mainly due to a good combination of petroleum products, vegetable oils and chemicals.

## Crude oil

### Suezmax

During the year, the suezmax tanker *Stena Supreme* was successfully 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.

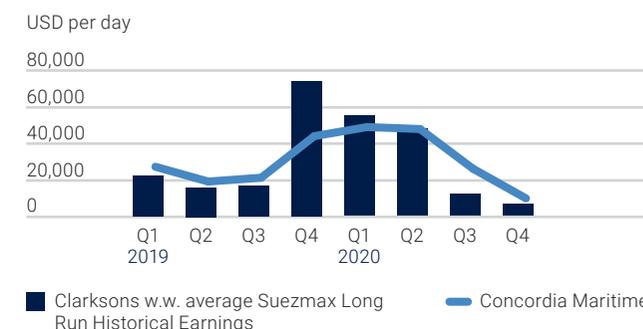
### Suezmax vessels chartered in

At the end of the year, four more suezmax vessels were chartered in. These are joint charters with Stena Bulk, and Concordia Maritime's share is 33 percent for two of the vessels and 50 percent for the other two. All of the vessels were employed on the spot market via Stena Sonangol Suezmax Pool.

## Product tanker fleet's average voyage result (spot)



## Suezmax fleet's average voyage result (spot)



### Drydocking and repairs

Drydock inspections of *Stena Image*, *Stena Important*, *Stena Penguin* and *Stena Polaris* were completed during 2020. *Stena Paris* also went into drydock during the year and the work was completed in 2021.

While in drydock, *Stena Penguin*, *Stena Polaris* and *Stena Paris* had ballast water treatment systems installed. *Stena Image* and *Stena Important* already had these systems installed.



### Valuation of the fleet

Concordia Maritime's standard process is to conduct six-monthly assessments and valuations of the fleet to determine whether there is any indication of impairment. The process is based on an overall assessment of future earnings, new-building price development and average values from three independent ship brokers.

The fleet is defined as two cash-generating units, with product tankers representing one unit and the suezmax tanker the other unit. An impairment loss is recognised when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. The recoverable amount is the higher of fair value (external valuations) and value in use (future discounted cash flows). At the end of December 2020, the fleet's carrying amount did not exceed its recoverable amount, which meant that there was no impairment loss recognised.

### EBITDA per quarter

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

1) The total includes an IMO/IMAX bonus of USD 5 million received.

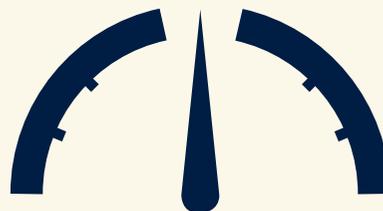
2) The total includes a negative bunker hedge of USD -0.5 million.

### Earnings per vessel category

SEK millions	Full year	
	2020	2019
Product tankers, time charter	262.2	334.7
Product tankers, spot	638.0	660.9
<b>Product tankers, total earnings</b>	<b>900.2</b>	<b>995.5</b>
Suezmax, spot	122.8	96.6
<b>Suezmax, total earnings</b>	<b>122.8</b>	<b>96.6</b>
Other	2.9	48.0
<b>Total income</b>	<b>1,025.8</b>	<b>1,140.2</b>

# Market drivers

Tanker market development is governed by the balance between demand for transport and supply of available vessels. This balance is in turn governed by both structural and more temporary factors.



Affect demand for tanker transport

Can affect both supply and demand

Affect supply of vessels

- 1 Demand for oil**  
follows economic development and is the basis of demand for seaborne transportation of crude oil and oil products.
- 2 Changes in OPEC's oil production**  
have a direct impact on the need for transport as OPEC+ countries account for about 50 percent of total world oil production.
- 3 Changing trade patterns**  
due to, e.g., new regulations and increased distances between refineries and end consumers have a major impact on the need for transport.
- 4 Actual and expected oil price development**  
affects both demand for oil and stocks of crude oil and oil products in the consuming countries.

- !** **Stockpiling and stockwithdrawals**
- !** **War and unrest**
- !** **Bad weather**
- !** **Global events such as pandemics**

- 1 Deliveries of new vessels**  
are a key factor in global fleet growth. New building generally increases when demand for tonnage is high – and vice versa when markets are weaker.
- 2 Phasing-out of older vessels**  
– normally through scrapping or use as floating storage – also has a direct impact on vessel supply. Both the economy and new regulations can affect the phasing-out rate for existing tonnage.

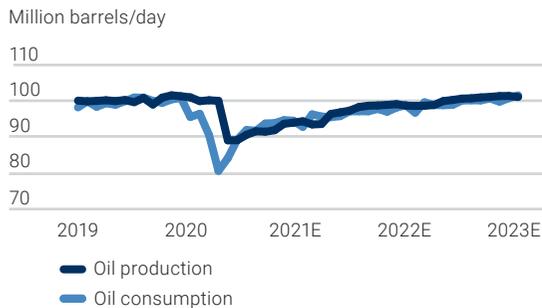
## Outlook

# Market remains weak – but gradual strengthening from Q3 2021

The external situation makes it difficult to assess future market developments. However, several factors point to the market strengthening again from summer 2021 onwards. The main pointers are gradually increasing demand for oil, balanced stock levels and record low net fleet growth.

### Increasing demand for oil

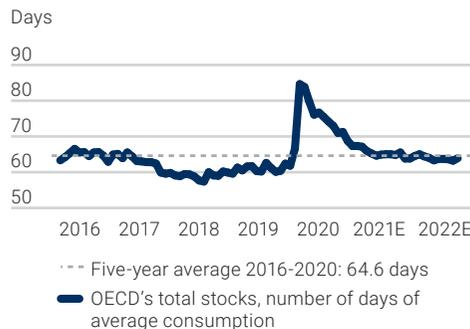
Despite the continuing spread of Covid-19 at the beginning of 2021, demand and consumption of oil continue to recover at a relatively good pace. At the time of writing, in the early months of 2021, consumption (according to the EIA) is about 94 million barrels per day. It is expected to continue to increase to about 96 million barrels per day during the first half of the year. The upward trend is then expected to continue, approaching 100 million barrels per day towards the end of the year.



Source: EIA Short-Term Energy Outlook, January 2021

### Declining stocks

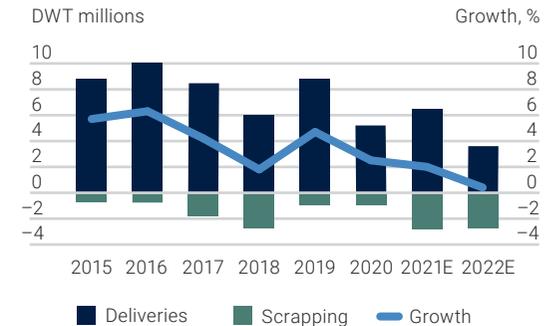
The combination of increased oil consumption and continuing production cuts means that stock levels are gradually declining. By summer 2021, stocks are expected to be down at levels corresponding to the average for the last five years. The effect of more balanced stock levels is expected to have a positive effect on the tanker market.



Source: EIA

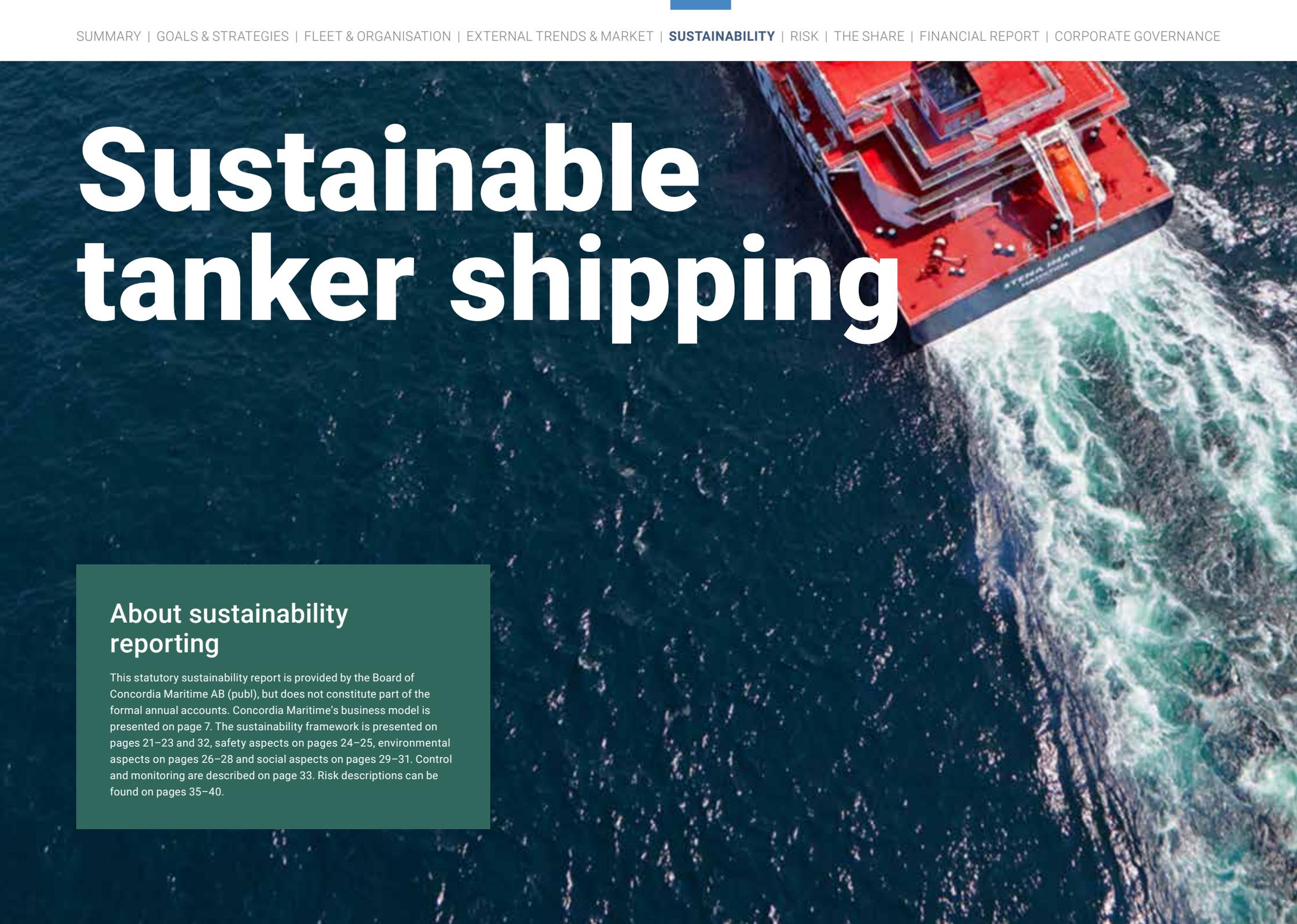
### Record low net fleet growth

At the beginning of March 2021, the order book for the product tanker segment was at a record low 6 percent of the total tanker fleet – the lowest in over 25 years. Including the expected phasing out of tonnage, growth in 2021 is expected to be only about 2 percent. In the current situation, very few new orders are being placed either, which means that the low growth rate will be gradually extended. This is obviously good for the tanker market as a whole.



Source: Clarkson

# Sustainable tanker shipping



## About sustainability reporting

This statutory sustainability report is provided by the Board of Concordia Maritime AB (publ), but does not constitute part of the formal annual accounts. Concordia Maritime's business model is presented on page 7. The sustainability framework is presented on pages 21–23 and 32, safety aspects on pages 24–25, environmental aspects on pages 26–28 and social aspects on pages 29–31. Control and monitoring are described on page 33. Risk descriptions can be found on pages 35–40.

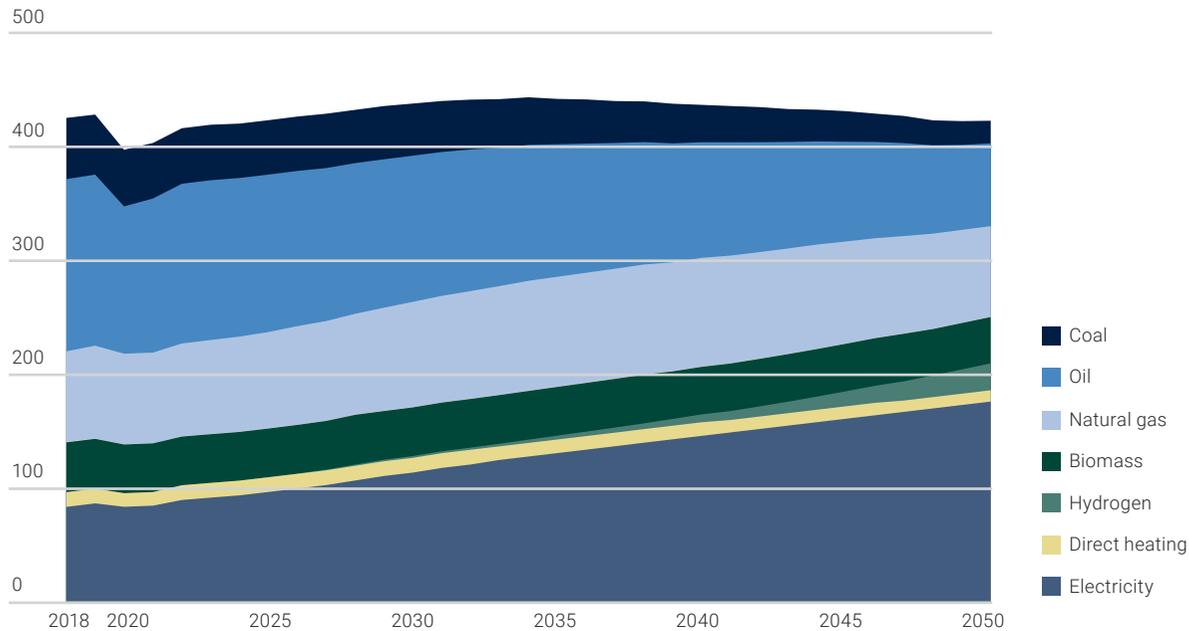
Concordia Maritime's role:

# Providing the world with energy

**Concordia Maritime's key contribution to sustainable development is to provide safe and efficient transportation of liquid energy and chemicals that are needed to enable economic growth, increased prosperity and a higher standard of living around the world.**

## Demand for oil remains strong

Exajoules per year



The chart shows the forecast for future demand for energy distributed among different energy carriers. Source: DNV Energy Transition Outlook 2020

**OIL IS A KEY COMPONENT** of today's society and the global economy. It is an energy carrier that is necessary for transporting goods and people, conducting industrial production and manufacturing and heating properties and homes. Oil is also a raw material used in many of the products that people use and consume every day.

With the global population and the middle class growing, demand for energy is increasing. To enable production, mobility and growth – in both developed countries and emerging economies – the world will continue to be dependent on oil as a type of energy. Oil and petroleum products will therefore continue to form a significant part of the energy system in the coming decades even though there is a trend towards more renewable energy production, energy efficiency and electrification of vehicles.

Concordia Maritime's role is to meet this need as sustainably as possible with safe and efficient tanker transportation in order to provide the world with energy, thereby enabling economic growth and increased prosperity.

To reduce the negative environmental and climate impacts of shipping, extensive work is being conducted at all levels, from legislation to technical innovation. The following pages describe how Concordia Maritime works to contribute to this – and in doing so, creates value for customers, owners, employees and society at large.

# Concordia Maritime’s contributions to more sustainable tanker shipping

Concordia Maritime’s sustainability work is based on three focus areas that the Company considers to be the most important and where there is greatest potential for influence.

## 1 Providing safe tanker transport

Concordia Maritime’s operations must be conducted in a manner that protects employees, the environment and vessels. A strong safety culture at all levels of the organisation is needed to prevent the risk of accidents and incidents. Read more on pages 24–25.

## 2 Reducing our environmental impact

Concordia Maritime is strongly committed to reducing the impact of its operations on the environment. Continuous work to reduce emissions and increase energy efficiency is conducted within the organisation and with other stakeholders. Read more on pages 26–28.

## 3 Taking responsibility for employees and society

Concordia Maritime is a responsible employer and community participant, promoting good working conditions, equality, human rights and anti-corruption. Read more on pages 29–31.

### Principles and guidelines

A clear framework sets out the guidelines on how Concordia Maritime should act as a responsible company and employer.

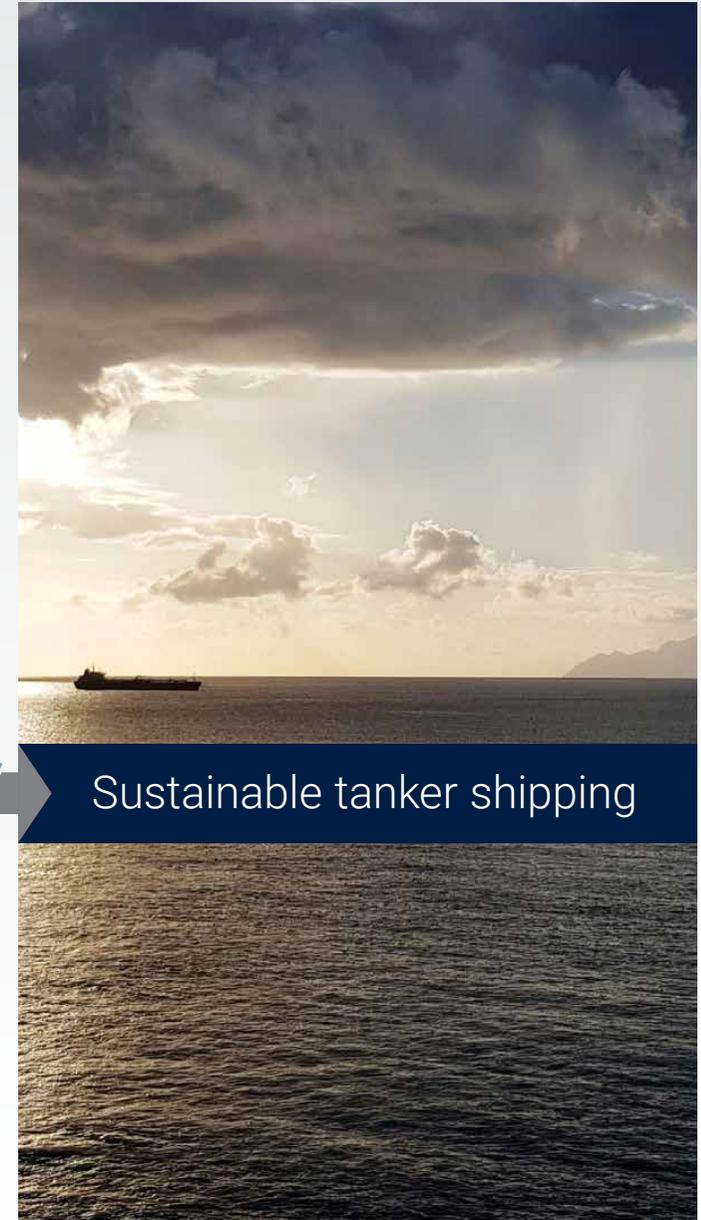
### Partnerships and collaboration

Influence is exerted by working closely with partners and other forms of collaboration.

### Monitoring and controls

A structured approach to monitoring and controls creates conditions for measuring and improving the Company’s sustainability performance.

Read more on pages 32–33.



Sustainable tanker shipping

## The basis of sustainability work

### Care

Care and quality in everything we do

### Innovation

An innovative corporate culture helps us to perform and improve

### Performance

First-class performance

### Transparency

Our ambition is full transparency. What we report must be relevant and linked to the most important issues for our business

### Clear control

- The CEO is responsible for overall coordination and follow-up
- Reporting and follow-up at all ordinary Board meetings
- Quarterly status review with partners

**TANKER SHIPPING IS PROBABLY** one of the most strictly regulated and scrutinised industries. The regulations cover environmental and safety aspects, as well as technical and work environment areas. The combination of this regulatory control and our own internal regulations helps to ensure that consistently high quality is maintained.

Concordia Maritime has been at the forefront in safety, quality and employer responsibility for a long time. Sustainability work is based on a materiality analysis in which the main and most relevant sustainability issues are identified. The key aspects of this work include minimising the risk of

accidents and continuously reducing the impact of the Company's operations on the environment. The work is conducted on a long-term basis and is monitored using a well-structured plan for which the CEO is ultimately responsible. The CEO is also responsible for continuous reporting to the Board. A large proportion of Concordia Maritime's daily operational work is purchased from cooperation partners, mainly in the Stena Sphere. Consequently, the Company's sustainability work is largely reflected in the work carried out in the partners' operations.

### UN's Sustainable Development Goals

In 2015, the UN General Assembly adopted the resolution "Transforming our world: 2030 Agenda for Sustainable Development", with 17 global goals that summarise the global challenges and priority areas that the world faces. The purpose of the goals is to end poverty, protect human rights, promote equality and combat climate change.

Concordia Maritime fully supports the 17 goals and believes that they provide the potential to contribute to more sustainable development – both for society at large and individual companies and businesses.

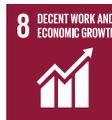
Concordia Maritime's operations have a bearing on several of the goals, but the focus of the work is on goals 7, 8, 9, 13, 14, and 17 where there is clearest relevance and greatest scope to make a positive impact.



**THE GLOBAL GOALS**  
For Sustainable Development



7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



13 CLIMATE ACTION



14 LIFE BELOW WATER



17 PARTNERSHIPS FOR THE GOALS

Learn more about the work on the UN Global Goals at [concordiamaritime.com](http://concordiamaritime.com).

# 1 Providing safe tanker transport

**SAFETY WORK** is one of the cornerstones of Concordia Maritime's business. Substantial resources are invested in continuously developing vessels, procedures and crews. The goal is to prevent the risk of accidents arising and to limit and minimise any damage if an accident should occur.

Safety work is carried out on several different levels – during the design and construction of the actual vessel and its equipment, and as part of a continuous process of identifying potential risks and dangerous operations.

## Key figures

	Target 2020	Outcome 2020	Goal 2021
LTI (Lost Time Injury)	0	2	0
LTIF (Lost Time Injury Frequency)	0	0.72	0
Number of inspections with more than 5 observations (owned vessels)	0	2	0
Average number of vetting observations per inspection (owned vessels)	<4	2.5	<4
Number of PSC inspections with detentions	0	0	0
Number of piracy-related incidents	0	1	0
Damage to property	0	3	0
Medical treatment case	0	0	0
Restricted work case	0	1	0
High potential near miss	0	3	0
High risk observation	0	0	0

Definitions, see page 95.



### AMBITION AND FOCUS

- To ensure ships and routines are of the highest quality
- To continuously increase the safety of employees on board ships

### ACTIVITIES AND INITIATIVES

- Systematic risk identification
- Behaviour Based Safety model for standardised reporting and follow-up
- Continuous exercises and skills development
- External controls and inspections
- Proactive work to prevent hijackings
- Unannounced tests and random checks as part of zero tolerance for drugs and alcohol

### Training and risk identification

Working at sea places high demands on officers and ratings on board. In addition to comprehensive international regulations, there are also strict internal requirements and routines for ensuring safety on board. To ensure that quality, environmental and safety demands are met, we provide continuous skills development. The training activities are both general and specially adapted for a specific vessel.

### Behaviour Based Safety

Systematic risk identification is the most important component of continuous improvement of safety on board. As part of the daily routines, all crew members on Concordia Maritime's vessels spend time studying how procedures and movement patterns are adhered to. The reporting is based on a standardised model (Behaviour Based Safety). The observations are compiled into reports, which are then distributed to all vessels in the fleet.

The systematic safety work is clearly reflected in the number of injuries and LTIFs, with Concordia Maritime for many years being significantly lower than the industry average.

### Two workplace incidents during the year

During the year, there were two workplace incidents resulting in the individual employee being unable to return to a work shift on the following day (lost time injury). In one case, some grating on *Stena Provence* gave way, causing a crew member to fall and sustain injuries. The crew member was later given a clean bill of health. In the other case, a *Stena Premium* crew member sustained a hand injury while cleaning a lathe in the workshop.

During the year, there were no work-related injuries requiring treatment by healthcare personnel (medical treatment case). However, one incident resulted in restrictions in the performance

of scheduled work (restricted work case). The incident involved a crew member on board *Stena Perros* who sustained an injury from a tool.

There were three incidents resulting in damage to property during the year. The damage affected included a small hole in a ballast tank when a sandblasting machine started unintentionally while a vessel was in drydock. One incident classified as a restricted work case occurred during the year and three incidents were classified as high potential near misses.

### Zero tolerance for drugs and alcohol

There is zero tolerance for alcohol and drugs on board Concordia Maritime's vessels. The captain of each vessel is entitled to carry out unannounced tests, and random checks are also regularly conducted by third parties. Tests were carried out on all vessels in 2020 and on no occasion was any effect of alcohol or drugs identified.

### External controls and inspections

There were 33 vetting inspections on board Concordia Maritime's vessels during 2020. A total of 83 observations arose from these inspections, which gives an average of 2.5 observations per inspection. None of the observations were of a serious nature. No inspection had more than 5 observations. There were also 18 port state controls during the year. None of these resulted in observations of a serious nature.

### Hijacking

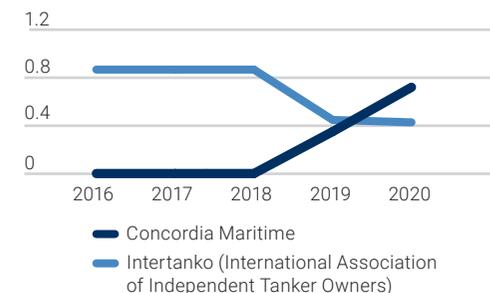
Concordia Maritime works actively to reduce the risk of hijacking or other types of threats. The work is regulated by recommendations from international maritime organisations and by the IMO's ISPS (International Ship and Port Facilities Security) Code. The Code contains requirements regarding ships' equipment and requires every ship to have security

procedures and a trained person responsible for this area.

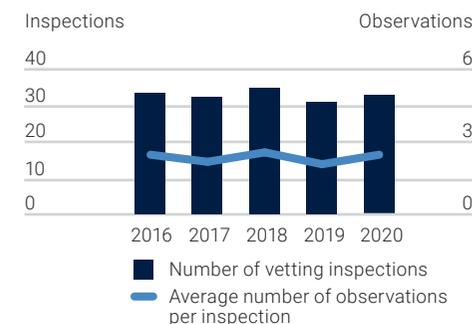
Concordia Maritime's partner NMM has a separate department that conducts a risk analysis before each voyage.

One of Concordia Maritime's vessels was involved in a piracy-related incident during the year. While *Stena Important* was anchored at Doula, Cameroon, pirates attempted to board the ship. The attempt was thwarted, which shows that processes and risk management are efficient.

LTIF compared with industry



Vetting inspections of our fleet<sup>1)</sup>



<sup>1)</sup> Oil companies' vessel inspections

## 2 Reducing our environmental impact

**CONCORDIA MARITIME WORKS SYSTEMATICALLY** to continuously reduce the adverse impacts of operations on the environment. The Company has a major focus on reducing emissions into the sea and air, increasing fuel efficiency and maintaining a high overall operational quality.

Concordia Maritime’s own environmental impacts are emissions of carbon dioxide, sulphur and nitrogen oxides and harmful particles associated with bunker fuel consumption. In addition, there is also a potential risk of spreading organisms as a result of the discharge of ballast water. In both areas, work is carried out to reduce or completely eliminate the environmental impact.

### Key figures

	Outcome 2020	Outcome 2019
<b>Bunker consumption (tonnes)</b>		
HSFO	0	75,343
LSFO	79,399	3,256
MGO	20,407	19,903
<b>Total</b>	<b>99,806</b>	<b>98,502</b>
<b>Emissions (tonnes)</b>		
CO <sub>2</sub>	312,680	308,722
SO <sub>x</sub>	847	3,838
NO <sub>x</sub>	8,930	8,818
Particulates	101.6	100.5
<b>Efficiency (EEOI)</b>		
gCO <sub>2</sub> /tonne-NM	11.16	13.14
Oil spills, litres	0	0

Definitions, see page 95.



AMBITION AND FOCUS	ACTIVITIES AND INITIATIVES
Reduce emissions from operations	<ul style="list-style-type: none"> <li>■ Energy management</li> <li>■ System for real-time decision-making – Orbit</li> <li>■ Transition to low-sulphur bunker oil</li> <li>■ Technical measures to increase fuel efficiency and reduce emissions</li> </ul>
Reduce the impact on the marine environment	<ul style="list-style-type: none"> <li>■ Installation of ballast water treatment systems</li> <li>■ Routines to reduce the risk of oil spills</li> <li>■ Reduction of discharges of waste water</li> <li>■ Phasing-out of disposable plastic bottles and testing of a filtered drinking water system on board</li> </ul>
Take responsibility for vessels’ life cycle/value chain	<ul style="list-style-type: none"> <li>■ Clear criteria for ship orders</li> <li>■ Invest in existing tonnage for technical development and maintenance</li> <li>■ Any scrapping must be conducted sustainably and in line with relevant regulations</li> </ul>

### Improved emission efficiency

Carbon dioxide emissions are directly related to the vessels' fuel consumption. In order to continuously reduce emissions, great emphasis is placed on efficient operation and ongoing technical improvements on vessels.

Within the framework of commercial and technical operation, a large-scale fuel efficiency program has been in progress since 2012. Activities and measures include more frequent and detailed monitoring of vessels' energy consumption and implementation of advanced systems and routines that enable speed and route optimisation based on weather conditions, demurrage, bunker costs and customer needs.

In 2020, more tonne-miles (increased transport work) for Concordia Maritime's fleet of owned vessels and vessels on long-term contracts meant that emission efficiency (grams of CO<sub>2</sub> emissions per tonne-mile) improved compared with the previous year, even though the amount of bunker oil consumed and emissions to air were higher than in 2019.

### System for real-time decision-making (ORBIT)

Extensive digitisation opens up completely new opportunities for data-driven analysis of both individual ships and the fleet as a whole. Concordia Maritime and its chartering partner Stena Bulk use the ORBIT digital platform to continuously monitor and optimise operating activities and ship operation. The platform uses both internally and externally generated

data. More efficient route planning ensures a higher level of service to customers and lower fuel consumption – which in turn contributes to reduced emissions and lower bunker oil costs. Built-in KPIs and key figures make it easy to continuously align operations with Concordia Maritime's own targets and the IMO's emission targets. The system can also be easily adapted to new regulations and requirements.

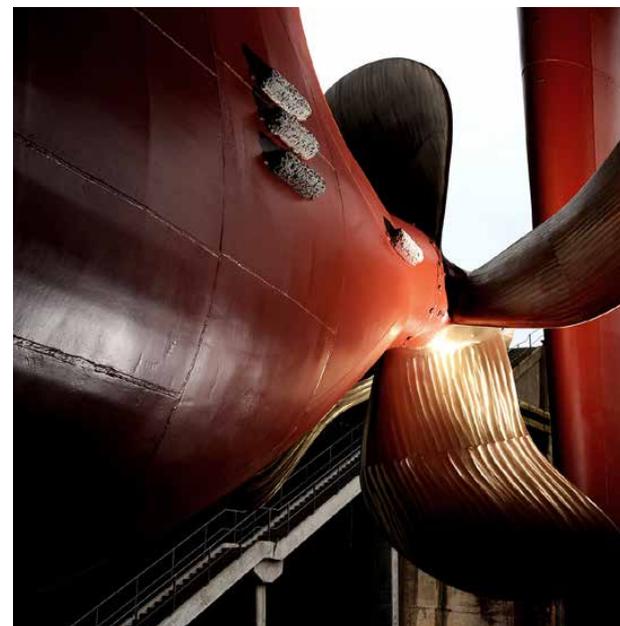
### Measures to reduce emissions of sulphur and nitrogen oxides

One of shipping's main environmental impacts is emissions of sulphur and nitrogen oxides. In addition to health risks, the emissions also contribute to eutrophication and acidification of forests, soil and water.

#### *Sulphur oxides*

Sulphur is naturally contained in all crude oils and is converted into sulphur dioxide on combustion. The amount of sulphur dioxide released during combustion of sulphur-containing fuel is proportional to the amount of sulphur in the fuel. The sulphur content of the fuel affects the emissions in several different ways. In addition to determining the amount of sulphur dioxide released, the sulphur content also affects emissions of particles and nitrogen oxides.

Maximum sulphur content may differ according to a vessel's location. With effect from 1 January 2015, the sulphur content of fuel may not exceed 0.1% m/m in sulphur emission control areas (SECAs). These areas include the Baltic Sea, North Sea, English Channel, Canada and the United States. With the introduction of IMO 2020 on 1 January 2020, the limit outside SECA was reduced from 3.5 to 0.5 percent m/m. To meet the requirements, a transition to low sulphur marine fuels or use of alternative fuels (e.g., LNG or methanol) is necessary. In addition, the regulations have also been an incentive to install



scrubbers that clean exhaust gases during use of high-sulphur fuel.

Concordia Maritime has decided against investing in scrubbers, but has switched to low-sulphur fuels instead.

#### *Nitrogen oxides*

Nitrogen oxides are formed during combustion of bunker oil. As a result of stricter regulations and companies' own improvement efforts, there has been a significant reduction in emissions of nitrogen oxides from shipping in recent years. The current emission limit values for nitrogen oxides are controlled by when the diesel engine was manufactured and when the vessel was built. All vessels in Concordia Maritime's fleet were built after 1 January 2000 and therefore meet the IMO's Tier I standards. Two of the vessels in the fleet also meet the Tier II standards.

**-15%**

Emissions per  
transport work

CO<sub>2</sub> emissions per  
tonne-mile fell by  
15 percent in 2020.



### Technical development and maintenance

In addition to work on route planning, optimisation of speed and energy management, the Company also conducts extensive and continuous technical development and maintenance of the vessels. Various measures to reduce fouling on the hull, propellers and gears have a large effect on fuel consumption. Fouling has the effect of significantly increasing fuel consumption and it may also have an adverse effect on handling, and therefore safety.

Great effort has also been put into further technical development of the propellers, including the installation of hub vortex absorbing fins behind the propellers. The fins break the vortex that would otherwise be created behind the propellers.

To reduce emissions into the air, VTA (Variable Output Turbine Area) turbines have been installed on four of the vessels in the fleet. The main advantage is that by angling the blades in the turbine, the turbine's thermal efficiency can be adapted to the vessel's speed, which reduces fuel consumption.

### Installation of ballast water treatment systems

To reduce the risk of impacts on local ecosystems, the UN International Maritime Organisation (IMO) has issued a ballast water management convention. The convention, which came into force in September 2017, aims to prevent alien organisms from being spread with ships' ballast water. This applies to all vessels on international voyages that take on and release ballast water.

According to the Convention, all international traffic vessels are obliged to manage ballast water according to a ship-specific ballast water management plan. All vessels are required to keep a ballast water book and hold an international ballast water management certificate. The Convention also includes requirements for built-in ballast water management systems that move or kill micro-organisms in the ballast water before it is released.

All Concordia Maritime's vessels follow a Ballast Water Management Plan, based on existing guidelines. Several of the fleet vessels have already had special ballast water management systems installed. In 2020, these systems were installed on a further two vessels. Other vessels in the fleet will have similar systems installed when they go into drydock in 2021 and 2022.

### No oil spills

The largest environmental risk associated with tanker shipping is the risk of an oil spill in connection with a grounding, collision or other accident. With the increasing modernisation and safety of the global tanker fleet, the number of oil spills has declined significantly. This trend is due to a combination of comprehensive improvement work on the part of the world's shipping companies and tougher requirements from regulators, customers and other stakeholders.

Strict reporting procedures enable total control over all incidents – in port and at sea. 2020 was another year in which none of Concordia Maritime's vessels were involved in any incident that resulted in bunker oil or cargo discharging into the water.

### Focus on niche trades

Concordia Maritime's main contribution to more sustainable tanker shipping is a cargo-flexible fleet. Both the P-MAX tankers and IMOIMAX tankers are designed to transport different types of oil products, which allows good cargo efficiency. Three of the P-MAX vessels have been converted to IMO3 class after delivery, resulting in a further increase in cargo flexibility, as they can now also carry vegetable oils and lighter chemicals.

One of the P-MAX vessels' main properties is the hull design, which makes it possible to carry about 30 percent more cargo than a standard tanker on the same draft. At full load, this means lower fuel consumption per unit load than with traditional MR vessels built at the same time. Both the suezmax vessel and the two IMOIMAX vessels are first generation ECO-design tankers, which means significantly lower fuel consumption than the previous generation.

### 3 Taking responsibility for employees and society

**SHIPPING IS GLOBAL IN NATURE** – in terms of business and competition, but also in relation to the labour market for seafarers. Demand for educated and experienced seafarers is high and is expected to increase further in the coming years, partly due to large numbers of retirements. In addition to competitive wages to attract skilled and experienced officers and crews, a long-term approach and a good reputation as an employer are also required.

Concordia Maritime and its manning partner Northern Marine Management (NMM) endeavour to ensure they are an attractive employer, offering competitive conditions while also providing stimulating and safe workplaces. Respect for the individual, skills development opportunities and a strong safety culture are important components of this work.

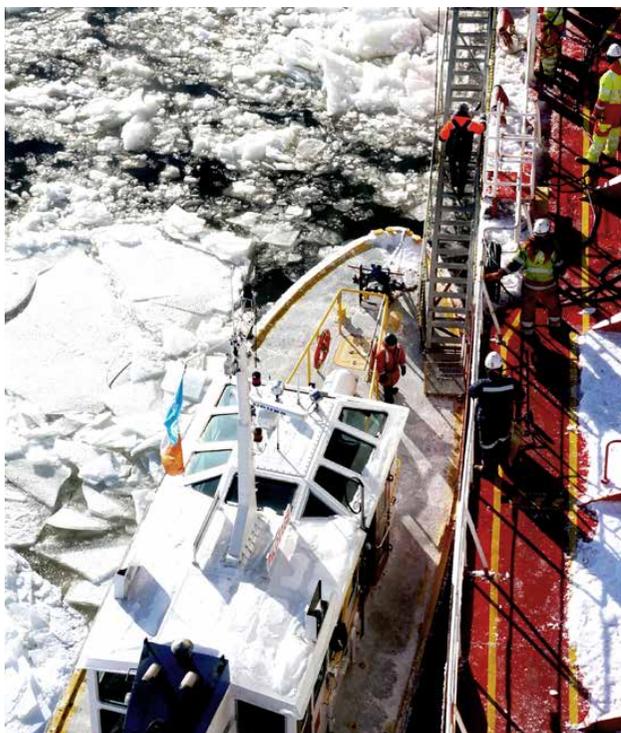
#### Key figures

	Target 2020	Outcome 2020	Goal 2021
Medical treatment case	0	0	0
Restricted work case	0	1	0
Malpractice reported through whistleblower system	0	0	0

Definitions, see page 95.



GOAL	ACTIVITIES AND INITIATIVES
Create a safe and stimulating workplace	<ul style="list-style-type: none"> <li>■ Extensive preventive work to stop the spread of the coronavirus on board ships</li> <li>■ Initiatives for increased well-being</li> <li>■ Development and career opportunities</li> <li>■ Fair and competitive conditions</li> <li>■ Group-wide whistleblower system</li> </ul>
Contribute to sustainable social development	<ul style="list-style-type: none"> <li>■ Zero tolerance for bribery and corruption</li> <li>■ Requirement for suppliers and partners to comply with human rights</li> <li>■ Support for Mercy Ships Cargo Day</li> </ul>



### Extensive efforts to stem the spread of Covid-19

During the year, major efforts were concentrated on minimising the risk of Covid-19 spreading on board the vessels. The Company and NMM have taken a large number of preventive measures, including the introduction of many special routines. These include continuous risk assessments and exercises. These include special procedures regarding what should be done before, during and after loading or unloading, contacts with onshore personnel and cleaning on board. In addition, there are also established routines in the event of someone in the crew being considered ill.

Despite rigorous preventive work, some of the crew on the P-MAX vessel *Stena Premium* became ill with Covid-19 during 2020. All of those affected only showed mild symptoms.

### Development and career opportunities

In addition to compulsory safety-related training, Concordia Maritime works with NMM to provide employees with opportunities for skills development in other areas and to offer various career choices. In practice, this means that there are opportunities for seagoing employees to work on shore in

various staff positions. For seagoing employees wanting to advance through the ranks, there are clearly laid out career paths, which both NMM and Concordia Maritime encourage.

### Low staff turnover

A total of 596 staff were employed on Concordia Maritime's vessels at the end of 2020, all employed through the Company's manning partner NMM. The year's average staff turnover for seagoing employees was about two percent, which is relatively low compared with industry standards. All seagoing personnel on our vessels are covered by ITF (International Transport Workers' Federation) agreements.

### Initiatives for increased well-being

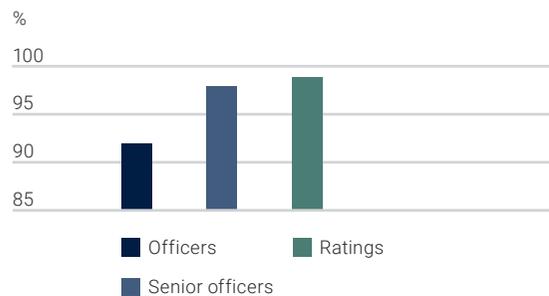
Concordia Maritime and NMM work actively to offer onboard employees as stimulating and pleasant a workplace as possible. Seagoing employment involves long periods at sea and the well-being of the employees is therefore a key element in creating a safe and secure work environment.

The work includes everything from offering a healthy diet to providing good fitness and training opportunities. It also includes guidelines for mental health and the "Well at Sea" app, developed by psychologists. Another example is an ongoing study on the feasibility of greenhouses on board to enable employees to grow their own fruit and vegetables.

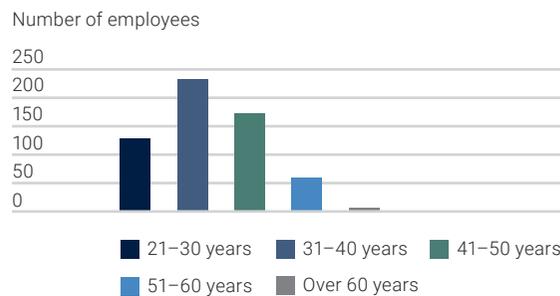
### Zero tolerance for bribery and corruption

Within Concordia Maritime, Stena Bulk and NMM, there is zero tolerance for all forms of corruption, including zero tolerance for all types of bribery, extortion, nepotism, racketeering and misappropriation. In addition, work is also in progress to completely eliminate facilitation payments. See also *Principles and guidelines* on page 32.

### Retention rate, seagoing



### Age distribution



### Human rights

Concordia Maritime supports and respects the United Nations Declaration on Human Rights and ILO's International Programme on the Elimination of Child Labour (IPEC). The current Code of Conduct clarifies that forced labour is not accepted in any form, nor is the use of prisoners or illegal labour in the manufacture of goods or services, either for Concordia Maritime or its suppliers and other partners.

Concordia Maritime endeavours to provide fair working conditions and equal opportunities for all. No employee may be discriminated against or treated differently on the basis of gender, transgender identity or expression, ethnicity, religion or other belief, disability, sexual orientation or age. Likewise, employees' right to freedom of association and collective bargaining must be respected. Concordia Maritime has zero tolerance for harassment and abuse, and does not accept any type of violence, threat or destructive behaviour in the workplace.

### Community engagement

Concordia Maritime's guidelines on community engagement give priority to initiatives that have a clear link to the Company's values, expertise and operations. The projects or initiatives that are supported must be largely 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.

Concordia Maritime has supported Mercy Ships Cargo Day since 2016. The purpose is to raise funds for Mercy Ships, a non-governmental organisation operating hospital ships. Mercy Ships provides free surgery, dental care and other qualified medical care in places where the need is greatest.



Photo Mercy Ships

## Principles and guidelines

**CONCORDIA MARITIME'S** Board and management have jointly formulated and adopted a framework that defines guidelines on how Concordia Maritime should act as a responsible company and employer. The framework consists of the Company's sustainability policy and code of conduct as well as the external principles and recommendations that Concordia Maritime has undertaken to follow.

### Sustainability Policy

The sustainability policy describes Concordia Maritime's overall approach to sustainability and the overall principles for control and monitoring of sustainability work. The Sustainability policy is available on Concordia Maritime's website.

### Code of Conduct

The Code of Conduct describes Concordia Maritime's guidelines for suppliers and partners. It also describes the relationship with employees, business partners and other stakeholders, and the attitude to gifts and bribes. The Code is based on internationally recognised conventions and guidelines, such as the UN Conventions on Human Rights, the ILO Conventions, OECD Guidelines and the UN Global Compact, which Concordia Maritime signed in 2015.

Concordia Maritime's Code of Conduct sets out applicable guiding principles to ensure operations are conducted in an ethically, socially and environmentally correct way, and deals with areas such as the environment, social conditions, personnel, human rights and anti-corruption. The Code of Conduct also deals with relationships with business partners, with Concordia Maritime reserving the right to withdraw from a relationship if a partner does not meet the standards of business ethics that the Group expects.

The Code applies to all employees without exception, and training in the Code is compulsory for all employees. The Code of Conduct is available on Concordia Maritime's website.

### External regulations and alliances

■ **Global Compact** Concordia Maritime follows both the UN Global Compact Initiative and the Universal Declaration of Human Rights. The Global Compact is the largest international initiative for corporate responsibility and sustainability issues. 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.

- **OECD Guidelines for Multinational Enterprises** The OECD Guidelines for Multinational Enterprises are recommendations addressed to multinational enterprises operating or based in any of the OECD countries. The guidelines cover how these enterprises are to relate to human rights, environment and labour.
- **The ILO's Fundamental Conventions** The International Labour Organization's eight fundamental conventions represent a minimum global standard for labour. The conventions address fundamental human rights at work.
- **World Ocean Council** In 2017, Concordia Maritime became a member of the World Ocean Council, a sectoral global organisation gathering together leaders in ocean and related industries. The overall goal is to contribute to sustainable development of the global ocean.
- **Maritime Anti-Corruption Network** 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.

## Stena AB's Code of Conduct

Concordia Maritime's partners Stena Bulk (chartering and commercial operation) and Northern Marine Management (manning, operation and maintenance) are wholly owned by Stena AB. The companies' operations are subject to Stena's Group-wide Code of Conduct, which sets out applicable guiding principles to ensure operations are conducted in an ethically, socially and environmentally correct way. The Code deals with areas such as environmental issues, social issues, good business practices and human rights. The Code also deals with relationships with business partners, with Stena reserving the right to withdraw from a relationship if a partner does not meet the standards of business ethics that Stena expects.



## Monitoring and controls

**THE CEO OF CONCORDIA MARITIME** is responsible for coordinating and running the Company's sustainability work on an overall level and regularly reporting on developments to the Board. The Board continuously monitors the Group's work on sustainability issues. Developments are always dealt with as a separate agenda item at each ordinary Board meeting.

Concordia Maritime has a number of internal regulations, which with the external regulations and laws provide the framework for the Company's operations. They include the Articles of Association, the Board's rules of procedure, the CEO's instructions, the Code of Conduct, the sustainability policy, the information policy, the financial policy and authorisation instructions.

### Close cooperation with partners

The Company works continuously with its partners, primarily Stena Bulk and Northern Marine Management (NMM), to develop sustainable working practices and further improve the sustainability performance.

Concordia Maritime conducts a quarterly follow-up of safety, environmental and social issues with representatives of Stena Bulk and NMM. Vetting deviation reporting is conducted on a weekly basis. The results are recorded and used in ongoing improvement work.

Both Stena Bulk and NMM have well-developed systems, procedures and processes to ensure that their operations are conducted in line with defined goals and Concordia Maritime's Code of Conduct.

### Group-wide whistleblower function

Within the Stena Sphere, there is a Group-wide whistleblower system. Employees who discover something that violates Concordia Maritime's, Stena Bulk's or NMM's codes of conduct, values, policies or applicable law are able to report the malpractice anonymously. The service is provided by an external partner and all information is encrypted, which further

strengthens security. In 2020, no cases were reported that had a bearing on Concordia Maritime's operations, staff or seagoing employees.

### External controls

In addition to our own controls, there are also comprehensive inspections and follow-ups from authorities and customers. The vessels in the fleet, both owned and chartered, are subject to continuous quality inspections in the form of vetting by the oil and chemical industry, flag state annual inspections, published port state controls and the classification societies' inspections.

The inspections include the ship's construction and its general condition, equipment and procedures for navigation, survival equipment, fire-fighting equipment, cargo handling systems, oil recovery equipment and procedures for crisis management. Crew numbers, the crew's qualifications, employment conditions, the ship's logbooks and certificates are also examined. Shore-based activities are checked primarily by auditing processes and procedures.

Read more about external controls under *Operational control in 2020* on page 90.

### Compliance with laws and regulations

As a publicly listed company with global operations, Concordia Maritime is obliged to comply with a number of laws, regulations and rules. These include the Swedish Companies Act, Nasdaq Stockholm's Rules for Issuers, the Swedish Corporate Governance Code and the EU Market Abuse Regulation.

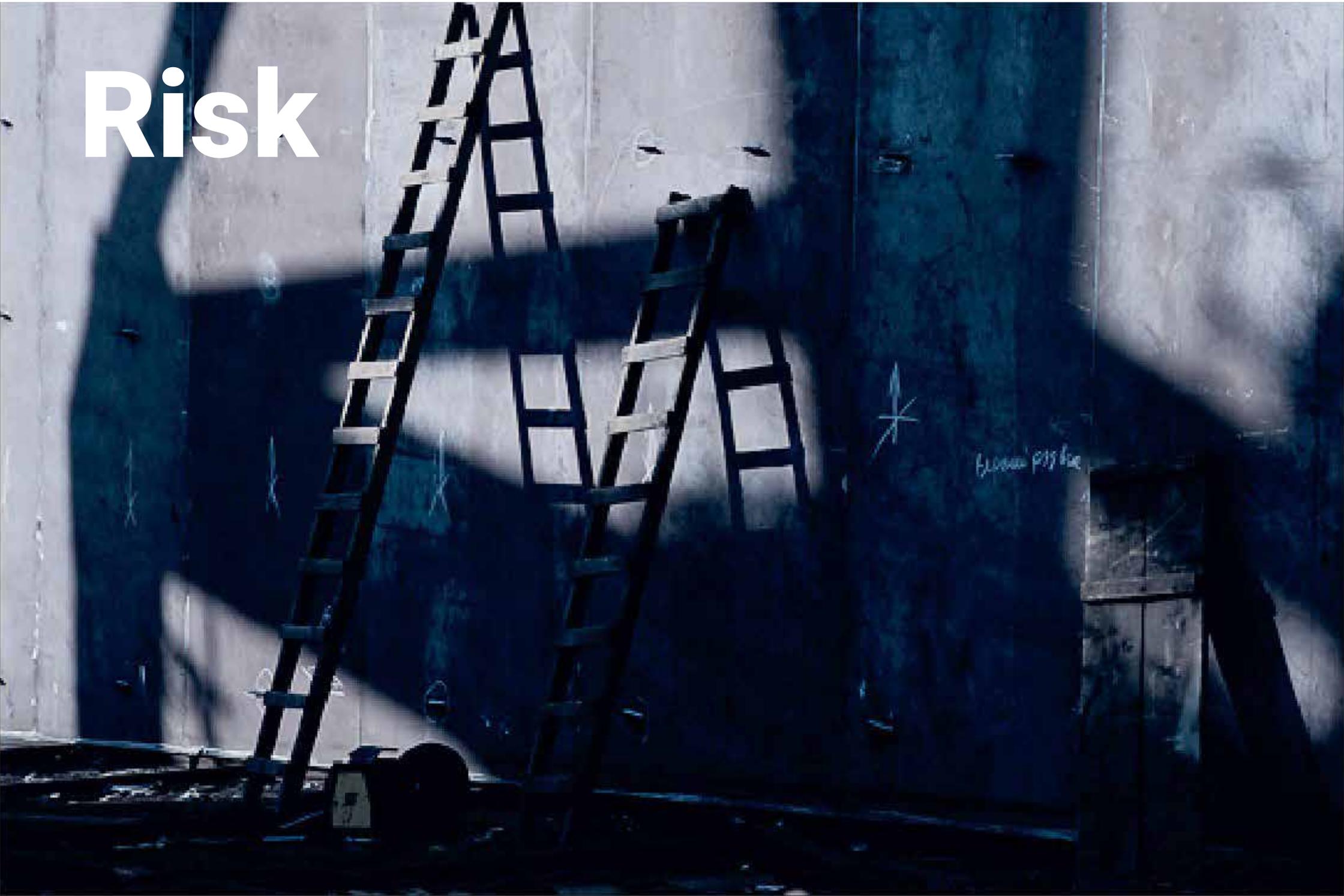
No violations of laws or permits resulting in legal consequences or fines were reported in 2020.

Concordia Maritime has not derogated from stock exchange rules. For derogations from the Code, see page 91.

The Company has not been the subject of any decision by Nasdaq Stockholm's Disciplinary Committee or any decision by the Swedish Securities Council on violations of good practices in the stock market.



# Risk



# Risk assessment

**All business operations are associated with risk. Concordia Maritime works in a structured and systematic way to continuously identify, assess and manage risks that may affect the Company.**

**CONCORDIA MARITIME OPERATES** in an industry where demand for the Company's services is affected by business cycles and seasonal effects, as well as factors of a more temporary nature. This creates both business opportunities and risks, and the Company's ability to identify, assess, manage and monitor them is an important part of the governance and control of Concordia Maritime's business operations.

Concordia Maritime's risk work is aimed at creating good conditions, through well-considered risk-taking, for achieving the Company's business goals and upholding its ability to create long-term value for customers and owners. Risk work is based on an established framework that specifies acceptable levels of risk-taking. Risk-taking levels are determined by the Board.

To ensure a good overview and management of the risks to which Concordia Maritime is exposed, the Company uses an established risk management process which is integrated into the overall strategy and business planning. This includes regular identification, analysis and monitoring of the most significant risks, and special risk analyses when making business decisions such as large investments.

## Responsibility

The process of identifying and managing risks is directed by the Company's management group and is part of day-to-day operations. The CEO has ultimate responsibility for risk work. The CFO is responsible for ongoing work associated with financial risks.

## Monitoring

Company management systematically monitors and follows up Concordia Maritime's risk work by means of well-developed control and reporting systems used in cooperation with sub-contractors and partners.

The CEO reports to the Board four times a year on the status and development of the Company's risks. If any major or more serious change occurs, this is reported immediately.

The CFO reports to the Board four times a year on the status and development of the Company's financial risks. Prior to reporting to the Board, the audit group appointed by the Board (two ordinary Board members, the Company's auditors, the CFO and Group Accounting Officer) reviews the financial risks.



Read more about Concordia Maritime's governance model in the Corporate Governance Report on page 85.

### Risk categories

The following pages describe the most important risks associated with Concordia Maritime's operations and the industry, and which could have a significant negative impact on the Group's operations, strategy, profitability, cash flow, shareholder value or reputation. The risks are divided into four categories. Sustainability risks and risks associated with non-compliance with laws and regulations, both within Concordia Maritime and in the supply chain, are integrated into the risk categories.

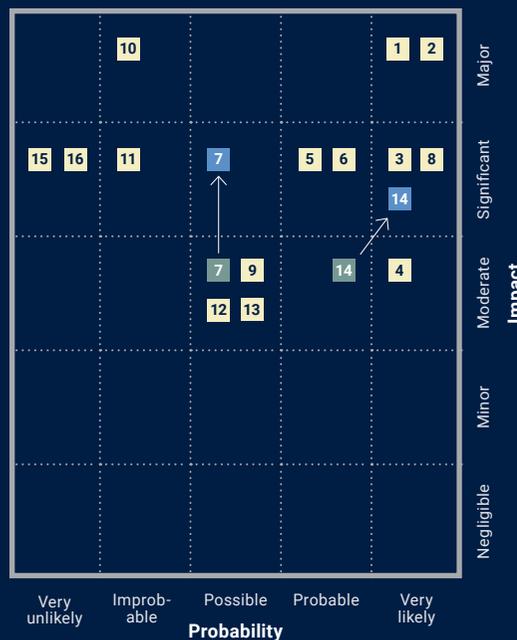
- Strategic risks** are primarily external factors that could affect Concordia Maritime's operations. The Board and management have limited opportunity to control these risks in the short term, but must still deal with them in the planning and governance of the operations. Strategic risks also include internal factors that could make it difficult to achieve the Company's overall business goals.
- Operational risks** are related to operating activities. These are risks that Concordia Maritime can largely control and prevent – either itself or through cooperation partners.
- Compliance risks** are related to the fact that Concordia Maritime operates in a global market and an industry that is subject to many laws, regulations and rules on, for example, safety and the environment. The risks are associated with non-compliance, but also with the consequences of the Company adapting to, for example, stricter environmental legislation.
- Financial risks** include credit, currency and interest rate risks that may adversely affect the Company's results. Financial risks are described in note 18 and are not therefore reported in this section.

### Change in the risk environment in 2020

The general risk environment was affected by the consequences of the coronavirus pandemic. Those that affected the Company the most were the slump in demand for energy and the collapse in oil prices. This had a major impact on demand for tanker transport in 2020 and the effects will also be felt during 2021.

The implementation of new regulations linked to environmental legislation and a continuing strong focus on the area have resulted in a higher impact assessment for this type of risk.

As a result of implemented organisational changes, dependence on key personnel has increased.



### Strategic risks

- Changes in demand for tanker transport
- Changes in net world fleet growth
- Political decisions
- Bunker oil price
- Ship value
- Conflict and unrest
- Dependency on key personnel & individual suppliers
- Nature of the business

### Operational risks

- Damage to vessels
- Accidents and incidents
- Quality deficiencies
- Commercial failure

### Compliance risks

- Disputes
- Environmental legislation
- Corruption
- Human rights and working conditions

### Financial risks

- Liquidity risk
- Financing risk
- Investment risk
- Currency risk
- Interest rate risk
- Credit risk

# Strategic risks

## 1. Changes in demand for tanker transport

Demand for transportation of oil and refined petroleum products is largely governed by the consumption of these products, which in turn is partly dependent on the economic situation. Other factors that may affect demand for tanker transport are stock withdrawals close to the consuming countries and structural changes in refinery capacity. Reduced demand for tanker transport can lead to a fall in freight rates, which may have implications for Concordia Maritime's earnings capacity and profitability. In addition, the shift towards renewable energy sources may affect long-term demand for oil transportation.

**MANAGEMENT** Continuous analysis of market trends, both short-term and long-term. This is then used for decisions on fleet disposition (incl. acquisitions and disposals) and type of chartering. Exposure to the spot market is balanced through the pools in which certain vessels operate.

## 2. Changes in net world fleet growth

Supply of available vessels is partly governed by new vessel deliveries and phasing-out of older vessels. High net world fleet growth can lead to a fall in freight rates, which may have implications for Concordia Maritime's earnings capacity and profitability.

**MANAGEMENT** Continuous analysis of market trends, both short-term and long-term. On this basis, decisions are made on fleet disposition (incl. acquisitions and disposals) and chartering method. Exposure to the spot market is partly balanced through the pools in which certain vessels operate.

## 3. Political decisions

Political decisions can have adverse consequences for international trade in oil and oil products. They include decisions on sanctions, regulations on international trade, safety and the environment.

**MANAGEMENT** Continuous external monitoring, both within the organisation and in cooperation with trade associations, partners and other stakeholders.

## 4. Bunker oil price

High oil prices can affect the Company's net result through increased costs for bunker oil. Market prices for freight on the spot market are adjusted for changes in bunker prices. For normal-sized tankers with low or average bunker consumption, a bunker oil price increase does not therefore mean a fall in earnings. The Company's P-MAX vessels are larger and consume more bunker oil than many competing vessels. This can be a competitive disadvantage during periods of high bunker oil prices.

**MANAGEMENT** Continuous work to reduce bunker consumption, partly through technical development and maintenance of the vessels and partly through route planning, optimisation of speed and energy management. Oil derivative trading is also used in some cases.

## 5. Ship value

The prices of both new and second-hand tonnage vary according to the market and the ship's condition. These aspects can affect the Company's ability to invest in vessels and the opportunities for profitable vessel transactions. For more information and risks related to the fleet's valuation and impairment testing, see notes 8 and 18.

**MANAGEMENT** Changes in the vessels' market values are analysed as part of the continuous market analysis work.

## 6. Conflict and unrest

Refers partly to the risk of reduced availability of oil and oil products, and partly to changes in transport demand. A clear example of this is that conflict and unrest can give rise to different types of sanctions that can affect countries, companies, individuals and specific vessels. These sanctions can have a significant impact on the Company's operations. Conflict and unrest also include risks related to pirate activity. This risk affects both Concordia Maritime and the industry as a whole.

**MANAGEMENT** Continuous external monitoring within the organisation and in cooperation with trade associations, partners and other stakeholders. Active work to reduce the risk of hijacking or other types of threats. The Company has satisfactory insurance and takes continuous risk minimisation measures.

## 7. Dependency on key personnel & individual suppliers

The close cooperation between the related companies within the Stena Sphere gives Concordia Maritime access to world-leading competence in all areas of shipping and creates the conditions for a cost-effective internal organisation. At the same time, this involves greater dependence on a small number of key persons in the organisation, and the relationship with the Stena Sphere is associated with a certain risk, as services are purchased from a small number of suppliers who partly conduct competing activities and/or provide services to competitors.

**MANAGEMENT** Competitive remuneration and active work to create a stimulating workplace with good development opportunities for employees. The collaboration with Stena Bulk on chartering and operation is based on an agreement between the companies that is followed up and evaluated annually. Read more about the agreement in note 22. All related party transactions are conducted on commercial terms and at market-related prices.

## 8. Nature of the business

The outside world's expectations of companies have increased in recent years – particularly regarding transparency about how their operations affect and are affected by sustainability aspects in the external environment. As Concordia Maritime's operations include transportation of oil and oil products, this calls for extreme clarity, transparency and openness about both positive and negative impacts. Lack of confidence in the business or the Company's sustainability work can affect Concordia Maritime's long-term development, both financially and from an employer perspective. This could also reduce the scope for long-term financing and/or curb investors' ability or willingness to invest in Concordia Maritime's shares.

**MANAGEMENT** Concordia Maritime's external communication must be characterised by openness, both in terms of opportunities and challenges. The communication policy adopted by the Board establishes fundamental values of openness and transparency. Work within the three focus areas for sustainability is described in more detail in the financial reporting, mainly in the interim and annual reports.

## Operational risks

### 9. Damage to vessels

Risks related to damage to vessels are mainly associated with costs of repairing any damage caused, and loss of income due to off-hire – which can also result in more expensive insurance premiums.

**MANAGEMENT** Partly through strict procedures, scheduled vessel maintenance and comprehensive loss prevention measures in operating activities and partly through industry-standard insurance. The vessels are insured against damage and loss at amounts representing the vessels' value. The vessels are also insured against loss of hire due to damage or shipwreck. In addition, customary insurance for operating in specific waters is also in place.

### 10. Accidents and incidents

Accidents and incidents refer mainly to accidents at sea or in port (shipwreck, oil spill, collision etc.). This type of event could have far-reaching negative consequences for both the environment and property, and, at worst, could result in loss of life.

**MANAGEMENT** Through comprehensive preventive work with continuous training and reviews of procedures and processes. Protection and indemnity applies with no limitation of amount, except for responsibility for oil spills, where the amount is limited to USD 1 billion.

### 11. Quality deficiencies

Deficiencies related to vessels, procedures or manning could result in a particular vessel failing the customer's vetting. The opportunity to transport oil products for the oil company in question would then be lost.

**MANAGEMENT** Strict routines, continuous maintenance and regular training of onboard personnel. The Company's partner for operation and manning conducts industry-leading quality work.

### 12. Commercial failure

Concordia Maritime's results and profitability depend on the Company's and its partners' ability to optimise the fleet's employment and earnings over time, and decisions regarding chartering, acquisitions and disposals of vessels.

**MANAGEMENT** Close cooperation and good relationships with customers and partners. Concordia Maritime has outsourced the ongoing chartering operations to Stena Bulk under an agreement. In matters concerning transactions that do not constitute ongoing chartering activities, the Company's management is always involved, as is the Board where necessary, and ensures that decisions are made at the right level and in line with clear mandates in annually established control documents, including the PRL (power reserved list), authorisation instructions etc..

## Compliance risks

### 13. Disputes

Concordia Maritime may be subject to complaints and lawsuits from customers, employees or other third parties. Even if such disputes are resolved without direct negative financial consequences, they could harm the Group's reputation and divert resources that would have been used for other purposes.

**MANAGEMENT** The Company has well-established structures and processes in place to evaluate and manage complaints and legal proceedings in order to reduce legal risks. Systematic quality and safety work carried out by the Company and its partners significantly reduces the risk of incidents, such as accidents, which could trigger a dispute.

## 14. Environmental legislation

International agreements and regional initiatives to limit emissions of carbon dioxide, sulphur oxides and nitrogen oxides may bring increased regulations for tanker shipping. One example is the decision on mandatory installation of ballast water management systems for ships in international traffic and ships operating in European and US waters.

This increases the need for follow-up and adaptation to new requirements. Even if challenges are resolved and managed, they can have a negative impact on the Company's reputation, resource use and operating costs, and negative effects on profitability and the financial position.

**MANAGEMENT** Within the organisation and in cooperation with other actors, continuous work is carried out to increase energy efficiency and in other ways reduce the Company's environmental impact – both to ensure compliance and to increase competitiveness.

In addition to work on route planning, optimisation of speed and energy management, the Company also conducts extensive and continuous technical development and maintenance of the vessels in order to meet the emission requirements and other requirements related to the vessels' environmental impact.

Read more about the industry's and Concordia Maritime's development in the area of sustainability on pages 20–33.

## 15. Corruption

Corruption risks are mainly associated with the operations of Concordia Maritime's partners, for which the Company can be held responsible. This also includes behaviour of employees in their own organisation towards customers and other parties.

The overall risk level is also affected by the fact that the Company conducts global operations and does business in markets that can be considered high risk from a corruption perspective.

Violations or allegations of violations can have serious negative consequences for the business, including damage to the Company's reputation, fines or imprisonment of employees.

**MANAGEMENT** Continuous anti-corruption work, including through an established anti-corruption compliance programme. Concordia Maritime and its partners have codes of conduct that clearly state how companies and their employees should act in business relationships. The codes apply to all employees without exception, and training in them is compulsory for all employees.

In addition, Concordia Maritime is a member of and/or follows a number of international regulations and collaborations in order to develop the industry's anti-corruption work.

Within the Stena Sphere, there is a group-wide whistleblower system which is available to Concordia Maritime's own employees and the contracted seagoing organisation.

Read more about the Company's anti-corruption work on pages 29–32.

## 16. Human rights and working conditions

Violations of human rights can potentially occur in the internal organisation, at business partners and in the supply chain. The consequences can range from legal liability to reputational damage.

Lack of compliance with working conditions can have direct consequences for Concordia Maritime and impair the Company's reputation as an employer, making it more difficult to attract competent employees.

**MANAGEMENT** Concordia Maritime is a member of and/or follows a number of internationally recognised conventions and guidelines for the promotion and protection of human rights and working conditions. This is further regulated in the Company's code of conduct and Stena Sphere's group-wide code of conduct, which includes Concordia Maritime's partners.

Work environment issues onboard the fleet vessels are regulated within the Company's partner NMM by a Group-wide SHE (Safety, Health and Environment) policy, which contains minimum standards and requirements for reporting in a number of areas such as incidents and accidents, absences due to illness and occupational injuries.

Read more on pages 29–32.

# The share



# The share

Concordia Maritime's B shares have been traded on Nasdaq since 1984. The largest owner is the Stena Sphere.

Concordia Maritime's B share price was SEK 8.18 (14.60) at the end of 2020, and the Company's market capitalisation was SEK 390.4 (697.0) million. In 2020, a total of 12.8 million Concordia Maritime shares were traded on Nasdaq Stockholm at a value of SEK 138.9 million.

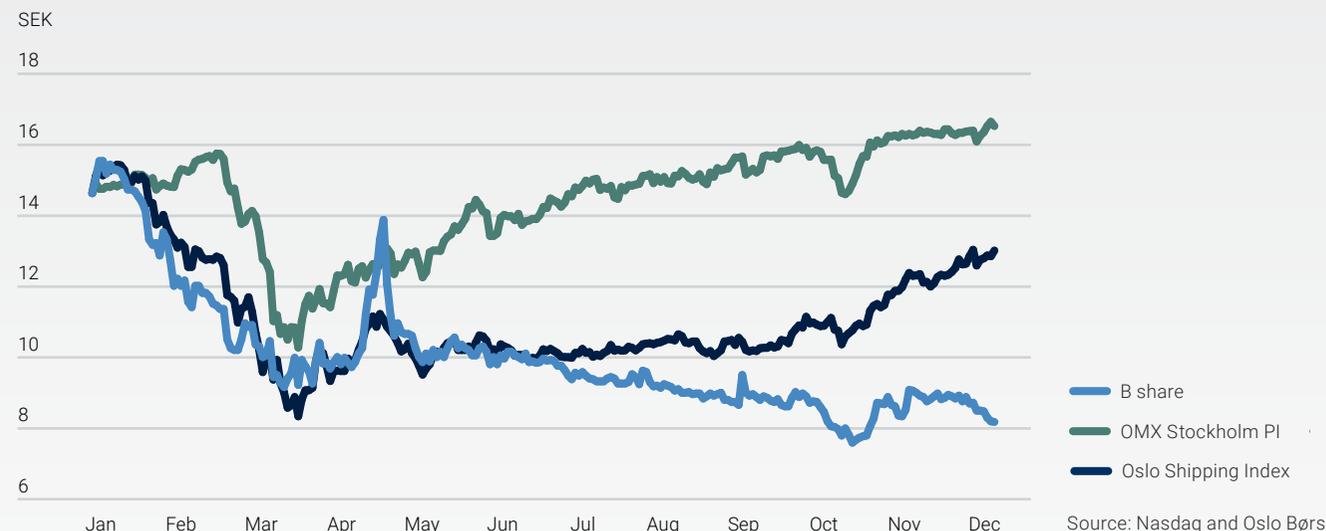
At the end of 2020, share capital amounted to SEK 381.8 million, divided into 47.73 million shares, of which 4 million were A shares and 43.73 million were B shares. The par value is SEK 8 per share. Class A shares carry ten votes per share and class B shares one vote per share at the AGM.

All class A shares are owned by Stena Sessan, which has been the principal owner since the Company was first listed in 1984. Stena Sessan has declared that a holding in Concordia Maritime corresponding to about 50 percent of the capital is a long-term objective. At year-end, the Stena Sphere owned approx. 52 percent of the share capital and held about 73 percent of the votes. The Board and CEO together own about 0.1 percent of the shares (Stena Sphere excluded). Concordia Maritime had a total of 4,150 shareholders at the end of the year.

## About the share

Trading venue	Nasdaq Stockholm Small Cap
Ticker	CCOR B
ISIN code	SE0000102824

## Concordia Maritime's share price, 2020



## Dividend Policy

Concordia Maritime's long-term objective is to maximise the value of the shareholders' capital in the Company through long-term growth in the value of the fleet and a good return on oil transportation. This should provide the necessary conditions for a long-term, positive share price trend. The Company's policy is to distribute at least 10 percent of profit after tax. The aim is to distribute more than the minimum level specified by the policy. The Board's dividend proposal to the AGM reflects this aim, but also takes into account the Company's financial position and cash requirements for business projects.

## Key figures for the share

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Dividend, SEK	0.00 <sup>1)</sup>	0.00	0.00	0.00	0.50	0.50	0.00	0.00	0.50	1.00
Dividend as % of net result	n/a	n/a	n/a	n/a	34	14	n/a	n/a	-7	56
Shares outstanding at year-end, millions	47.73	47.73	47.73	47.73	47.73	47.73	47.73	47.73	47.73	47.73
Average number of shares outstanding, millions	47.73	47.73	47.73	47.73	47.73	47.73	47.73	47.73	47.73	47.73
Share price at year-end, SEK	8.18	14.60	12.20	12.50	13.90	19.50	12.90	11.70	10.15	12.95
Dividend yield, % <sup>2)</sup>	n/a	n/a	n/a	n/a	3.0	3.1	n/a	n/a	4.9	7.7
Total return, Concordia share, %	-44	20	-2	-10	-26	55	10	15	-18	-32
P/E ratio including ship sales	neg	neg	neg	neg	9.5	5.4	71.7	neg	neg	7.3
Turnover of shares per year, millions	12.8	9.7	7.3	18.9	13.5	21.4	10.1	14.8	5.7	6.2
Turnover rate, %	32	20	15	40	28	45	21	31	12	13
Market cap at year-end, SEK million	390	697	582	597	603	931	616	558	484	618
Number of shareholders	4,150	4,168	4,137	4,301	4,610	4,744	4,546	5,109	5,112	5,266
Equity per share	16.66	22.12	22.24	25.60	43.78	39.15	32.99	27.07	27.88	37.24

1) Board's proposal. 2) Dividend per share divided by average share price.

## Dividend 2012–2021

Year	Dividend per share, SEK	Dividend yield, %
2011	1.00	7.7
2012	0.50	4.9
2013	0.00	n/a
2014	0.00	n/a
2015	0.50	3.1
2016	0.50	3.0
2017	0.00	n/a
2018	0.00	n/a
2019	0.00	n/a
2020	0.00 <sup>1)</sup>	n/a

1) Proposed dividend.

## Ownership concentration, 28/02/2021

	Capital, %	Votes, %
10 largest shareholders	72.5	84.3
20 largest shareholders	76.5	86.6
50 largest shareholders	83.1	90.4
100 largest shareholders	87.9	93.1

## Shareholder categories, 28/02/2021

	Capital, %	Votes, %
Foreign	9.1	5.2
Swedish	90.9	94.8
of which		
Institutions	62.6	78.7
Private individuals	28.3	16.1

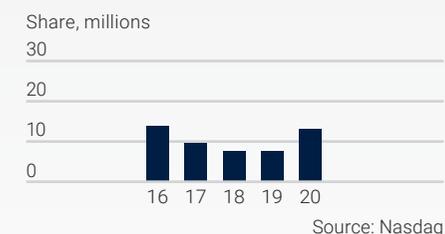
## Shareholder structure, 28/02/2021

Shareholding	Owners	Holding, %
1–1,000	3,104	75.9
1,001–10,000	764	18.7
10,001–20,000	81	2.0
20,001–	139	3.4
<b>Total</b>	<b>4,088</b>	<b>100</b>

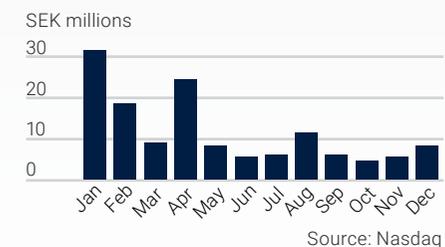
## Ten largest shareholders, 28/02/2021

	Capital, %	Votes, %
Stena Sessan	52.2	72.7
Stillström, Bengt	4.2	2.4
Avanza Pension	2.9	1.7
Åkesson, Morgan-Åke	2.6	1.5
Andersson, Stig	2.5	1.4
Mutual Fund Fourton		
Hannibal	2.5	1.4
AB Traction	2.3	1.3
SIX SIS AG	1.6	0.9
KBC Bank NV	1.0	0.6
Stillström, Ann	0.8	0.4

## Share turnover 2016–2020



## Share turnover 2020



# Ten-year summary

	2020 <sup>1)</sup>	2019 <sup>1)</sup>	2018 <sup>1)</sup>	2017 <sup>1)</sup>	2016 <sup>1)</sup>	2015 <sup>1)</sup>	2014	2013	2012	2011
<b>Profit/loss items, SEK million</b>										
Total income	1,025.8	1,140.2	1,052.9	827.5	1,038.2	1,086.6	531.2	467.8	543.4	559.6
Operating costs excluding depreciation/impairment	-748.0	-890.6	-1,183.0	-978.5	-955.5	-877.0	-474.8	-467.4	-465.9	-452.0
Operating result	32.6	-0.4	-130.1	-624.6	82.7	209.6	56.4	0.4	77.5	107.6
of which result from ship sales	-	-	-	-	54.8	-	57.4	-	-	-
EBITDA <sup>2)</sup>	277.8	249.5	56.8	51.3	319.9	423.8	201.0	144.7	228.4	242.6
Result after financial items	-65.1	-102.3	-181.9	-660.2	56.9	174.3	16.5	-39.0	-369.4	76.3
Result for the year	-66.0	-102.6	-182.1	-660.2	69.5	173.9	8.7	-28.8	-356.0	84.8
Cash flow from operations <sup>2)3)</sup>	3.0	148.7	-88.9	-14.9	227.0	392.2	121.8	124.1	190.5	231.1
Investments in non-current assets	140.9	76.4	2.9	78.0	89.5	459.3	87.9	64.7	428.3	330.1
<b>Balance sheet items, SEK million</b>										
Ships	2,599.1	3,064.2	2,303.0	2,305.7	3,165.5	3,809.0	3,129.7	2,914.8	3,063.4	3,289.5
(Number of ships)	13	13	11	11	11	13	11	12	12	11
Ships under construction	0	0.0	0.0	0.0	0.0	0.0	205.8	100.5	48.0	143.0
(Number of ships)	-	-	-	-	-	-	2	2	2	1
Cash & cash equivalents	130.2	227.7	126.4	243.6	406.3	273.6	136.6	106.0	144.4	128.2
Short-term deposits	0.0	3.4	97.4	222.8	273.2	0.0	0.0	81.7	97.1	113.6
Other assets	145.3	349.6	266.4	196.2	276.7	271.3	243.7	203.5	127.8	83.9
Interest-bearing liabilities	1,861.7	2,400.9	1,539.1	1,635.6	1,933.7	2,387.2	2,038.9	1,994.0	1,993.3	1,815.4
Other liabilities and provisions	217.8	188.4	192.6	111.0	118.7	98.6	102.2	120.2	156.6	165.2
Equity	795.0	1,055.6	1,061.5	1,221.9	2,089.8	1,868.7	1,574.7	1,292.3	1,330.8	1,777.6
Total assets	2,874.6	3,644.9	2,793.2	2,968.5	4,142.2	4,354.5	3,715.8	3,406.5	3,480.7	3,758.2

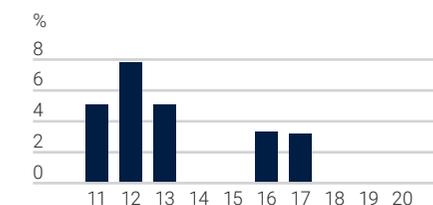
1) It was decided that with effect from 1 January 2016, spot charter income and expenses would be reported on a gross basis.

In this table, 2015 has also been changed to the same principle for comparison purposes.

2) See alternative performance measures on page 95.

3) Ship sales not included.

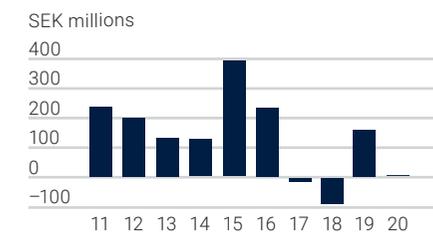
## Dividend yield 2011–2020



## Shareholder trend 2011–2020



## Cash flow from operations, excl. ship sales



**Ten-year summary, cont'd**

	2020 <sup>1)</sup>	2019 <sup>1)</sup>	2018 <sup>1)</sup>	2017 <sup>1)</sup>	2016 <sup>1)</sup>	2015 <sup>1)</sup>	2014	2013	2012	2011
<b>Key figures, %</b>										
Equity ratio <sup>2)</sup>	28	29	38	41	50	43	42	38	38	47
Return on total capital <sup>2)</sup>	1	-1	-3	-17	2	5	2	0	-9	3
Return on capital employed <sup>2)</sup>	1	-1	-4	-18	2	5	2	0	-9	3
Return on equity <sup>2)</sup>	-6	-9	-16	-42	4	10	1	-2	-23	5
<b>Per-share data, SEK</b>										
Result for the year	-1.38	-2.15	-3.81	-13.83	1.46	3.64	0.18	-0.60	-7.46	1.78
of which result from ship sales	-	-	-	-	1.15	-	1.20	-	-	-
Cash flow from operating activities <sup>3)</sup>	0.06	3.12	-1.86	-0.31	4.76	8.22	2.55	2.60	3.99	4.84
Equity	16.66	22.12	22.4	25.60	43.78	39.15	32.99	27.07	27.88	37.24
Equity/net asset value	0.63	1.01	1.03	1.08	1.32	1.06	1.25	2.31	2.75	2.88
Share price at year-end	8.18	14.60	12.20	12.50	13.90	19.50	12.90	11.70	10.15	12.95
Dividend <sup>4)</sup>	0.00	0.00	0.00	0.00	0.50	0.50	0.00	0.00	0.50	1.00
Dividend as % of net result after tax	n/a	n/a	n/a	n/a	34	14	n/a	n/a	n/a	56
<b>Other</b>										
P/E ratio including ship sales <sup>2)</sup>	neg	neg	neg	neg	9.5	5.4	71.7	neg	neg	7.3
Number of shareholders	4,150	4,168	4,137	4,301	4,610	4,744	4,546	5,109	5,112	5,266

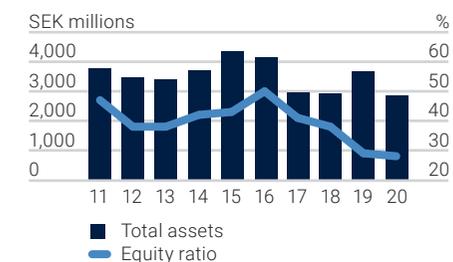
1) It was decided that with effect from 1 January 2016, spot charter income and expenses would be reported on a gross basis.

In this table, 2015 has also been changed to the same principle for comparison purposes.

2) See alternative performance measures on page 95.

3) Ship sales not included.

4) For the year 2020, the dividend proposed to the 2021 AGM is stated.

**Equity ratio**

# Financial report



# Board of directors' report

The Board and CEO of Concordia Maritime AB (publ), corp. ID 556068-5819, hereby submit the annual report for the financial year 1 January–31 December 2020. The Parent Company is Stena Sessan AB, which owns approximately 52 percent of the capital and 73 percent of the total voting rights.

## Business summary

2020 was a special and challenging year for Concordia Maritime and the entire industry, dominated by Covid-19 and characterised by high volatility. At the end of 2019, the tanker market looked to be heading for a structural upturn but then came the pandemic. Demand for oil declined most – by about 20 percent compared with the end of 2019 – and freight rates fell. The fall was short-lived, as a record-low oil price led to a sharp increase in oil trading, which drove freight rates up. This increase, also very short-lived, was not driven by an actual rise in demand for oil but was a consequence of the low price of oil. This resulted in large stockpiles. In the second half of the year, the combination of stock withdrawals, lower oil consumption and massive production cuts resulted in a record-weak market. And although the short upturn in spring helped to balance out the dips, it did not last long enough to create a positive full-year result. Based on market conditions, the operations have performed well. The voyage result for the Company's product tanker vessels exceeds the level reported by the market (Clarkson Worldwide MR Clean Index). The

voyage result for the Company's Suezmax vessel is slightly below the level reported by the market (Clarkson Worldwide Suezmax Index). Cost control has been good and the vessels' daily operating costs for repair, maintenance, manning and insurance are at the same level as in the previous year. Administrative expenses are a little lower than in the previous year. Five vessels were taken into drydock during the year and refinancing of two of the ten P-MAX vessels was arranged at the end of the year. The Company participated in four suezmax charters with Stena Bulk during the year.

## P-MAX

At the end of the financial year, three of the vessels were contracted out to a national oil company. The other seven vessels were employed in the spot market.

## MR (ECO)

The Company's charter position in partnership with Stena Bulk expired during the year. The Company's share in the contract had been 50% and no share remained at the end of the year.

## Suezmax

The Suezmax tanker *Stena Supreme* is employed in the spot market via Stena Sonangol Suezmax Pool. The vessel was sold through a sale & leaseback agreement in Q4 2016 and chartered back on a bareboat basis.

The four vessels chartered by the Company and Stena Bulk on short-term contracts (the Company's share is 33% for two contracts and 50% for the other two) were employed in the spot market via Stena Sonangol Suezmax Pool.

## IMO IIMAX

The two vessels *Stena Image* and *Stena Important* are employed in the spot market under agreements with Stena Bulk. Both vessels were sold (Q4 2016 and Q1 2017) through a sale & leaseback agreement and chartered back on a bareboat basis.

## Fleet value

The Group's assets are assessed on a six-monthly basis to determine whether there is any indication of impairment. The fleet is defined as two cash-generating units, with product tankers representing one unit and suezmax another unit. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of fair value (market value via external broker valuations) and value in use (future discounted cash flows). In the valuation of the assets at 31 December 2020, neither of the cash-generating units had a carrying amount that was higher than the recoverable amount, and no impairment was therefore recognised.

**Disputes**

There were no ongoing disputes at the end of the financial year.

**Freight market trends**

The year was characterised by a volatile tanker market, with signs of an upturn at the beginning of the year, then an increasingly challenging market in the wake of the pandemic and factors such as a strong decline in oil consumption.

**Product tanker market (MR, IMOIIIMAX, P-MAX)**

Average earnings for the Company's product tanker fleet, spot and TC, was USD 16,200 (14,500) per day during 2020. For vessels employed in the spot market, average earnings were USD 16,100 (14,300) per day.

**Crude oil tanker market (Suezmax)**

On a full year basis, average earnings for the Company's Suezmax fleet were USD 27,100 (28,000) per day.

**Newbuilding prices**

At the end of the year, the price of a standard product tanker was about USD 34 (35.8) million. The price of an IMO2 class MR tanker like the Company's IMOIIIMAX vessels was about USD 39 (39.5) million. The price of a standard Suezmax tanker at the end of the year was about USD 56 (61.5) million.

**Financial summary****Income and earnings**

Total income for 2020 was SEK 1,025.8 (1,140.2) million. Result before tax for the year amounted to SEK -65.1 (-102.3) million. Result per share after tax was -1.38 (-2.15).

**Investments**

Investments in property, plant and equipment during the year amounted to SEK 140.9 (62.7) million. The Company's net investments in financial assets amounted to SEK -3.4 (-110.2) million and were related to net sales of equities.

**Liquidity and financial position**

On the reporting date, the Group's available liquidity, including unutilised credit facilities, was SEK 378.0 (354.8) million. In addition, on the reporting date there were shares worth SEK 0 (3.4) million.

The Company's interest-bearing liabilities were SEK 1,861.7 (2,400.9) million at the end of the year. Equity totalled SEK 795.1 (1,055.6) at the reporting date and the equity ratio was 28% (29%).

**Remuneration policy for senior executives**

Remuneration of the Chairman of the Board and Board members was as adopted by the 2020 AGM. The AGM adopted guidelines for the remuneration of Group management as follows. Remuneration comprises a fixed salary, variable compensation, pension and other benefits. In order to attract and retain skilled personnel, Concordia Maritime endeavours to offer employees attractive and competitive remuneration. The absolute level depends on the scope and complexity of the position held and the individual's annual performance. Performance is specifically reflected in the variable compensation. Variable compensation is based on factors such as the Company's development and achievement of commercial, operational and financial goals. The goals for the CEO are decided on by the remuneration committee

(which consists of the full Board). Agreements on other forms of remuneration may be reached when this is considered necessary in order to attract and retain key competence or to encourage individuals to move to new locations or accept new positions. This type of remuneration is for a limited period. The proposed guidelines for the 2021 AGM correspond with those adopted in 2020.

The Company's pension policy is to follow the practices of the local market in each country. In the case of the CEO, a premium corresponding to 35 percent of his pensionable salary and other compensation at any given time is paid. Other senior executives in Sweden have a premium-based retirement benefit plan in addition to the standard Swedish labour market pension schemes.

Senior executives in Sweden have a six to twelve month reciprocal period of notice depending on the position held. For the CEO, severance pay of up to 24 months' basic salary is paid in the case of involuntary termination of employment. See also note 4.

**Information about risks and uncertainties**

Concordia Maritime has taken out industry-standard insurance to cover risks associated with the actual operation of the vessels. The vessels are insured against damage and loss at amounts representing the vessels' market value. Protection and indemnity applies with no limitation of amount, apart from responsibility for oil spills, where the amount is limited to USD 1,000 million. Vessels are also insured against loss of hire. In addition to these policies, the Company has also taken out standard insurance for operating in specific waters.

Even with insurance cover, an accident could have a very serious impact on Concordia Maritime. The oil industry's demands for safety and environmental responsibility are comprehensive and an accident at sea or in port would not only have negative environmental consequences, but could also seriously damage the Company's name. It is difficult to protect against this type of risk and it can only be done through extensive preventive work and complete transparency should an accident occur.

Tanker shipping is a highly cyclical business. Demand for transportation of crude oil and oil products is determined to a large extent by the consumption of these products. This, in turn, is largely determined by the economic situation. The effects of economic fluctuations are, in the short term, greatest in the spot market, although a long-term recession would also affect the futures market.

Freight rates in tanker shipping fluctuate strongly from one time to another. A decline in freight rates may be due to reduced demand for transport capacity or increased supply of vessels. A change in rates can have a major impact on the profitability of the business.

Concordia Maritime cooperates closely with the Stena Sphere, which supplies chartering, operational, manning and newbuilding services. Management believes that this cooperation is one of the Company's absolute strengths compared with competitors.

### **Sustainability report**

Concordia Maritime places the highest priority on human safety and protection of the maritime environment, both as a principle in day-to-day operations and as part of the overall

Company objectives. Safety and protection of the maritime environment must be an integral part of day-to-day business. The full commitment of all employees, on board and ashore, is critical to maintaining a high standard of safety and protecting the marine environment in the most effective way.

For Concordia Maritime, issues concerning transport efficiency, safety, respect for the environment and employer responsibility go hand in hand in many ways. Both customers and employees, as well as society in general, benefit from safe transport, optimised flows and increased fuel efficiency.

Safety and quality work is therefore a cornerstone of the Company's operations. However, the possibility of accidents occurring can never be discounted. Substantial resources are invested in continuously developing and optimising vessels, procedures and crews. The goal is to prevent the risk of accidents arising and to minimise any damage if an accident should nevertheless occur. Safety work is carried out on several different levels – during the design and construction of the actual vessel and its equipment and as part of a continuous process of identifying potential risks and dangerous operations. Strict reporting procedures give full control over all incidents – whether in port or at sea.

None of the Company's vessels were involved in any type of incident that resulted in bunker oil or cargo discharging into the water in 2020.

Two lost time incidents (workplace incidents that prevent an employee from working the following day) occurred on the Company's vessels during the year.

More tonne-miles (increased transport work) meant that the Company's fleet of owned vessels and vessels on long-term contracts consumed more bunker oil and had more

emissions to air in 2020 than in 2019 but emission efficiency was better than in the previous year.

Customers' inspections of the Company's vessels in 2020 resulted in an average of 2.5 observations per inspection. This outcome is better than the target of <4.

In 2020, the Company continued to support Mercy Ships' hospital ship, which offers free medical care to patients who would be otherwise unable to receive such care.

For more information on sustainability work, see the section on sustainability on pages 21–33.

### **Financial instruments and risk management**

See notes 18 and 19.

### **The share**

There were no new issues, bonus issues or similar issues during the year. The number of shares outstanding is therefore unchanged. There are 4,000,000 A shares, each representing ten votes, and 43,729,798 B shares, each representing one vote. The Company is not aware of any agreements between shareholders relating to transfers, or any agreements that would take effect in the case of a possible takeover process.

### **Outlook**

The consequences of the Coronavirus make it difficult to assess tanker market development. However, several factors point to the market strengthening from summer 2021 onwards. The main pointers are gradually increasing demand for oil, balanced stock levels and record low net fleet growth.

### Corporate Governance Report

The corporate governance report has been drawn up as a document that is separate from the annual report. The report can be found on pages 85–94. Information about the key elements of the Group’s system of internal control and risk management during preparation of the consolidated financial statements is presented in the corporate governance report.

### Events after the reporting date<sup>1)</sup>

No significant events occurred after the reporting date.

### Parent Company

Concordia Maritime AB’s main activities are to charter in vessels and provide Group-wide services.

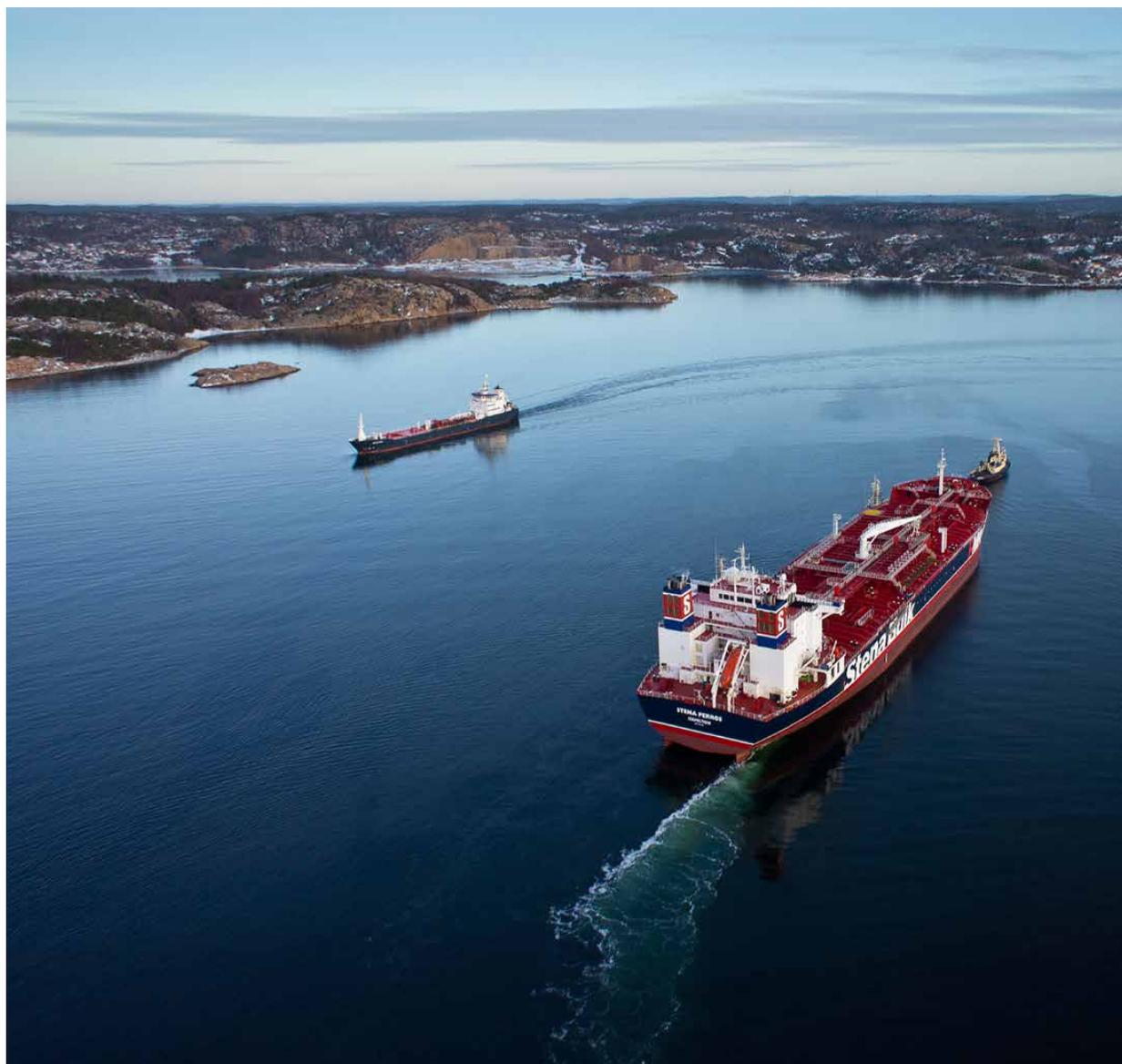
### Proposed distribution of profit

The Board of Directors propose that the available profits of SEK –80.8 million be distributed as follows.

SEK millions	2018	2019	2020
Dividend (47,729,798 shares)	0.0	0.0	0.0
Carried forward	–36.1	–5.5	–80.8
<b>Total</b>	<b>–36.1</b>	<b>–5.5</b>	<b>–80.8</b>

More detailed disclosures about the Company’s financial results and position can be found in the income statements, balance sheets and accompanying notes.

<sup>1)</sup> Events up to and including the date of signature of this annual report, 19 March 2021.



## Consolidated income statement and other comprehensive income

1 January – 31 December, SEK millions	Note	2019	2020	2020 USD millions <sup>1)</sup>
Time charter income, leasing of vessels		119.6	95.7	10.4
Time charter income, operational services		215.0	166.5	18.1
Spot charter income		757.5	760.7	82.6
Other income		48.0	2.9	0.3
<b>Total revenue</b>	2, 3, 20	<b>1,140.2</b>	<b>1,025.8</b>	<b>111.4</b>
Voyage-related operating costs	2	-351.1	-274.3	-29.8
Operating costs, ships	2	-265.8	-207.9	-22.6
Personnel costs, temporary seagoing	4	-212.1	-210.3	-22.8
Other external expenses	5	-38.5	-39.6	-4.3
Personnel costs, land-based	4	-23.1	-16.0	-1.7
Depreciation/impairment	8	-249.9	-245.2	-26.7
<b>Total operating costs</b>	22	<b>-1,140.6</b>	<b>-993.2</b>	<b>-107.9</b>
<b>Operating result</b>	2	<b>-0.4</b>	<b>32.6</b>	<b>3.5</b>
Finance income		24.8	5.8	0.6
Finance costs		-126.7	-103.5	-11.2
<b>Financial net</b>	6	<b>-101.9</b>	<b>-97.7</b>	<b>-10.6</b>
<b>Result before tax</b>		<b>-102.3</b>	<b>-65.1</b>	<b>-7.1</b>
Tax	7	-0.3	-0.9	-0.1
<b>Result for the year attributable to owners of the parent</b>		<b>-102.6</b>	<b>-66.0</b>	<b>-7.2</b>

1 January – 31 December, SEK millions	Note	2019	2020	2020 USD millions <sup>1)</sup>
<b>Other comprehensive income</b>				
<b>Items that have been/can be transferred to result for the period</b>				
	14			
Translation differences for the year, foreign operations		49.3	-119.6	-12.9
Changes in fair value of cash flow hedges		20.0	-72.3	-7.9
Changes in fair value of cash flow hedges reclassified to result for the period		4.9	-3.5	-0.4
<b>Items that cannot be transferred to result for the year</b>				
Changes in the fair value of equity instruments at fair value through OCI		0.5	0.9	0.1
<b>Total other comprehensive income for the year</b>		<b>74.7</b>	<b>-194.5</b>	<b>-21.1</b>
<b>Comprehensive income for the year attributable to owners of the parent</b>		<b>-27.9</b>	<b>-260.6</b>	<b>-28.3</b>
<b>Result per share, before/after dilution</b>	14	<b>-2.15</b>	<b>-1.38</b>	<b>-0.15</b>

1) Unaudited, see note 1.

## Consolidated statement of financial position

31 December, SEK millions	Note	2019	2020	2020 USD millions <sup>1)</sup>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Ships	3, 8, 20	3,064.2	2,599.1	315.9
Financial investments	11	0.1	0.0	0.0
<b>Total non-current assets</b>		<b>3,064.4</b>	<b>2,599.1</b>	<b>315.9</b>
Trade receivables	9	128.0	55.9	6.8
Current tax receivable		0.8	0.0	0.0
Other current receivables	11	71.4	40.1	4.9
Prepayments and accrued income	12	149.1	49.2	6.0
Short-term deposits	10	3.4	0.0	0.0
Cash & cash equivalents	13, 24	227.7	130.2	15.8
<b>Total current assets</b>		<b>580.5</b>	<b>275.5</b>	<b>33.5</b>
<b>TOTAL ASSETS</b>		<b>3,644.9</b>	<b>2,874.6</b>	<b>349.4</b>

31 December, SEK millions	Note	2019	2020	2020 USD millions <sup>1)</sup>
<b>Equity</b>				
Share capital	14	381.8	381.8	46.4
Other paid-in capital		61.9	61.9	7.5
Reserves		493.9	300.6	36.5
Retained earnings, incl. result for the year		118.0	50.7	6.2
<b>Total equity</b>		<b>1,055.6</b>	<b>795.1</b>	<b>96.6</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Liabilities to credit institutions	18, 19	1,101.6	774.8	94.2
Other non-current liabilities	20	939.6	853.0	103.6
<b>Total non-current liabilities</b>		<b>2,041.2</b>	<b>1,627.8</b>	<b>197.8</b>
<b>Current liabilities</b>				
Liabilities to credit institutions	18, 19	269.6	189.0	23.0
Trade payables		10.8	2.2	0.3
Current tax liability		0.0	4.9	0.6
Other liabilities	16, 20	151.4	162.5	19.8
Accruals and deferred income	17	116.3	93.1	11.3
<b>Total current liabilities</b>		<b>548.1</b>	<b>451.7</b>	<b>55.0</b>
<b>TOTAL EQUITY, PROVISIONS AND LIABILITIES</b>		<b>3,644.9</b>	<b>2,874.6</b>	<b>349.4</b>

For information on the Group's pledged assets and contingent liabilities, see note 21

1) Unaudited, see note 1.

## Consolidated statement of changes in equity

SEK millions	Share capital	Other paid-in capital	Reserves <sup>2)</sup>			Retained earnings <sup>1)</sup>	Total equity
			Translation reserve	Fair value reserve	Hedging reserve		
Opening equity, 1 Jan 2020	381.8	61.9	531.2	-2.2	-35.1	118.1	1,055.6
<b>Comprehensive income for the year</b>							
Result for the year						-66.0	-66.0
Other comprehensive income for the year			-119.6	2.2	-75.8	-1.4	-194.5
<b>Comprehensive income for the year</b>	<b>381.8</b>	<b>61.9</b>	<b>411.5</b>	<b>0.0</b>	<b>-110.9</b>	<b>50.7</b>	<b>795.1</b>
<b>Transactions with owners of the parent</b>							
Dividend						0.0	0.0
<b>Closing equity, 31 Dec 2020</b>	<b>381.8</b>	<b>61.9</b>	<b>411.5</b>	<b>0.0</b>	<b>-110.9</b>	<b>50.7</b>	<b>795.1</b>

SEK millions	Share capital	Other paid-in capital	Reserves <sup>2)</sup>			Retained earnings <sup>1)</sup>	Total equity
			Translation reserve	Fair value reserve	Hedging reserve		
Opening equity, 1 Jan 2019	381.8	61.9	481.9	-2.5	-60.0	198.3	1,061.5
<b>Comprehensive income for the year</b>							
Result for the year						-102.6	-102.3
Other comprehensive income for the year			49.3	0.2	24.9	0.3	74.7
<b>Comprehensive income for the year</b>	<b>0.0</b>	<b>0.0</b>	<b>49.3</b>	<b>0.2</b>	<b>24.9</b>	<b>-103.3</b>	<b>-27.9</b>
IFRS transition effect						22.1	22.1
<b>Transactions with owners of the parent</b>							
Dividend						0.0	0.0
<b>Closing equity, 31 Dec 2019</b>	<b>381.8</b>	<b>61.9</b>	<b>531.2</b>	<b>-2.2</b>	<b>-35.1</b>	<b>118.1</b>	<b>1,055.6</b>

1) Retained earnings includes result for the year.

2) See also note 14.

## Consolidated cash flow statement

1 January – 31 December, SEK millions	Note	2019	2020	2020 USD millions <sup>1)</sup>
	24			
<b>Operating activities</b>				
Operating result		-0.4	32.6	3.5
Finance income		24.8	5.8	0.6
Finance costs		-126.7	-103.5	-11.2
Adjustment for non-cash items		250.1	71.4	7.8
Tax paid		0.9	-3.3	-0.4
<b>Cash flow from operating activities before changes in working capital</b>		<b>148.7</b>	<b>3.0</b>	<b>0.3</b>
<b>Cash flow from changes in working capital</b>				
Increase (-)/Decrease (+) in operating receivables		-81.4	190.9	23.2
Increase (+)/Decrease (-) in operating liabilities		-5.5	109.1	13.3
<b>Cash flow from operating activities</b>		<b>61.8</b>	<b>303.0</b>	<b>36.8</b>
<b>Investing activities</b>				
Acquisition of property, plant and equipment		-62.7	-140.9	-17.1
Disposal of property, plant and equipment		0.0	0.0	0.0
Acquisition of financial assets		-14.2	0.0	0.0
Disposal of financial assets		124.3	3.4	0.4
Other financial items		0.0	0.0	0.0
<b>Cash flow from investing activities</b>		<b>47.5</b>	<b>-137.5</b>	<b>-16.7</b>
<b>Financing activities</b>				
New loans		1,122.2	59.5	7.2
Amortisation of loans		-1,067.6	-239.3	-29.1
Dividends paid to shareholders of the parent		0.0	0.0	0.0
Amortisation of leases		-74.7	-73.7	-8.9
<b>Cash flow from financing activities</b>		<b>-20.0</b>	<b>-253.5</b>	<b>-30.8</b>
Cash flow for the year		89.3	-88.0	-10.7
Cash and cash equivalents at beginning of year		126.4	227.7	27.7
Exchange differences		12.0	-9.5	-1.2
<b>Cash and cash equivalents at end of year</b>		<b>227.7</b>	<b>130.2</b>	<b>15.8</b>

1) Unaudited, see note 1.

## Income statement and other comprehensive income – Parent Company

1 January – 31 December, SEK millions	Note	2019	2020
Net sales	3	74.0	12.2
<b>Total income</b>		<b>74.0</b>	<b>12.2</b>
Operating costs, ships		-75.4	-30.2
Other external expenses	5	-12.1	-15.0
Personnel expenses	4	-15.2	-9.7
<b>Operating result</b>	22	<b>-28.8</b>	<b>-42.7</b>
Result from financial items:			
Result from subsidiaries		84.0	0.0
Other interest and similar income		69.5	97.2
Interest and similar expense		-94.2	-129.8
<b>Financial net</b>	6	<b>59.3</b>	<b>-32.7</b>
<b>Result after financial items</b>		<b>30.6</b>	<b>-75.3</b>
Tax	7	0.0	0.0
<b>Result for the year<sup>1)</sup></b>		<b>30.6</b>	<b>-75.3</b>

1) Result for the year is the same as comprehensive income for the year.

## Statement of financial position – Parent Company

31 December, SEK millions	Note	2019	2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	0.0	0.0
Financial assets			
Investments in Group companies	23	746.4	746.4
Deferred tax assets	7	0.0	0.0
Non-current receivables, Group companies		0.0	832.0
Total financial assets		746.4	832.0
<b>Total non-current assets</b>		<b>746.5</b>	<b>1,578.5</b>
<b>Current assets</b>			
Current receivables			
Trade receivables	9	0.1	0.0
Current tax receivable		0.8	0.0
Other receivables	11	7.8	0.1
Prepayments and accrued income	12	2.7	15.4
<b>Total current receivables</b>		<b>11.5</b>	<b>15.5</b>
Receivables from Group companies		978.8	16.7
Cash and bank balances	24	271.3	20.2
<b>Total current assets</b>		<b>1,261.6</b>	<b>52.3</b>
<b>TOTAL ASSETS</b>		<b>2,008.1</b>	<b>1,630.8</b>

31 December, SEK millions	Note	2019	2020
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Restricted equity			
Share capital	14	381.8	381.8
Statutory reserve		138.3	138.3
Unrestricted equity			
Retained earnings		-36.0	-5.5
Result for the year		30.6	-75.3
<b>Total equity</b>		<b>514.7</b>	<b>439.4</b>
<b>Non-current liabilities</b>			
Liabilities to credit institutions			
	18, 19	1,101.6	607.9
Liabilities to Group companies	22	27.4	27.4
Other non-current liabilities		4.7	89.1
<b>Total non-current liabilities</b>		<b>1,133.7</b>	<b>724.5</b>
<b>Current liabilities</b>			
Liabilities to credit institutions			
	18, 19	269.6	164.5
Liabilities to Group companies	22	4.9	182.6
Trade payables		10.8	1.3
Current tax liability		0.0	4.1
Other liabilities		64.1	92.5
Accruals and deferred income	17	10.4	21.8
<b>Total current liabilities</b>		<b>359.7</b>	<b>466.9</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,008.1</b>	<b>1,630.8</b>

## Statement of changes in equity – Parent Company

SEK millions	Restricted equity		Unrestricted equity		Total equity
	Share capital	Statutory reserve	Retained earnings	Result for the year	
Opening equity, 1 Jan 2020	381.3	138.3	-36.0	30.6	514.7
Result for previous year			30.6	-30.6	0.0
Result for the year				-75.3	-75.3
Dividend					0.0
<b>Closing equity, 31 Dec 2020</b>	<b>381.3</b>	<b>138.3</b>	<b>-5.5</b>	<b>-75.3</b>	<b>439.4</b>

SEK millions	Restricted equity		Unrestricted equity		Total equity
	Share capital	Statutory reserve	Retained earnings	Result for the year	
Opening equity, 1 Jan 2019	381.3	138.3	47.1	-83.2	484.1
Result for previous year			-83.2	83.2	0.0
Result for the year				30.6	30.6
Dividend					0.0
<b>Closing equity, 31 Dec 2019</b>	<b>381.3</b>	<b>138.3</b>	<b>-36.0</b>	<b>30.6</b>	<b>514.7</b>

## Cash flow statement – Parent Company

1 January – 31 December, SEK millions	Note	2019	2020
	24		
<b>Operating activities</b>			
Operating result		-28.8	-42.7
Finance income		153.5	97.2
Finance costs		-94.2	-129.8
Adjustment for non-cash items		1.0	-231.8
Tax paid		0.9	-3.3
<b>Cash flow from operating activities before changes in working capital</b>		<b>32.4</b>	<b>-310.4</b>
<b>Cash flow from changes in working capital</b>			
Increase (-)/Decrease (+) in operating receivables		-2.7	-675.6
Increase (+)/Decrease (-) in operating liabilities		-3.4	133.2
<b>Cash flow from operating activities</b>		<b>26.3</b>	<b>-852.9</b>
<b>Investing activities</b>			
Investments in financial assets		-0.6	0.0
<b>Cash flow from investing activities</b>		<b>-0.6</b>	<b>0.0</b>
<b>Financing activities</b>			
New loans		1,122.2	59.5
Amortisation of loans		-1,067.6	-443.8
<b>Cash flow from financing activities</b>		<b>54.6</b>	<b>-384.2</b>
Cash flow for the year		80.4	-1,237.1
Cash and cash equivalents at beginning of year		1,100.9	1,250.1
Exchange differences		68.9	7.2
<b>Cash and cash equivalents at end of year</b>		<b>1,250.1</b>	<b>20.2</b>

# Notes to the financial statements

## 1 Accounting policies

### Statement of compliance

The consolidated accounts for Concordia Maritime AB (publ) and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The Group applies the standards that have been adopted by the European Commission for application in the EU. In addition, the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups has been applied.

The Parent Company applies the same accounting policies as the Group, except in the cases described below in the section entitled "Accounting policies – Parent Company". Any differences are due to limitations in the ability to apply IFRS in the Parent Company as a result of the provisions of the Swedish Annual Accounts Act and the Pension Obligations Vesting Act, and in certain cases for tax reasons.

The Board has authorised the Parent Company's annual financial statements and the consolidated annual financial statements for issue on 19 March 2021. The consolidated and Parent Company income statements and statements of financial position will be presented for adoption at the annual general meeting on 28 April 2021.

### Basis of preparation

The Parent Company's functional currency is Swedish kronor, which is also the presentation currency for the Parent Company and for the Group. Consequently, the financial statements are presented in Swedish kronor. However, for the reader's guidance, the 2020 financial statements have been converted from SEK into USD using the following exchange rates issued by the Swedish Central Bank: Average rate USD 1.00=9.20 and closing rate USD 1.00=8.23. However, from a Group perspective, most transactions are in US dollars. All amounts are reported in SEK millions unless otherwise stated. Assets and liabilities are measured at historical cost, apart from certain financial assets and liabilities which are measured at fair value. Financial assets and liabilities measured at fair value consist of shares and derivative instruments.

Preparation of financial statements in compliance with IFRS requires management to make critical judgements, accounting estimates and assumptions which affect the application of the accounting policies and the

carrying amounts of assets, liabilities, income and expense. Estimates and assumptions are based on historical experience and a number of other factors which are considered reasonable under the prevailing conditions. Results of these estimates and assumptions are used to determine the carrying amounts of assets and liabilities that are not otherwise evident from other sources. The actual outcome may differ from these estimates. The accounting estimates and assumptions are reviewed regularly. Changes in accounting estimates are recognised in the period of the change if the change only affects that period. Changes are recognised in the period of the change and future periods if the change affects both.

Estimates made by management during the application of IFRS which have a significant effect on the financial statements, and assumptions which may result in material adjustments to the following year's financial statements largely relate to the valuation of vessels. See note 27.

The accounting policies described below have been applied consistently to all periods presented in the consolidated financial statements, unless otherwise stated. The Group's accounting policies have also been consistently applied by Group companies.

### New accounting policies effective in or after 2021

As of the date of signature of this annual report, it is the assessment that no known amended accounting standards effective in the next annual financial period will have a material impact on the Group's financial reports.

### Basis of consolidation

#### Subsidiaries

Subsidiaries are entities in which Concordia Maritime AB (publ) owns more than 50% of the shares or has some other form of control. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities.

Subsidiaries are accounted for using the acquisition method. The acquisition is treated as a transaction through which the Group indirectly acquires the subsidiary's assets and assumes its liabilities and contingent liabilities. The results of operations of a subsidiary are included in the consolidated financial statements from the date of acquisition until the date on which control ceases.

The consolidated financial statements include the financial statements of the Parent Company and its directly or indirectly owned subsidiaries after:

- elimination of intragroup transactions
- depreciation/amortisation of acquired surplus values

Consolidated equity includes equity in the Parent Company and the share of equity in subsidiaries arising after the acquisition. Transaction costs are recognised directly in result for the year.

### Transactions eliminated on consolidation

Intra-group receivables and liabilities, income and expense, and unrealised gains or losses arising from intra-group transactions are eliminated in full when preparing the consolidated financial statements. Unrealised gains on transactions with joint ventures are eliminated to the extent of the Group's interest in the company. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no indication of impairment.

### Foreign currency

#### Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the transaction date. Foreign currency monetary assets and liabilities are translated into the functional currency using the exchange rates prevailing at the reporting date. Foreign exchange gains and losses arising on translation are recognised in profit or loss. Non-monetary assets and liabilities recognised at historical cost are translated using the exchange rate prevailing at the date of the transaction

#### Financial statements of foreign entities

Assets and liabilities of foreign entities, including fair value adjustments, are translated into Swedish kronor using the exchange rate prevailing at the reporting date. Income and expenses in the income statements of foreign entities are translated into Swedish kronor using average exchange rates. This average is an approximation of the cumulative effect of the rates at each transaction date. Exchange differences arising on translation of foreign

## Note 1 cont'd.

operations are recognised in other comprehensive income and accumulated in the translation reserve in equity. On disposal of a foreign operation, the cumulative exchange differences relating to that operation, adjusted for any hedging, are reclassified from the translation reserve to profit or loss.

**Operating segment reporting**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, and for which discrete financial information is available.

An operating segment's performance is monitored by the Company's chief operating decision maker, which is Group Management, in order to assess its performance and allocate resources to it. Concordia Maritime's Group Management monitors the economic performance of the fleet as one unit. Consequently, operating segment reporting comprises one segment, Tankers. The Tankers segment information now coincides with the consolidated financial information.

**Classification**

Non-current assets and liabilities are essentially amounts that are expected to be recovered or paid more than twelve months after the reporting date. Current assets and liabilities are essentially amounts that are expected to be recovered or paid within twelve months of the reporting date.

**Income**

The Group's income consists primarily of spot charter and to some extent time charter income. Spot charter income is generated when the vessels are employed on the open market (the spot market) and chartered voyage by voyage. Spot charter income is received and recognised when the individual voyage is completed. Spot charter income for voyages in progress at the reporting date is distributed between the current reporting period and the next reporting period based on the number of days of the voyage. If the net result (freight income less direct voyage costs) of the voyage is negative, the entire amount is allocated to the current reporting period. Time charter income is received when the vessels are leased for a fixed period, normally one year or more. The income, which consists of a fixed daily hire of the vessel, is paid monthly in advance and recognised as income in the same way as spot charter income. Profit-sharing contracts are accounted for based on settlement with the charterer. If the settlement period and the financial reporting period differ, the profit-sharing contract is recognised using management's judgements and estimates, which are based on market

conditions and the charterer's actual earnings in the financial reporting period. Usual settlement periods for profit-sharing contracts are monthly, 90 days or 180 days.

**Finance income and costs**

Finance income and costs comprise interest income on bank deposits, receivables and interest-bearing securities, interest expense on borrowings, dividend income, exchange differences, unrealised gains and losses on financial investments and derivatives used in financial activities.

Interest income on receivables and interest expense on liabilities are recognised using the effective interest method. The effective interest rate is the rate that discounts all future cash payments or receipts during the fixed-interest period to the initially recognised carrying amount of the financial asset or liability. Interest income and interest expense includes any discounts, premiums or other differences between the original value of the asset or liability and the amount received or paid at maturity.

Dividend income is recognised when the right to receive payment is established.

**Financial instruments**

Financial instruments recognised under assets in the statement of financial position include cash & cash equivalents, trade receivables, shares, bonds, loan receivables and derivatives. Liabilities include trade payables, loans and derivatives.

IFRS 9 contains three principal classification categories for financial assets: 'at amortised cost', 'at fair value through other comprehensive income' and 'at fair value through profit or loss'. Classification of financial assets under IFRS 9 is generally based on the entity's business model for managing financial assets and the financial assets' contractual cash flow characteristics.

A financial asset or liability is recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

A receivable is recognised when the company has performed and there is a contractual obligation for the counterparty to pay, even if an invoice has not yet been sent. Trade receivables are recognised in the balance sheet when an invoice has been sent. A liability is recognised when the counterparty has performed and there is a contractual obligation to pay, even if an invoice has not yet been received. Trade payables are recognised on receipt of the invoice.

A financial asset is derecognised in the statement of financial position when the rights to receive benefits have been realised, expired or the Company loses control over them. The same applies to a component of a financial asset. Financial liabilities are derecognised in the statement of financial position when the contractual obligation has been discharged or extinguished in some other way. The same applies to a component of a financial liability.

Purchases and sales of financial assets are recognised on the trade date (the commitment date), apart from regular way transactions, which are recognised on the settlement date. The fair value of listed financial assets corresponds to the asset's bid price on the balance sheet date, subject to a deep and liquid market. The fair value of unlisted financial assets is determined using valuation techniques such as recent transactions, prices of similar instruments and discounted cash flows. For further information, see notes 18 and 19.

The Group may, at initial recognition, make an irrevocable choice to recognise in other comprehensive income any subsequent fair value changes for an investment in an equity instrument not held for trading. This choice is made on an investment by investment basis.

At each reporting date, the Company assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. The impairment model is applied for financial assets measured at amortised cost and contract assets, but not for investments in equity instruments.

Accounting for financial instruments under IFRS 9 is based on their classification categories, which are described below.

**Financial assets at amortised cost**

Receivables arise when companies provide money, goods and services directly to the beneficiary without any intention of trading the receivable. Trade and other receivables are classified as financial assets measured at amortised cost.

Cash and cash equivalents consist of cash, demand deposits with banks and similar institutions and short-term deposits with an original maturity of 3 months or less, which are subject to an insignificant risk of changes in value.

**Financial assets at fair value through other comprehensive income**

Financial instruments in this category consist of shares that are not held for trading. Financial instruments in this category are measured at fair value through other comprehensive income.

## Note 1 cont'd.

**Financial assets at FVTPL**

Financial instruments in this category are measured at fair value, and changes in fair value are recognised in the income statement. This category includes investment assets in the form of corporate bonds held for trading and bunker derivatives with a positive fair value that are not identified, effective hedging instruments. Financial instruments in this category are measured at fair value through profit or loss.

**Financial liabilities at fair value through other comprehensive income**

Financial instruments in this category consist of bunker derivatives with a negative fair value that are identified, effective hedging instruments for the Group's future bunker consumption costs and currency derivatives with a negative fair value that are identified, effective hedging instruments for the Group's equity in foreign subsidiaries. Financial instruments in this category are measured at fair value through other comprehensive income.

**Other financial liabilities**

Other financial liabilities are measured at amortised cost. Amortised cost is calculated based on the effective interest method used at initial recognition. This means that premiums and discounts and direct issue costs are amortised over the term of the liability.

Liabilities classified as other financial liabilities are initially recognised at the amount received, net of transaction costs. Non-current liabilities have an expected maturity of more than one year, while current liabilities have a maturity of less than one year.

Trade payables are classified as other financial liabilities. Trade payables have a short expected maturity and are measured at nominal amounts with no discounting. For more information, see notes 18 and 19.

**Impairment of financial assets**

For financial assets measured at amortised cost, a loss allowance for expected credit losses is recognised using the general approach. The loss allowance is measured at an amount corresponding to full lifetime expected credit losses.

When determining whether a financial asset's credit risk has increased significantly since initial recognition and when calculating expected credit losses, reasonable and verifiable information is used that is relevant and available without undue expense or effort. Both quantitative and qualitative information and analysis based on historical experience, credit ratings and forward-looking information are used in the assessment.

A loss allowance for financial assets measured at amortised cost is deducted from the assets' gross value in the statement of financial position. The gross value of a financial asset receivable is written off when there is no longer any reasonable expectation of all or part of the receivable being recovered.

**Derivatives and hedge accounting**

Derivative instruments include forward contracts and swaps that are used to manage different types of financial risks, such as currency fluctuations and exposure to interest rate risks. Derivatives are also contractual terms that are embedded in other contracts. Changes in the value of stand-alone derivatives are recognised in profit or loss based on the purpose of ownership. Hedge accounting is applied for interest-related derivatives, swaps, if the instrument is held for hedging purposes. Investments in foreign subsidiaries (net assets including goodwill) are hedged using currency derivatives as hedging instruments together with cash and cash equivalents and external loans in the same currency. If the hedge is effective, changes in the value of forward currency derivatives, less tax effects, are reported in other comprehensive income, and the cumulative exchange differences and changes in value are reported as a separate component of equity (translation reserve). This enables the translation differences arising from foreign operations to be partially offset. Translation differences arising from internal loans that constitute an investment in a foreign operation are part of the hedgeable currency risk in foreign operations. Hedge accounting is applied for bunker-related derivative instruments if the instruments are held to hedge future bunker consumption costs.

**Property, plant and equipment****Owned assets**

Items of property, plant and equipment are recognised at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. Borrowing costs are not included in the cost of a self-constructed asset. Accounting policies for impairment are described below.

The cost of a self-constructed asset includes costs of materials, employee benefits expenses and, if applicable, other construction costs directly attributable to the asset.

Parts of property, plant and equipment that have different useful lives are treated as separate components of property, plant and equipment.

An item of property, plant and equipment is derecognised in the statement of financial position in the event of disposal. The gain or loss arising from the disposal of an asset is the difference between the selling price and the asset's carrying amount less direct costs to sell. Gains and losses are reported under other operating income/expense.

**Borrowing costs**

Borrowing costs that are attributable to the construction of qualifying assets are capitalised as part of the cost of the qualifying asset. A qualifying asset is an asset that necessarily takes a significant length of time to prepare for its intended use. Firstly, borrowing costs incurred on loans that are specific to the qualifying asset are capitalised. Secondly, borrowing costs incurred on general loans that are not specific to any other qualifying asset are capitalised. Borrowing expenses are based on external borrowing.

**Depreciation**

Depreciation takes place over the estimated useful life down to the residual value of zero. The Group applies component depreciation, which means depreciation is based on the estimated useful lives of components. Estimated useful lives:

Ships	25 years
Periodic maintenance (docking) components of vessels	2.5–5 years
Equipment, tools and fixtures & fittings	2–5 years

Assessment of an asset's useful life is made on a six-monthly basis.

**Impairment**

The Group's reported assets are assessed semi-annually to determine if there is any indication of impairment. IAS 36 is applied for impairment of vessels. If there is any indication of impairment, the asset's recoverable amount (i.e. the higher of net realisable value and value in use) is calculated. An impairment loss is recognised when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. An impairment loss is recognised as an expense in net income for the year. When impairment has been identified for a cash-generating unit, the impairment loss is proportionately allocated to the assets in the unit. The Group's fleet is divided into two cash-generating units, with product tankers representing one unit and suezmax vessels the other.

In measuring value in use, cash flows are discounted using a discount rate that reflects the risk-free rate of interest and the risks specific to the asset.

## Note 1 cont'd.

Testing is based on an average value from three ship brokers and on discounted cash flows. Any assumptions in the case of a cash flow calculation are described in note 8 for property, plant and equipment.

Impairment of vessels is reversed if there is an indication that the impairment no longer exists and there has been a change in the assumptions on which the calculation of recoverable amount was based. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation where applicable, had no impairment loss been recognised.

**Subsequent costs and periodic maintenance**

The maintenance portion of the ship's cost of acquisition is separated on delivery and depreciated separately. Subsequent costs associated with periodic maintenance are included in the carrying amount only when it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the item can be measured reliably. All other subsequent costs are recognised as an expense in the period in which they are incurred. The depreciation period for periodic maintenance of owned tonnage is between thirty months and five years, while the depreciation period for time chartered tonnage extends to the next docking or redelivery of the vessel.

In order for subsequent costs to qualify for inclusion in the carrying amount, they must relate to the replacement of identified components or parts thereof. If this is the case, these costs are capitalised. Costs relating to the construction of new components are also included in the carrying amount. The residual value of a replaced component or part thereof is derecognised at the time of replacement. Repairs are recognised as an expense as incurred.

**Leases**

When a contract is entered into, an assessment is made as to whether the contract is, or contains, a lease. If the contract conveys the right to control the use of an identified asset for a certain period in exchange for consideration, the arrangement is a lease or contains a lease. IFRS 16 Leases is applied for the reporting of leases.

**Leases where the Group is lessee**

Leases where the Company is the lessee are recognised as a right-of-use asset with a corresponding lease liability on the date when the leased asset is made available to the Company.

The lease liability and right-of-use asset are initially recognised at the present value of the future payments associated with the lease.

These payments include:

- Fixed payments.
- Variable payments, such as those that depend on an index, measured using the index value at initial recognition of the lease.
- Amounts for purchase options that the Company is reasonably certain to exercise.
- Payments of penalties for terminating the lease early, if it is the Company's assessment that this may happen.
- Payments during any periods covered by extension options if the exercise of such options is reasonably certain.

The lease payments are discounted at the interest rate implicit in the lease. If the interest rate implicit in the lease cannot be readily determined, the incremental borrowing rate is used instead, which is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset.

The Company's leases contain potential future increases in variable lease payments based on the level of LIBOR, which are not included in the lease liability until they become effective. When the variable lease payments change as a result of a change in LIBOR, the lease liability is remeasured against the value of the right-of-use asset. The lease payments are apportioned between repayment of the lease liability and interest on the lease liability. The repayment reduces the liability and the interest is reported under financial costs in the income statement.

The right-of-use asset is recognised at cost, which consists of:

- The amount of the initial measurement of the lease liability.
- Lease payments made before the commencement date.
- Initial direct costs.
- Costs of dismantling or restoring the asset to the condition required.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term. Depreciation is normally on a straight-line basis. The right-of-use asset is included in the same item in the statement of financial position as the corresponding underlying asset would have been, had it been owned.

Right-of-use assets and lease liabilities are not reported for leases with a term of 12 months or less or leases with an underlying asset of low value (less than SEK 50 thousand). Lease payments for these leases are recognised as an expense on a straight-line basis over the lease term.

One of the Company's leases includes a purchase obligation at the end of the lease. The other two leases include annual purchase options. At the end of each reporting period, an assessment is made of whether the purchase options are likely to be exercised and the lease liability is remeasured based on the assessment.

**Leases where the Group is lessor**

When the Group is the lessor, each lease is assessed at the commencement date to determine whether it will be classified as a finance lease or an operating lease.

The classification is based on an overall assessment of whether the lease transfers substantially all the financial risks and rewards incidental to ownership of the underlying asset. If this is the case, the lease is a finance lease, otherwise, it is an operating lease. A number of indicators are considered in the assessment. Examples of these indicators are as follows: the lease term is for the major part of the economic life of the asset; and the lease transfers ownership of the underlying asset to the lessee at the end of the lease term.

When a leased asset is subleased, the head lease and the sublease are reported as two separate leases. The lease is classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset.

Lease payments from operating leases are recognised as revenue on a straight-line basis over the lease term as part of the item Time charter income.

**Share capital****Dividends**

Dividends are recognised as a liability when the dividend has been adopted by the annual general meeting.

## Note 1 cont'd.

**Employee benefits****Defined contribution plans**

The Company has a pension commitment that is covered by the value of a company-owned endowment insurance policy. In accordance with IAS 19, the pension commitment has been classified as a defined contribution pension plan, which means that the endowment insurance and pension commitment are reported on a net basis.

**Provisions**

A provision is recognised in the statement of financial position when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the reporting date. Where the effect of the time value of money is material, provisions are estimated by discounting expected future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability.

**Taxes**

Income tax consists of current tax and deferred tax. Income taxes are recognised in the income statement, unless the underlying transaction is recognised in other comprehensive income or in equity, in which case the associated tax effect is recognised in other comprehensive income or in equity.

Current tax is the amount of income taxes payable or recoverable in respect of the taxable profit or loss for the current year, and is calculated using tax rates enacted or substantially enacted by the reporting date, and any adjustments relating to prior periods. Deferred tax is accounted for using the balance-sheet liability method. A deferred tax liability is recognised for temporary differences between the carrying amounts of assets and liabilities and their corresponding tax bases, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit or loss. A deferred tax

liability is recognised for temporary differences associated with investments in subsidiaries except to the extent that it is probable that the temporary difference will not reverse in the foreseeable future. The measurement of deferred tax is based on the manner in which the Company expects to recover or settle the carrying amount of its assets and liabilities. Deferred tax liabilities and assets are measured using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets on temporary differences and deferred tax assets arising from the carryforward of unused tax losses are only recognised to the extent that it is probable that they can be utilised. The carrying amounts of deferred tax assets are reduced to the extent that it is no longer probable that the deferred tax asset can be utilised.

**Contingent liabilities**

A contingent liability is recognised when a possible obligation arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, or when there is an obligation which is not recognised as a liability or provision because it is not probable that an outflow of resources will be required to settle the obligation or the amount cannot be measured reliably.

**Accounting policies – Parent Company**

The Parent Company's annual financial statements have been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. RFR 2 requires the Parent Company, as a legal entity, to prepare its annual financial statements in compliance with all the IFRS and IFRIC interpretations endorsed by the EU, to the extent possible within the framework of the Swedish Annual Accounts Act and taking into account the relationship between tax expense (income) and accounting profit. The recommendation also specifies exceptions and additions to IFRS reporting. Differences between the Group's and the Parent Company's accounting policies are described below.

The accounting policies described below have been applied consistently to all periods presented in the Parent Company's financial statements.

**Subsidiaries**

Investments in subsidiaries are recognised in the Parent Company using the cost model.

**Income****Dividends**

Dividend income is recognised when the right to receive payment is established.

**Property, plant and equipment****Owned assets**

Like the Group, the Parent Company recognises property, plant and equipment at cost less accumulated depreciation and impairment losses, although the Parent also reports appreciation in value.

**Financial instruments**

The Parent Company complies with Chapter 4, Section 14, of the Annual Accounts Act (1995:1554) for financial instruments. Derivative instruments are measured at fair value, with changes recognised in profit or loss. Hedge accounting is not applied. Investment assets are measured at fair value, with changes recognised in profit or loss. Foreign currency loans are translated at the closing rate, and hedge accounting is not applied.

The Parent Company's financial guarantees consist mainly of sureties in favour of subsidiaries. Financial guarantees mean that the Company has an obligation to reimburse the holder of a debt instrument for losses it incurs because a specified debtor fails to make payment when due under the contract terms. For the reporting of financial guarantee contracts, the Parent Company applies an exemption from the provisions of IFRS 9 permitted by the Swedish Financial Reporting Board. The exemption applies to financial guarantees provided for subsidiaries. The Parent Company reports financial guarantees as a provision in the balance sheet when the Company has an obligation, and an outflow of resources is likely to be required to settle the obligation.

## 2 EBITDA and earnings per vessel category

### EBITDA per quarter

USD millions	Q4		Q3		Q2		Q1		Full year	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Product tankers (time charter)	1.5	4.6	1.9	4.5	4.3	4.2	4.3	4.6	12.0	17.8
Product tankers (spot)	3.1	-2.0	2.9	0.3	1.2	5.2	3.8	5.5	11.1	9.0
Suezmax	3.1	-1.7	1.0	1.4	0.9	3.4	1.6	3.6	6.6	6.7
Administration and other	-1.3	-0.8	-0.4	-0.7	-0.7	-1.0	-0.8	-0.9	-3.2	-3.5
<b>Total</b>	<b>6.5</b>	<b>0.1</b>	<b>5.4</b>	<b>5.5</b>	<b>5.6</b>	<b>11.8</b>	<b>8.9</b>	<b>12.7</b>	<b>26.4</b>	<b>30.2</b>

As the fleet's performance is primarily monitored via EBITDA, this table provides a more accurate picture of the Company's earnings than a corresponding specification for income.

### Earnings per vessel category

SEK millions	Full year	
	2019	2020
Product tankers, time charter	334.7	262.2
Product tankers, spot	660.9	638.0
<b>Product tankers, total earnings</b>	<b>995.5</b>	<b>900.2</b>
Suezmax, spot	96.6	122.8
<b>Suezmax, total earnings</b>	<b>96.6</b>	<b>122.8</b>
Other	48.0	2.9
<b>Total income</b>	<b>1,140.2</b>	<b>1,025.8</b>

## 3 Geographical distribution

### Geographical areas

Income is distributed based on customer location, while fixed assets (ships) are allocated based on the vessel's flag.

Group, SEK millions	Total	
	2019	2020
<b>Income</b>		
United States	255.5	265.7
Brazil	367.5	263.0
Switzerland	55.3	145.4
Denmark	1.8	112.9
Netherlands	8.5	61.4
Other	451.6	177.3
<b>Total income</b>	<b>1,140.2</b>	<b>1,025.7</b>

### Largest customers by income

The Group generated income of SEK 1,025.7 million in 2020. Three individual customers accounted for more than 10% of total income during the year.

The three largest individual customers had income shares of 16.1% (SEK 165.7 million), 11.0% (SEK 112.9 million) and 10.9% (SEK 112.1 million).

The Group generated income of SEK 1,140.2 million in 2019. One single customer accounted for more than 10% of total income during the year.

The three largest individual customers had income shares of 24.3% (SEK 276.7 million), 8.0% (SEK 90.8 million) and 6.1% (SEK 70.0 million).

Parent, SEK millions	Total	
	2019	2020
<b>Income</b>		
Denmark	1.3	10.7
Sweden	0.0	1.5
Other	72.7	0.0
<b>Total income</b>	<b>74.0</b>	<b>12.2</b>

The Parent Company's net sales in 2020 and 2019 relate to income from chartered vessels.

Group, SEK millions	Total	
	2019	2020
<b>Non-current assets</b>		
Bermuda	3,049.1	2,587.8
<b>Total non-current assets (ships)</b>	<b>3,049.1</b>	<b>2,587.8</b>

## 4 Employees and personnel expenses

### Employee benefits expenses

Group, SEK millions	2019	2020
Salaries and other benefits	16.0	10.1
Pension costs, defined contribution plans	3.0	3.1
Social security contributions	4.3	2.7
	<b>23.3</b>	<b>15.9</b>

### Gender distribution in Company Management

Parent Company	2019	2020
	Proportion female	Proportion female
Board	11%	11%
Other senior executives	0%	0%

### Group

Board	11%	11%
Other senior executives	50%	0%

### Senior executives' remuneration and benefits (Parent)

Salary and other benefits during the year, SEK thousands	2019					2020				
	Basic salary/directors' fees	Variable pay	Other benefits	Pension cost	Total	Basic salary/directors' fees	Variable pay	Other benefits	Pension cost	Total
Chairman of the Board, Carl-Johan Hagman	400				400	400				400
Stefan Bocker	225				225	225				225
Helena Levander	225				225	225				225
Mats Jansson	225				225	225				225
Michael G:son Löw	225				225	225				225
Henrik Hallin	225				225	225				225
Workplace representatives	75				75	75				75
CEO	4,251	1,275	114	1,704	7,344	4,664	383	58	1,683	6,788
Other senior executives	2,162	484	118	771	3,535	0	0	0	1,025	1,025
<b>Total</b>	<b>8,014</b>	<b>1,759</b>	<b>232</b>	<b>2,475</b>	<b>12,479</b>	<b>6,264</b>	<b>383</b>	<b>58</b>	<b>2,708</b>	<b>9,413</b>

Other senior executives in the Parent Company comprise 0 (1) individuals. See also the Corporate Governance section and Board of Directors' Report for information about remuneration, benefits and agreements for the Board, CEO and senior executives.

### Salaries, employee benefits and social security contributions

Parent, SEK millions	2019		2020	
	Salaries and other benefits	Social security contributions	Salaries and other benefits	Social security contributions
Parent Company	10.5	6.4	6.9	4.9
(of which pension costs)		2.5		2.9

SEK 2,708 (2,475) thousand of the Parent Company's pension costs relate to the Board, CEO and management. Senior executives in Sweden have a six to twelve month reciprocal period of notice depending on the position held. In the case of involuntary termination of employment, the maximum severance pay is 24 months' basic salary.

### Average number of employees

Parent Company	2019	Of which male	2020	Of which male
Sweden	3	67%	1	100%
<b>Parent total</b>	<b>3</b>	<b>67%</b>	<b>1</b>	
Subsidiaries				
Denmark	0	0%	2	50%
Switzerland	2	0%	0	0%
Bermuda	1	0%	0	0%
<b>Subsidiaries total</b>	<b>3</b>	<b>0%</b>	<b>2</b>	<b>50%</b>
<b>Group total</b>	<b>6</b>	<b>33%</b>	<b>3</b>	<b>67%</b>

The Company employed 596 temporary workers on its vessels in 2020 (514 in 2019).

### Salaries and other employee benefits (Board, CEO, Senior Executives and other employees) by country

Group, SEK millions	2019		2020	
	CEO and Management	Other employees	CEO and Management	Other employees
Parent: Sweden	8.4	0.5	5.1	0.2
Subsidiaries: Denmark	0.0	0.0	3.2	0.7
Subsidiaries: Switzerland	3.8	1.5	0.7	0.0
Subsidiaries: Bermuda	1.9	0.0	0.1	0.0
<b>Group total</b>	<b>14.0</b>	<b>2.0</b>	<b>9.1</b>	<b>0.9</b>
(of which bonus)	1.8	0.0	0.4	0.0

The category CEO and Management comprises 2 (4) individuals.

### Defined contribution plans

The Group has defined contribution pension plans for its employees in Sweden. These are financed by the companies. Foreign subsidiaries have defined contribution pension plans which are financed partly by the subsidiaries and partly by employee contributions. Payment into these plans is on an ongoing basis in accordance with each plan's rules.

SEK millions	Group		Parent Company	
	31/12/2019	31/12/2020	31/12/2019	31/12/2020
Costs for defined contribution plans	3.0	3.1	2.5	2.9

## 5 Auditors' fees and remuneration

SEK millions	Group		Parent Company	
	2019	2020	2019	2020
KPMG				
Audit services	1.4	1.2	0.7	0.7
Tax advisory services	0.1	0.2	0.0	0.0
Other services	0.1	0.5	0.1	0.2
	<b>1.6</b>	<b>1.9</b>	<b>0.8</b>	<b>0.9</b>

Audit services comprise examination of the annual financial statements, accounting records and administration of the Board and CEO, other procedures required to be carried out by the Company's auditors and advice or other assistance arising from observations made during the performance of such services.

## 6 Financial net

Group, SEK millions	2019	2020
Changes arising from remeasurement of financial assets at fair value	12.8	0.0
Exchange differences	0.0	0.0
Other interest income	12.0	5.8
<b>Finance income</b>	<b>24.8</b>	<b>5.8</b>
Interest expenses	-120.5	-84.1
Other finance costs	-6.3	-19.4
<b>Finance costs</b>	<b>-126.7</b>	<b>-103.5</b>
<b>Financial net</b>	<b>-101.9</b>	<b>-97.7</b>

Parent, SEK millions	Result from other securities and receivables		Interest and similar income	
	2019	2020	2019	2020
Interest income	0.0	0.0	33.4	51.6
Changes arising from remeasurement of financial assets at fair value	36.1	17.9	0.0	0.0
Exchange differences	0.0	0.0	0.0	27.7
Dividends from subsidiaries	0.0	0.0	84.0	0.0
<b>Finance income</b>	<b>36.1</b>	<b>17.9</b>	<b>117.4</b>	<b>79.3</b>

Parent, SEK millions	Interest and similar expense	
	2019	2020
Interest expense on bank loans (including effect of swaps)	-61.6	-43.3
Exchange differences	-9.0	0.0
Changes arising from remeasurement of financial assets at fair value	-18.3	-85.6
Other finance costs	-5.3	-0.9
<b>Finance costs</b>	<b>-94.2</b>	<b>-129.8</b>
<b>Financial net</b>	<b>59.3</b>	<b>-32.7</b>

## 7 Taxes

### Recognised in the income statement

Group, SEK millions	2019	2020
Current tax expense(-)/ tax income(+)	-0.3	-0.9
Deferred tax income/expense on temporary differences	0.0	0.0
Deferred tax income/expense in tax loss carryforward capitalised during year	0.0	0.0
<b>Total recognised tax expense for Group</b>	<b>-0.3</b>	<b>-0.9</b>

### Parent, SEK millions

Deferred tax income in tax loss carryforward capitalised during year	0.0	0.0
Deferred tax expense on remeasurement of carrying amount of deferred tax assets	0.0	0.0
<b>Total recognised tax expense for Parent</b>	<b>0.0</b>	<b>0.0</b>

### Reconciliation of effective tax

Group, SEK millions	2019, %	2019	2020, %	2020
Result before tax		-102.3		-65.1
Tax according to parent's enacted tax rate	21	21.9	21	13.9
Effect of different tax rates for foreign subsidiaries	-11	-11.0	-8	-5.6
Non-deductible expenses	-2	-2.2	-14	-9.5
Non-taxable income	3	3.0	1	0.8
Increase in loss carryforwards without corresponding capitalisation of deferred tax	-6	-5.8	-0	-0.6
Increase in restricted net interest income	-6	-6.3	0	0.0
<b>Recognised effective tax</b>	<b>0</b>	<b>-0.3</b>	<b>1</b>	<b>-0.9</b>

## Note 7 cont'd.

Parent, SEK millions	2019, %	2019	2020, %	2020
Result before tax		30.6		-75.3
Tax according to parent's enacted tax rate	21	-6.5	21	16.1
Non-deductible expenses	-48	-14.6	-38	-28.6
Non-taxable income	115	35.1	18	13.2
Increase in loss carryforwards not resulting in corresponding increase in deferred tax	-25	-7.7	-1	-0.6
Increase in restricted net interest income	-6	-6.3	0	0.0
<b>Recognised effective tax</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>

**Recognised in the balance sheet – Deferred tax assets and liabilities**

Deferred tax assets and liabilities are as follows:

Group, SEK millions	Deferred tax assets		Deferred tax liabilities	
	2019	2020	2019	2020
Tax loss carryforwards	0.0	0.0	0.0	0.0
Temporary differences, property, plant and equipment (excess depreciation)	0.0	0.0	0.0	0.0
<b>Tax assets/liabilities</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Offsetting	0.0	0.0	0.0	0.0
<b>Total tax assets/liabilities, net</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Recognised deferred tax assets and liabilities**

Deferred tax assets and liabilities are as follows:

Parent, SEK millions	Deferred tax asset/liability	
	2019	2020
Tax loss carryforwards	0.0	0.0
Other temporary differences	0.0	0.0
<b>Tax assets/liabilities, net</b>	<b>0.0</b>	<b>0.0</b>

The Parent Company's change from year to year is reported as deferred tax expense in the income statement.

**The Group's tax loss carryforwards are as follows:**

SEK millions	2019	2020
Sweden	343.6	340.5
<b>Total</b>	<b>343.6</b>	<b>340.5</b>

All loss carryforwards continue indefinitely. Of the Group's loss carryforwards at the end of the financial year, SEK 343.6 (340.5) million has not been capitalised. SEK 33.5 (29.4) million of the Group's loss carryforwards at the end of the financial year consists of restricted net interest income.

With effect from 2020, the Group's vessels are part of the Danish tonnage tax system. The vessels are registered in Bermuda.

From 1 January 2020, the tax rate in Sweden is 21.4% for companies with financial years beginning on or after 1 January 2019. At the end of the year, there were no deferred tax assets or liabilities. No effect has been reported in the income statement, as the balances are unchanged from the comparative year. There are accumulated loss carryforwards attributable to Concordia Maritime AB, but they have not been utilised as the Company does not generate sufficient taxable income and there is also no offsetting option in the Group at present.

**8** Property, plant and equipment

The Group's non-current assets consist essentially of the owned fleet. For more information about the fleet, see page 11.

Group, SEK millions	Ships	Ships under construction	Equipment	Total
<b>Cost of acquisition</b>				
Opening balance, 1 January 2020	6,309.4	0.0	2.7	6,312.1
Purchases	125.9	0.0	0.0	125.9
Reclassification	-18.4	0.0	0.0	-18.4
Additional right-of-use assets	1.3	0.0	0.0	1.3
Sale/Scrapping	-52.0	0.0	0.0	-52.0
Exchange differences	-766.5	0.0	0.0	-766.5
<b>Closing balance, 31 December 2020</b>	<b>5,599.6</b>	<b>0.0</b>	<b>2.7</b>	<b>5,602.4</b>

**Cost of acquisition**

Opening balance, 1 January 2019	5,159.8	0.0	2.7	5,162.5
Purchases	62.1	0.0	0.0	62.1
Reclassification to right-of-use assets	802.8	0.0	0.0	802.8
Change in value of leases	13.4	0.0	0.0	13.4
Sale/Scrapping	-26.9	0.0	0.0	-26.9
Exchange differences	298.2	0.0	0.0	298.2
<b>Closing balance, 31 December 2019</b>	<b>6,309.4</b>	<b>0.0</b>	<b>2.7</b>	<b>6,312.1</b>

Group, SEK millions	Ships	Ships under construction	Equipment	Total
<b>Depreciation and impairment</b>				
Opening balance, 1 January 2020	3,245.2	0.0	2.7	3,247.9
Depreciation for the year	192.8	0.0	0.0	192.8
Depreciation for the year, periodic maintenance	51.2	0.0	0.0	51.2
Sale/Scrapping	-55.3	0.0	0.0	-55.3
Exchange differences	-422.0	0.0	0.0	-422.0
<b>Closing balance, 31 December 2020</b>	<b>3,011.9</b>	<b>0.0</b>	<b>2.7</b>	<b>3,014.6</b>

## Note 8 cont'd.

Group, SEK millions	Ships	Ships under construction	Equipment	Total
<b>Depreciation and impairment</b>				
Opening balance, 1 January 2019	2,856.8	0.0	2.7	2,859.5
Depreciation for the year	198.0	0.0	0.0	198.0
Depreciation for the year, periodic maintenance	51.9	0.0	0.0	51.9
Sale/Scrapping	-26.9	0.0	0.0	-26.9
Exchange differences	165.4	0.0	0.0	165.4
<b>Closing balance, 31 December 2019</b>	<b>3,245.2</b>	<b>0.0</b>	<b>2.7</b>	<b>3,247.9</b>
<b>Carrying amounts</b>				
1 January 2020	3,064.2	0.0	0.0	3,064.2
<b>31 December 2020</b>	<b>2,587.8</b>	<b>0.0</b>	<b>0.0</b>	<b>2,587.8</b>
1 January 2019	2,303.0	0.0	0.0	2,303.0
<b>31 December 2019</b>	<b>3,064.2</b>	<b>0.0</b>	<b>0.0</b>	<b>3,064.2</b>

Parent, SEK millions	Equipment	Total
<b>Cost of acquisition</b>		
Opening balance, 1 January 2020	0.7	0.7
Purchases	0.0	0.0
<b>Closing balance, 31 December 2020</b>	<b>0.7</b>	<b>0.7</b>
Opening balance, 1 January 2019	0.7	0.7
Purchases	0.0	0.0
<b>Closing balance, 31 December 2019</b>	<b>0.7</b>	<b>0.7</b>
<b>Depreciation</b>		
Opening balance, 1 January 2020	0.7	0.7
<b>Closing balance, 31 December 2020</b>	<b>0.7</b>	<b>0.7</b>
Opening balance, 1 January 2019	0.7	0.7
<b>Closing balance, 31 December 2019</b>	<b>0.7</b>	<b>0.7</b>
<b>Carrying amounts</b>		
1 January 2020	0.0	0.0
<b>31 December 2020</b>	<b>0.0</b>	<b>0.0</b>
1 January 2019	0.0	0.0
<b>31 December 2019</b>	<b>0.0</b>	<b>0.0</b>

**Collateral**

At 31 December 2020, vessels with a carrying amount of SEK 1,676.4 (1,956.3) million had been pledged as collateral for the available bank facility.

**Ship values and impairment testing**

The Group's assets are assessed on a six-monthly basis to determine whether there is any indication of impairment. An impairment loss is recognised when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount.

The Company's fleet comprises two cash-generating units. The product tanker fleet is treated as one cash-generating unit for the following reasons: the vessels are employed in systems and pools where cargo and/or income are shared, which means that the fleet is to be seen as a package of vessels, the product tankers in the fleet are interchangeable as they can all carry the same type of cargo, and the fleet is monitored internally as a whole unit. The suezmax tanker is the other cash-generating unit.

The most significant assumptions used to determine the fleet's recoverable value are the growth rate for the fleet's income and the discount rate. Impairment testing of the fleet at 31 December 2020 included assumptions regarding the vessels' earnings for the years 2021–2024, and annual growth of 2% in earnings for 2025 and beyond (with 2024 as the base year). The testing also included assumptions regarding the vessels' operating expenses for the years 2021–2022, and annual growth of 2% in operating expenses for 2023 and thereafter (with 2022 as the base year). A discount rate of 6.4% was used for the two cash-generating units.

Impairment testing of the fleet at the end of the comparative year included assumptions regarding the vessels' earnings for the years 2020–2022, and annual growth of 2% in earnings for 2023 and beyond (with 2022 as the base year) and an assumption of annual growth of 1% in the vessels' operating expenses, with a discount rate of 6.4%.

An increase of one percentage point in the assumed annual growth in the vessels' earnings, with 2024 as the base year, results in an increase of SEK 201 (USD 24) million in the product tankers' total recoverable amount and an increase of SEK 37 (USD 5) million in the suezmax tanker's recoverable amount. A corresponding decrease of one percentage point results in a reduction of SEK 188 (USD 23) million in the product tankers' total recoverable amount and a reduction of SEK 34 (USD 4) million in the suezmax tanker's recoverable amount.

An increase of one percentage point in the assumed discount rate results in a reduction of SEK 110 (USD 13) million in the product tankers' total recoverable amount and a reduction of SEK 29 (USD 3) million in the suezmax tanker's recoverable amount. A corresponding decrease of one percentage point results in an increase of SEK 116 (USD 14) million in the product tankers' total recoverable amount and an increase of SEK 31 (USD 4) million in the suezmax tanker's recoverable amount.

A decrease of one percentage point in the vessels' assumed earnings results in impairment of the product tankers but no impairment of the suezmax vessel. An increase of one percentage point in the discount rate does not result in impairment of the vessels in either of the two cash-generating units.

On assessing the value of the assets at 31 December 2020, there was no indication of impairment, nor were there any grounds for reversing any previous impairment loss.

## 9 Trade receivables

Trade receivables are recognised taking into account the Group's impairment losses during the year, which amounted to SEK 0.0 (0.0) million. The Parent Company's impairment losses were also SEK 0.0 (0.0) million.

### Ageing analysis, past due but not impaired

SEK millions	Group		Parent Company	
	Carrying amount, not impaired 2019	Carrying amount, not impaired 2020	Carrying amount, not impaired 2019	Carrying amount, not impaired 2020
Not past due	32.2	6.4	0.4	0.0
Past due 0–30 days	49.7	6.4	0.0	0.0
Past due 31–90 days	22.6	24.5	0.0	0.0
Past due >90 days	23.5	18.5	0.0	0.0
<b>Total</b>	<b>128.0</b>	<b>55.9</b>	<b>0.4</b>	<b>0.0</b>

An assessment of whether the Group's trade receivables were impaired at the reporting date was made based on historical data on customer losses and forward-looking information. As customer losses have historically only represented insignificant amounts, the conclusion was that no loss allowance was required at the reporting date.

### Concentration of credit risk, 31 December

Group	2019			2020		
	No. of customers	% total no. of customers	% of value	No. of customers	% total no. of customers	% of value
Exposure SEK <1 million	7	33	2	10	48	4
Exposure SEK 1–10 million	12	57	40	10	48	52
Exposure SEK >10 million	2	10	58	1	5	44
<b>Total</b>	<b>21</b>	<b>100</b>	<b>100</b>	<b>21</b>	<b>100</b>	<b>100</b>

### Concentration of credit risk, 31 December

Parent Company	2019			2020		
	No. of customers	% total no. of customers	% of value	No. of customers	% total no. of customers	% of value
Exposure SEK <1 million	2	100	100	0	0	0
Exposure SEK 1–10 million	0	0	0	0	0	0
Exposure SEK >10 million	0	0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>100</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>

The Group's 3 largest customers account for 60% (66%) of trade receivables. The Parent Company's 3 largest customers account for 0% (100%) of trade receivables.

## 10 Short-term deposits

Group, SEK millions	31/12/2019	31/12/2020
<b>Financial assets held for trading</b>		
Bank deposit	0.0	0.0
Bonds	0.0	0.0
Shares	3.4	0.0
	<b>3.4</b>	<b>0.0</b>

## 11 Non-current and other receivables

Group, SEK millions	31/12/2019	31/12/2020
<b>Non-current receivables that are non-current assets</b>		
Deferred tax assets	0.0	0.0
Shares	0.0	0.0
Other non-current receivables	0.1	0.0
	<b>0.1</b>	<b>0.0</b>
<b>Other receivables that are current assets</b>		
Bunker oil stocks	43.1	21.5
Other current receivables	28.3	18.7
	<b>71.4</b>	<b>40.2</b>
Parent, SEK millions	31/12/2019	31/12/2020
<b>Other receivables (current)</b>		
Other receivables	7.8	0.1
	<b>7.8</b>	<b>0.0</b>
<b>Other receivables (non-current)</b>		
Other receivables	0.0	0.0
	<b>0.0</b>	<b>0.0</b>

## 12 Prepayments and accrued income

SEK millions	Group		Parent Company	
	31/12/2019	31/12/2020	31/12/2019	31/12/2020
Other prepayments	75.9	22.6	1.1	15.4
Accrued income	73.2	26.6	1.6	0.0
	<b>149.1</b>	<b>49.2</b>	<b>2.7</b>	<b>15.4</b>

## 13 Cash & cash equivalents

Group, SEK millions	31/12/2019	31/12/2020
<b>The following components are included in cash &amp; cash equivalents:</b>		
Cash and bank balances	227.7	130.2
<b>Total reported in balance sheet</b>	<b>227.7</b>	<b>130.2</b>
<b>Total reported in cash flow statement</b>	<b>227.7</b>	<b>130.2</b>

On the reporting date, SEK 0.0 (0.0) million of the cash & cash equivalents were restricted as hedges for derivative instruments. When the annual report was signed, there were no restricted funds.

## 14 Equity and Result per share

The Company has not conducted any transactions that affect the number of shares issued. There are no instruments that could provide a future dilutive effect. Consequently, no dilution occurred. The calculation of result per share is based on the average number of shares outstanding.

### Result per share

SEK	2019	2020
Result per share after tax	-2.15	-1.38

### Summary of issued shares

Number	2019	2020
A shares	4,000,000	4,000,000
B shares	43,729,798	43,729,798
<b>Total</b>	<b>47,729,798</b>	<b>47,729,798</b>

The par value of the share is SEK 8.0.

### Appropriation of profit

After the reporting date, the Board has proposed a dividend of SEK 0 (0) per share. The dividend is subject to approval by the AGM on 28 April 2021.

SEK millions	2019	2020
SEK 0 (0) per share	0.0	0.0
Carried forward	-5.5	-80.8
<b>Total</b>	<b>-5.5</b>	<b>-80.8</b>

### Equity – reconciliation of reserves for the Group

SEK millions	Translation reserve	Fair value reserve	Hedging reserve
Opening carrying amount, 1 Jan 2020	531.2	-2.2	-35.1
Translation differences for the year, foreign operations	-119.6		
Changes in the fair value of equity instruments at fair value through OCI		2.2	
Changes in fair value of cash flow hedges			-72.3
Changes in fair value of cash flow hedges reclassified to result for the period			3.5
<b>Closing carrying amount, 31 Dec 2020</b>	<b>411.5</b>	<b>0.0</b>	<b>-110.9</b>

SEK millions	Translation reserve	Fair value reserve	Hedging reserve
Opening carrying amount, 1 Jan 2019	481.9	-2.4	-60.0
Translation differences for the year, foreign operations	49.3		
Changes in the fair value of equity instruments at fair value through OCI		0.2	
Changes in fair value of cash flow hedges			20.0
Changes in fair value of cash flow hedges reclassified to result for the period			4.9
<b>Closing carrying amount, 31 Dec 2019</b>	<b>531.2</b>	<b>-2.2</b>	<b>-35.1</b>

### Cash flow hedges transferred to income statement

SEK	2019	2020
Voyage-related operating costs	5.1	0.0
Financial net	-3.5	-3.5
	<b>1.6</b>	<b>-3.5</b>

### Translation reserve

Includes all exchange differences arising on the translation of foreign subsidiaries. The reserve also includes the hedging of currency risk in foreign operations.

### Fair value reserve

Consists of cumulative net change in financial assets at fair value through other comprehensive income until the asset is divested, when the amount is transferred to retained earnings.

### Hedging reserve

Includes the effective portion of the accumulated net change in the fair value of cash flow hedging instruments attributable to hedging transactions that have not yet occurred.

## 15 Interest-bearing liabilities

Group, SEK millions	31/12/2019	31/12/2020
Bank loans	1,112.8	785.2
Other non-current liabilities	925.6	814.5
<b>Total non-current interest-bearing liabilities</b>	<b>2,038.5</b>	<b>1,599.7</b>

Group, SEK millions	31/12/2019	31/12/2020
Bank loans	275.2	192.4
Other liabilities	87.1	69.6
<b>Total current interest-bearing liabilities</b>	<b>362.4</b>	<b>262.0</b>

Parent, SEK millions	31/12/2019	31/12/2020
Bank loans	1,112.8	607.9
Other non-current liabilities	0.0	59.5
<b>Total non-current liabilities</b>	<b>1,112.8</b>	<b>667.4</b>

Parent, SEK millions	31/12/2019	31/12/2020
Bank loans	219.0	164.5
Other liabilities	56.2	0.0
<b>Total current liabilities</b>	<b>275.2</b>	<b>164.5</b>

The current and non-current liabilities above comprise the Group's total interest-bearing liabilities of SEK 1,861.7 million. These liabilities relate to the items Bank loan – revolving credit facility, Loans, related party – TriTec Marine, Lease liability – Suezmax (one vessel) and Lease liability – IMOIMAX (two vessels). All interest-bearing liabilities can be found in note 19. The balance sheet item also includes capitalised prepaid expenses related to the refinancing of P-MAX vessels, which are not included in the table above. The capitalised borrowing expenses amounted to SEK 13.9 (16.9) million at the end of the financial year and are recognised over the duration of the bank loan.

The Group has a credit agreement totalling SEK 247.8 (161.8) million, of which SEK 0.0 (153.5) million had been utilised at the end of the year. The agreement is subject to the fulfilment of certain industry-standard covenants. More information about the Company's exposure to interest rate risk and currency risk can be found in notes 18 and 19.

## 16 Other liabilities

Group, SEK millions	31/12/2019	31/12/2020
<b>Other current liabilities</b>		
Current lease liabilities	87.1	69.5
Other liabilities	64.3	93.0
	<b>151.4</b>	<b>162.5</b>

## 18 Financial risks

In the course of its operations, the Group is exposed to different types of financial risks. Financial risk is the risk of fluctuations in the Company's earnings and cash flows as a result of changes in exchange rates, interest rates and refinancing and credit risks. The Group's financial policy for financial risk management was formulated by the Board and provides a framework of guidelines and rules in the form of a risk mandate and limits for financial activities. Responsibility for the Group's financial transactions and risks is managed centrally by the Parent Company's finance department. The overall aim of the finance function is to provide cost-effective financing and minimise negative effects of market fluctuations on the Group's financial performance. The Group's financial targets are average annual fleet growth of 10% over a business cycle, a return on equity of 10% and an equity/assets ratio of at least 40% over a business cycle.

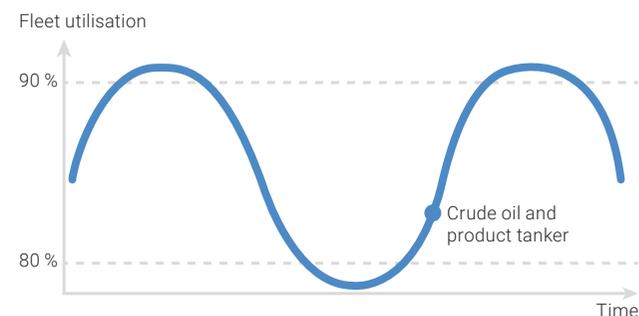
### Historical outcome of financial targets

	Goal	Outcome				
		2016	2017	2018	2019	2020
Growth	10% average fleet growth over a business cycle	0	35	44	-26	5
Profitability	10% return on equity	4	-42	-16	-10	-6
Equity ratio	at least 40% over a business cycle	50	41	38	29	28

## 17 Accruals and deferred income

SEK millions	Group		Parent Company	
	31/12/2019	31/12/2020	31/12/2019	31/12/2020
Accrued expenses, ships	83.7	69.8	1.3	16.1
Accrued personnel expenses	5.4	3.5	3.5	2.7
Other accruals	7.2	3.9	4.5	3.0
Accrued interest expense	4.0	1.9	1.2	0.1
Deferred income	15.9	14.0	0.0	0.0
	<b>114.5</b>	<b>93.1</b>	<b>10.4</b>	<b>21.8</b>

The outcome of Concordia Maritime's financial targets is strongly related to the market's general development. The Company's assessment of the product and crude oil tanker segment's placement in the shipping cycle is shown in the illustration below.



### Liquidity risk

Liquidity risk (also called funding risk) is the risk that funding cannot be obtained at all, or only at a significantly higher cost. Under the financial policy, there must always be sufficient cash and guaranteed credit to cover the next six months. Through agreements the Group has secured funding corresponding to approx. 65% of the total investment amount for ten P-MAX tankers. Financing of the Suezmax vessel and the two IMOIMAX vessels accounted for 100% of the total investment amount.

## Note 18 cont'd.

Externally imposed capital requirements comprise the financial covenants to which the Group's bank loans are subject. The Company reports the outcome of these financial covenants to the banks each quarter and the market value (based on analyses from three independent brokers) of the owned vessels twice a year (the valuation dates are 30 June and 31 December).

The Company has not broken any of the banks' financial covenants and fulfils the externally imposed capital requirements.

**Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk may consist of changes in fair value (price risk) or changes in cash flow (cash flow risk).

Fixed-rate periods have a significant effect on interest rate risk. Long fixed-interest periods normally mean an increased price risk, while shorter periods mean cash flow risk.

The Group's interest rate risk mainly arises through long-term borrowing. The Group's risk management is centralised, which means the central finance function is responsible for identifying and managing interest rate exposure. The finance department continuously monitors the interest rate market and provides recommendations to the Board on any necessary interest rate hedging. See also the section on currency risk in operating activities. 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 Q3 2017, the Company decided to terminate this swap, generating a positive liquidity effect of SEK 13.5 million. Fair value changes for the interest rate swap 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. Income transferred to the Company's income statement is SEK 3.5 million accumulated for the year. The remaining amount in the hedging reserve at the end of the period is SEK 1.2 million.

**Credit risk****Credit risk associated with financial activities**

Financial risk management involves exposure to credit risks. These are mainly counterparty risks associated with receivables from banks and other counterparties arising from the purchase of derivative instruments. The financial policy contains a special counterparty regulation specifying that derivatives and similar instruments are only used against a selection of banks. For credit risk associated with other financial assets, such as corporate bonds, the Group does not invest primarily in its own sector and industry, in order not to add this risk to the existing commercial risk.

**Credit risk associated with trade receivables**

Credit risk is the risk that customers will cause a financial loss for the Group by failing to discharge their obligations, i.e., the risk of non-payment of trade receivables. Most of the Group's clients have good or very good credit ratings. Bank guarantees or other forms of security are required for customers with a low credit rating or insufficient credit history. There was no significant concentration of credit risk exposure at the reporting date. The maximum exposure to credit risk can be seen in the carrying amount of each financial asset in the balance sheet.

**Credit risk associated with investments**

The Group's investments in ships mean that advances are paid regularly to the shipyard during construction. Bank guarantees are issued to secure repayment of the advances in the event that the counterparty is unable to discharge its commitments.

**Currency risk****Translation and transaction exposure**

The Group is exposed to various types of currency risk as described below.

**Currency risk in equity (translation exposure)**

Exchange differences arising on translation of subsidiaries are recognised in the translation reserve. A strong US dollar will increase Concordia Maritime's equity and net value and vice versa. Exchange rate difference arising on translation of foreign subsidiaries to Swedish kronor are recognised in other comprehensive income and accumulated in the translation reserve. The exchange rate was SEK 9.36 at 31 December 2019 and SEK 8.23 at 31 December 2020.

It is estimated that a change of SEK 0.10 in the dollar rate would affect Concordia Maritime's equity by approx. SEK 10.5 million or SEK 0.22 per share.

**Currency risk in operating activities (transaction exposure)**

The Group's entire income is in US dollars. The Group's costs are also dominated by the US dollar, apart for some administrative expenses in Swedish kronor, Danish kroner and Swiss francs. Consequently, exchange rate fluctuations do not affect either cash flow or earnings significantly. No hedging against exchange rate fluctuations in operating activities was conducted.

**Financial exposure**

The Group's borrowing is in the investment currency USD and is therefore not subject to currency exposure. However, the Parent company is affected by currency exposure as liabilities in USD are not fully matched by assets in USD.

**Sensitivity analysis**

The Group aims to reduce short-term fluctuations in its results by means of interest rate and currency risk management. However, in a long-term perspective, lasting changes in exchange rates and interest rates may have an effect on consolidated results.

Similarly, a general increase of 1% in the US LIBOR rate would reduce the Group's result before tax by SEK 21.2 (24.0) million at 31 December 2020.

**Fair value measurement**

The following description summarises the methods and assumptions used to determine the fair values of the financial instruments in note 19. Derivatives used for hedging are measured in accordance with level 2 inputs, which are observable market data not included in level 1.

**Derivative instruments**

Forward contracts are measured either at the current market price using quoted market prices or by discounting the forward price and deducting the current spot rate. Interest rate swaps are measured at market value based on the current yield curve.

**Trade receivables and payables**

For trade receivables and payables with a remaining life of less than one year, the carrying amount is considered to reflect the fair value.

**Interest-bearing liabilities**

The fair value of non-derivative financial liabilities is measured based on future cash flows of principal and interest discounted at the present market rate at the reporting date.

**Shares and bonds**

Shares and bonds reported as long-term or short-term deposits are measured at fair value according to level 1.

## 19 Financial instruments

### Effective interest rate and maturity structure

Interest-bearing financial assets and liabilities The following table shows the effective interest rate on the reporting date and the maturity structure for the

financial assets and liabilities. The nominal amount of the liabilities in the loans' original currency, USD, is multiplied by the year-end closing rate of 8.23 to report the total of loan amount in USD.

Group, SEK millions	31/12/2019	31/12/2020	Margin above LIBOR, %	Fixed-interest period	Effective interest, %	Currency	Nominal amount in original currency, USD thousands	Due
Bank loan – P-MAX	-1,331.9	-977.7	2.45	3 months	2.72	USD	118,830	2024, 2025
Loans, related party – TriTec Marine (Stena Finans)	-56.2	-59.5	2.75	3 months	3.01	USD	7,235	2023
Lease liability – Suezmax	-436.1	-357.6	3.00	3 months	5.08	USD	43,460	2029
Lease liability – IMOIIIMAX A	-285.4	-231.5	2.35	3 months	2.60	USD	28,141	2024
Lease liability – IMOIIIMAX B	-291.5	-235.4	2.35	3 months	2.60	USD	28,618	2026

The lending banks have set minimum levels for the following key figures as covenants linked to the credit facilities: EBITDA/interest expenses, working capital, available liquidity and equity ratio.

Group, SEK millions	2019						2020					
	Total	2020 1 year	2021 2 years	2022 3 years	2023 4 years	5 or more years	Total	2021 1 year	2022 2 years	2023 3 years	2024 4 years	5 or more years
Bank loan – P-MAX	-1,331.9	-219.0	-420.9	-187.3	-187.3	-317.4	-977.7	-192.4	-192.4	-192.4	-306.7	-93.6
Loans, related party – TriTec Marine (Stena Finans)	-56.2	-56.2	0.0	0.0	0.0	0.0	-59.5	0.0	-38.5	-21.0	0.0	0.0
Lease liability – Suezmax	-436.1	-38.5	-38.3	-38.3	-38.3	-282.8	-357.6	-25.5	-25.5	-25.5	-25.5	-255.5
Lease liability – IMOIIIMAX A	-285.4	-25.0	-25.8	-27.6	-28.4	-178.4	-231.5	-22.8	-24.4	-25.1	-159.3	0.0
Lease liability – IMOIIIMAX B	-291.5	-23.6	-24.2	-24.8	-25.4	-193.4	-235.4	-21.3	-21.9	-22.4	-22.9	-147.0
Trade payables	-10.8	-10.8	0.0	0.0	0.0	0.0	-2.2	-2.2	0.0	0.0	0.0	0.0
Interest on Bank loan – P-MAX	-157.9	-55.3	-45.1	-27.4	-19.1	-10.9	-71.6	-24.2	-19.6	-14.4	-10.9	-2.6
Interest on Loans, related party – TriTec Marine (Stena Finans)	-2.4	-2.4	0.0	0.0	0.0	0.0	-3.4	-1.8	-1.4	-0.2	0.0	0.0
Interest on Lease liability – Suezmax	-125.0	-21.0	-19.2	-17.3	-15.4	-52.0	-91.8	-17.1	-15.4	-13.7	-12.0	-33.6
Interest on Lease liability – IMOIIIMAX A	-46.0	-11.8	-10.7	-9.5	-8.3	-5.7	-19.7	-5.9	-5.3	-4.6	-4.0	0.0
Interest on Lease liability – IMOIIIMAX B	-58.5	-12.1	-11.1	-10.1	-9.0	-16.2	-24.7	-5.9	-5.4	-4.8	-4.2	-4.4

Parent, SEK millions	2019						2020					
	Total	2020 1 year	2021 2 years	2022 3 years	2023 4 years	5 or more years	Total	2021 1 year	2022 2 years	2023 3 years	2024 4 years	5 or more years
Bank loan – P-MAX	-1331.9	-219.0	-420.9	-187.3	-187.3	-317.4	-772.5	-164.5	-164.5	-164.5	-278.8	0.0
Loans, related party – TriTec Marine (Stena Finans)	-56.2	-56.2	0.0	0.0	0.0	0.0	-59.5	0.0	-38.5	-21.0	0.0	0.0
Trade payables	-10.8	-10.8	0.0	0.0	0.0	0.0	-1.3	-1.3	0.0	0.0	0.0	0.0
Interest on Bank loan – P-MAX	-157.9	-55.3	-45.1	-27.4	-19.1	-10.9	-51.7	-19.1	-14.7	-10.3	-7.6	0.0
Interest on Loans, related party – TriTec Marine (Stena Finans)	-2.4	-2.4	0.0	0.0	0.0	0.0	-3.4	-1.8	-1.4	-0.2	0.0	0.0

Future interest payments have been calculated using the effective interest rate on the reporting date and as the interest's original currency is USD, the amounts have been converted to SEK at the closing rate on 31 December, which is 8.23.

## Note 19 cont'd.

Shares reported under Short-term deposits are measured at fair value according to level 1, while other financial assets and liabilities for both the Group and Parent Company are measured at fair value according to level 2. For fair value measurement according to level 2, the valuation techniques use market data as far as possible and company-specific data as little as possible.

**Financial assets and liabilities – categories and fair values**

Group 2020, SEK millions	Financial assets at amortised cost	Financial assets at FVTPL	Financial assets at FVTOCI	Financial liabilities at FVTOCI	Other financial liabilities	Total carrying amount	Total fair value
Other current receivables	1.7	0.0				1.7	1.7
Trade receivables	55.9					55.9	55.9
Short-term deposits			0.0			0.0	0.0
Cash & cash equivalents	130.3					130.3	130.3
<b>Total</b>	<b>187.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>187.9</b>	<b>187.9</b>
Non-current interest-bearing liabilities					1,599.7	1,599.7	1,599.7
Current interest-bearing liabilities					262.0	262.0	262.0
Trade payables					2.2	2.2	2.2
Other current liabilities				81.1	11.2	92.3	92.3
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>81.1</b>	<b>1,875.1</b>	<b>1,956.2</b>	<b>1,956.2</b>

For the item Other current receivables, the column Financial assets at FVTPL refers to bunker positions. Short-term deposits consist of shares. For the item Other current liabilities, the column Financial liabilities at FVTOCI refers to a bunker hedge and an equity hedge in the form of forward exchange contracts and Other financial liabilities refers to bunker positions. Note 12 presents the interim receivables in the form of accrued income that constitutes financial assets and note 17 presents the accrued expenses that constitute financial liabilities.

Group 2019, SEK millions	Financial assets at amortised cost	Financial assets at FVTPL	Financial assets at FVTOCI	Financial liabilities at FVTOCI	Other financial liabilities	Total carrying amount	Total fair value
Other current receivables	20.3	7.8				28.1	28.1
Trade receivables	128.0					128.0	128.0
Short-term deposits			3.4			3.4	3.4
Cash & cash equivalents	227.7					227.7	227.7
<b>Total</b>	<b>376.0</b>	<b>7.8</b>	<b>3.4</b>			<b>387.2</b>	<b>387.2</b>
Non-current interest-bearing liabilities					2,038.5	2,038.5	2,038.5
Current interest-bearing liabilities					362.4	362.4	362.4
Trade payables					10.8	10.8	10.8
Other current liabilities				60.0	3.5	63.4	63.4
<b>Total</b>				<b>60.0</b>	<b>2,415.2</b>	<b>2,475.2</b>	<b>2,475.2</b>

## Note 19 cont'd.

Parent 2020, SEK millions	Financial assets at amortised cost	Financial assets at FVTPL	Financial liabilities at FVTPL	Other financial liabilities	Total carrying amount	Total fair value
Other current receivables		0.0			0.0	0.0
Trade receivables	0				0.0	0.0
Cash & cash equivalents	20.2				20.2	20.2
<b>Total</b>	<b>20.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>20.2</b>	<b>20.2</b>
Non-current interest-bearing liabilities				667.4	667.4	667.4
Current interest-bearing liabilities				164.5	164.5	164.5
Liabilities to Group companies				182.6	182.6	182.6
Trade payables				1.3	1.3	1.3
Other current liabilities			92.3		92.3	92.3
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>92.3</b>	<b>1,015.9</b>	<b>1,108.2</b>	<b>1,108.2</b>

For the item Other current liabilities, the column Financial liabilities at FVTPL refers to bunker positions of SEK 92.3 million. Note 12 presents the interim receivables in the form of accrued income that constitutes financial assets and note 17 presents the accrued expenses that constitute financial liabilities.

Parent 2019, SEK millions	Financial assets at amortised cost	Financial assets at FVTPL	Financial liabilities at FVTPL	Other financial liabilities	Total carrying amount	Total fair value
Other current receivables		7.8			7.8	7.8
Trade receivables	0.1				0.1	0.1
Cash & cash equivalents	1,250.1				1,250.1	1,250.1
<b>Total</b>	<b>1,250.2</b>	<b>7.8</b>			<b>1,258.0</b>	<b>1,258.0</b>
Non-current interest-bearing liabilities				1,112.8	1,112.8	1,112.8
Current interest-bearing liabilities				275.2	275.2	275.2
Liabilities to Group companies				32.3	32.3	32.3
Trade payables				10.8	10.8	10.8
Other current liabilities			63.4	0.0	63.4	63.4
<b>Total</b>			<b>63.4</b>	<b>1,431.1</b>	<b>1,494.5</b>	<b>1,494.5</b>

**20** Leases

The effect of the transition to IFRS 16 on the Group's leases is described in note 1 Accounting policies. The transition method that the Group has chosen to apply for the transition to IFRS 16 means that comparatives have not been restated to reflect the requirements of the new standards.

**Leases where the Company is the lessee (chartering in)**

The Group's property, plant and equipment comprises both owned and leased assets. Right-of-use assets for vessels where the Group is lessee are reported in Ships under Assets.

Concordia Maritime has one vessel chartered in on a bareboat basis, with a fixed lease payment and a variable lease payment based on LIBOR +3.35% of the remaining accumulated fixed lease amount for the total contractual charter period. The contract contains annual purchase options from the fourth year and a purchase obligation in the ninth year.

Concordia Maritime has two vessels chartered in on a bareboat basis, with a fixed lease payment for both contracts and a variable lease payment based on LIBOR +2.975% of the remaining accumulated fixed lease amount for the total charter period for one of the contracts. The two contracts contain annual purchase options from years three and four onwards.

**Right-of-use assets**

Right-of-use assets for leased vessels are reported as items of property, plant and equipment in Ships. On the reporting date, right-of-use assets for leased vessels amounted to SEK 901.4 (1,080.0) million, see note 8 Property, plant and equipment. Additional right-of-use assets in 2020 amounted to SEK 1.3 (13.4) million and were the result of remeasured lease liabilities due to adjusted payments following changes in index-related interest components of the leases.

**Lease liabilities**

Lease liabilities for leases where the Group is the lessee are reported as other liabilities in the consolidated statement of financial position report.

SEK millions	2019	2020
Current lease liabilities	87.1	69.6
Non-current lease liabilities	925.6	753.7
<b>Total lease liabilities</b>	<b>1,012.7</b>	<b>823.3</b>

For a maturity analysis of the lease liabilities, see note 19 Financial instruments.

**Amounts recognised in the income statement**

SEK millions	2019	2020
Depreciation of right-of-use-assets	-56.7	-56.0
Interest expenses on lease liabilities	-56.8	-39.3
Costs for short-term leases	-1.1	0.0

**Amounts recognised in the cash flow statement**

Total cash outflows attributable to leases for the year amounted to SEK -120.6 (-106.9) million. The cash outflows include both amounts for leases reported as lease liabilities and amounts paid for variable lease payments and short-term leases.

**Leases where the Company is lessor**

Concordia Maritime leases out vessels on time charters. These leases are classified as operating leases as they do not transfer substantially all risks and rewards incidental to ownership of the underlying asset.

The table below shows a maturity analysis of lease payments, with the undiscounted lease payments receivable after the reporting date.

SEK millions	Group	
	2019	2020
Within one year	174.1	139.2
One to five years (2020-2023)	158.5	0.0
After five years	0.0	0.0
	<b>332.6</b>	<b>139.2</b>

The above calculation was made using the fixed daily rate specified in the time charter contracts, which means that any profit-sharing clauses are not taken into account. The time charter contracts are in US dollars and are translated to SEK using the closing rate.

**21** Pledged assets and contingent liabilities

SEK millions	Group		Parent Company	
	2019	2020	2019	2020
<b>Pledged assets</b>				
<b>For own liabilities and provisions</b>				
Shares in subsidiaries	1,964.2	2,446.4	715.8	716.4
<b>Total pledged assets</b>	<b>1,964.2</b>	<b>2,446.4</b>	<b>715.8</b>	<b>716.4</b>
<b>Contingent liabilities</b>				
Parent Company guarantees for subsidiaries' liabilities	0.0	0.0	0.0	0.0
<b>Total contingent liabilities</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

The rights associated with certain insurance and time charter contracts have been pledged in favour of the banks providing the lines of credit. It has not been possible to define the specific amounts of these rights. The Parent Company has also provided guarantees for subsidiaries, relating to vessel

financing, commitments under the three sale & leaseback agreements and a credit facility. As the current assessment is that it is unlikely that any of these guarantees will need to be used, no associated amounts have been reported.

**22** Related parties**Related party relationships**

The Parent Company has a related party relationship with its subsidiaries, see note 23. Key management personnel are considered to be related parties, see note 4.

**Related party transactions**

Related party relationship Group, SEK millions	Year	Purchase of services from related parties	Due to related parties at 31 December	Due from related parties at 31 December
Other related parties (see below)	2020	276.4	167.8	2.7
Other related parties (see below)	2019	227.5	99.5	0.0

0.4% (4%) of the Parent Company's sales relates to intragroup sales.

Related party relationship Parent, SEK millions	Year	Purchase of services from related parties	Due to related parties at 31 December	Due from related parties at 31 December
Subsidiaries	2020	1.6	182.6	848.6
Subsidiaries	2019	0.5	32.3	978.8
Other related parties	2020	0.6	167.8	0.0
Other related parties	2019	1.8	99.5	0.0

## Note 22 cont'd.

	2019	2020
<b>Other current liabilities</b>		
Liabilities to other related parties	0.0	0.0

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 competes 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 participate in each new transaction on a 0%, 50% or 100% basis.

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. Financial result from vessels chartered in by Stena Bulk for less than one year 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%, 1.25% and 2% on freight rates, depending on the type of vessel.
- Commission on the purchase and sale of vessels. Payment is based on a commission of 1%.
- Operation and manning of the Group's vessels, also referred to as ship management. Payment is based on a fixed price per year and vessel.
- Administration, marketing, insurance services, 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.
- Credit facility and trading in financial instruments through AB Stena Finans.
- Financing agreement for ballast water treatment installations through TriTec Marine Ltd.

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

**23** Group companies**Significant subsidiary holdings**

SEK MILLIONS	Registered office, country	Result	Equity	Ownership share, %	
				2019	2020
Concordia Maritime Chartering AB	Sweden	0.0	33.8	100	100
Rederi AB Concordia	Sweden	0.0	0.4	100	100
Concordia Maritime A/S	Denmark	-1.7	549.4	100	100
Concordia Maritime AG	Switzerland	15.8	1,171.4	100	100
CM P-MAX I Ltd	Bermuda	-11.0	44.7	100	100
CM P-MAX II Ltd	Bermuda	-5.2	46.5	100	100
CM P-MAX III Ltd	Bermuda	-7.5	80.9	100	100
CM P-MAX IV Ltd	Bermuda	8.0	45.6	100	100
CM P-MAX V Ltd	Bermuda	4.2	56.1	100	100
CM P-MAX VI Ltd	Bermuda	-1.9	44.8	100	100
CM P-MAX VII Ltd	Bermuda	-4.8	83.0	100	100
CM P-MAX VIII Ltd	Bermuda	-15.3	103.0	100	100
CM P-MAX IX Ltd	Bermuda	-12.0	92.4	100	100
CM P-MAX X Ltd	Bermuda	-6.1	75.8	100	100
CM Suez I Ltd	Bermuda	14.5	43.2	100	100
CM IMOMAX A Ltd	Bermuda	0.8	30.3	100	100
CM IMOMAX B Ltd	Bermuda	0.3	37.7	100	100

Foreign subsidiaries' income statements have been translated from USD to SEK at the average rate for the financial year, which is 9.20.

Foreign subsidiaries' equity has have been translated from USD to SEK at the closing rate, which is 8.23.

Parent, SEK millions	2019	2020
Accumulated cost	746.4	746.4
<b>Closing balance, 31 December</b>	<b>746.4</b>	<b>746.4</b>

**Parent Company's direct holdings of shares in subsidiaries**

Subsidiary/Corp. ID/Registered office	Number of shares	Holding, %	31/12/2019 Carrying amount	31/12/2020 Carrying amount
Concordia Maritime Chartering AB, 556260-8462, Gothenburg	250,000	100	29.6	29.6
Rederi AB Concordia, 556224-6636, Gothenburg	3,000	100	0.4	0.4
Concordia Maritime A/S, Denmark	400,001	100	0.6	716.4
Concordia Maritime AG, Switzerland	119,500	100	715.8	0.0
<b>Total holdings of shares in subsidiaries</b>			<b>746.4</b>	<b>746.4</b>

**24** Cash flow statement**Cash & cash equivalents**

Group, SEK millions	31/12/2019	31/12/2020
<b>The following components are included in cash &amp; cash equivalents:</b>		
Cash and bank balances	227.7	130.2
Short-term deposits, equivalent to cash & cash equivalents	0.0	0.0
<b>Total reported in balance sheet</b>	<b>227.7</b>	<b>130.2</b>
<b>Total reported in cash flow statement</b>	<b>227.7</b>	<b>130.2</b>
Parent, SEK millions	31/12/2019	31/12/2020
<b>The following components are included in cash &amp; cash equivalents:</b>		
Receivables from Group companies	978.8	0.0
Cash and bank balances	271.3	20.2
<b>Total reported in balance sheet</b>	<b>1,250.1</b>	<b>20.2</b>
<b>Total reported in cash flow statement</b>	<b>1,250.1</b>	<b>20.2</b>

The Group's short-term deposits have been classified as cash and cash equivalents on the basis that they have an insignificant risk of changes in value, they can be readily converted into cash and they have a maturity of three months or less from the acquisition date.

On the reporting date, SEK 0.0 (0.0) million of the cash and cash equivalents in the Group and the Parent Company were restricted as hedges for derivative instruments. When the annual report was signed, there were no restricted funds.

The Parent Company's item Receivables from Group companies refers to the cash pool account.

**Interest paid and dividend received**

SEK millions	Group		Parent Company	
	31/12/2019	31/12/2020	31/12/2019	31/12/2020
Dividend received	0.0	0.0	84.0	0.0
Interest received	5.7	5.8	33.4	51.6
Interest paid	-111.1	-84.1	-62.9	-43.3
	<b>-105.4</b>	<b>-78.3</b>	<b>54.5</b>	<b>8.3</b>

**Non-cash items**

SEK millions	Group		Parent Company	
	31/12/2019	31/12/2020	31/12/2019	31/12/2020
Depreciation, amortisation and impairment	198.0	192.8	0.0	0.0
Depreciation, periodic maintenance	51.9	51.2	0.0	0.0
Result from ship sales	0.0	0.0	0.0	0.0
Unrealised exchange differences	0.4	-134.0	9.3	8.1
Changes in value of financial instruments	-6.9	-15.3	-11.6	-249.7
Capital gain/loss on sale of financial assets	3.4	0.0	0.0	0.0
Other	3.3	-23.3	3.3	0.0
	<b>250.1</b>	<b>71.4</b>	<b>1.0</b>	<b>-231.8</b>

**Transactions that do not involve payments**

SEK millions	Group		Parent Company	
	2019	2020	2019	2020
Acquisition of assets through leases	816.2	0.0	0	0.0
	<b>816.2</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>

**Reconciliation of liabilities attributable to financing activities – Group**

	Non-cash movements				
	31/12/2019	Cash flow	New leases and remeasurement of lease liability	Exchange differences	31/12/2020
Loans, credit institutions	1,331.9	-387.0		32.8	977.7
Loans, related party	56.2	2.7		0.6	59.5
Lease liabilities	1,012.9	-120.6	22.4	-91.4	823.3
<b>Total</b>	<b>2,400.9</b>	<b>-504.9</b>	<b>22.4</b>	<b>-58.0</b>	<b>1,860.5</b>
	Non-cash movements				
	31/12/2018	Cash flow	New leases and remeasurement of lease liability	Exchange differences	31/12/2019
Loans, credit institutions	1,256.5	-2.8		78.3	1,331.9
Loans, related party	0.0	57.5		-1.3	56.2
Lease liabilities	282.6	-74.7	726.0	79.0	1,012.9
<b>Total</b>	<b>1,539.1</b>	<b>-20.0</b>	<b>726.0</b>	<b>156.0</b>	<b>2,400.9</b>

**Reconciliation of liabilities attributable to financing activities – Parent Company**

	Non-cash movements			
	31/12/2019	Cash flow	Exchange differences	31/12/2020
Loans, credit institutions	1,331.9	-387.0	32.8	977.7
Loans, related party	56.2	2.7	0.6	59.5
<b>Total</b>	<b>1,388.0</b>	<b>-384.3</b>	<b>33.4</b>	<b>1,037.2</b>
	Non-cash movements			
	31/12/2018	Cash flow	Exchange differences	31/12/2019
Loans, credit institutions	1,256.5	-2.8	78.3	1,331.9
Loans, related party	0.0	57.5	-1.3	56.2
<b>Total</b>	<b>1,256.5</b>	<b>54.6</b>	<b>76.9</b>	<b>1,388.0</b>

**25** The Parent Company

Concordia Maritime AB (publ) is a limited company incorporated in Sweden, with its registered office in Gothenburg. The Company's shares are listed on Nasdaq OMX Stockholm. The postal address of the head office is SE-405 19, Gothenburg.

The 2020 consolidated financial statements comprise the Parent Company and its subsidiaries, which together form the Group.

Stena Sessan AB (Corp. ID 556112-6920, registered office Gothenburg) owns approx. 52% of the equity and approx. 73% of the total voting power in Concordia Maritime AB.

**26** Events after the reporting date<sup>1)</sup>

No significant events occurred after reporting date.

1) Events up to and including the date of signature of this annual report, 19 March 2021.

## 27 Significant accounting estimates

Accounting estimates and assessments are evaluated regularly. They are largely based on historical experience and other factors, including expectations about future events which are considered reasonable in the present circumstances. The Board and management make estimates and assumptions about the future when preparing the financial statements. These result in accounting estimates, which, by definition, rarely correspond with the actual outcome. Estimates and assumptions which involve considerable risk of material adjustments to the carrying amounts of assets and liabilities during the next financial period are described below.

### Ships

It is Concordia Maritime's estimation that the vessels have a useful life of 25 years, with a residual value of zero.

Impairment testing of vessels is conducted twice a year, and more frequently if there is an indication that vessel values are impaired. See also notes 1 and 8.

### Deferred taxes

When preparing financial statements, Concordia Maritime calculates the income tax for each area of taxation in which the Group operates, as well as deferred taxes arising from temporary differences. Deferred tax assets primarily attributable to tax loss carryforwards and temporary differences are recognised if the tax assets are likely to be recovered from future taxable income. Changes in assumptions about projected future taxable income and changes in tax rates may result in significant differences in the measurement of deferred taxes. See also note 7.

### Leases

Concordia Maritime has two leases that contain annual purchase options. For these leases, assessments are made as to whether the purchase options will be exercised or not. Concordia Maritime also has a lease that contains a purchase obligation, which is a requirement to repurchase the vessel within nine years. Prior to this there are purchase options in the lease. As with the other two leases, assessments are made as to whether each purchase option will be exercised or not. The purchase option assessments are considered important as they have a significant effect on the value of lease liabilities and the size and useful life of right-of-use assets and therefore on the size of the Group's interest expenses and depreciation.

### Declaration by the Board

The Board and CEO herewith confirm that the Parent Company's annual financial statements have been prepared in accordance with generally accepted accounting principles in Sweden and that the consolidated financial statements have been prepared in accordance with international financial reporting standards as defined in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards. The Parent Company and consolidated annual financial statements provide a true and fair view of the financial performance and position of the Parent Company and the Group. The Board of Directors' report for the Parent Company and Group provides a true and fair overview of the development 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, 19 March 2021

Carl-Johan Hagman  
*Chairman*

Stefan Brocker  
*Board Member*

Helena Levander  
*Board Member*

Mats Jansson  
*Board Member*

Michael G:son Löw  
*Board Member*

Henrik Hallin  
*Board Member*

Alessandro Chiesi  
*Employee Representative*

Daniel Holmgren  
*Employee Representative*

Kim Ullman  
*CEO*

Our audit report was submitted on 19 March 2021

KPMG AB  
Jan Malm  
*Authorised Public Accountant*

# Audit Report

## To the Annual General Meeting of Concordia Maritime AB (publ), Corp. ID 556068-5819

### Report on the Parent Company and consolidated annual financial statements

#### Opinions

We have audited the annual accounts and consolidated accounts for Concordia Maritime AB (publ) for the year 2020. The Company's annual accounts and the consolidated accounts are included in this document on pages 47–83.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company at 31 December 2020 and its financial performance and cash flows for the year then ended. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of 31 December 2020 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the Corporate Governance Report and the Sustainability Report. The Board of Directors' report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the Parent Company and the statement of comprehensive income and balance sheet for the Group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the Parent Company's Board, pursuant to Article 11 of Regulation (EU) No. 537/2014 on the Statutory Audit of Public-Interest Entities.

#### Basis for opinions

We conducted the audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This means that, to the best of our knowledge, no prohibited

services listed in article 5.1 of Regulation (EU) No. 537/2014 on the Statutory Audit of Public-Interest Entities have been provided to the audited entity, or where appropriate, to its parent undertaking and to its controlled undertakings within the European Union.

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

#### Key audit matters

Key audit matters of the audit are those matters that, in our professional judgement, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of the annual accounts and consolidated accounts as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters.

#### Revenue recognition

See note 3 and the accounting policies on page 60 of the financial statements for detailed information and a description of the audit matter.

#### Description of key audit matter

The Group's revenue for 2020 amounted to SEK 1,025.8 million. Revenue is generally related to contracts with end customers through the Group's partners for chartering and shipping of oil products.

Revenue for these services is recognised according to contractual assessments as the service is performed. Revenue is normally accrued over the length of the voyage.

Revenue allocation and accrual therefore involves a measure of judgement.

#### Response in the audit

We have examined current contractual terms in order to assess the Company's recognition of revenue from services.

In addition, we have tested controls relating to the allocation and accrual of revenue. We have also considered the timing of recognition of revenue from services based on when they were performed, or are expected to be performed, and the performance obligations in the transaction. We have achieved this by means of sample tests and by testing the accuracy of the Company's calculations based on historical results.

#### Valuation of vessels for the Group and shares in subsidiaries for the Parent Company

See note 8 and the accounting policies on pages 61–62 of the financial statements for detailed information and a description of the audit matter.

#### Description of key audit matter

The carrying amount of the Group's vessels is SEK 2,599.1 million, corresponding to 90% of total assets, which is therefore a significant proportion of the Group's total assets.

The carrying amount of the Parent Company's shares in subsidiaries is SEK 746.4 million, the value of which is significantly affected by the Group's assessment of vessel values.

The twice-yearly impairment tests are complex in nature and involve significant elements of judgement by management. Impairment testing must be conducted for each of the cash-generating units.

In addition to obtaining external vessel valuations, management makes projections about internal and external conditions and plans for the operations. Examples of these projections include future cash flows, which in turn require assumptions about future market conditions. Another important assumption concerns the discount rate to be used to reflect the fact that projected cash inflows are subject to risk and are therefore worth less than the Group's directly available liquidity.

#### Response in the audit

We have inspected the Company's impairment tests to assess whether they have been conducted in accordance with the prescribed method. To begin with, we have obtained the documentation for the independent valuations that were made. We have also considered the reasonableness of the projected cash flows and the discount rate used by examining and evaluating management's written documentation and plans. We have also interviewed members of management as well as evaluating the previous year's forecasts against actual outcomes.

An important part of our work has also been to assess how changes in assumptions may affect the valuation, which we have done by examining and executing management's sensitivity analysis. To evaluate the carrying amount of shares in subsidiaries in the Parent Company's statement of financial position, in addition to the above measures, we have also compared the value of the shares with the net assets of the subsidiaries.

We have also checked the completeness of the information in the annual report and assessed whether it is consistent with the assumptions management has applied in the impairment testing and whether the information is sufficiently comprehensive for management's assumptions to be understood.

#### Information other than the annual accounts and consolidated accounts

This document also contains information other than the annual accounts and consolidated accounts, which is presented on pages 1–45 and 84–97. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure, we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If, based on the work performed concerning this information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibility of the Board of Directors and Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and for ensuring that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Managing Director are responsible for the assessment of the Company's and the Group's ability to continue as a going concern. They disclose, as applicable, matters related to the going concern and use of the

going concern basis of accounting. The going concern basis of accounting is, however, not applied if the Board of Directors and the Managing Director intend to liquidate the Company, to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts. As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of the Company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- draw a conclusion on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in

preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform them of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks of material misstatement, and these are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

## Report on other legal and regulatory requirements

### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Concordia Maritime AB (publ) for the financial year 2020 and the proposed appropriations of the Company's profit or loss.

We recommend to the annual general meeting of shareholders that the profit be appropriated in accordance with the proposal in the Board of Directors' report and that the members of the Board and the CEO be discharged from liability for the financial year.

### Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities in this are further described in the Auditor's Responsibilities section. We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

### Responsibility of the Board of Directors and Managing Director

The Board is responsible for the proposal concerning appropriations of the Company's profit or loss. Proposing a dividend includes an assessment of whether the dividend is justifiable considering the requirements that the nature, scope and risks of the Company's and the Group's operations place on the size of the Parent Company's and the Group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the Company's organisation and the administration of its affairs. This includes, among other things, continuous assessment of the Company's and the Group's financial situation and ensuring that the Company's organisation is designed so that accounting, management of assets and the Company's financial affairs are otherwise controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions, and, among other matters, shall take measures that are necessary to fulfil the Company's accounting in accordance with law and to conduct the management of assets in a reassuring manner.

### Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect has:

- undertaken any action or been guilty of any omission which could give rise to liability to the Company; or
- in any other way acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the Company's profit or loss, and thereby our opinion about this, is to assess with a reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the Company, or that the proposed appropriations of the Company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgement and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the Company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgement, with the starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the Company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion concerning the Board's proposed appropriations of the company's profit or loss, we examined whether the proposal is in accordance with the Companies Act.

### Auditor's review of the Corporate Governance Report

The Board is responsible for the Corporate Governance Report and for ensuring that it is prepared in accordance with the Annual Accounts Act.

Our review was conducted in accordance with FAR's statement RevU 16 auditor's examination of the corporate governance report. This means that our review of the Corporate Governance Report has another focus and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing practices in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A corporate governance report has been prepared. Disclosures required under Chapter 6, Section 6 (2–6) of the Annual Accounts Act and Chapter 7, Section 31 (2) of the same Act are consistent with other parts of the annual accounts and consolidated accounts and in accordance with the Annual Accounts Act.

### Auditors' opinion regarding the statutory Sustainability Report

The Board is responsible for the Sustainability Report and for ensuring that it is prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 *The auditor's opinion regarding the statutory sustainability report*. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

KPMG AB, Box 11908, 404 39, Gothenburg, was appointed as the auditor for Concordia Maritime AB (pub) by the Annual General Meeting on 29 April 2020. KPMG AB or auditors engaged at KPMG AB have been the Company's auditor since 1989.

Gothenburg, 19 March 2021  
KPMG AB

Jan Malm  
*Authorised Public Accountant*

# Corporate Governance



**SWL  
120T**

# Corporate Governance Report 2020

This Corporate Governance Report has been prepared as part of Concordia Maritime's application of the Swedish Corporate Governance Code. In addition to the description of corporate governance, there is also a summary description of how the operational control of day-to-day activities is carried out. The report has been reviewed by the Company's auditors.

## THE PARENT COMPANY OF THE CONCORDIA MARITIME

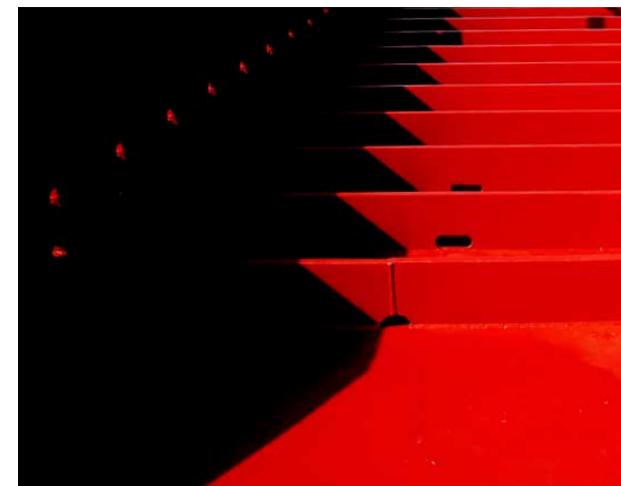
**GROUP** is the Swedish public limited company Concordia Maritime AB (publ), corp. ID 556068-5819. In addition to the Parent Company, the Group consists of 19 wholly-owned subsidiaries. The registered office is in Gothenburg. The postal address of the Group's head office is Concordia Maritime AB, SE-405 19, Gothenburg, Sweden. Governance of Concordia Maritime is based on the Swedish Companies Act, Nasdaq Stockholm's regulations, the Swedish Corporate Governance Code ("the Code") and other applicable Swedish and foreign laws and regulations. Concordia Maritime applies the Code and the Annual Accounts Act, and this Corporate Governance Report has been prepared as part of the application of the Code. The Swedish Corporate Governance Code is available at [www.bolagsstyrning.se](http://www.bolagsstyrning.se).

Certain information required under Chapter 6, Section 6 (3) of the Swedish Annual Accounts Act can be found in the Board of Directors' Report. Information at [www.concordia-maritime.com](http://www.concordia-maritime.com) includes:

- More detailed information on internal control documents, e.g. the articles of association.
- Information from Concordia Maritime's annual general meetings, notices, minutes and financial reports.

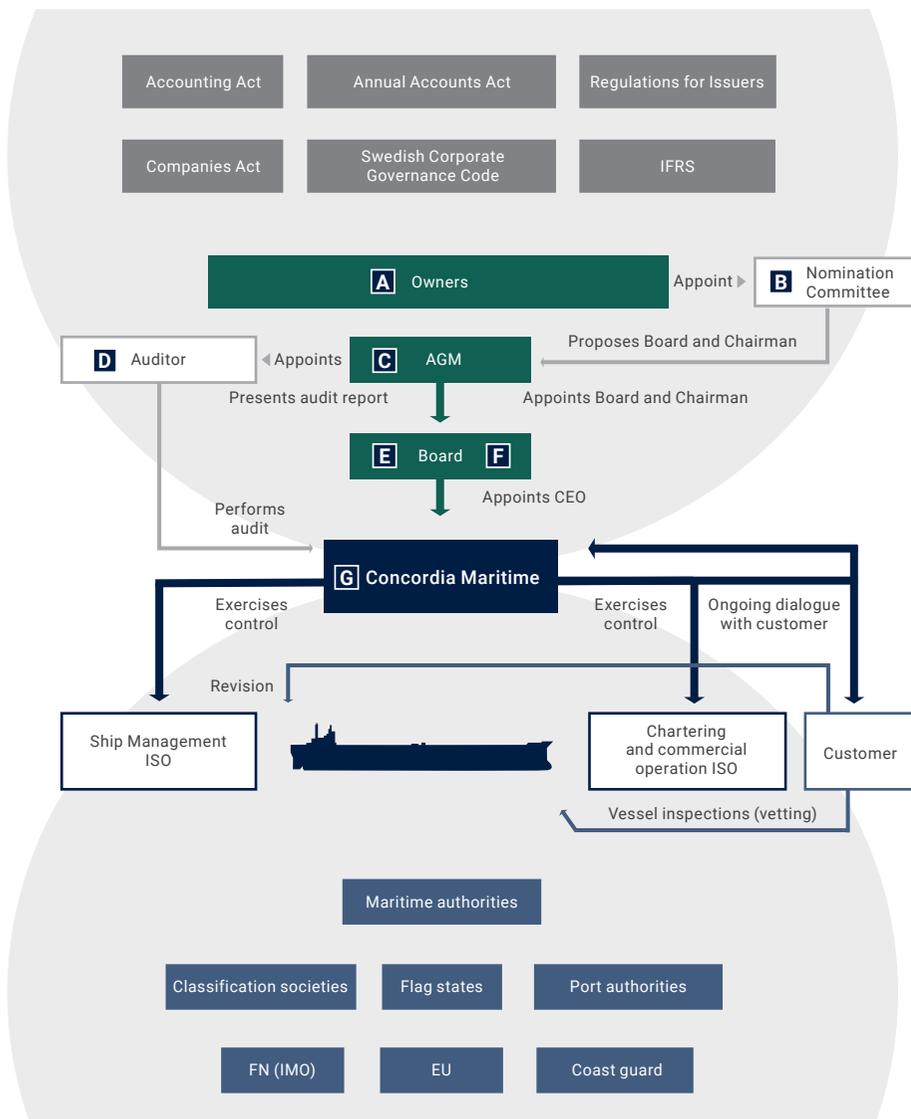
## Governance for value creation

Good corporate governance is about ensuring that Concordia Maritime's operations are conducted as sustainably, responsibly and effectively as possible. The overall goal is to increase the value for shareholders and, in doing so, meet the owners'



requirements regarding invested capital. The central external and internal control instruments for Concordia Maritime are the Swedish Companies Act, Nasdaq Stockholm's Rules for Issuers, the Swedish Corporate Governance Code (the Code), the Articles of Association adopted by the AGM, the Board's rules of procedure, the CEO's instructions, including instructions for financial reporting, and policies adopted by the Board.

Concordia Maritime's Board of Directors is responsible for the Company's organisation and the administration of its affairs. The CEO is responsible for ensuring the day-to-day management of the Company is in accordance with the Board's guidelines and instructions. In addition, the CEO compiles the agenda for Board meetings in consultation with the Chairman and is also responsible for issuing information and decision-support material to the Board.



Regulations, corporate

Corporate Governance

Operational control

Operational regulations

Corporate governance and control of Concordia Maritime’s operations can be described from several perspectives. As a public and listed Swedish company, Concordia Maritime is governed by a number of laws and regulations. Among the most important of these are the Swedish Companies Act, the Swedish Annual Accounts Act, International Financial Reporting Standards, Nasdaq Stockholm’s rules for issuers, the EU Market Abuse Regulation and the Swedish Corporate Governance Code.

From an ownership perspective, business operations are governed by a Board of Directors elected by the shareholders. The Board formulates the frameworks for the operations, appoints the CEO and exercises control over the Company’s management. The Board has the services of a shareholder-elected auditor, whose job is to provide audit reports on the annual accounts and consolidated accounts for Concordia Maritime AB (publ) and administration of the Company by the Board and CEO.

The day-to-day operations are ultimately controlled by the customers’ demands for efficiency and reliability. We have chosen a strategy that involves collaboration with a number of subcontractors in areas which include commercial operation and ship management. These collaborations are covered by agreements and policies, as well as mutual trust and full transparency. There is an extensive exchange of information between the parties and here, too, the control and reporting systems are well developed.

In addition to these legal control mechanisms, the business activities are subject to and governed by a number of industry-specific regulations. The most important of these are the UN, EU and US regulations related to shipping and trade in oil and petroleum products, and oil companies’ own ship inspections (vetting). There are also regulations related to individual flag states, classification societies and national maritime authorities. All these bodies exercise continuous control of the business down to ship level.

## A Owners

The share capital consists of class A shares and class B shares. All shares carry equal entitlement to a share of the Company's assets, earnings and dividends. The par value is SEK 8 per share. Class A shares carry ten votes per share and class B shares one vote per share at the AGM. At the end of the year, all class A shares were controlled by the Stena Sphere. At 31 December 2020, share capital amounted to SEK 381.8 million, divided into 47.73 million shares, of which 43.73 million were B shares. The total number of votes was 83.73 million.

## C Shareholders' Meeting

The general meeting of shareholders is Concordia Maritime's highest decision-making body. Participation in decision-making requires the shareholder's presence at the meeting, either in person or through a proxy. In addition, shareholders must be registered in their own name in the share register by a specified date prior to the meeting and must provide notice of participation in the manner prescribed.

Resolutions at the meeting are normally adopted on the basis of a simple majority. However, for certain matters, the Swedish Companies Act stipulates that resolutions must be approved by a larger proportion of the votes cast and shares represented at the meeting. The Annual General Meeting is held in the Gothenburg region in the second quarter of each year. The meeting decides on matters concerning adoption of the annual

report, dividends, remuneration of the Board and auditors, election of Board members and, when necessary, auditors, guidelines on remuneration of Group management as well as other important business.

Individual shareholders wishing to have business considered at the AGM can normally request this, in good time before the meeting, via [arsstamma@concordiamaritime.com](mailto:arsstamma@concordiamaritime.com).

An extraordinary general meeting may be held if the Board considers this necessary or if the Company's auditors or shareholders owning at least 10 percent of the shares so request.

### 2020 Annual General Meeting

The Annual General Meeting was held on 29 April 2020, at Elite Park Avenue in Gothenburg. Minutes from the

AGM and associated documentation can be found on Concordia Maritime's website [www.concordiamaritime.com](http://www.concordiamaritime.com).

### 2021 Annual General Meeting

The Annual General Meeting will be held on 28 April 2021. In view of the ongoing Covid-19 pandemic and to reduce the risk of the spread of infection, the meeting will be held by postal vote only, without any physical presence, in accordance with temporary legislation that applies in 2021. Shareholders recorded in Euroclear Sweden AB's share register as at 20 April 2021 and who have registered for the Annual General Meeting by submitting their postal vote no later than 27 April 2021 are entitled to participate in the meeting.

## B Nomination Committee

The nomination process for the election of Board members includes the appointment of a nomination committee consisting of three members. The members shall comprise the Chairman and one representative from each of the two largest shareholders (in terms of voting power), should they wish to serve on the committee.

The composition of the nomination committee is based on shareholder statistics on 1 September in the year prior to the meeting. The names of representatives on the nomination committee and the shareholders they represent shall be announced on the website immediately after their appointment, but no later than six months before the annual general meeting. If the structure of major shareholders should change during the nomination process, the composition of the nomination committee may be changed to reflect this. Shareholders wishing to submit proposals to the nomination committee do so via [arsstamma@concordiamaritime.com](mailto:arsstamma@concordiamaritime.com). The guidelines issued to the largest owners regarding

their choice of representative state that the individual in question must have knowledge and experience relevant to Concordia Maritime. The rules on the independence of Board members contained in the Swedish Corporate Governance Code are observed. The nomination committee's tasks include submitting proposals prior to the 2021 AGM for the following areas:

- Chairman of the meeting
- Board members
- Chairman of the Board
- Remuneration of each Board member
- Nomination committee for the following year

The nomination committee's proposals and a report on its own work shall be published no later than the date of the notice convening the meeting. Shareholders are given the opportunity to submit nomination proposals to the nomination committee.

### The nomination committee's work prior to the 2021 AGM

The nomination committee for the 2021 meeting consists of Carl-Johan Hagman (Chairman of the Board), Karl Swartling, representing Stena Sessan as the largest shareholder and Bengt Stillström, representing himself and his family as the second-largest shareholder.

In December 2020, the nomination committee represented 77 percent of the shareholders' votes. The composition of the nomination committee was announced on Concordia Maritime's website on 27 November 2020. Prior to the 2020 AGM, the nomination committee has held three minuted meetings and also communicated with each other by telephone and e-mail. The nomination committee's proposals are available at [www.concordiamaritime.com](http://www.concordiamaritime.com).

To carry out its work, the nomination committee has examined the internal evaluation of the Board's work, the Chairman of the Board's report on the Board's work

and the Company's strategy, and has interviewed individual Board members. It is the nomination committee's assessment that the recommended members together have the required breadth and competence. In preparing its proposal, the nomination committee has applied Section 4.1 of the Code as its diversity policy, which means that the Board is to have a composition appropriate to the Company's operations, phase of development and other relevant circumstances and that Board members elected by the shareholders' meeting are collectively to exhibit diversity and breadth of qualifications, experience and background. The nomination committee also works with the aim of achieving a balanced gender distribution on the Board.

In view of the above, the nomination committee has a good basis for assessing whether the Board's composition is satisfactory, whether the need for competence, breadth and experience on the Board has been met, and for submitting proposals for the election of the auditor.

## D Auditor

The auditor provides an audit report on the annual accounts and consolidated accounts for Concordia Maritime AB (publ), the administration of the Board and the CEO and the annual accounts for other subsidiaries. The audit is conducted in accordance with the Swedish Companies Act and International Standards on Auditing (ISAs) issued by the International Federation of Accountants (IFAC). The auditing of annual financial statements for legal entities outside Sweden is conducted in accordance with laws and other regulations in each country and in accordance with IFAC's generally accepted auditing standards on providing audit reports for legal entities. An auditor is proposed by the nomination committee and elected by the AGM for a period of one year. At the 2020 AGM, Jan Malm of KPMG was elected as the Company's external auditor until the 2021 meeting. The auditor's fees are charged on a current account basis. In 2020, KPMG received fees totalling SEK 1.9 (1.6) million.

## E The Board

The Board is Concordia Maritime's second-highest decision-making body after the general meeting of shareholders. The Board is responsible for the Company's organisation and the administration of its affairs, for example, by defining goals and strategies, maintaining procedures and systems for monitoring the defined goals, continuously assessing Concordia Maritime's financial situation and evaluating operational management. It is also the Board's responsibility to ensure that the correct information is provided to the Company's stakeholders, that the Company complies with laws and regulations, and that the Company develops and implements internal policies and ethical guidelines. The Board also appoints the CEO and determines the CEO's salary and other remuneration based on the guidelines adopted by the AGM.

### Composition of the Board

Board members are elected annually by the AGM for the period until the next AGM. According to the Articles of Association, the Board shall consist of at least three and not more than seven members elected by the Annual General Meeting, without deputies. The Board members are presented in more detail on pages 92–93.

### Chairman of the Board

The Chairman of the Board is responsible for ensuring that the Board's work is conducted effectively and that the Board fulfils its duties. The Chairman shall in particular organise and lead the Board's work to create the best possible conditions for the Board's work.

It is the Chairman's task to ensure that a new Board member undergoes the necessary introductory training and any other training that the Chairman and the Board of Directors jointly find appropriate, to ensure that the Board continually updates and deepens its knowledge of the Company, to ensure that the Board receives satisfactory information and decision-support material for its work, to draft an agenda for the Board's meetings

after consultation with the CEO, to check that the Board's decisions are implemented and to ensure that the Board's work is evaluated annually.

The Chairman is responsible for contacts with the owners in ownership matters and for conveying comments from the owners to the Board. The Chairman does not participate in the operational work within the Company and is not part of Group management.

### Rules of procedure and Board meetings

Every year, the Board adopts rules of procedure for its work. These rules of procedure are revised as needed. The rules of procedure contain a description of the Chairman's special role and tasks, and the areas of responsibility for the Board. According to the rules of procedure, the Chairman shall ensure that the Board's work is carried out efficiently and that the Board performs its tasks. The Chairman shall also organise and allocate the Board's work, ensure that the Board's decisions are implemented effectively and that the Board makes an annual evaluation of its own work. The rules of procedure also contain detailed instructions to the CEO and other corporate functions about which matters require the Board's approval. In particular, the instructions specify the maximum amounts that different decision-making bodies within the Group are authorised to approve with regard to credit, investments and other expenditure. The rules of procedure stipulate that the statutory Board meeting shall be held immediately after the AGM. Business dealt with at this meeting includes decisions on who will have signatory power for Concordia Maritime. In addition to the statutory meeting, the Board normally holds five regular meetings during the year. Four of these meetings are held in conjunction with the publication of the Group's annual and interim reports. The meetings are usually held in Gothenburg. Additional meetings, including conference calls, are held as required.

### The Board's work in 2020

The Board held five ordinary meetings, two extra meetings and one statutory meeting during the year. At ordinary Board meetings, the CFO gives an account of the Group's results and financial position, including the prospects for the following quarters. The CEO deals with market situations, vessel employment, business plans, investments, the establishment of new operations, and acquisitions and disposals. The Company's auditor attended the meeting in January 2020, at which the year-end accounts for 2019 were approved. All the meetings during the year followed an approved agenda. The agenda and documentation for each agenda item were sent to Board members one week before the meetings. The CFO has been secretary at all of the Board meetings. Significant business during the year included strategy, market assessments, financing and vessel charters.

### Evaluation of the Board's work

The Board conducts an annual evaluation of its own work. The evaluation covers working methods, the working climate, the direction of the Board's work, the need for, special competence on the Board and access to such competence. The evaluation is used as an aid in developing the work of the Board and also acts as support for the nomination committee's work.

The Board's evaluation showed that the Board's work was very effective and that comments from the 2020 evaluation were taken into account, but that there was always scope for some further improvements. The evaluation also showed that the Board is a well-composed group with great commitment and that its members bring broad competence and have extensive experience from different areas that are relevant to Concordia Maritime's operations.

The Board, cont'd

#### Board meetings 2020

<b>30 January</b>	Year-end report
<b>29 April</b>	Interim report, Q1
<b>29 April</b>	Statutory Board meeting
<b>13 August</b>	Half-year report, Q2
<b>14 September</b>	Extra Board meeting
<b>22 October</b>	Extra Board meeting
<b>03 November</b>	Interim report, Q3
<b>08 December</b>	Budget

#### Independence

In terms of independence, the Board of Directors is considered to be in compliance with Stock Exchange regulations and the requirements of the Code. Prior to the 2020 annual general meeting, all meeting-elected Board members apart from Carl-Johan Hagman and Henrik Hallin were assessed by the nomination committee as independent of both the major owners of the Company and its executive management. Carl-Johan Hagman and Henrik Hallin are not considered independent of Concordia Maritime's major owners, as they have a managerial function in Stena Sphere.

#### Remuneration of the Board

The 2020 AGM adopted total Board fees of SEK 1,525,000, distributed as follows: SEK 400,000 to the Chairman and SEK 225,000 to each of the non-executive directors. No special fees are paid for Board committee work.

#### The Board's committees

Concordia Maritime's Board has established an audit committee and a remuneration committee, which consist of the full Board.

#### Audit committee

The audit committee works to strengthen control and monitoring related to financial reporting. The committee was briefed on matters including the auditor's examination of the Company's financial reports, the Company's internal controls and risk management at four of the year's regular Board meetings. Reporting takes place through the Company's audit group, consisting of two representatives from the Board, the Company's auditor and the CFO.

#### Remuneration committee

The remuneration committee makes proposals to the AGM on remuneration guidelines for Group management. The guidelines deal with:

- Targets and basis for calculating Group management's variable pay
- The relationship between fixed and variable pay
- Changes in fixed or variable pay
- Criteria for evaluation of variable pay, long-term incentives, pensions and other benefits

The AGM decides on the guidelines, after which the Board decides on actual remuneration levels for the CEO.

## F Internal control

The Board's responsibility for internal control is governed by the Swedish Companies Act, the Annual Accounts Act – which requires information on the most important elements of Concordia Maritime's internal control and risk management system in connection with financial reporting to be included in the corporate governance report every year – and the Code. The Board shall also ensure that Concordia Maritime has good internal control and formalised procedures that ensure compliance with established principles for financial reporting and internal control, and that there are appropriate systems for monitoring and control of the Company's operations and the risks associated with Concordia Maritime and its operations. The overall purpose of internal control is to reasonably ensure that the Company's operational strategies and objectives are monitored and that the owners' investment is protected. The internal control shall also ensure that the external financial reporting is, with reasonable certainty, reliable and prepared in accordance with generally accepted accounting principles, compliance with applicable laws and regulations, and with requirements for listed companies. Concordia Maritime's policies and instructions are evaluated annually. This internal control report has been prepared in accordance with the Swedish Corporate Governance Code and mainly covers the following components.

#### Control environment

The core of the internal control over financial reporting is based on the Group's directives, guidelines and instructions, and on the structure of responsibility and authority that has been adapted to the Group's organisation in order to create and maintain a satisfactory control environment. The principles for internal controls and the directives and guidelines for financial reporting are contained in the Group's financial policy. A fundamental component of our control environment is the corporate culture that is established in the Group and in which managers and employees operate. We work actively on communication and education with regard to the values described in an internal joint document which binds together the business area and is an important part of the common culture.

#### Risk assessment

Risks associated with financial reporting are evaluated and monitored by the Board as a whole. Prior to examining interim and annual reports, the audit committee have access to relevant documentation well in advance of publication and the Board meeting preceding publication. The reports are then discussed in detail at the Board meeting. The CFO acts as rapporteur of the Group's results and financial position at the Board meeting and is, of course, available for any questions. The Board also reviews the most important accounting policies applied in the Group with respect to financial reporting, as well as significant changes to these policies. The external auditors report to the Board as necessary and at least once a year.

#### Need for internal audit

Concordia Maritime is a company with a limited number of customers and a limited number of employees. The Company does not have a special internal audit function as there are relatively few transactions on an annual basis. The small number of transactions also makes financial reporting in the Company relatively easy to verify. In its annual evaluation of the need for an internal audit function, the Board has therefore decided that the present routines and processes are sufficient. The CEO is ultimately responsible for ensuring the satisfactory functioning of internal controls. However, day-to-day work is delegated to the business administration and finance function. The rules of procedure established by the Board each year include detailed instructions on which financial reports and other financial information is to be submitted to the Board. In addition to interim and annual reports, other financial information relating to the Company and business is also examined and evaluated on an ongoing basis.

#### Monitoring

Compliance with and effectiveness of internal controls are monitored continuously. The CEO ensures that the Board receives regular reports on the development of the Company's operations, including the development of Concordia Maritime's financial performance and position, and information about important events.

## G Group

### Management and corporate structure

The Group comprises the Parent Company Concordia Maritime AB (publ) and a number of Group companies, which ultimately report to the CEO. The Parent Company's own organisation consists solely of company management and administration. Other functions are purchased. At the end of 2020, the total number of persons employed through the Group was 599, and 596 of the employees were seagoing. Only the three shore-based employees are formally employed by Concordia Maritime.

### CEO and Group management

In addition to the CEO, Group management consists of the CFO. The CEO is appointed by, and receives instructions from, the Board. The CEO is responsible for the day-to-day management of the Company in accordance with the Board's guidelines and instructions. The CEO also produces information and decision-support material prior to Board meetings and attends the meetings in a reporting capacity. The CEO is also responsible for communication and quality assurance of contact with the Company's cooperation partners.

### Remuneration of Group management

Concordia Maritime endeavours to offer total remuneration that is both fair and competitive. Guidelines on remuneration of Group management are adopted by the annual general meeting. The guidelines are related to:

- Targets and basis for calculating variable pay
- The relationship between fixed and variable pay
- Changes in fixed or variable pay
- Criteria for evaluation of variable pay, long-term incentives, pensions and other benefits

The Board decides on actual remuneration levels for the CEO. Remuneration of other senior executives is prepared and decided on by the CEO. For further information on remuneration, long-term incentive programs and pension plans, see note 4 in the financial report.

## Operational control in 2020

A large part of the day-to-day operational work in the form of chartering and manning is purchased from related-party suppliers, primarily Stena Bulk and Northern Marine Management (NMM). Stena Bulk is responsible for chartering and operation of our ships, while NMM is responsible for manning, ship management and day-to-day maintenance.

From a control perspective, Concordia Maritime's main task is to monitor and evaluate whether the contracts entered into are performed as agreed. There is close, virtually daily, contact with Stena Bulk and NMM, and a formal report is made every quarter.

### Chartering and operations

The collaboration with Stena Bulk with regard to chartering and operations is based on an agreement between the companies which is followed up and evaluated annually. Read more about the agreement in note 22. Stena Bulk is responsible for the day-to-day operation of the vessels, maintaining contact with customers, and acting as an intermediary in connection with different types of controls and inspections. Reporting is formalised and the most important elements are regular reports on earnings, the outcome of profit-sharing clauses and cost control.

### Manning, management and regular maintenance

The collaboration with NMM encompasses services related to manning, management and regular maintenance. NMM is also responsible for contacts with the classification societies in the context of their inspections. The evaluation includes monitoring of the budget and the fulfilment of defined goals.

### Control and inspection of vessels

Shipping in general and tanker shipping in particular are associated with an extensive system of regulations. In addition to the owner's own inspections, several inspections are carried out annually by various stakeholders: customers, classification societies, port authorities and flag states. These inspections are largely similar to each other; and include putting the vessels through operational, technical, mechanical



and safety checks. Some of the inspections are planned, while others are carried out without prior notice. Results are reported to the authorities concerned, the owner and, in some cases, also to the customer.

### Flag State Control

All ships must be registered in a specific nation. The owner of the ship undertakes thereby to comply with the laws and regulations laid down by the nation in question. Flag State Control ensures a ship complies with applicable laws and regulations.

### Port State Control

Port State Control is the inspection of foreign ships calling at a nation's ports. The purpose is to check that the ships comply with requirements, that the crew has the right competence, and that international regulations (SOLAS, MARPOL and STCW) are adhered to.

### Classification Society inspections

The Classification Society's inspections are conducted annually or following repairs/modifications. Additionally, a more comprehensive inspection is carried out every fifth year at the shipyard. Special emphasis is given to examining e.g. materials in the hull and machinery, maintenance procedures and quality level of the work done at the shipyard.

### Vetting – the customer's own inspection

Vetting is carried out by the customer or inspectors designated by the customer. The owner invites the customer to carry out an inspection, which is normally done in connection with discharging. The inspections are very comprehensive. They are based on a standardised form and the results are shared between the oil companies via databases. The system allows oil companies to continuously check whether the vessels satisfy their internal criteria, without having to inspect the vessels themselves.

### The owner's own inspections

NMM conducts regular scheduled, comprehensive inspections to check the conditions on board and the state of the vessel. These are documented in quarterly reports and a monthly report of vetting inspections on board Concordia Maritime's vessels is also compiled. Concordia Maritime/Stena Bulk hold meetings with NMM every quarter, at which all the vessels in the fleet are reviewed. The meetings deal with everything from freight rates, operation and drydock to work in the area of health, safety and environment.



## Cooperation with the Stena Sphere

The close cooperation between Concordia Maritime and the related companies within the Stena Sphere provides access to world-leading competence in all areas of shipping – from concept development and manning to technical operation, chartering and commercial operation. It also creates the conditions for a cost-effective internal organisation.

It is management's belief that this cooperation is one of Concordia Maritime's main strengths, even though the relationship is associated with some risk, as services are purchased from a small number of suppliers.

Ever since Concordia Maritime was established, there has been an agreement that regulates the relationship between the companies in terms of new business. Under the terms of this agreement, Concordia Maritime has the right to participate on a 0%, 50% or 100% basis in each new business opportunity that Stena Bulk develops.

The agreement also entitles Concordia Maritime to the financial result 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 from Stena Sphere companies in the following areas:

- Vessel charter. Commercial operation (and administration). Purchases of bunker oil: Stena Bulk
- Operation and manning of the Group's vessels: Northern Marine Management
- Technical support: Stena Teknik
- Insurance. Office rent and office services: Stena Rederi AB
- Financing agreements: AB Stena Finans (credit facility); Tritec Marine Ltd (financing of ballast water installations)

All related party transactions are conducted on commercial terms and at market-related prices. The agreements between the parties are reviewed annually.

Alongside the agreements, there is a policy document which regulates areas such as practical management of business opportunities, information management and logging procedures.

## Regulations

### External regulations

As a public Swedish company with securities listed on Nasdaq Stockholm, Concordia Maritime must comply with laws and regulations, including the Swedish Companies Act, Nasdaq Stockholm's Rules for Issuers and the Code.

### Derogations from the Code, stock exchange rules or good practices in the share market

The Company has not been derogated from the Code or stock exchange rules. Nor has the Company been the subject of any decision by Nasdaq Stockholm's Disciplinary Committee or any decision by the Swedish Securities Council on violations of good practices in the stock market. The Company derogates from the Code, as the Board has decided that there is no need for separate

audit and remuneration committees. Instead, the full Board acts as an audit and remuneration committee.

### Internal regulations

Concordia Maritime has a number of internal regulations, which with the external regulations provide the framework for the Company's operations. The main regulations include the articles of association, rules of procedure for the Board, the CEO's instructions, including instructions for financial reporting, instructions on conflicts of interest and order of delegation.

The Company's internal rules on ethics and sustainability are summarised in the sustainability policy. In addition, there are a number of fundamental policies, such as the financial policy and information policy.

# The Board



## Carl-Johan Hagman

Born 1966. Board Member since 2012. Chairman LLB. CEO of Stena Rederi AB. Responsible for Stena AB Group's shipping business.

**Background** Former CEO of Wallenius Lines, Stockholm, Eukor Car Carriers, Seoul, Rederi AB Transatlantic, Skärhamn, and Höegh Autoliners AS, Oslo.

**Other assignments** Director of Gard P&I Ltd, Nefab AB.

**Special expertise** Experience in shipping and as a maritime lawyer and naval officer. Twenty years' experience of Asia.

**Shares held in Concordia Maritime** 0



## Stefan Brocker

Born 1966. Board Member since 2007. LLB.

**Background** Partner and former Managing Partner, Mannheimer Swartling Advokatbyrå AB.

**Other assignments** Chairman of Mannheimer Swartlings Shipping Group, Board member of the European Maritime Lawyers Organisation, University of Gothenburg School of Business,

Economics and Law, Göteborgs Högre Samskola, Director of Alectum AB.

**Special expertise** Shipping law. Has worked as a lawyer in shipping and offshore for almost 30 years.

**Shares held in Concordia Maritime** 0



## Helena Levander

Born 1957. Board Member since 2014. MBA.

**Background** Founder and Chairman of Nordic Investor Services AB, a consultancy company in corporate governance.

**Other assignments** Chairman of Factoringgruppen and Medivir. Director of Stendörren Fastigheter, Rejlers and Lannebo Fonder.

**Special expertise** Has extensive experience in the financial industry through leadership positions that include SEB, Nordea Asset Management, Odin Fonder and NeoNet. Has served on a number of boards of publicly listed, state-owned and private companies since 2003.

**Shares held in Concordia Maritime** 20,637



## Mats Jansson

Born 1945. Board Member since 2005. B.A.

**Background** Former President and CEO, Argonaut and NYKCool AB.

**Other assignments** Director of Hexicon AB.

**Special expertise** Background in tanker industry and entire working life in shipping. Extensive expertise and experience in the financial aspects of shipping.

**Shares held in Concordia Maritime** 33,758



## Michael G:son Löw

Born 1951. Board Member since 2012. MBA.

**Background** Former President and CEO, Preem AB. A number of senior positions at the oil/energy company Conoco Inc. in the Nordic region and internationally.

**Other assignments** Director of Preem AB, Boliden AB, Stena Bulk AB, Naturstens-kompaniet Intl. AB, Vice Chairman of

EnergiEkonomisk Förening, member of Royal Swedish Academy of Engineering Sciences.

**Special expertise** Many years of experience in the oil industry, based in Europe, US and Asia. Brings expertise in energy/refining/trading/shipping and financial issues.

**Shares held in Concordia Maritime** 7,000



## Henrik Hallin

Born 1972. Board Member since 2019. M.Sc. (Business Administration & Economics). CFO of Stena Adactum.

**Background** Experience from corporate finance and as CFO.

**Other assignments** Director of Ballingslöv International AB, Envac AB, S-Invest Trading AB (Blomsterlandet) and Captum Group AB.

**Special expertise** Financing, Acquisitions and Transactions, Finance and capital Market, Asset management, Shipping and Offshore market.

**Shares held in Concordia Maritime:** 10,000

## Employee representatives



Alessandro Chiesi

Born 1966. Employee representative. Marine engineer Employed by Stena Group since 1996. Board Member since 2016.

**Other assignments** SBF (Swedish Maritime Officers' Association), SBF Stena Line Club Chairman, SBF Board member, Employee representative, Stena AB and Stena Line Scandinavia AB.

**Shares held in Concordia Maritime** 0



Daniel Holmgren

Born 1979. Employee representative. Employed by Stena Group since 2002. Board Member since 2013.

**Other assignments** Deputy SEKO Sjöfolk, 1st Vice Club Chairman SEKO Sjöfolk, Stena Line. Deputy, Stena Line Scandinavia AB.

**Shares held in Concordia Maritime** 0



Mahmoud Sifaf

Born 1962. Employee representative. Deputy since 2014. Employed by Stena Group since 1986.

**Other assignments** Board member SEKO Sjöfolk. SEKO Sjöfolk Stena Line Club Chairman, SEKO Sjöfolk: LO – West District representative, Board member Sjöfartsverket Rosenhill. Employee representative Stena AB and Stena Line Scandinavia AB.

**Shares held in Concordia Maritime** 0

## Board attendance and remuneration

	Independence <sup>1)</sup>	Total fees, SEK <sup>2)</sup>	Attendance
Carl-Johan Hagman <sup>3)</sup>	Non-independent	400,000	8
Stefan Brocker <sup>3)</sup>	Independent	225,000	8
Mats Jansson	Independent	225,000	8
Helena Levander	Independent	225,000	8
Michael G:son Löw	Independent	225,000	8
Henrik Hallin	Non-independent	225,000	8
Mahmoud Sifaf, Employee representative Deputy	Independent	25,000	0
Daniel Holmgren, Employee representative	Independent	25,000	5
Allesandro Chiesi, Employee representative.	Independent	25,000	6

1) Independent is defined as independent of the Company, its management and major shareholders.

2) Remuneration of the Board is decided by the AGM and is paid to Board members of Concordia Maritime.

## Auditor

**Jan Malm**

Authorised Public Accountant, KPMG.

# Executive Management



Kim Ullman

Born 1957. CEO.  
Economist.  
Employed since 2014  
(at Stena since 1983).

**External assignments** Director of Stena Sonangol Suezmax Pool.  
Member of Swedish Shipowners' Association, Bulk and Tanker section, Intertanko Council.

**Shares held in Concordia Maritime**  
20,000



Martin Nerfeldt

Born 1973. CFO.  
MBA.  
Employed since February 2021.

**Shares held in Concordia Maritime** 0



Ola Helgesson

Born 1968. CFO until January 2021.

## Annual General Meeting and dates for information

### Annual General Meeting

The Annual General Meeting will be held on 28 April 2021. In view of the ongoing Covid-19 pandemic and to reduce the risk of the spread of infection, the meeting will be held by postal vote only, without any physical presence, in accordance with temporary legislation that applies in 2021.

### Right to participate in the meeting

The meeting may be attended by shareholders who:

- are recorded in Euroclear Sweden AB's share register as at 20 April 2021; and
- have registered for the meeting by submitting their postal vote, in accordance with the instructions on the postal voting form, so that the postal vote is received by Computershare AB no later than Wednesday 27 April 2021.

### Registration

The registration process for the AGM is described in the instructions on the postal voting form. The postal voting form will be available on the Company's website no later than three weeks before the AGM, i.e., 7 April 2021.

### Dividend

The Board proposes a dividend of SEK 0.0 per share.

### Nominee-registered shares

To be eligible to participate in the AGM, shareholders who have registered their shares in the name of a nominee must, in addition to registering for the AGM by submitting a postal vote, re-register the shares in their own name so that they are listed as a shareholder in Euroclear Sweden AB's share register on 20 April 2021. Re-registration may be on a temporary basis. The request must be made to the nominee in accordance with the nominee's procedures and within the advance notice period stipulated by the nominee. Nominee re-registrations made no later than Friday 22 April 2021 will be taken into account in the production of the share register.

### Reporting dates

Interim reports will be published as follows: first three months on 28 April 2021, first six months on 12 August 2021 and first nine months on 3 November 2021.

## Definitions

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

**CVC** Consecutive Voyage Charter.

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

**Depreciation** Accounting deductions made in a company's financial statements in order to compensate for wear and ageing of its vessels and equipment.

**Dividend yield** Dividend per share divided by the average share price for the year.

**DWT** Deadweight tonnage – a measure of a vessel's maximum weight capacity.

**Energy Efficiency Operational Indicator (EEOI)**  
An operational measure to assess a vessel's energy efficiency and CO<sub>2</sub> emissions.

**High potential near miss** Incident that could have resulted in a serious accident.

**HSFO** High sulphur fuel oil.

**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).

**LSFO** Low sulphur fuel oil.

**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.

**MGO** Marine gas oil.

**NOx** Nitrogen 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.

**SOx** Sulphur oxide.

**Spot market (open market)** Chartering of vessels on a voyage-by-voyage basis, with freight rates fluctuating virtually daily. The shipowner pays for the bunker oil and port charges

**Time charter** The shipowner charts out its ship complete and crewed for a long period at fixed rates. The charterer pays for the bunker oil and port charges.

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

**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.

### 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.

### Result excluding impairment and tax

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

### Result per share excluding impairment and tax

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

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

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

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

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

## Reconciliation of alternative performance measures

### EBITDA

SEK millions	Full year 2020	Full year 2019
Operating result	32.6	-0.4
Depreciation/impairment	245.2	249.9
<b>EBITDA</b>	<b>277.8</b>	<b>249.5</b>

### Result excluding impairment and tax

SEK millions	Full year 2020	Full year 2019
Result after tax	-66.0	-102.6
Impairment	0.0	0.0
Tax	-0.9	-0.3
<b>Result excluding impairment and tax</b>	<b>-65.1</b>	<b>-102.3</b>

### Result per share excluding impairment and tax

SEK millions	Full year 2020	Full year 2019
Result excluding impairment and tax	-65.1	-102.3
Number of shares	47,729,798	47,729,798
<b>Result per share excluding impairment and tax</b>	<b>-1.36</b>	<b>-2.15</b>

### Return on equity

SEK millions	Full year 2020	Full year 2019
Result after tax	-66.0	-102.6
Equity	995.2	1,106.9
<b>Return on equity</b>	<b>-6%</b>	<b>-9%</b>

### Return on capital employed

SEK millions	Full year 2020	Full year 2019
Result after financial net	-65.1	-102.3
Finance costs	103.5	124.9
<b>Result after financial net plus finance costs</b>	<b>38.4</b>	<b>22.6</b>
Total assets	3,343.2	3,635.1
Non-interest-bearing liabilities	-218.9	-181.2
<b>Capital employed</b>	<b>3,124.3</b>	<b>3,453.9</b>
<b>Return on capital employed</b>	<b>1.2%</b>	<b>0.6%</b>

### Return on total capital

SEK millions	Full year 2020	Full year 2019
Result after financial net	-65.1	-102.3
Finance costs	103.5	124.9
<b>Result after financial net plus finance costs</b>	<b>38.4</b>	<b>22.6</b>
Total assets	3,343.2	3,635.1
<b>Return on total capital</b>	<b>1.1%</b>	<b>0.6%</b>

### Equity ratio

SEK millions	Full year 2020	Full year 2019
Equity	795.1	1,055.6
Total assets	2,874.6	3,644.9
<b>Equity ratio</b>	<b>28%</b>	<b>29%</b>

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