



# CONCORDIA MARITIME

Kim Ullman

CEO

*Concordia Maritime*

## Concordia Maritime Positions for Growth

*Interview with Mr. Kim Ullman*



**New York, June 4, 2018.** Concordia Maritime has taken further steps to position for a market recovery anticipated later this year. Last week, it announced the addition of a 50% share in three South Korean Suezmaxes chartered to Stena Bulk. The vessels will be employed in the spot market and will trade in the Stena Sonangal Suezmax pool, which comprises of a total of 25 Suezmax tankers. The ships have been chartered for a year in the crude oil tanker segment with an option to extend until the end of 2019.

We spoke with Mr. Kim Ullman, CEO of Concordia Maritime who has been a strong advocate for a market recovery this year. Mr. Ullman mentioned we have already started to see TCE rates beginning to pick up and expects the trend to continue. He shared his thoughts in the crude and product segments and his rationale behind delving into charter-in opportunities.

**Do current market conditions and your market outlook allow for a meaningful arbitrage opportunity between charter-in and spot market rates?**

Kim Ullman: "Yes, with the charter-in rates we are at break even today and given our market outlook we will be able to make considerable meaningful arbitrages going forward," Mr. Ullman explains.

**Can this have significant impact on Concordia's bottom line?**

Kim Ullman: "We're certainly doing it to make a difference on the bottom line otherwise we wouldn't have bothered, but, in fairness, there are some limits to that since we're taking the ships in partnership (50%) and some contracts have profit sharing. But, yes, we expect a positive impact"



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**These vessels were already chartered-in by Stena, so what is the rationale behind your taking 50% share of an asset that is already in the group?**

Mr. Ullman affirms even though Stena owns 52% of the shares of Concordia Maritime, Concordia is strictly a fully independent and autonomous public company governed by its own balance sheet. "Deals like these cannot be looked at in any other "group way". This is however a perfect example of where we (Concordia) can use our right of first refusal on Stena Bulk deals that we opt to participate in. From that perspective you could say that we're living in productive symbiosis with each other," Mr. Ullman says.

**Is charter-in an expansion strategy you plan to follow more and more going forward?**

To some extent, yes Mr. Ullman explained. "We've been actively looking around for other types of deals also but we haven't found the "right one" that ticks all our check-boxes. In the meantime, and in order not to lose momentum in the doldrum markets, we have opted to take these attractive time charter opportunities while we continue to seek other favorable expansions"

**Do you plan to expand more in the product or the crude sector, or both?**

"We can't be too specific about that but as I said, we're still looking," Mr. Ullman says. "Concordia is in a good position with an owned core fleet which is more and more exposed to the spot market, cash at hand and seeing all possible deals through our symbiosis allows us "pick and choose" complementary deals for our portfolio."

**You have been a strong advocate for a market recovery in product and now also for crude? Is Q3/Q4 2018 an anticipated timeline?**

Mr. Ullman explained the third and fourth quarter timeline applies to the product, however the crude segment many need a longer run-way to take off.

"Well, some product markets (MR) have already started in a small way. If you look at some product owners, they are already showing quarterly profits and showing higher TCEs than their much bigger crude sisters. Crude is in the starting blocks and with Opec's new "opportune language" of easing production cuts already this summer/fall – yes, we can anticipate Q4 is a very good bet!", he concluded.

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