

INTERIM REPORT, 1 JANUARY–30 SEPTEMBER 2019

Challenging quarter – but a late market improvement

- **Total income**
Q3: SEK 259.2 (258.6) million
9 months: SEK 822.6 (685.2) million
- **EBITDA**
Q3: SEK 52.4 (–18.0) million
9 months: SEK 187.3 (–20.3) million
- **Result before tax**
Q3: SEK –35.6 (–66.9) million
9 months: SEK –73.0 (–162.6) million
- **Result per share after tax**
Q3: SEK –0.75 (–1.40)
9 months: SEK –1.53 (–3.41)

Events in the third quarter

- Stena Performance and Stena Polaris contracted on consecutive voyage charters for 8–10 months
- IMOIMAX bonus of MUSD 5 received

Events after the end of the quarter

- Charter contracts (TC) of 2 years, with an option for a further year, was signed for Stena Perros, Stena Progress and Stena Premium

| Key figures | Quarter 3 (Jul–Sep) | | 9 months (Jan–Sep) | | Full year |
|---|---------------------|-------|--------------------|--------|-----------|
| | 2019 | 2018 | 2019 | 2018 | 2018 |
| Total income, SEK million | 259.2 | 258.6 | 822.6 | 685.2 | 1,052.9 |
| EBITDA, SEK million | 52.4 | –18.0 | 187.3 | –20.3 | 56.8 |
| EBITDA, USD million | 5.4 | –2.1 | 19.9 | –2.4 | 6.5 |
| Operating result, SEK million | –10.6 | –66.4 | 2.9 | –158.3 | –130.1 |
| Result before tax, SEK million | –35.6 | –66.9 | –73.0 | –162.6 | –181.9 |
| Result after tax, SEK million | –35.6 | –67.0 | –73.1 | –162.7 | –182.1 |
| Equity ratio, % | 30 | 40 | 30 | 40 | 38 |
| Return on equity, % | –8 | –17 | –8 | –17 | –15 |
| Available liquid funds, including unutilised credit facilities, SEK million | 158.4 | 185.0 | 158.4 | 185.0 | 160.1 |
| Result per share after tax, SEK | –0.75 | –1.40 | –1.53 | –3.41 | –3.81 |
| Equity per share, SEK | 23.08 | 24.24 | 23.08 | 24.24 | 22.24 |
| Lost-time injuries | 0 | 0 | 1 | 0 | 0 |

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

Q3
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Momentum in the market at last!

So it finally happened. After essentially several years of weak markets, we saw a clear strengthening of the tanker market towards the end of the third quarter. This has continued after the end of the quarter – but there is a lagging effect until this can be seen in our figures. All segments are now in a positive trend – and several fundamental structural factors indicate that the strong market will continue in the period ahead.

Developments during the third quarter were largely as we expected. We saw the turnaround first in the large crude oil tanker segments, VLCC, Suezmax and Aframax. After the end of the quarter we also saw it clearly in our main segment, MR product tankers, and these are strong overall upturns we are talking about. In both the VLCC and Suezmax segments, rates have been well above USD 100,000 per day for short periods – up to USD 200–300,000 per day on some individual days. Rates at those levels are obviously not sustainable in the long term – but they are a clear pointer to how quickly and sharply the market can fluctuate when all tankers are employed and freight costs, almost regardless of level, only account for a very small proportion of the price of the final product. In the MR segment, which showed the usual time lag, we saw listings of up to USD 25,000 per day, the highest in a few years.

Several drivers working in tandem

The drivers behind the upturn include the structural factors we have been mentioning for some time: underlying stable demand for oil, extensive US exports and declining net tanker

fleet growth. In parallel, the installation of scrubbers on a relatively large number of vessels has also reduced the total available fleet, which has further contributed to the rising rates.

The upturn was then further strengthened by the increasingly tense geopolitical situation. This includes the attack on two production facilities in Saudi Arabia in mid-September and the imposition of sanctions on tankers owned by entities of the large Chinese shipping group Cosco and on vessels that have loaded in Venezuela during the last year.

The market development has, of course, not materialised in the figures for the quarter. It always takes time for the higher rates to be reflected in our own earnings. Contracts that have been entered into and voyages must be completed first. Result before tax for the third quarter was SEK –35.6 (–66.9) million. EBITDA was SEK 52.4 (–18.0) million, corresponding to USD 5.4 (–2.1) million. The loss also includes costs for the drydocking of Stena Primorsk and Stena Progress. Obviously, it is not pleasant to present another quarter of negative results, but the important thing is that we are now in a new, significantly stronger market situation.



Well positioned

Looking at the current status of contracted freights in Q4, the upward trend is clear to see. The figures show that we freighted out just under 50 percent in Q4 at rates that give a 50–100 percent higher daily result compared with Q3.

It is now important to deliver in the improved market, and we look forward to doing so. We have a well-functioning operation and consider ourselves well positioned. After the end of the quarter, we have chartered out three of our P-MAX vessels. The contracts are for two years, with an option to extend for a further year. The charters are with a strategically very important customer – with a transport need for which the P-MAX vessels are very well suited. The transaction also ensures that we secure employment and earnings, which in turn enables us to take on new positions ourselves, for example by chartering in vessels – thereby broadening earnings capacity.

Having said all this, the tanker market is now in the position we have awaited for several years. Continuous updates and analysis of developments can be found on Concordia Maritime's website. Follow us there!

Gothenburg, November 2019
Kim Ullman, CEO

Business activities

Spot market earnings for the product tanker fleet in the third quarter of 2019 were USD 9,600 (9,900) per day, which was lower than the average earnings of USD 10 000 (6,300) per day for the market¹⁾. Earnings for the Suezmax fleet in the quarter were USD 21,300 (15,300) per day, compared with the average earnings of USD 16,600 (11,600) per day for the market¹⁾.

The product tanker fleet

The ten 65,200 dwt P-MAX tankers are the backbone of Concordia Maritime's fleet. At the end of the reporting period, none of the vessels were employed on time charters (TC). All vessels were employed in the spot market under agreements with Stena Bulk. The two IMOIIIMAX vessels *Stena Image* and *Stena Important* also continued to be employed on long-term charters under the cooperation with Stena Bulk.

Earnings

Average earnings for the entire product tanker fleet, spot and TC, during the third quarter were USD 10,200 (11,200) per day. For vessels employed in the spot market, average earnings for the quarter were USD 9,600 (9,900). For the year, average earnings for the entire product tanker fleet, spot and TC, were USD 14,400 (12,600) per day. For vessels employed on the spot market, average earnings for the year were USD 14,200 (11,500).

Suezmax fleet

During the period, the Suezmax fleet consisted of the Suezmax tanker *Stena Supreme* (158,000 000 DWT), contracted in on a long-term charter. The vessel was employed in the spot market

via Stena Sonangol Suezmax Pool, controlled by Stena and the Angolan state oil company Sonangol. The pool is a long-time market leader in terms of suezmax tanker earnings.

Earnings

Average earnings for the suezmax fleet were USD 21,300 (15,300) per day for the quarter and USD 22,600 (14,600) per day for the year.

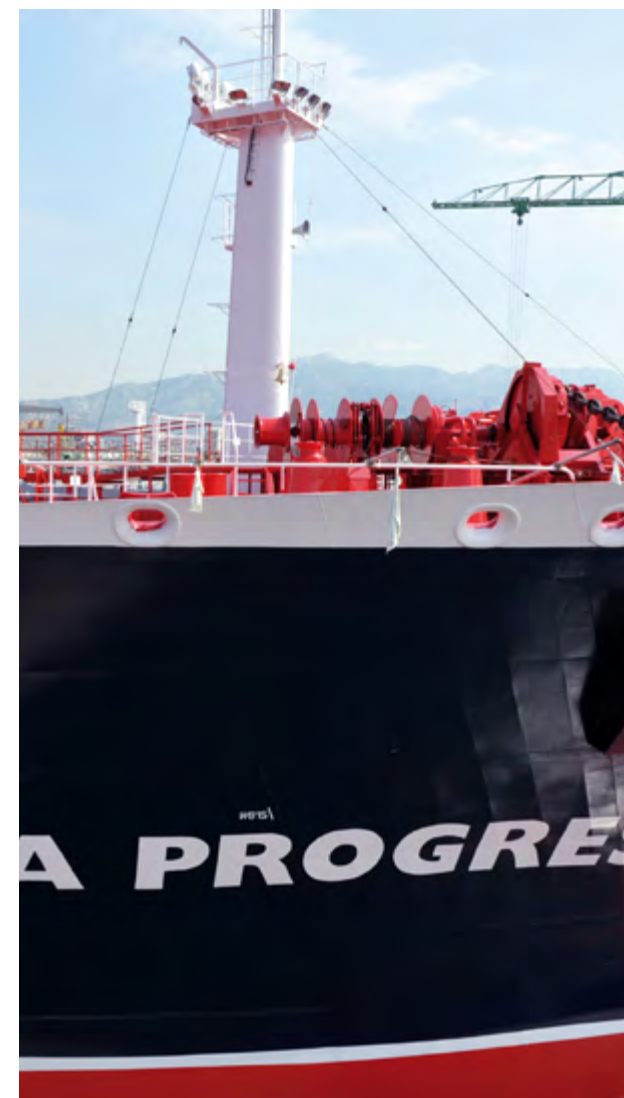
Repairs and drydock

Stena Primorsk's drydocking was finished during the quarter. The vessel was off hire for a total of 69 days

Current status of contracted freights Q4 2019, 5 November

| | Average earnings (\$/day) | Share of chartered days (%) |
|-----------------------|---------------------------|-----------------------------|
| Product tankers, spot | 14,300 | 51 |
| Suezmax, spot | 38,300 | 47 |

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



1) Clarkson index

Earnings, spot

| USD per day | No. of ships | Average earnings, Concordia Maritime | | | | Average earnings, market ^{1,2)} | | | |
|-----------------|--------------|--------------------------------------|---------|---------------|---------------|--|---------|---------------|---------------|
| | | Q3 2019 | Q3 2018 | 9 months 2019 | 9 months 2018 | Q3 2019 | Q3 2018 | 9 months 2019 | 9 months 2018 |
| Product tankers | 12.5 | 9,600 | 9,900 | 14,200 | 11,500 | 10,000 | 6,300 | 11,600 | 8,100 |
| Suezmax | 1 | 21,300 | 15,300 | 22,600 | 14,600 | 16,600 | 11,600 | 17,800 | 9,500 |

¹⁾ Clarksons w.w. average MR Clean Earnings

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

Concordia Maritime's spot market product tanker fleet achieved lower earnings per day than the Clarksons theoretical index in the third quarter of 2019. Some of the P-MAX vessels have had challenging positions during the quarter and IMOII MAX vessels have had relatively few chemical cargoes to deal with.

Concordia Maritime's earnings in the Suezmax segment were also higher than the index, which shows that the Stena Sonangol pool remains one of the industry's leaders.

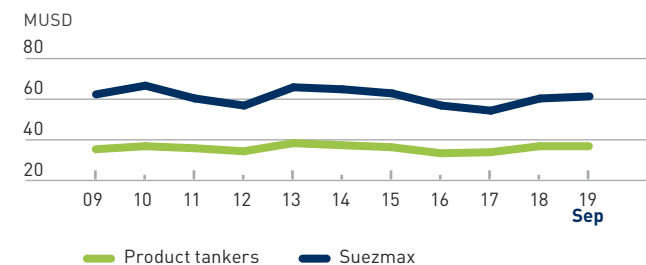
EBITDA per quarter

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

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

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

Newbuilding prices

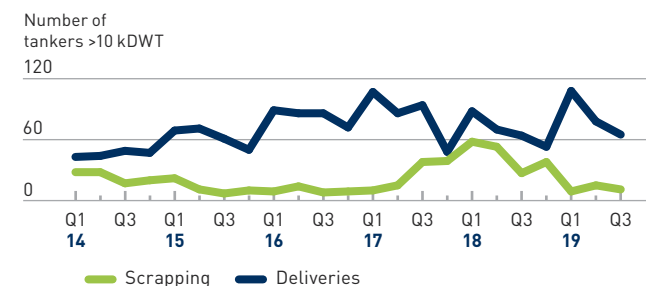


At the end of the quarter, the price of a standard product tanker was about USD 36.5 million. The price of an IMOII class MR tanker like our IMOII MAX vessels was about USD 39.5 million. This is the same price as when we placed our order with the shipyard in 2012. The price of a standard Suezmax tanker at the end of the quarter was about USD 61.5 million.

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

Source: Clarkson

Scrapping and deliveries



Deliveries of new vessels went in a declining trend during Q3, while phasing-out through scrapping decreased slightly compared with the previous quarter.

Source: Clarkson

Financial summary

Result

Result after tax for the quarter was SEK –35.6 (–67.0) million. The quarter was characterised by a challenging tanker market. An IMOIIIMAX bonus of USD 5 million was received during the quarter. Costs for operation and administration were at the same level as in the same period the previous year.

Equity

Equity per share was SEK 23.08 (24.24).

Changes in translation and hedging reserves

The Parent Company's functional currency is SEK, but the majority of the transactions in the Group are in USD. The Group's result is generated in USD, which means the result in SEK is a direct function of the SEK/USD exchange rate trend. An equity hedge has been in place since the second half of 2018 through the forward sale of USD 31 million, with a maturity of 24 months. At the end of Q3 2019, this hedging was valued at SEK –30.7 million and was recognised in the hedging reserve through OCI.

The closing amount in the hedging reserve at the end of the quarter was SEK –57.8 (11.8) million as a result of the change in the market value of the Company's bunker hedge. The closing balance for the translation differences, which are recognised in equity, amounted to SEK 572.9 (483.7) million at the reporting date. The changes are recognised in equity through OCI.

Investments and deposits

Investments in property, plant and equipment during the quarter amounted to SEK 24.5 (0.3) million. The investments for the period are related to periodic drydocking. The Company's net investments in financial assets during the quarter amounted to SEK –8.9 (–53.5) million and were

related to trading in equities and bonds. These are classified as short-term deposits in the Company's balance sheet. The Company has entered into a bunker hedge, which at the end of the quarter covered a total of 70,000 mt at an average price of USD 634.5 per mt, effective November 2019 to June 2021. Hedge accounting is applied for the bunker hedge, and the fair value is recognised in other comprehensive income. A fair value change of SEK –26 million for this position was reported in OCI during the quarter.

The Company also has positions for the price differential between bunker grades HSFO and MGO for the first six months of 2020. The total volume is 12,000 mt, with an average spread of USD 298. Market value changes for the positions are recognised in the income statement, and amount to SEK 6.5 (–2.6) million for the quarter. They are classified as a non-current liability in the Company's balance sheet.

The Company has FFA positions related to price developments for freight route TD20 for Q4 2019 and for year 2020. The total volume for the positions for the fourth quarter is 30,000 mt and 84,000 for 2020. Market value changes for the positions for 2019 are recognised in the income statement, and amount to SEK 1.4 (0.3) million for the quarter. They are classified as current receivables in the Company's balance sheet. Market value changes for the positions for 2020 are recognised in the income statement, and amount to SEK –0.4 (0.0) million. They are classified as current and non-current liabilities in the Company's balance sheet.

The Company also has FFA positions in freight route TC2 for 2020. The total volume is 24,000 mt. Market value changes for the positions are recognised in the income statement, and amount to SEK –14 (0.0) thousand for the quarter. They are classified as current and non-current liabilities in the Company's balance sheet.



Valuation of the fleet

The Group's standard process is to conduct six-monthly assessments of the fleet to determine whether there is any indication of impairment. The fleet is defined as a cash-generating unit, and an impairment loss is recognised when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. The recoverable amount is the higher of fair value (external valuations) and value in use (future discounted cash flows). At the end of June 2019, the fleet's carrying amount did not exceed its recoverable amount, which meant that no impairment was recognised.

Seasonal variations

All of the 14 vessels in the sailing fleet (10 owned, 3 on bareboat contracts and 1 on a 50% time charter) were employed on the spot market at the end of the quarter whereof two vessels employed on CVC contracts. Earnings for the vessels that are not signed out to time charters are related to the freight level on the open market. This fleet deployment means that income is affected by the seasonal variations that occur in tanker shipping.

Employees

The number of employees in the Group at 30 September 2019 was 6 (6). The Group employed 520 (494) temporary seagoing employees through Stena Sphere's manning company.

Parent Company

The Parent Company's sales for the quarter amounted to SEK 6.0 (49,7) million, with intragroup invoicing representing SEK 0.2 (0.0) million of this amount. The Parent Company's available liquid funds at the end of the quarter amounted to SEK 1,068.3 (1,137.9) million, which includes receivables from Group companies in the cash pool and unutilised credit facilities.

Other

During Q2, the Board decided to implement a new legal structure in 2020. This means that effective management and taxation will take place in Denmark.

During Q4 some negative one off items related to the closing of two offices and the termination of 3 employments will be accounted for.

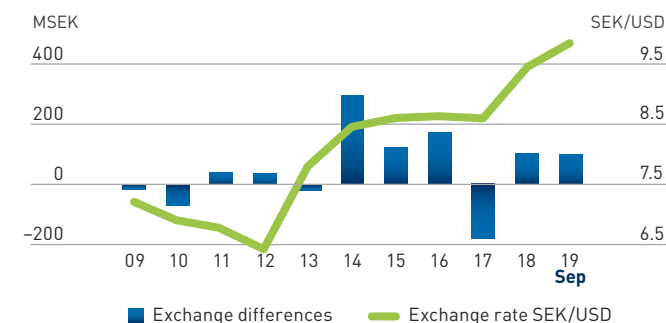
The Group's total income and earnings

| SEK millions | Quarter 3 | | Full year |
|---------------------------------|-----------|-------|-----------|
| | 2019 | 2018 | 2018 |
| Total income ¹⁾ | 259.2 | 258.6 | 1,052.9 |
| Operating result | -10.6 | -66.4 | -130.1 |
| Result after financial items | -35.6 | -66.9 | -181.9 |
| Result per share after tax, SEK | -0.75 | -1.40 | -3.81 |

Liquidity and financial position

| SEK millions | 30 Sep 2019 | 30 Sep 2018 |
|--|-------------|-------------|
| Available liquid funds ²⁾ | 158.4 | 185.0 |
| Interest-bearing liabilities ³⁾ | 2,321.4 | 1,625.8 |
| Equity | 1,101.6 | 1,156.9 |
| Equity ratio, % | 30 | 40 |

Translation difference⁴⁾



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

1) Accounting policies, see page 18.

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

3) The increase in interest-bearing liabilities since 2018 is mainly due to the implementation of IFRS 16. Adjusted figures for the balance sheet, see page 12.

4) Reported in OCI.

Sustainability report

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

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

The Company's vessels were not involved in any piracy-related incidents during the quarter. It is pleasing to note that there were no incidents classified as material damage, medical treatment case, restricted work case, high potential near miss or high risk observation during the quarter.

External controls

Ten vetting inspections were conducted during the quarter. There were 19 observations recorded during these inspections, resulting in an average of 1.9 observations per inspection.

There were 26 vetting inspections conducted in the period January–September 2019, with 53 observations recorded, resulting in an average of 2.0 observations per inspection.

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

Energy management

Efforts to reduce bunker consumption continued during the quarter. Bunker consumption in tonnes per day at sea for the quarter fell by 0.31 tonnes. The outcome for the first nine months of 2019 was a reduction in consumption of 0.28 tonnes. Reduced bunker consumption means lower emissions. See the table on page 8.



Targets and outcomes, sustainability

Safety first

| | Q3 2019 | Q3 2018 | 9 months 2019 | 9 months 2018 | Target 2019 |
|---|---------|---------|---------------|---------------|-------------|
| LTI | 0 | 0 | 1 | 0 | 0 |
| LTIF | 0 | 0 | 0.35 | 0 | 0 |
| Number of inspections with more than 5 observations (owned vessels) | 0 | 1 | 0 | 1 | 0 |
| Average number of vetting observations per inspection (owned vessels) | 1.9 | 3.1 | 2.0 | 2.3 | <4 |
| Number of port state controls resulting in detention | 0 | 0 | 0 | 0 | 0 |
| Number of piracy-related incidents | 0 | 0 | 0 | 0 | 0 |
| Material damage | 0 | 3 | 1 | 10 | 0 |
| Medical treatment case | 0 | 0 | 1 | 0 | 0 |
| Restricted work case | 0 | 0 | 0 | 0 | 0 |
| High potential near miss | 0 | 1 | 2 | 5 | 0 |
| High risk observation | 0 | 0 | 0 | 0 | 0 |

Environmental responsibility

| | Q3 2019 | Q3 2018 | 9 months 2019 | 9 months 2018 | Target 2019 |
|--|---------|---------|---------------|---------------|-------------|
| Oil spills, litres | 0 | 0 | 0 | 0 | 0 |
| Reduced fuel consumption, mt/day (owned vessels) ¹⁾ | 0.31 | 0.01 | 0.28 | 0.13 | 0.3 |
| CO ₂ reduction, mt | 667 | 21 | 1,833 | 484 | 2,800 |
| SO _x reduction, mt | 8.5 | 0.3 | 23.5 | 9.3 | 36 |
| NO _x reduction, mt | 19.0 | 0.6 | 52.4 | 12.8 | 80 |
| Reduction in emissions of particulates, mt | 0.21 | 0 | 0.59 | 0.2 | 0.9 |

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

Definitions: see page 16.

Framework and guidelines

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

Global Compact

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

MACN

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

OECD guidelines

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

ILO's Fundamental Conventions

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

World Ocean Council

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

UN's Sustainable Development Goals

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

Community engagement

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



Beach clearing along the Bohus coast in September 2019 – a joint initiative by Concordia Maritime and the organisation Keep Sweden Tidy. Photo Magnus Gotander.



Follow the market's development at concordiamaritime.com

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

... and follow Concordia Maritime on social media



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



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

GROUP

Income statement

| SEK millions | Quarter 3 2019 | Q3 2018 | 9 months 2019 | 9 months 2018 | Full year 2018 |
|---|----------------|----------------------------|---------------|----------------------------|------------------------------|
| Consolidated income statement | | | | | |
| Average exchange rate SEK/USD | 9.59 | 8.95 | 9.40 | 8.58 | 8.69 |
| Time charter income, leasing of vessels | 23.5 | 29.1 | 95.9 | 102.0 | 130.6 |
| Time charter income, operational services | 36.8 | 47.9 | 156.7 | 152.3 | 206.4 |
| Spot charter income ¹⁾ | 151.2 | 181.6 | 522.3 | 430.9 | 665.4 |
| Other income | 47.7 | 0.0 | 47.7 | 0.0 | 50.5 |
| Total revenue | 259.2 | 258.6 | 822.6 | 685.2 | 1,052.9 |
| Voyage-related operating costs | -88.2 | -87.7 | -228.6 | -205.2 | -293.4 |
| Operating costs, ships ¹⁾ | -52.7 | -126.2 ²⁾ | -206.3 | -312.3 ³⁾ | -447.9 ⁴⁾ |
| Personnel costs, temporary seagoing | -54.1 | -51.9 | -159.1 | -151.1 | -202.7 |
| Personnel costs, land-based | -3.7 | -4.1 | -13.8 | -13.8 | -20.4 |
| Other external expenses | -8.2 | -6.6 | -27.4 | -23.1 | -31.7 |
| Depreciation/impairment | -62.9 | -48.4 ²⁾ | -184.4 | -138.0 ³⁾ | -186.9 ⁴⁾ |
| Total operating costs¹⁾ | -269.7 | -325.0²⁾ | -819.7 | -843.5³⁾ | -1,183.0⁴⁾ |
| Operating result | -10.6 | -66.4²⁾ | 2.9 | -158.3³⁾ | -130.1⁴⁾ |
| Interest and similar income | 7.0 | 21.9 ²⁾ | 21.2 | 58.0 ³⁾ | 30.9 |
| Interest and similar expense | -32.0 | -22.4 | -97.1 | -62.3 | -82.7 ⁴⁾ |
| Financial net | -25.0 | -0.5²⁾ | -75.8 | -4.3³⁾ | -51.8⁴⁾ |
| Result before tax | -35.6 | -66.9²⁾ | -73.0 | -162.6³⁾ | -181.9⁴⁾ |
| Tax | 0.0 | -0.1 | -0.1 | -0.1 | -0.2 |
| Result after tax | -35.6 | -67.0²⁾ | -73.1 | -162.7³⁾ | -182.1⁴⁾ |

1) Accounting policies, see page 18.

2) To show the effects of the implementation of IFRS 16, adjusted income statement items for Q3 2018 are stated below as if they had been reported under IFRS 16. Other income statement items are unchanged.

| | |
|------------------------------|--------|
| Operating costs, ships | -101.9 |
| Depreciation/impairment | -58.6 |
| Operating costs | -310.8 |
| Operating result | -52.3 |
| Interest and similar expense | -28.7 |
| Financial net | -6.8 |
| Result before tax | -59.0 |
| Result after tax | -59.0 |

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

| | |
|------------------------------|--------|
| Operating costs, ships | -243.8 |
| Depreciation/impairment | -166.4 |
| Operating costs | -803.3 |
| Operating result | -118.2 |
| Interest and similar expense | -89.6 |
| Financial net | -31.7 |
| Result before tax | -149.8 |
| Result after tax | -149.9 |

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

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

Other comprehensive income

| SEK millions | Quarter 3 2019 | Quarter 3 2018 | 9 months 2019 | 9 months 2018 | Full year 2018 |
|--|----------------|----------------|---------------|---------------|----------------|
| Result after tax | -35.6 | -67.0 | -73.1 | -162.7 | -182.1 |
| Items that have been/can be transferred to result for the period | | | | | |
| Translation differences | 46.8 | -6.6 | 91.0 | 97.6 | 95.8 |
| Changes in fair value of cash flow hedges for the period | -26.0 | -6.8 | 4.8 | 2.7 | -68.2 |
| Changes in fair value of cash flow hedges transferred to result for the period | -0.9 | -0.9 | -2.6 | -2.6 | -3.5 |
| Items that cannot be transferred to result for the year | | | | | |
| Changes in the fair value of equity instruments at fair value through OCI | -2.0 | 0.0 | -2.0 | 0.0 | -2.4 |
| Comprehensive income for the period | -17.7 | -81.3 | 18.1 | -65.0 | -160.4 |

Per-share data, SEK

| SEK millions | Quarter 3 2019 | Quarter 3 2018 | 9 months 2019 | 9 months 2018 | Full year 2018 |
|---|----------------|----------------|---------------|---------------|----------------|
| Per-share data, SEK | | | | | |
| Number of shares | 47,729,798 | 47,729,798 | 47,729,798 | 47,729,798 | 47,729,798 |
| Result per share, before/after dilution | -0.75 | -1.40 | -1.53 | -3.41 | -3.81 |
| Equity per share, SEK | 23.08 | 24.24 | 23.08 | 24.24 | 22.24 |

GROUP

Condensed balance sheet

| SEK millions | 30 Sep 2019 | 30 Sep 2018 | 31 Dec 2018 |
|-------------------------------------|----------------|-----------------------------|-----------------------------|
| Closing exchange rate SEK/USD | 9.84 | 8.89 | 8.85 |
| Assets | | | |
| Ships and equipment ¹⁾ | 3,243.4 | 2,359.0 ³⁾ | 2,303.0 ⁴⁾ |
| Financial assets | 0.3 | 0.1 | 14.6 |
| Total non-current assets | 3,243.6 | 2,359.2³⁾ | 2,317.6⁴⁾ |
| Current receivables | 285.3 | 280.9 | 251.8 |
| Short-term deposits | 23.7 | 200.4 | 97.4 |
| Cash and bank balances | 95.8 | 63.5 | 126.4 |
| Total current assets | 404.9 | 544.8 | 475.6 |
| Total assets | 3,648.5 | 2,903.9³⁾ | 2,793.2⁴⁾ |
| Equity and liabilities | | | |
| Equity | 1,106.6 | 1,156.9 | 1,061.5 |
| Non-current liabilities | 2,073.1 | 1,386.3 ³⁾ | 1,301.5 ⁴⁾ |
| Current liabilities | 473.8 | 360.7 ³⁾ | 430.2 ⁴⁾ |
| Total equity and liabilities | 3,648.5 | 2,903.9³⁾ | 2,793.2⁴⁾ |

1) Including right-of-use assets of SEK 1,135.5 (0.0) million.

2) Including restricted funds of SEK 45.9 million.

3) To show the effects of the implementation of IFRS 16, adjusted balance sheet items at 30 September 2018 are stated below as if they had been reported under IFRS 16. Other balance sheet items are unchanged.

| | |
|------------------------------|---------|
| Ships and equipment | 3,182.9 |
| Total non-current assets | 3,183.0 |
| Total assets | 3,727.8 |
| Non-current liabilities | 2,146.9 |
| Current liabilities | 424.0 |
| Total equity and liabilities | 3,727.8 |

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

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

Changes in equity

| SEK millions | Share capital | Other paid-in capital | Translation reserve | Hedging reserve | Fair value reserve | Retained earnings | Total |
|-------------------------------------|---------------|-----------------------|---------------------|-----------------|--------------------|-------------------|----------------|
| Changes Jan-Sep 2019 | | | | | | | |
| Opening balance 01.01.2019 | 381.8 | 61.9 | 481.9 | -60.0 | -2.5 | 198.3 | 1,061.5 |
| Comprehensive income for the period | | | 91.0 | 2.2 | -2.0 | -73.1 | 18.1 |
| IFRS 16 transition effect | | | | | | 22.1 | 22.1 |
| Closing balance 30.09.2019 | 381.8 | 61.9 | 572.9 | -57.8 | -4.4 | 147.3 | 1,101.6 |
| Changes Jan-Sep 2018 | | | | | | | |
| Opening balance 01.01.2018 | 381.8 | 61.9 | 386.1 | 11.7 | 0.0 | 380.4 | 1,221.9 |
| Comprehensive income for the period | | | 97.6 | 0.1 | | -162.7 | -65.0 |
| Closing balance 30.09.2018 | 381.8 | 61.9 | 483.7 | 11.8 | 0.0 | 217.7 | 1,156.9 |

GROUP

Condensed cash flow statement

| SEK millions | Quarter 3 2019 | Quarter 3 2018 | 9 months (Jan-Sep) 2019 | 9 months (Jan-Sep) 2018 | Full year 2018 |
|--|----------------|----------------|----------------------------|----------------------------|----------------|
| Operating activities | | | | | |
| Result before tax | -35.6 | -66.9 | -73.0 | -162.6 | -181.9 |
| Adjustments: | | | | | |
| Depreciation | 62.9 | 48.4 | 184.4 | 138.0 | 186.9 |
| Other items | 4.0 | -11.7 | -4.6 | -24.3 | -93.8 |
| Cash flow from operating activities before changes in working capital | 31.3 | -30.2 | 106.8 | -48.9 | -88.9 |
| Changes in working capital | -2.5 | -1.3 | -1.3 | -56.4 | -27.4 |
| Cash flow from operating activities | 28.9 | -31.4 | 105.5 | -105.3 | -116.3 |
| Investing activities | | | | | |
| Sale of non-current assets | 0.0 | 0.1 | 0.0 | 1.9 | 1.9 |
| Investment in non-current assets | -24.5 | -0.3 | -35.6 | -1.1 | -2.9 |
| Sale of financial assets | 11.2 | 64.1 | 111.5 | 113.8 | 208.8 |
| Investment in financial assets | -2.4 | -10.5 | -21.0 | -96.7 | -106.3 |
| Other financial items | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 |
| Cash flow from investing activities | -15.7 | 53.4 | 54.9 | 17.9 | 101.3 |
| Financing activities | | | | | |
| New loans | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Amortisation of loans | -50.2 | -46.8 | -145.7 | -134.0 | -99.6 |
| Dividend to shareholders | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other financing | -17.0 | -0.9 | -55.5 | 24.4 | -19.5 |
| Cash flow from financing activities | -67.2 | -47.6 | -201.2 | -109.6 | -119.1 |
| Cash flow for the period | -54.0 | -25.7 | -40.8 | -196.9 | -134.0 |
| Balance at beginning of period (Note 1) | 145.6 | 85.5 | 126.4 | 243.6 | 243.6 |
| Exchange differences (Note 2) | 4.3 | 3.7 | 10.2 | 16.8 | 16.8 |
| Balance at end of period (Note 1) | 95.9 | 63.5 | 95.9 | 63.5 | 126.4 |
| Note 1. Balance consists of cash, bank balances and credit facility | | | | | |
| Note 2. Exchange differences attributable to: | | | | | |
| Cash and cash equivalents at beginning of year | 7.5 | -1.5 | 13.4 | 20.4 | 19.4 |
| Cash flow for the period | -3.2 | 5.2 | -3.1 | -3.6 | -2.5 |
| | 4.3 | 3.7 | 10.2 | 16.8 | 16.8 |

PARENT COMPANY

Condensed income statement

| SEK millions | 9 months 2019 | 9 months 2018 |
|-----------------------------------|---------------|---------------|
| Net sales | 66.3 | 100.1 |
| Operating costs, ships | -68.3 | -111.9 |
| Other external expenses | -8.6 | -7.8 |
| Personnel expenses | -9.7 | -9.9 |
| Operating result | -20.4 | -29.5 |
| Result from subsidiaries | 74.3 | 0.0 |
| Other interest and similar income | 42.8 | 68.3 |
| Interest and similar expense | -99.3 | -63.8 |
| Result before tax | -2.5 | -25.0 |
| Tax | 0.0 | 0.0 |
| Result after tax | -2.5 | -25.0 |

Condensed balance sheet

| SEK millions | 9 months 2019 | 9 months 2018 |
|-------------------------------------|----------------|----------------|
| Assets | | |
| Ships and equipment | 0.0 | 0.0 |
| Financial assets | 0.1 | 0.0 |
| Investments in Group companies | 745.8 | 745.8 |
| Total non-current assets | 746.0 | 745.8 |
| Current receivables | 11.2 | 51.2 |
| Short-term deposits | 5.0 | 0.0 |
| Receivables from Group companies | 1,039.6 | 1,121.3 |
| Cash and bank balances | 64.6 | 6.5 |
| Total current assets | 1,120.3 | 1,179.0 |
| Total assets | 1,866.3 | 1,924.8 |
| Equity and liabilities | | |
| Equity | 481.6 | 542.3 |
| Non-current liabilities | 1,080.3 | 1,145.0 |
| Current liabilities | 304.5 | 237.6 |
| Total equity and liabilities | 1,866.3 | 1,924.8 |

Risks and risk management

As with all commercial enterprises, Concordia Maritime's activities are associated with certain risks, the occurrence of which may have a material adverse effect on the Company's business, earnings, financial position and future prospects or result in a fall in value for the Company's shares, meaning that investors could lose all or part of their invested capital. The risks below are not presented in order of importance and are not the only risks and uncertainties the Company faces. Additional risks and uncertainties of which the Company is currently unaware or does not consider significant may also develop into factors that may have a material adverse effect on the Company's business, earnings, financial position or future prospects. The description does not claim to be complete or exact, as risks and their extent vary over time.

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

- *Corporate risks* refer mainly to overall risks related to the actual management and operation of the Company. These include risks associated with trademarks, employees, liquidity and funding.

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

More information about risks and risk management can be found in Concordia Maritime's 2018 annual report, which is available at www.concordiamaritime.com.



Definitions, shipping

CO₂

Carbon dioxide.

High Potential Near Miss

Incident that could have resulted in a serious accident.

Lost Time Injury (LTI)

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

Lost Time Injury Frequency (LTIF)

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

Material damage

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

Medical Treatment Case (MTC)

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

NO_x

Nitric oxide.

Restricted Work Case (RWC)

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

SO_x

Sulphur oxide.

Spot charter (open market)

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

Time charter

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

Alternative performance measures¹⁾

EBITDA

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

Equity ratio

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

Result excluding impairment and tax

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

Result per share excluding impairment and tax

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

Return on capital employed

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

Return on equity

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

Return on total capital

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

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

Reconciliation of alternative performance measures

EBITDA

| SEK millions | Quarter 3 2019 | Quarter 3 2018 | 9 months 2019 | 9 months 2018 | Full year 2018 |
|-----------------------------|----------------|----------------|---------------|---------------|----------------|
| Operating result | -10.6 | -66.4 | 2.9 | -157.8 | -130.1 |
| Depreciation/ Impairment | 62.9 | 48.4 | 184.4 | 138.0 | 186.9 |
| EBITDA | 52.4 | -18.0 | 187.3 | -19.8 | 56.8 |

Result excluding impairment and tax

| SEK millions | Quarter 3 2019 | Quarter 3 2018 | 9 months 2019 | 9 months 2018 | Full year 2018 |
|--|----------------|----------------|---------------|---------------|----------------|
| Result after tax | -35.6 | -67.0 | -73.1 | -162.7 | -182.1 |
| Impairment | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Tax | 0.0 | 0.1 | 0.1 | 0.1 | 0.2 |
| Result excluding impairment and tax | -35.6 | -66.9 | -73.0 | -162.6 | -181.9 |

Result per share excluding impairment and tax

| | Quarter 3 2019 | Quarter 3 2018 | 9 months 2019 | 9 months 2018 | Full year 2018 |
|---|----------------|----------------|---------------|---------------|----------------|
| Result excluding impairment and tax, SEK million | -35.6 | -66.9 | -73.0 | -162.6 | -181.9 |
| Number of shares (millions) | 47,729,798 | 47,729,798 | 47,729,798 | 47,729,798 | 47,729,798 |
| Result per share excluding impairment and tax, SEK | -0.75 | -1.40 | -1.53 | -3.41 | -3.81 |

Return on equity

| SEK millions | Quarter 3 2019 | 9 months 2018 | Full year 2018 |
|-------------------------|----------------|---------------|----------------|
| Result after tax | -92.5 | -204.7 | -182.1 |
| Equity | 1,108.4 | 1,205.6 | 1,165.5 |
| Return on equity | -8% | -17% | -15% |

Return on capital employed

| SEK millions | Quarter 3 2019 | 9 months 2018 | Full year 2018 |
|--|----------------|----------------|----------------|
| Result after financial net | -92.3 | -201.2 | -181.9 |
| Finance costs | 115.7 | 80.1 | 82.7 |
| Result after financial net plus finance costs | 23.4 | -121.2 | -99.2 |
| Total assets | 3,422.2 | 2,965.5 | 2,921.7 |
| Non-interest-bearing liabilities | -182.3 | -127.3 | -147.7 |
| Capital employed | 3,239.9 | 2,838.1 | 2,773.9 |
| Return on capital employed | 0.7% | -4.3% | -3.6% |

Return on total capital

| SEK millions | Quarter 3 2019 | 9 months 2018 | Full year 2018 |
|--|----------------|---------------|----------------|
| Result after financial net | -92.3 | -201.2 | -181.9 |
| Finance costs | 115.7 | 80.1 | 82.7 |
| Result after financial net plus finance costs | 23.4 | -121.2 | -99.2 |
| Total assets | 3,422.2 | 2,965.5 | 2,921.7 |
| Return on total capital | 0.7% | -4.0% | -3.4% |

Equity ratio

| SEK millions | Quarter 3 2019 | 9 months 2018 | Full year 2018 |
|---------------------|----------------|---------------|----------------|
| Equity | 1,101.6 | 1,156.9 | 1,061.5 |
| Total assets | 3,648.5 | 2,903.9 | 2,793.2 |
| Equity ratio | 30% | 40% | 38% |

Accounting policies

This interim financial report in summary for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and relevant provisions of the Swedish Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with chapter 9 of the Swedish Annual Accounts Act. For the Group and Parent Company, the same accounting principles have been applied as in the most recent annual report with the exception of IFRS 16, which is described in more detail below.

IFRS 16 is effective for the reporting of leases with effect from the 2019 financial year. As a lessee, the Company recognises a right-of-use asset, representing the right to use the underlying

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

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

The Concordia Maritime Group applies International Financial Reporting Standards (IFRS) as adopted by the EU. The Group applies the same accounting policies and calculation methods in the quarterly reports as in the annual report for 2018, in addition to those described in this report.

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

The report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act. The Board of Directors and CEO confirm that the interim report provides

a true and fair overview of the operations, financial position and performance of the Parent Company and Group, and describes material risks and uncertainties faced by the Parent Company and Group companies.

Gothenburg, 5 November 2019

Kim Ullman
CEO

Audit review report

Concordia Maritime AB
Corp. ID 556068-5819

Introduction

We have reviewed the condensed interim financial information (interim report) of Concordia Maritime AB (publ) for the third quarter and the nine months ended 30 September 2019. The Board of Directors and CEO are responsible for the preparation and presentation of this interim financial report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of the review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and

other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Gothenburg, 5 November 2019

KPMG AB

Jan Malm
Authorised Public Accountant

Quarterly overview

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

Definitions: see page 16.

¹⁾ Accounting policies, see page 18.

Other information

Related party transactions

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

Stena Bulk

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

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

- **Vessel charter**
Payment is based on commission on freight rates as follows: 1 percent for P-MAX, 1.25 percent for Suezmax and 2 percent for IMOIMAX.
- **Commission on the purchase and sale of vessels**
Payment is based on a commission of 1 percent.
- **Operation and manning of the Group's vessels (ship management)**
Payment is based on a fixed price per year and vessel, with an additional payment for manning of vessels.
- **Commercial operation, administration, marketing, insurance, technical monitoring and development of Concordia Maritime's fleet**
Payment is based on a fixed price per month and vessel. For technical consulting services for newbuild projects, an hourly rate is applied on a cost-plus basis, which is then charged to the project.
- **Office rent and office services**
A fixed annual price is charged.

Purchase of services from Stena Sphere

| SEK MILLIONS | Quarter 3 | | 9 months | | Full year |
|----------------|-----------|------|----------|-------|-----------|
| | 2019 | 2018 | 2019 | 2018 | 2018 |
| Group | 69.3 | 61.8 | 204.3 | 190.9 | 291.5 |
| Parent Company | 0.3 | 0.5 | 1.1 | 0.9 | 1.2 |

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



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Calendar

Q4 2019 30 January 2020
Q1 2020 & 2019, AGM 29 April 2020

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

This information is information that Concordia Maritime Aktiebolag (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at approx. 13.00 CET on 5 November 2019.

Fleet, 5 November 2019

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

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

| | | |
|------------------------------|------|------------|
| MR ECO | | |
| Unnamed vessel ³⁾ | Spot | Stena Bulk |

| | | |
|-----------------------------|------|--------------------------------|
| CRUDE OIL TANKERS | | |
| Suezmax | | |
| Stena Supreme ⁴⁾ | Spot | Stena Sonangol Suezmax Pool |

¹⁾ Contracted on a bareboat basis until 2024, with annual purchase options from 2020

²⁾ Contracted on a bareboat basis until 2026, with purchase obligation in the same year and annual purchase options from 2021

³⁾ 50% charter January 2018–January 2020

⁴⁾ Contracted on a bareboat basis until 2028, with annual purchase options from 2019

CONCORDIA
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