

Q3
20

INTERIM REPORT, 1 JANUARY–30 SEPTEMBER 2020

A weak tanker market

- **Total income**
Q3: SEK 210.7 (259.2) million
9 months: SEK 860.1 (822.6) million
 - **EBITDA**
Q3: SEK 45.1 (52.4) million
9 months: SEK 282.4 (187.3) million
 - **Result before tax**
Q3: SEK –35.9 (–35.6) million
9 months: SEK 21.4 (–73.0) million
 - **Result per share after tax**
Q3: SEK –0.75 (–0.75)
9 months: SEK 0.45 (–1.53)
- **Events in the third quarter**
 - Two scheduled drydockings completed
 - Participation in charter in of Suezmaxes corresponding to 1.7 vessels

	Quarter 3 (Jul–Sep)		9 months (Jan–Sep)		Full year
	2020	2019	2020	2019	2019
Total income, SEK million	210.7	259.2	860.1	822.6	1,140.2
EBITDA, SEK million	45.1	52.4	282.4	187.3	249.5
EBITDA, USD million	5.5	5.4	30.1	19.9	26.4
Operating result, SEK million	–14.0	–10.6	92.5	2.9	–0.4
Result before tax, SEK million	–35.9	–35.6	21.4	–73.0	–102.3
Result after tax, SEK million	–35.9	–35.6	21.4	–73.1	–102.6
Equity ratio, %	31	30	31	30	29
Return on equity, %	0	–8	0	–8	–9
Available liquid funds, including unutilised credit facilities, SEK million	438.5	158.4	438.5	158.4	354.8
Result per share after tax, SEK	–0.75	–0.75	0.45	–1.53	–2.15
Equity per share, SEK	21.18	23.08	21.18	23.08	22.12
Lost-time injuries	0	0	1	1	1

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

Challenging market – prospects for turnaround in 2021

Market development during the last quarter was just as we previously warned it would be. After a very strong spring, driven by significant stock accumulation in response to record low oil prices, tanker rates fell sharply during summer and autumn, but we see conditions for a turnaround in 2021.

The sharp decline was attributable to lower oil consumption (due to Covid-19), OPEC's continuing production cuts and stock withdrawals close to the consuming countries. These factors together contributed to considerably reduced demand for tanker transport

With a relatively high share of vessels employed in the spot market, the market trend is clearly reflected in our own financial statements for the quarter. In addition, the result is also burdened by a loss of income due to scheduled drydockings. We are now in a period of increased maintenance. In addition to the usual classification inspections, we are also installing new ballast water management systems. Two vessels went into drydock during the quarter and another seven will go in between now and summer 2021.

Outlook

The hangover after the extensive stock accumulation between March and May continues to linger and the market is likely to be challenging for the rest of the year. If, on the other hand, we look ahead to 2021, things look much brighter.

Increased oil consumption and falling inventories...

Since the lows in April, consumption has increased recently – steadily and relatively sharply. Several institutions and analysts, including the U.S. Energy Information Administration (EIA), expect consumption to be back at pre-covid-19 levels as early as spring/summer 2021, i.e. around 100 million barrels per day. At the time of writing, early November 2020, the level is around 95 million barrels per day and the trend remains positive.

... bring increased demand for tankers

The combination of increased oil consumption and continuing production cuts means that the stocks built up during spring are now gradually falling. We expect them to be down to the five-year average as early as this coming winter. Overall, we expect that increased consumption of oil and normalised stock levels in 2021 will result in a clear increase in demand for tanker transports.



Record low net fleet growth

Turning to development of fleet growth, things look really exciting. As we enter November 2020, the order book for the product tanker segment is at a record low 6 percent of the total tanker fleet – the lowest level in over 25 years. Including the expected phasing out of tonnage, growth in 2021 is expected to be only about 2–3 percent. Overall, this means that our view of market development in 2021 is extremely positive. However, this is all said with the greatest respect for the difficulty in making substantiated predictions in the current situation.

Gothenburg, November 2020
Kim Ullman, President

Business activities

Spot market earnings for the product tanker fleet in the third quarter of 2020 were USD 14,500 (9,600) per day, which was higher than the average earnings of USD 9,100 (10,000) per day for the market¹⁾. Earnings for the Suezmax fleet in the quarter were USD 26,200 (21,300) per day, compared with the average earnings of USD 12,200 (16,600) per day for the market.¹⁾

The product tanker fleet

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

Earnings

Average earnings for the entire product tanker fleet, spot and TC, during the third quarter were USD 15,000 (10,200) per day. For vessels employed in the spot market, average earnings for the quarter were USD 14,500 (9,600) per day. For the first three quarters, average earnings for the entire product tanker fleet, spot and TC, were USD 17,400 (14,400) per day. For vessels employed in the spot market, average earnings for the first three quarters were USD 17,600 (14,200) per day.

Suezmax fleet

During the period, the Suezmax fleet consisted of the Suezmax tanker, *Stena Supreme* (158,00 dwt), which is contracted in on a long-term charter, and two vessels on short-term contracts, delivered at the end of the quarter. These are joint charters with Stena Bulk, and Concordia Maritime's share amounts

to 33% of each vessel. During Q4, a further two vessels are being chartered in on short-term contracts with Stena Bulk. Concordia Maritime's share is 50% for each of these vessels. All the vessels were employed on the spot market via Stena Sonangol Suezmax Pool, controlled by Stena and the Angolan state oil company Sonangol.

Earnings

Average earnings for the Suezmax fleet were USD 26,200 (21,300) per day for the quarter and USD 40,900 (22,600) per day for the first three quarters.

Repairs and drydock

Scheduled drydocking of *Stena Polaris* and *Stena Image* was completed during the quarter. *Stena Penguin*, *Stena Paris* and *Stena Important* are due to go into drydock during the fourth quarter.

Current status of contracted freights Q4 2020, 3 November

	Total number of available charter days	Share of chartered days (%)	Average earnings (\$/day)
Product tankers, spot	828	38	12,400
Suezmax, spot	200	38	13,000

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



1) Clarkson index

Earnings, spot

USD per day	Number of ships	Average earnings, Concordia Maritime				Average earnings, market ^{1,2)}			
		Q3 2020	Q3 2019	9 months 2020	9 months 2019	Q3 2020	Q3 2019	9 months 2020	9 months 2019
Product tankers	9	14,500	9,600	17,600	14,200	9,100	10,000	18,200	11,600
Suezmax	1	26,200	21,300	40,900	22,600	12,200	16,600	38,200	17,800

- 1) Clarksons w.w. average MR Clean Earnings
2) Clarksons w.w. Suezmax Long Run Historical Earnings

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

EBITDA per quarter

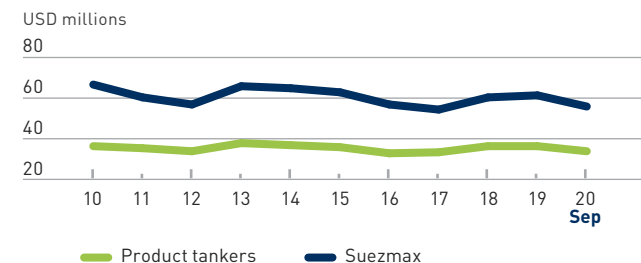
USD millions	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018
Product tankers, time charter	4.5	4.2	4.6	1.5	1.9	4.3	4.3	4.1
Product tankers, spot, owned and leased tonnage	0.3	5.2	5.5	3.1 ³⁾	3.1 ²⁾	1.2	3.8	-0.5
Product tankers, spot, short-term chartered tonnage	0.0	0.0	0.0	0.0	-0.2	-0.1	0.1	-0.6
Sale of vessels	—	—	—	—	—	—	—	—
Product tankers, total	4.9	9.3	10.1	4.7	4.8	5.5	8.1	3.0
Suezmax, spot, owned and leased tonnage	1.4	3.4	3.6	3.1	1.0	0.9	1.6	-0.1
Suezmax, spot, short-term chartered tonnage	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.7 ¹⁾
Sale of vessels	—	—	—	—	—	—	—	—
Suezmax, total	1.4	3.4	3.6	3.1	1.0	0.9	1.6	6.6
Admin. and other	-0.7	-1.0	-0.9	-1.3	-0.4	-0.7	-0.8	-0.7
Total	5.5	11.8	12.7	6.5	5.4	5.6	8.9	8.9

- 1) The figure includes the sales amount for shares in the period charters of Suezmax vessels.
2) The total includes an IMOIIIMAX bonus of USD 5 million received.
3) The total includes a negative bunker hedge of USD -0.5 million.

Revenue per vessel category

SEK millions	Q3 2020	Q3 2019	9 months 2020	9 months 2019	Full year 2019
Product tank timecharter	63.8	60.5	201.9	252.6	334.7
Product tank spot charter	126.3	132.2	552.9	464.3	660.9
Product tank total revenue	190.0	192.6	754.8	716.9	995.5
Suezmax spot charter	20.6	18.8	105.2	58.0	96.6
Suezmax total revenue	20.6	18.8	105.2	58.0	96.6
Other income	0.1	47.7	0.1	47.7	48.0
Total Revenue	210.7	259.2	860.1	822.6	1,140.2

Newbuilding prices

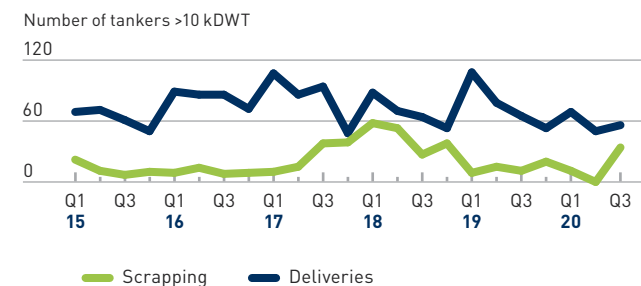


At the end of the quarter, the price of a standard product tanker was about USD 34 million. The price of an IMOII class MR tanker like our IMOIIIMAX vessels was about USD 37 million. This is the same price as when we placed our order with the shipyard in 2012. The price of a standard suezmax tanker at the end of the quarter was about USD 56 million.

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

Source: Clarkson

Scrapping and deliveries



Deliveries of new vessels increased slightly in Q3, while phasing-out through scrapping increased compared with the previous quarter.

Source: Clarkson

Financial summary

Result

Result after tax for the quarter was SEK –35.9 (–35.6) million. The weak tanker market during the quarter meant lower earnings for the vessels in the spot market. Costs for ongoing operation and administration were in line with the same period the previous year.

Equity

Equity per share was SEK 21.18 (23.08).

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. The forward contracts were realised during the quarter, with a cash effect of SEK –4.3 million. The realised value is recognised in the Company's income statement at maturity.

The closing amount in the hedging reserve at the end of the quarter was SEK –60.5 (–57.8) million. The closing balance for the translation reserve in equity amounted to SEK 492.3 (572.9) million at the reporting date. The changes are recognised in equity through OCI.

Investments and deposits

Investments in property, plant and equipment during the quarter amounted to SEK 36.6 (24.5) million. Investments for the quarter are related to purchases for scheduled drydocking in Q3. During the quarter, the Company did not buy or sell any assets classified as short-term investments in the Company's balance sheet.

Bunker hedge

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

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

Hedge accounting is applied for the bunker hedge, and the fair value is recognised in other comprehensive income. A fair value change of SEK –10.0 million for this position was reported in OCI during the quarter. The realised values are recognised in the Company's income statement at maturity.

Positions

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

At the end of the quarter, the Company had FFA positions for the period November 2020 to December 2021. These were valued at SEK –1.9 million and are reported in the Company's income statement.

At the end of the quarter, the Company has a Brent option that expires in November. The option is reported in the Company's income statement and is classified as a current liability 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 two cash-generating units, with product tankers representing one unit and suezmax another unit. An impairment loss is recognised when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. The recoverable amount is the higher of fair value (external valuations) and value in use (future discounted cash flows). At the end of the period, the cash-generating units' carrying amounts did not exceed their recoverable amounts and no impairment was therefore recognised.

Seasonal variations

At the end of the quarter, 10 vessels in the sailing fleet of 13 (10 owned, 3 on bareboat contracts) were employed in the spot market, one of them on a CVC contract. Three vessels are out on time charters of two years (until October 2021, with an option for a further year).

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

Employees

The number of employees in the Group on 30 September 2020 was 3 (6). The Group employed 584 (520) temporary seagoing employees through Stena Sphere's manning company. The number of temporary seagoing employees has increased compared with the same period in 2019. This is due to cabotage trade in Brazil, which requires a certain percentage of the crew to be Brazilian. Another reason for the increase is inefficient crew changes during the period due to Covid-19.

Parent Company

The Parent Company's sales for the quarter amounted to SEK 0.4 (6.0) million, with intragroup invoicing representing SEK 0.0 (0.2) million of this amount. The Parent Company's available liquid funds at the end of the quarter amounted to SEK 953.0 (1,068.3) million, which includes receivables from Group companies in the cash pool and unutilised credit facilities.

Operational challenges

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

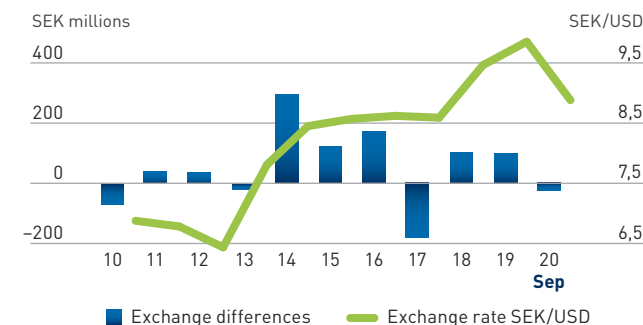
The Group's total income and earnings

SEK millions	Quarter 3		Full year
	2020	2019	2019
Total income ¹⁾	210.7	259.2	1,140.2
Operating result	-14.0	-10.6	-0.4
Result before tax	-35.9	-35.6	-102.3
Result per share after tax, SEK	-0.75	-0.75	-2.15

Liquidity and financial position

SEK millions	30 Sep 2020	30 Sep 2019
Available liquid funds ²⁾	438.5	158.4
Interest-bearing liabilities	2,047.9	2,321.4
Equity	1,011.0	1,101.6
Equity ratio, %	31	30

Translation difference³⁾



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) Reported in OCI and specified in equity.

Sustainability report

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

None of Concordia Maritime's vessels were involved in any incident that resulted in discharges of bunker oil or cargo during the quarter. There were also no workplace incidents resulting in an individual employee being unable to return to a work shift on the following day.

There were also no medical treatment cases during the quarter. One incident classified as a high potential near miss occurred during the quarter. The support on one of the cranes onboard *Stena Paris* came loose and fell onto the pipework below. However, this did not cause any damage to the vessel. No high risk observations occurred during the quarter.

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

External controls

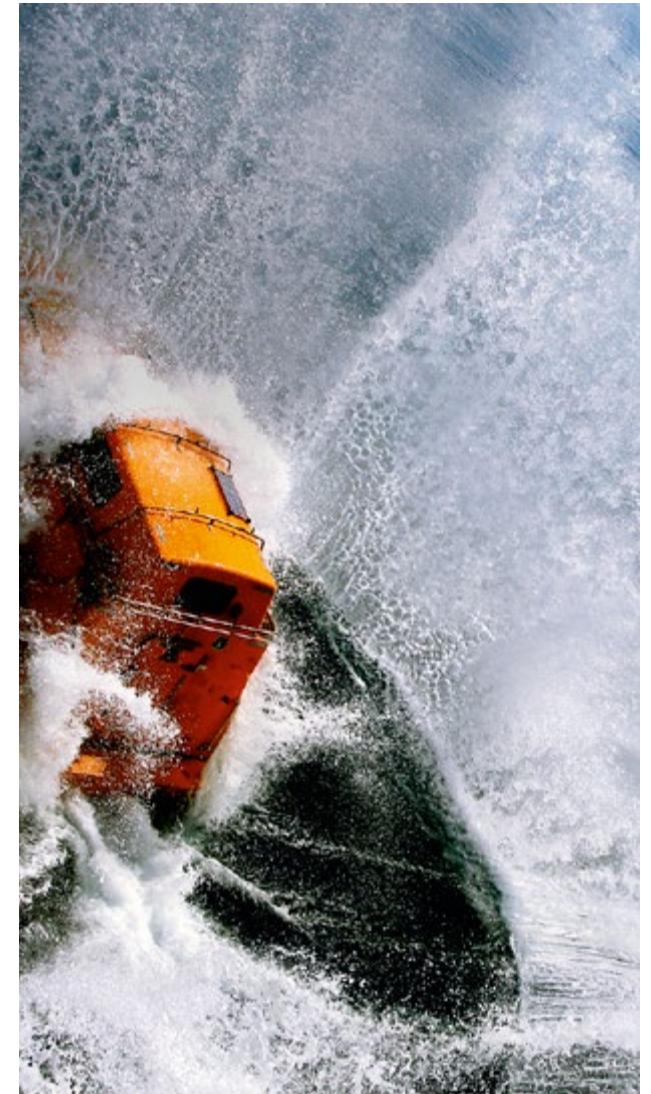
Ten vetting inspections were conducted during the quarter. There were 23 observations recorded during these inspections, resulting in an average of 2.3 observations per inspection.

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. Through Stena, the Company has obtained better bunker consumption and emission data. The Company therefore decided to report data in a more relevant way with effect from Q2 2020. We are focusing on actual consumed bunker volumes, actual emissions and also reporting emission efficiency through the key figure grams of CO₂ emissions per tonne carried and nautical mile travelled. This will soon be supplemented with emission efficiency for SO_x, NO_x and particulates, but the data quality must be ensured first.

The Company's fleet increased its bunker consumption (tonnes) compared with the same quarter in 2019 and the period January-September 2019. The number of emissions (tonnes) into air also increased for these comparative periods. However, increased transport efficiency initiatives resulted in improved emission efficiency.



Targets and outcomes, sustainability

Safety first

	Q3 2020	Q3 2019	9 months 2020	9 months 2019	Target 2020
LTI	0	0	1	1	0
LTIF	0	0	0.89	0.35	0
Number of inspections with more than 5 observations (owned vessels)	0	0	2	0	0
Average number of vetting observations per inspection (owned vessels)	2.30	1.90	2.38	2.00	<4
Number of PSC inspections with detentions	0	0	0	0	0
Number of piracy-related incidents	0	0	1	0	0
Damage to property	1	0	2	1	0
Medical treatment case	0	0	0	1	0
Restricted work case	0	0	1	0	0
High potential near miss	1	0	1	2	0
High risk observation	0	0	0	0	0

	Q3 2020	Q3 2019	9 months 2020	9 months 2019	12 months rolling
Bunker consumption (tonnes)					
HSFO	0	20,335	0	56,943	19,113
LSFO	20,762	n/a	59,282	n/a	61,948
MGO	5,681	3,852	17,139	14,310	22,723
Total	26,443	24,187	76,421	71,253	103,784
Emissions (tonnes)					
CO ₂	80,950	75,686	239,554	223,344	325,281
SO _x	214	1,024	642	2,872	1,606
NO _x	2,312	2,164	6,837	6,379	9,286
Particulates	26.4	25.5	76.5	72.8	104.4
Efficiency (EEOI)					
gCO ₂ /tonne-NM	12.64	14.56	11.02	14.65	11.78
Oil spills, litres	0	0	0	0	0

Definitions: see page 16.

Framework and guidelines

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

Global Compact

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

MACN

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

OECD guidelines

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

ILO's Fundamental Conventions

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

World Ocean Council

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

UN's Sustainable Development Goals

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



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

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

... and follow Concordia Maritime on social media

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GROUP

Income statement

SEK millions	Quarter 3 2020	Quarter 3 2019	9 months 2020	9 months 2019	Full year 2019
Consolidated income statement					
Average exchange rate SEK/USD	8.87	9.59	9.40	9.40	9.46
Time charter income, leasing of vessels	23.3	23.5	73.7	95.9	119.6
Time charter income, operational services	40.5	36.8	128.2	156.7	215.0
Spot charter income ¹⁾	146.9	151.2	658.1	522.3	757.5
Other income	0.1	47.7	0.1	47.7	48.0
Total revenue	210.7	259.2	860.1	822.6	1,140.2
Voyage-related operating costs	-54.2	-88.2	-232.7	-228.6	-351.1
Operating costs, ships ¹⁾	-45.5	-52.7	-142.7	-206.3	-265.8
Personnel costs, temporary seagoing	-54.4	-54.1	-159.3	-159.1	-212.1
Personnel costs, land-based	-3.9	-3.7	-11.6	-13.8	-23.1
Other external expenses	-7.6	-8.2	-31.3	-27.4	-38.5
Depreciation/impairment	-59.2	-62.9	-189.9	-184.4	-249.9
Total operating costs¹⁾	-224.8	-269.7	-767.6	-819.7	-1,140.6
Operating result	-14.0	-10.6	92.5	2.9	-0.4
Interest and similar income	-2.5	7.0	4.3	21.2	24.8
Interest and similar expense	-19.4	-32.0	-75.5	-97.1	-126.7
Financial net	-21.9	-25.0	-71.2	-75.8	-101.9
Result before tax	-35.9	-35.6	21.4	-73.0	-102.3
Tax	0.0	0.0	0.0	-0.1	-0.3
Result after tax	-35.9	-35.6	21.4	-73.1	-102.6

1) Accounting policies, see page 18.

Other comprehensive income

SEK millions	Quarter 3 2020	Quarter 3 2019	9 months 2020	9 months 2019	Full year 2019
Result after tax	-35.9	-35.6	21.4	-73.1	-102.6
Items that have been/can be transferred to result for the period					
Translation differences	-20.0	46.8	-38.9	91.0	49.3
Changes in fair value of cash flow hedges for the period	-10.0	-26.0	-22.8	4.8	20.0
Changes in fair value of cash flow hedges transferred to result for the period	0.6	-0.9	-1.2	-2.6	4.9
Items that cannot be transferred to result for the year					
Changes in the fair value of equity instruments at fair value through OCI	0.4	-2.0	-1.8	-2.0	0.5
Comprehensive income for the period	-64.9	-17.7	-43.2	18.1	-27.9

Per-share data

	Quarter 3 2020	Quarter 3 2019	9 months 2020	9 months 2019	Full year 2019
Number of shares	47,729,798	47,729,798	47,729,798	47,729,798	47,729,798
Result per share, before/after dilution, SEK	-0.75	-0.75	0.45	-1.53	-2.16
Equity per share, SEK	21.18	23.08	21.18	23.08	22.12

GROUP

Condensed balance sheet

SEK millions	30 Sep 2020	30 Sep 2019	31 Dec 2019
Closing exchange rate SEK/USD	8.96	9.84	9.37
Assets			
Ships and equipment ¹⁾	2,820.1	3,243.4	3,064.2
Financial assets	0.0	0.3	0.1
Total non-current assets	2,820.1	3,243.6	3,064.4
Current receivables	167.0	285.3	349.3
Short-term deposits	1.6	23.7	3.4
Cash and bank balances ²⁾	262.8	95.8	227.7
Total current assets	431.4	404.9	580.5
Total assets	3,251.5	3,648.5	3,644.9
Equity and liabilities			
Equity	1,011.0	1,106.6	1,055.6
Non-current liabilities	1,759.2	2,073.1	2,041.2
Current liabilities	481.3	473.8	548.1
Total equity and liabilities	3,251.5	3,648.5	3,644.9

1) Including right-of-use assets of SEK 993.2 (1,135.5) million.

2) Including restricted funds of SEK 0 (45.9) million.

Changes in equity

SEK millions	Share capital	Other paid-in capital	Translation reserve	Hedging reserve	Fair value reserve	Retained earnings	Total
Changes Jan-Sep 2020							
Opening balance 01.01.2020	381.8	61.9	531.2	-35.1	-2.2	118.1	1,055.6
Comprehensive income for the period			-38.9	-25.4	-1.8	21.4	-44.7
Closing balance 30.09.2020	381.8	61.9	492.3	-60.5	-4.0	139.4	1,011.0
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

GROUP

Condensed cash flow statement

SEK millions	Quarter 3 2020	Quarter 3 2019	9 months (Jan-Sep) 2020	9 months (Jan-Sep) 2019	Full year 2019
Operating activities					
Result before tax	-35.9	-35.6	21.4	-73.0	-102.3
Adjustments:					
Depreciation	59.2	62.9	189.9	184.4	249.9
Other items	-62.3	4.0	-71.0	-4.6	1.0
Cash flow from operating activities before changes in working capital	-39.1	31.3	140.2	106.8	148.7
Changes in working capital	60.3	-2.5	224.9	-1.3	-86.9
Cash flow from operating activities	21.2	28.9	365.2	105.5	61.8
Investing activities					
Sale of non-current assets	0.0	0.0	0.0	0.0	0.0
Investment in non-current assets	-36.6	-24.5	-75.3	-35.6	-62.7
Sale of financial assets	0.0	11.2	0.0	111.5	124.3
Investment in financial assets	0.0	-2.4	0.0	-21.0	-14.2
Other financial items	0.0	0.0	0.1	0.0	0.0
Cash flow from investing activities	-36.7	-15.7	-75.2	54.9	47.5
Financing activities					
New loans	0.0	0.0	0.0	0.0	1,122.2
Amortisation of loans	-44.8	-50.2	-198.3	-145.7	-1,067.6
Dividend to shareholders	0.0	0.0	0.0	0.0	0.0
Other financing	-19.1	-17.0	-44.9	-55.5	-74.7
Cash flow from financing activities	-63.9	-67.2	-243.2	-201.2	-20.0
Cash flow for the period	-79.3	-54.0	46.8	-40.8	89.3
Balance at beginning of period (Note 1)	345.3	145.6	227.7	126.4	126.4
Exchange differences (Note 2)	-3.2	4.3	-11.6	10.2	12.0
Balance at end of period (Note 1)	262.8	95.9	262.8	95.9	227.8
Note 1. Balance consists of cash, bank balances and credit facility					
Note 2. Exchange differences attributable to:					
Cash and cash equivalents at beginning of year	-9.3	7.5	-10.3	13.4	6.9
Cash flow for the period	6.1	-3.2	-1.3	-3.1	5.1
	-3.2	4.3	-11.6	10.2	12.0

PARENT COMPANY

Condensed income statement

SEK millions	9 months 2020	9 months 2019
Net sales	2.0	66.3
Operating costs, ships	-3.4	-68.3
Other external expenses	-11.4	-8.6
Personnel expenses	-6.8	-9.7
Operating result	-19.7	-20.4
Result from subsidiaries	0.0	74.3
Other interest and similar income	72.4	42.8
Interest and similar expense	-65.7	-99.3
Result before tax	-13.1	-2.5
Tax	0.0	0.0
Result after tax	-13.1	-2.5

Condensed balance sheet

SEK millions	30 September 2020	30 September 2019
Assets		
Ships and equipment	0.0	0.0
Financial assets	0.0	0.1
Investments in Group companies	746.4	745.8
Total non-current assets	746.5	746.0
Current receivables	13.3	11.2
Short-term deposits	0.0	5.0
Receivables from Group companies	966.9	1,039.6
Cash and bank balances ¹⁾	9.5	64.6
Total current assets	989.7	1,120.3
Total assets	1,736.2	1,866.3
Equity and liabilities		
Equity	501.7	481.6
Non-current liabilities	956.3	1,080.3
Current liabilities	278.2	304.5
Total equity and liabilities	1,736.2	1,866.3

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

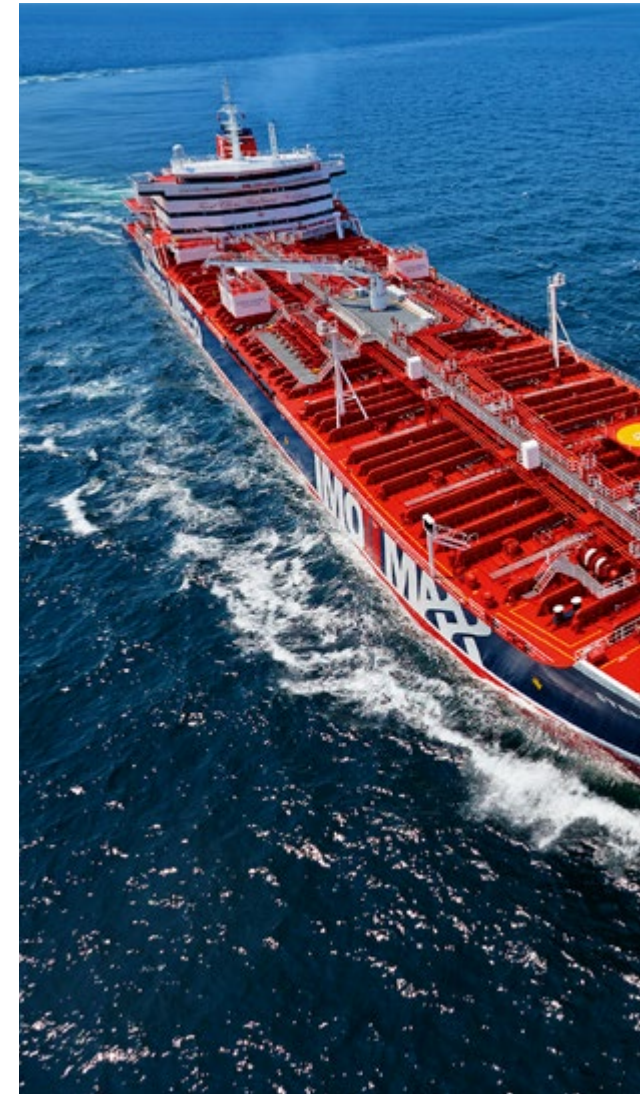
Risks and risk management

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

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

- *Corporate* risks refer mainly to overall risks related to the actual management and operation of the Company. These include risks associated with trademarks, employees, liquidity and funding.
- *Market-related* risks are primarily risks associated with changes in the external environment and market. The Board and management 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 2019 annual report, which is available at www.concordiamaritime.com.



Definitions, shipping

CO₂

Carbon dioxide.

CVC

Consecutive Voyage Charter

Damage to property

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

FFA

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

High potential near miss

Incident that could have resulted in a serious accident.

Lost-time injury (LTI)

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

Lost-time injury frequency (LTIF)

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

Medical treatment case (MTC)

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

NO_x

Nitrogen oxides.

Restricted work case (RWC)

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

SO_x

Sulphur oxides.

Spot charter (open market)

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

Time charter

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

Alternative performance measures¹⁾

EBITDA

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

Equity ratio

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

Result excluding impairment and tax

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

Result per share excluding impairment and tax

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

Return on capital employed

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

Return on equity

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

Return on total capital

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

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

Reconciliation of alternative performance measures

EBITDA

SEK millions	Quarter 3 2020	Quarter 3 2019	9 months 2020	9 months 2019	Full year 2019
Operating result	-14.0	-10.6	92.5	2.9	-0.4
Depreciation/impairment	59.2	62.9	189.9	184.4	249.9
EBITDA	45.1	52.4	282.4	187.3	249.5

Result excluding impairment and tax

SEK millions	Quarter 3 2020	Quarter 3 2019	9 months 2020	9 months 2019	Full year 2019
Result after tax	-35.9	-35.6	21.4	-73.1	-102.6
Impairment	0.0	0.0	0.0	0.0	0.0
Tax	0.0	0.0	0.0	0.1	-0.3
Result excluding impairment and tax	-35.9	-35.6	21.4	-73.0	-102.3

Result per share excluding impairment and tax

	Quarter 3 2020	Quarter 3 2019	9 months 2020	9 months 2019	Full year 2019
Result excluding impairment and tax, SEK million	-35.9	-35.6	21.4	-73.0	-102.3
Number of shares	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	-0.75	0.45	-1.53	-2.15

Return on equity

SEK millions	9 months 2020	9 months 2019	Full year 2019
Result after tax	0.1	-92.5	-102.6
Equity	1,060.4	1,108.4	1,106.9
Return on equity	0.0%	-8%	-9.3%

Return on capital employed

SEK millions	9 months 2020	9 months 2019	Full year 2019
Result after financial net	0.3	-92.3	-102.3
Finance costs	105.1	115.7	124.9
Result after financial net plus finance costs	105.4	23.4	22.6
Total assets	3,535.7	3,422.2	3,635.1
Non-interest-bearing liabilities	-211.5	-182.3	-181.2
Capital employed	3,324.2	3,239.9	3,453.9
Return on capital employed	3.2%	0.7%	0.6%

Return on total capital

SEK millions	9 months 2020	9 months 2019	Full year 2019
Result after financial net	-74.5	-92.3	-102.3
Finance costs	169.7	115.7	124.9
Result after financial net plus finance costs	95.2	23.4	22.6
Total assets	3,554.7	3,422.2	3,635.1
Return on total capital	2.7%	0.7%	0.6%

Equity ratio

SEK millions	9 months 2020	9 months 2019	Full year 2019
Equity	1,011.0	1,101.6	1,055.6
Total assets	3,251.5	3,648.5	3,644.9
Equity ratio	31%	30%	29%

Accounting policies

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

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

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

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

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

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

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

Gothenburg, 3 November 2020

Kim Ullman
CEO

Audit review report

Concordia Maritime AB
Corp. ID 556068-5819

Introduction

We have reviewed the condensed set of financial statements in the interim report for Concordia Maritime AB (publ) for the third quarter and the nine months ended 30 September 2020. The Board of Directors and CEO are responsible for the preparation and presentation of this interim financial report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express an opinion on this interim report based on our review.

Scope of the review

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

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

Conclusion

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

Gothenburg, 3 November 2020

KPMG AB

Jan Malm
Authorised Public Accountant

Quarterly overview

SEK millions	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018
Profit/loss items								
Total income ¹⁾	210.7	300.7	348.6	317.6	259.2	252.7	310.7	367.8
Operating costs excluding impairment ¹⁾	-224.8	-252.2	-290.6	-320.9	-269.7	-260.5	-289.5	-339.6
Operating result (EBIT)	-14.0	48.5	58.0	-3.3	-10.6	-7.8	21.2	28.2
of which result from sale of investments in jointly-controlled entities (vessels)	0.0	—	—	—	—	—	—	—
Financial net	-21.9	-20.2	-29.0	-26.1	-25.0	-31.4	-19.4	-47.6
Result after financial net	-35.9	28.3	29.0	-29.3	-35.6	-39.2	1.8	-19.4
Result after tax	-35.9	28.3	29.0	-29.5	-35.6	-39.2	1.7	-19.4
Cash flow from operating activities	21.2	238.9	105.0	-44.2	28.9	24.7	51.9	-11.0
EBITDA	45.1	114.1	123.2	62.3	52.4	53.3	81.6	77.1
Balance-sheet items								
Ships (number)	2,820.1 (13)	2,954.5 (13)	3,198.9 (13)	3,052.8 (13)	3,243.4 (13)	3,097.7 (13)	3,212.0 (13)	2,303.0 (11)
Ships under construction (number)	0	0	0	0	0	0	0	0
Liquid funds incl. investments	264.4	346.6	206.9	231.2	119.5	186.5	231.3	223.9
Other assets	167.0	167.0	372.6	349.5	285.6	252.8	266.8	253.5
Interest-bearing liabilities	2,047.9	2,199.6	2,407.0	2,400.9	2,321.4	2,267.9	2,397.8	1,539.1
Other liabilities and provisions	192.6	191.2	273.9	188.4	225.5	152.4	158.6	194.4
Equity	1,011.0	1,077.3	1,097.5	1,055.6	1,101.6	1,116.7	1,153.7	1,061.5
Total assets	3,251.5	3,468.2	3,778.4	3,644.9	3,648.5	3,537.0	3,710.1	2,795.0
Key figures, %								
Equity ratio	31%	31	29	29	30	32	31	38
Return on total capital	3%	3	1	1	1	-1	-1	-3
Return on capital employed	3%	3	2	1	1	-1	-2	-4
Return on equity	0%	0	-7	-9	-8	-11	-12	-16
Operating margin	-7%	16	17	-1	-4	-3	7	8
Share data								
Total income ¹⁾	4.41	6.30	7.30	6.65	5.43	5.29	6.51	7.71
Operating costs excluding impairment	-4.71	-5.28	-6.09	-6.72	-5.65	-5.46	-6.07	-7.11
Operating result	-0.29	1.02	1.22	-0.07	-0.22	-0.16	0.44	0.59
Financial net	-0.46	-0.42	-0.61	-0.55	-0.52	-0.66	-0.41	-1.00
Result after tax	-0.75	0.59	0.61	-0.62	-0.75	-0.82	0.04	-0.41
Cash flow from operating activities	0.44	5.01	2.20	-0.93	0.60	0.52	1.09	-0.23
EBITDA	0.95	2.39	2.58	1.30	1.10	1.12	1.71	1.62
Equity	21.18	22.57	22.99	22.12	23.08	23.40	24.17	22.24

Definitions: see page 16.

1) Accounting policies, see page 18.

Other information

Related party transactions

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

Stena Bulk

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

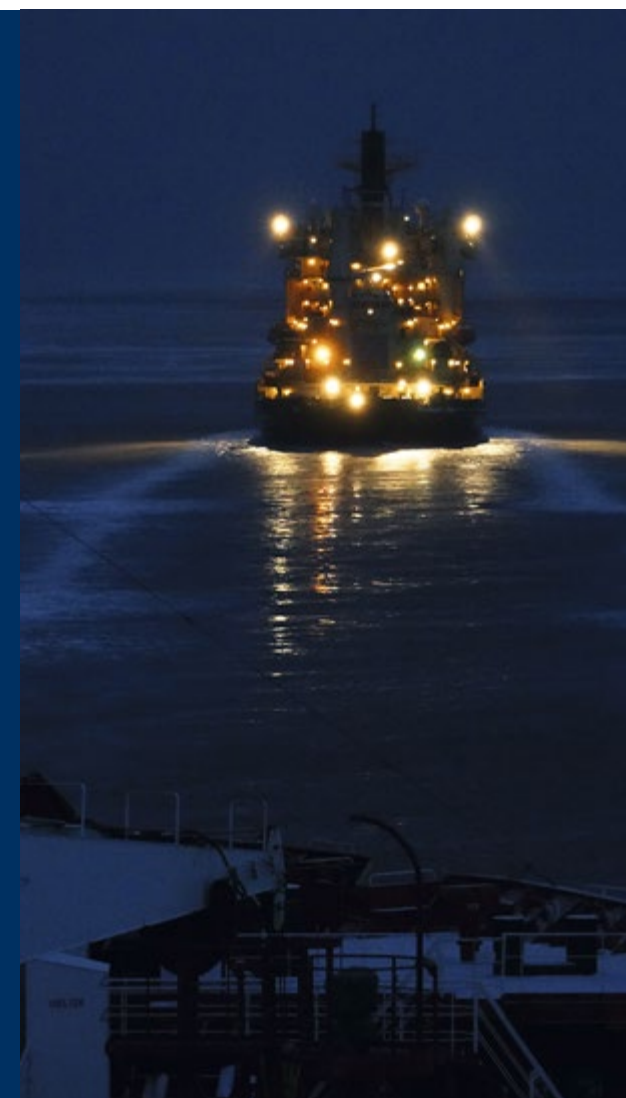
Concordia Maritime purchases services on a regular basis from the Stena Sphere in the following areas

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

Purchase of services from Stena Sphere

SEK MILLIONS	Quarter 3		9 months		Full year
	2020	2019	2020	2019	2019
Group	73.3	69.3	211.1	204.3	274.8
Parent Company	0.2	0.3	0.4	1.1	1.8

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



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Calendar

Q4 2020 28 January 2021
Q1 2021 and AGM 28 April 2021

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

This information is information that Concordia Maritime Aktiebolag (publ) is obliged to publish in accordance with the EU Market Abuse Regulation. The information was provided by the contact person above for publication on 3 November 2020 at approximately 13.00 CET.

Fleet, 03/11/2020

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

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

Crude oil tankers

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

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

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

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

4) 33% charter September 2020 – September 2021

5) 50% charter October 2020 – October 2021

6) 50% charter November 2020 – November 2021

**CONCORDIA
MARITIME**

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