

INTERIM REPORT 1 JANUARY–31 MARCH 2020

Strong but uncertain market

- **Total income, Q1:**
SEK 348.6 (310.7) million
- **EBITDA, Q1:**
SEK 123.2 (81.6) million
- **Result before tax, Q1:**
SEK 29.0 (1.8) million
- **Result per share after tax, Q1:**
SEK 0.61 (0.04)

Events in the first quarter

- Low oil prices and high production bring positive effects in the short term
- Long-term effects of Covid-19 are difficult to assess
- P-MAX vessel *Stena Paris* chartered out for 6 months

Key figures

	Quarter 1		Full year
	2020	2019	2019
Total income, SEK million	348.6	310.7	1,140.2
EBITDA, SEK million	123.2	81.6	249.5
EBITDA, USD million	12.7	8.9	26.4
Operating result, SEK million	58.0	21.2	-0.4
Result before tax, SEK million	29.0	1.8	-102.3
Result after tax, SEK million	29.0	1.7	-102.6
Equity ratio, %	29	31	29
Return on equity, %	-7	-12	-9
Available liquid funds, including unutilised credit facilities, SEK million	398.8	226.8	354.8
Result per share after tax, SEK	0.61	0.04	-2.15
Equity per share, SEK	22.99	24.17	22.12
Lost-time injuries	1	1	1

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

Volatile but strong start to 2020

Overall, the early part of 2020 was volatile but strong for most tanker shipping segments. The trend in January followed the positive, structural-based trend we have seen since the end of 2019. After a decline in February, a record-low oil price and high production boosted oil trading, which in turn brought high rates in the tanker market.

The new Coronavirus continues to paralyse the world. Its consequences obviously also affect both the oil market and the tanker transport market. We focus on ensuring a good working environment and protecting the health of our employees and crews while also fulfilling our commitments to our customers.

Looking at tanker market development in Q1, we can see that the upturn at the end of 2019 continued in January 2020. The development was a direct consequence of structural factors in the form of relatively good growth in the global economy, good demand for oil, balanced stock levels and few ship deliveries – in other words, the factors that previously formed the basis for our belief in a strong market in 2020 and 2021.

Low oil price driving the tanker market

Corona effects in the form of reduced transport flows of goods and people contributed to a decline in the tanker market during February. However, the market was strong again in March, mainly due to a low oil price and a lack of agreement within Opec+ regarding further production cuts. This resulted in Saudi Arabia, the world's second-largest oil producer, abandoning its production cuts and instead opting to increase its market shares through sharply reduced prices to its customers. The price, already at a low level, fell by another 30 percent overnight. This resulted in significantly increased oil trading – and sharply rising rates in the tanker market. In a short space of time, rates in the VLCC

segment rose from around USD 25,000/day to USD 150,000–200,000/day. In the Suezmax segment, rates rose to USD 70,000–100,000/day, depending to some extent on geographical area. Rates also went up in the product segment – MR rose to USD 20,000–25,000/day. And that is where they have remained, with occasional fluctuations both upwards and downwards.

The market developments are also reflected in our own financial development. Result before tax for the quarter amounted to SEK 29.0 (1.8) million. EBITDA was SEK 123.2 (81.6) million, corresponding to USD 12.7 (8.9) million. Technical and operational management of the vessels has continued to be efficient. From a purely commercial perspective, we have a good contract and spot market mix, and we are delivering a voyage result that is in line with the market and competitors.

Significant stock accumulation

However, it is important to point out that a large proportion of the oil that is now transported will be placed in storage close to the consuming countries – both onshore and on vessels. Actual consumption of petrol, diesel and aviation fuel is significantly down as a result of the virus. The reduction is estimated at about 20–25 million barrels per day for March/April/May. Accumulated stocks are now driving the market, but as the stocks gradually start to empty, this will result in reduced demand for tanker transport. This is the current status of the dynamics.



Decisions on production cuts

In early April, Opec+ (supported by the G20) decided to cut production by 9.7 million barrels per day in May and June (based on October 2018 production), corresponding to about 10 percent of production. In addition to OPEC+, other G20 countries will also contribute with 'natural' production cuts, which means that the total production cuts are actually larger. The fact that the world's major oil producers are now adapting production to the current situation is understandable and basically sound. Whether the reduction will be sufficient to strengthen the oil price obviously depends on how long the Corona effects last. What we should also note is that the production cuts here and now do not outweigh the reduced oil consumption. Stock accumulation is therefore likely to continue, probably during most of Q2. We will then hopefully see a slow return to more normal transport flows starting in Q3 – with higher consumption (and also drawing of stocks) as a result.

So, let me try to summarise. In the short term, it is our assessment that accumulated stocks will contribute to a continuation of the strong market. Production cuts are then likely to bring reduced demand for transport. In this situation, the fact that a relatively large proportion of the storage is on vessels may dampen the negative impact to some extent.

This is all said with the greatest respect for the difficulty in making substantiated predictions in the current situation.

Gothenburg, April 2020
Kim Ullman, President

Business activities

Spot market earnings for the product tanker fleet in the first quarter of 2020 were USD 19,700 (17,800) per day. This was higher than average earnings per day for the market¹⁾, which were USD 18,800 (13,600). Suezmax fleet earnings for the quarter were USD 49,000 (27,300) per day, compared with average earnings of USD 55,000 (24,100) 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, four of the vessels were employed on time charters. The other six were employed in the spot market under agreements with 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 first quarter were USD 19,000 (17,400) per day. For vessels employed in the spot market, average earnings for the quarter were USD 19,700 (17,800) per day.

Suezmax fleet

During the period, the Suezmax fleet consisted of the Suezmax tanker *Stena Supreme* (158,000 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 during the quarter were USD 49,000 (27,300) per day.

Repairs and drydock

There were no repairs or drydocking during the quarter.

Current status of contracted freights Q2 2020, 31 March

	Total number of available charter days	Share of chartered days (%)	Average earnings (\$/day)
Product tankers, spot	728	39	19,900
Suezmax, spot	91	68	55,000

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}	
		Q1 2020	Q1 2019	Q1 2020	Q1 2019
Product tankers	8	19,700	17,800	18,800	13,600
Suezmax	1	49,000	27,300	55,000	21,400

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 in line with Clarksons theoretical index during the quarter. Concordia Maritime's earnings in the Suezmax segment during the quarter were lower than the Clarksons index. The main reason why the segment

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

EBITDA per quarter

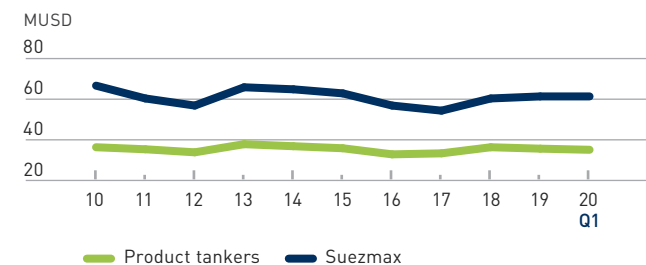
USD millions	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Product tankers, time charter	4.6	1.5	1.9	4.3	4.3	4.1	4.5	5.8	7.6
Product tankers, spot, owned and leased tonnage	5.5	3.1 ³	3.1 ²	1.2	3.8	-0.5	-4.1	-4.5	-4.4
Product tankers, spot, short-term chartered tonnage	0.0	0.0	-0.2	-0.1	0.1	-0.6	-1.1	-0.4	-0.1
Sale of vessels	—	—	—	—	—	—	—	—	—
Product tankers, total	10.1	4.7	4.8	5.5	8.1	3.0	-0.7	0.9	3.0
Suezmax, spot, owned and leased tonnage	3.6	3.1	1.0	0.9	1.6	-0.1	-1.1	-1.2	-1.3
Suezmax, spot, short-term chartered tonnage	0.0	0.0	0.0	0.0	0.0	6.7 ¹	0.2	-0.0	—
Sale of vessels	—	—	—	—	—	—	—	—	—
Suezmax, total	3.6	3.1	1.0	0.9	1.6	6.6	-0.9	-1.2	-1.3
Admin. and other	-0.9	-1.3	-0.4	-0.7	-0.8	-0.7	-0.5	-0.8	-0.8
Total	12.7	6.5	5.4	5.6	8.9	8.9	-2.1	-1.1	0.9

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.

Newbuilding prices

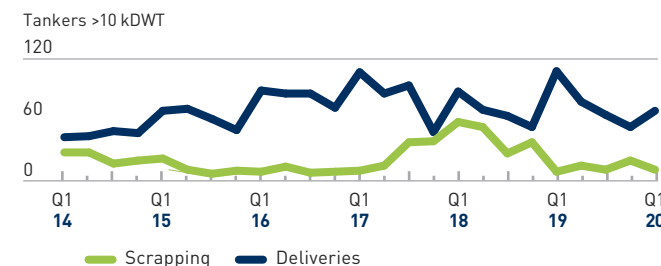


At the end of the quarter, the price of a standard product tanker was about USD 35.25 million. The price of an IMOII class MR tanker like our IMOIIIMAX vessels was about USD 39.5 million. This is the same price as when we placed our order with the shipyard in 2012. The price of a standard Suezmax tanker at the end of the quarter was about USD 61.5 million.

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

Source: Clarkson

Scrapping and deliveries



Deliveries of new vessels increased slightly in Q1, while phasing-out through scrapping declined compared with the previous quarter.

Source: Clarkson

Financial summary

Result

Result after tax for the quarter was SEK 29.0 (1.7) million. The stronger tanker market in January and March meant higher 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 22.99 (24.17).

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 Q1 2020, this hedging was valued at SEK -41.9 million and is recognised in the hedging reserve through OCI.

The closing amount in the hedging reserve at the end of the quarter was SEK -57.9 (-14.6) million. The closing balance for the translation differences, which are recognised in equity, amounted to SEK 569.1 (527.0) 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 25.4 (6.0) million. The investments for the quarter are related to periodic drydocking. 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

At the turn of the year, the Company had a bunker hedge covering 67,200 tonnes, effective January 2020 to June 2021. These positions have been moved forward and now run from 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.

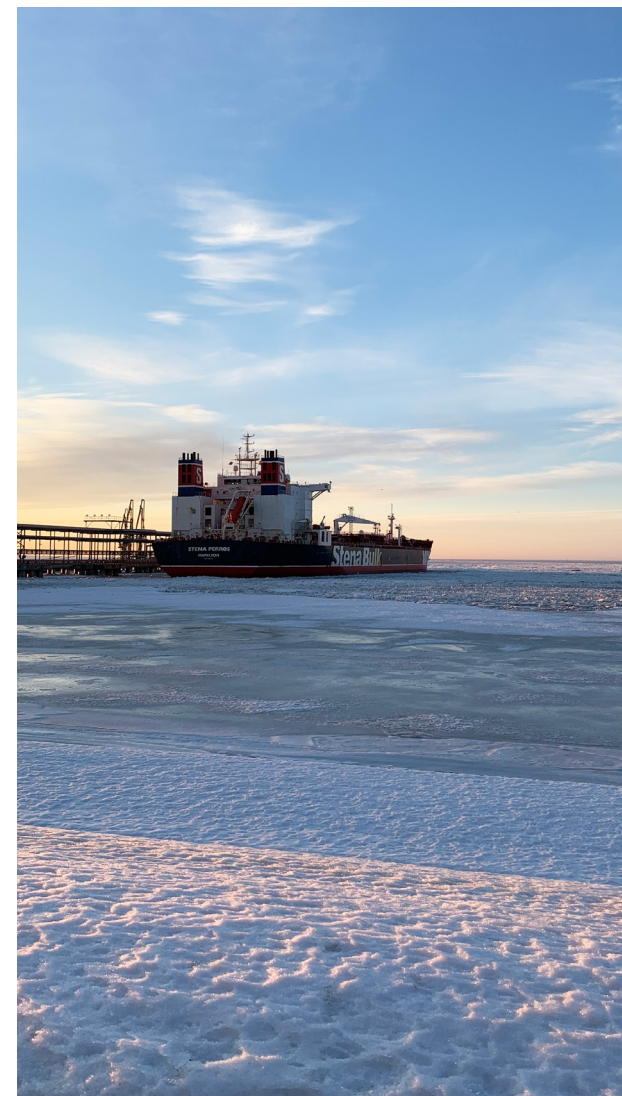
Hedge accounting is applied for the bunker hedge, and the fair value is recognised in other comprehensive income. A fair value change of SEK -21.9 million for this position was reported in OCI during the quarter. The realised values are recognised in the Company's income statement at maturity.

Positions

The Company had positions for the price differential between bunker grades HSFO and MGO for the first six months of 2020 totalling 12,000 tonnes. After two months of 2020, the remaining 8,000 tonnes were moved to March-June 2021 with a settlement price of USD 325/tonne. Market value changes for the positions are recognised in the income statement, and amount to SEK -1.1 (-4.1) million for the quarter. They are classified as current and non-current liabilities in the Company's balance sheet.

At the end of the quarter, no FFA positions remained. Market value changes for the TD20 positions for 2020 are recognised in the income statement, and are SEK -1.8 (-0.9) million for the quarter. A realised value of SEK 0.5 million was recognised in the income statement during the quarter and had a positive cash effect.

Market value changes for the TC2 positions are recognised in the income statement, and are SEK -0.4 million for the



quarter. Realised values of SEK 5.3 million were recognised in the income statement during the quarter and had a positive cash effect. At the end of the quarter, the Company has a Brent option expiring in November, which could at most result in a loss of USD 350,000. This has been recognised in the income statement at the end of the quarter. The option 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 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 the quarter, the average of the three independent market valuations of the fleet was higher than the carrying amounts of the vessels.

Seasonal variations

At the end of the quarter, eight vessels in the sailing fleet of 13 (10 owned, 3 on bareboat contracts) were employed in the spot market, two of them on CVC contracts. Four vessels are out on time charters – three of them for two years with an option for a further year, and one for six months. 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 31 March 2020 was 3 (6). The Group employed 523 (504) temporary seagoing employees through Stena Sphere's manning company.

Parent Company

The Parent Company's sales for the quarter amounted to SEK 1.5 (39,3) million, with intragroup invoicing representing SEK 0.0 (0.1) million of this amount. The Parent Company's available liquid funds at the end of the quarter amounted to SEK 1,187.4 (1,173.2) million, which includes receivables from Group companies in the cash pool and unutilised credit facilities.

Other

The change in legal structure previously adopted by the Board was implemented during Q1. This involves establishing ourselves in the Danish maritime cluster and applying Danish tonnage tax.

The Company has previously announced that it is investigating the feasibility of changing the trading venue for Concordia Maritime's shares to the Oslo Stock Exchange. In view of the developments in the world, these plans are being put on hold.

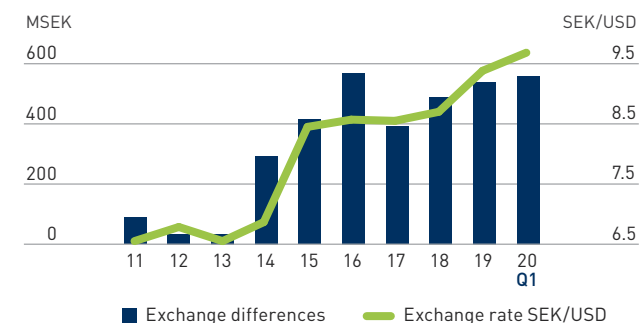
The Group's total income and earnings

SEK millions	Quarter 1		Full year
	2020	2019	2019
Total income ¹⁾	348.6	310.7	1,140.2
Operating result	58.0	21.2	-0.4
Result before tax	29.0	1.8	-102.3
Result per share after tax, SEK	0.61	0.04	-2.15

Liquidity and financial position

SEK millions	31 Mar 2020	31 March 2019
Available liquid funds ²⁾	398.8	226.8
Interest-bearing liabilities	2,407.0	2,397.8
Equity	1,097.5	1,153.7
Equity ratio, %	29	31.1

Translation differences³⁾



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.

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 was one workplace incident resulting in an individual employee being unable to return to a work shift on the following day. In the incident, a crew member sustained a hand injury from metal shavings while cleaning a lathe in the workshop onboard *Stena Premium*.

One incident involving material damage (*Stena Paris*: damage to a crane) occurred during the quarter. There were no medical treatment cases, but there was one restricted work case (*Stena Perros*: injury to a crew member caused by a tool) in the first quarter. No incident classified as a high potential near miss or a high risk observation occurred during the quarter.

During the quarter, pirates tried to board one of the Company's vessels (*Stena Important*) while anchored at Doula, Cameroon. The fact that the attempt was thwarted shows that processes and risk management are efficient.

External controls

Ten vetting inspections were conducted during the quarter. There were 21 observations recorded during these inspections, resulting in an average of 2.1 observations per inspection.

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

Energy management

Efforts to reduce bunker consumption continued during the quarter. As a result of the Company's vessels increasingly sailing with cargo, bunker consumption unfortunately increased by 0.4 tonnes per vessel per day during the quarter. For the full year 2019, the reduction in bunker consumption was 0.24 tonnes per day at sea. The target for the full year 2020 is to reduce bunker consumption by 0.3 tonnes per day at sea.

Increased bunker consumption results in higher emissions to the air. However, IMO's new regulations on bunker quality mean that emissions of SO_x will fall despite increased bunker consumption.



Targets and outcomes, sustainability

Safety first

	Q1 2020	Q1 2019	Target 2020	Outcome 2019
LTI	1	1	0	1
LTIF	1.48	0.34	0	0.35
Number of inspections with more than 5 observations (owned vessels)	0	0	0	0
Average number of vetting observations per inspection (owned vessels)	2.1	2.4	<4	2.1
Number of port state controls resulting in detention	0	0	0	0
Number of piracy-related incidents	1	0	0	0
Material damage	1	1	0	4
Medical treatment case	0	1	0	1
Restricted work case	1	0	0	1
High potential near miss	0	0	0	4
High risk observation	0	0	0	0

Environmental responsibility

	Q1 2020	Q1 2019	Target 2020	Outcome 2019
Oil spills, litres	0	0	0	0
Reduced fuel consumption, mt/day (owned vessels) ¹⁾	-0.47	0.35	0.3	0.24
CO ₂ reduction, mt	-101	797	2,800	1,940
SO _x reduction, mt	14.5	11.0	36	26.5
NO _x reduction, mt	-2.0	22.4	80	55
Reduction in emissions of particulates, mt	-0.26	0.2	0.9	0.8

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.



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.

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GROUP

Income statement

SEK millions	Quarter 1 2020	Quarter 1 2019	Full year 2019
Consolidated income statement			
Average exchange rate SEK/USD	9.67	9.17	9.46
Time charter income, leasing of vessels	25.9	36.4	119.6
Time charter income, operational services	45.1	65.6	215.0
Spot charter income ¹⁾	277.6	208.8	757.5
Other income	0.0	0.0	48.0
Total revenue	348.6	310.7	1,140.2
Voyage-related operating costs	-106.1	-75.8	-351.1
Operating costs, ships ¹⁾	-49.7	-84.9	-265.8
Personnel costs, temporary seagoing	-53.8	-52.5	-212.1
Personnel costs, land-based	-3.8	-5.7	-23.1
Other external expenses	-12.2	-10.2	-38.5
Depreciation/impairment	-65.1	-60.4	-249.9
Total operating costs¹⁾	-290.6	-289.5	-1,140.6
Operating result	58.0	21.2	-0.4
Interest and similar income	5.2	11.3	24.8
Interest and similar expense	-34.2	-30.7	-126.7
Financial net	-29.0	-19.4	-101.9
Result before tax	29.0	1.8	-102.3
Tax	0.0	-0.1	-0.3
Result after tax	29.0	1.7	-102.6

1) Accounting policies, see page 18.

Other comprehensive income

SEK millions	Quarter 1 2020	Quarter 1 2019	Full year 2019
Result after tax	29.0	1.7	-102.6
Items that have been/can be transferred to result for the period			
Translation differences	37.9	45.1	49.3
Changes in fair value of cash flow hedges for the period	-21.9	46.3	20.0
Changes in fair value of cash flow hedges transferred to result for the period	-0.9	-0.9	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	-2.2	0.0	0.5
Comprehensive income for the period	41.9	92.2	-27.9

Per-share data, SEK

SEK millions	Quarter 1 2020	Quarter 1 2019	Full year 2019
Per-share data, SEK			
Number of shares	47,729,798	47,729,798	47,729,798
Result per share, before/after dilution	0.61	0.04	-2.16
Equity per share, SEK	22.99	24.17	22.12

GROUP

Condensed balance sheet

SEK millions	31 Mar 2020	31 Mar 2019	31 Dec 2019
Closing exchange rate SEK/USD	9.91	9.29	9.37
Assets			
Ships and equipment ¹⁾	3,198.9	3,212.0	3,064.2
Financial assets	0.0	15.3	0.1
Total non-current assets	3,198.9	3,227.4	3,064.4
Current receivables	372.6	266.1	349.3
Short-term deposits	1.3	84.8	3.4
Cash and bank balances ²⁾	205.6	131.8 ²⁾	227.7
Total current assets	579.5	482.7	580.5
Total assets	3,778.4	3,710.1	3,644.9
Equity and liabilities			
Equity	1,097.5	1,153.7	1,055.6
Non-current liabilities	2,120.1	2,083.3	2,041.2
Current liabilities	560.7	473.1	548.1
Total equity and liabilities	3,778.4	3,710.1	3,644.9

1) Including right-of-use assets of SEK 1,127.8 (1,080.0) million.

2) Including restricted funds of SEK 0 (7.9) million.

Changes in equity

SEK millions	Share capital	Other paid-in capital	Translation reserve	Hedging reserve	Fair value reserve	Retained earnings	Total
Changes Jan–Mar 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			37.9	-22.8	-2.2	29.0	41.9
Closing balance 31.03.2020	381.8	61.9	569.1	-57.9	-4.4	147.1	1,097.5
Changes Jan–Mar 2019							
Opening balance 01.01.2019	381.8	61.9	481.9	-60.0	-2.4	198.3	1,061.5
Comprehensive income for the period			45.1	45.5		1.7	92.2
Closing balance 31.03.2019	381.8	61.9	527.0	-14.5	-2.4	200.0	1,153.7

GROUP

Condensed cash flow statement

SEK millions	Quarter 1 2020	Quarter 1 2019	Full year 2019
Operating activities			
Result before tax	29.0	1.8	-102.3
Adjustments:			
Depreciation	65.1	62.4	249.9
Other items	-6.2	-0.4	1.0
Cash flow from operating activities before changes in working capital	87.9	63.8	148.7
Changes in working capital	17.1	-11.8	-86.9
Cash flow from operating activities	105.0	52.1	61.8
Investing activities			
Sale of non-current assets	0.0	0.0	0.0
Investment in non-current assets	-25.4	-6.0	-62.7
Sale of financial assets	0.0	31.9	124.3
Investment in financial assets	0.0	-10.7	-14.2
Other financial items	0.2	0.0	0.0
Cash flow from investing activities	-25.3	15.3	47.5
Financing activities			
New loans	0.0	0.0	1,122.2
Amortisation of loans	-107.0	-47.1	-1,067.6
Dividend to shareholders	0.0	0.0	0.0
Other financing	-6.6	-20.0	-74.7
Cash flow from financing activities	-113.5	-67.1	-20.0
Cash flow for the period	-33.8	0.1	89.3
Balance at beginning of period (Note 1)	227.8	126.4	126.4
Exchange differences (Note 2)	11.8	5.3	12.0
Balance at end of period (Note 1)	205.6	131.8	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	6.9	6.0	6.9
Cash flow for the period	4.9	-0.7	5.1
	11.8	5.3	12.0

PARENT COMPANY

Condensed income statement

SEK millions	Quarter 1 2020	Quarter 1 2019
Net sales	1.5	39.3
Operating costs, ships	-1.3	-38.8
Other external expenses	-3.8	-2.9
Personnel expenses	-1.3	-4.4
Operating result	-4.9	-6.7
Result from subsidiaries	0.0	74.3
Other interest and similar income	9.8	61.1
Interest and similar expense	-76.9	-36.9
Result before tax	-72.0	91.9
Tax	0.0	0.0
Result after tax	-72.0	91.9

Condensed balance sheet

SEK millions	31 Mar 2020	31 Mar 2019
Assets		
Ships and equipment	0.0	0.0
Financial assets	0.0	0.5
Investments in Group companies	746.4	745.8
Total non-current assets	746.5	746.4
Current receivables	17.7	4.4
Receivables from Group companies	1,174.2	1,137.3
Cash and bank balances ¹⁾	3.2	26.0
Total current assets	1,195.1	1,167.6
Total assets	1,941.6	1,913.9
Equity and liabilities		
Equity	442.7	576.0
Non-current liabilities	1,182.4	1,071.2
Current liabilities	316.5	266.7
Total equity and liabilities	1,941.6	1,913.9

1) Including restricted funds of SEK 0 (7.9) million.

Risks and risk management

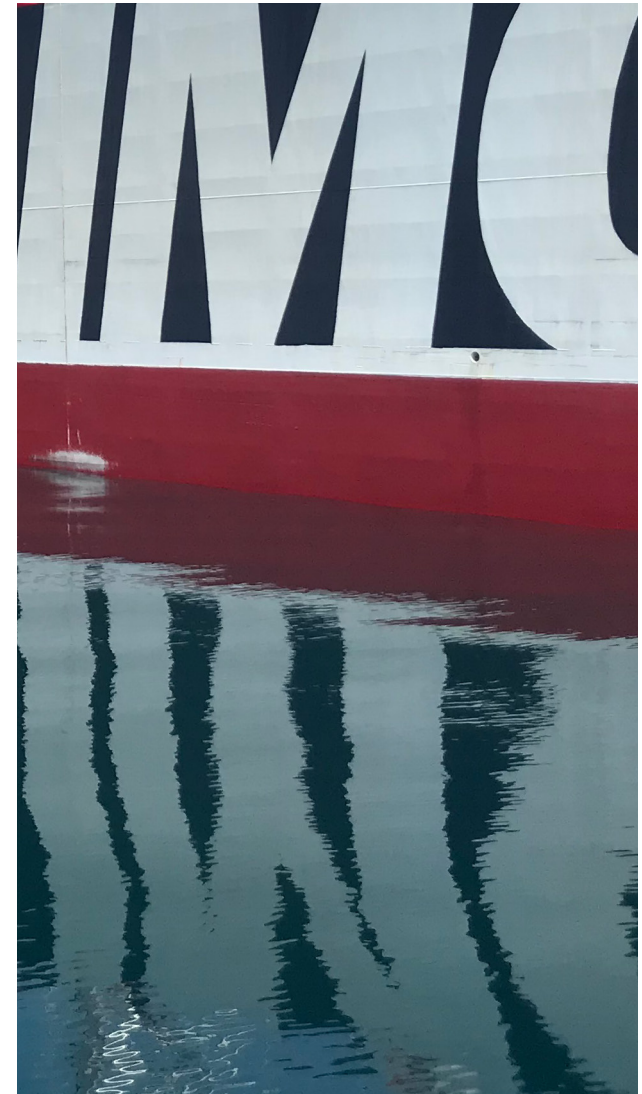
As with all commercial enterprises, Concordia Maritime's activities are associated with certain risks, the occurrence of which may have a material adverse effect on the Company's business, earnings, financial position and future prospects or result in a fall in value for the Company's shares, meaning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

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

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

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

More information about risks and risk management can be found in Concordia Maritime's 2019 annual report, which is available at www.concordiamaritime.com.



Definitions, shipping

CO₂

Carbon dioxide.

CVC

Consecutive Voyage Charter

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).

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 1 2020	Quarter 1 2019	Full year 2019
Operating result	58.0	21.2	-0.4
Depreciation/impairment	65.1	60.4	249.9
EBITDA	123.2	81.6	249.5

Result excluding impairment and tax

SEK millions	Quarter 1 2020	Quarter 1 2019	Full year 2019
Result after tax	29.0	1.7	-102.6
Impairment	0.0	0.0	0.0
Tax	0.0	0.1	-0.3
Result excluding impairment and tax	29.0	1.8	-102.3

Result per share excluding impairment and tax

	Quarter 1 2020	Quarter 1 2019	Full year 2019
Result excluding impairment and tax, SEK million	29.0	1.8	-102.3
Number of shares	47,729,798	47,729,798	47,729,798
Result per share excluding impairment and tax, SEK	0.61	0.04	-2.15

Return on equity

SEK millions	Quarter 1 2020	Quarter 1 2019	Full year 2019
Result after tax	-75.3	-141.4	-102.6
Equity	1,092.9	1,152.5	1,106.9
Return on equity	-7	-12%	-9%

Return on capital employed

SEK millions	Quarter 1 2020	Quarter 1 2019	Full year 2019
Result after financial net	-75.1	-141.4	-102.3
Finance costs	128.4	94.7	124.9
Result after financial net plus finance costs	53.3	-46.7	22.6
Total assets	3,652.2	3,112.7	3,635.1
Non-interest-bearing liabilities	-210.1	-157.3	-181.2
Capital employed	3,442.2	2,955.4	3 453.9
Return on capital employed	1.6%	-1.6%	0.6%

Return on total capital

SEK millions	Quarter 1 2020	Quarter 1 2019	Full year 2019
Result after financial net	-75.1	-141.4	-102.3
Finance costs	128.4	94.7	124.9
Result after financial net plus finance costs	53.3	-46.7	22.6
Total assets	3,652.2	3,112.7	3,635.1
Return on total capital	1.5%	-1.5%	0.6%

Equity ratio

SEK millions	Quarter 1 2020	Quarter 1 2019	Full year 2019
Equity	1,097.5	1,153.7	1,055.6
Total assets	3,778.4	3,710.1	3,644.9
Equity ratio	29%	31%	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, 29 April 2020

Kim Ullman
CEO

Quarterly overview

SEK millions	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Profit/loss items									
Total income ¹⁾	348.6	317.6	259.2	252.7	310.7	367.8	258.6	227.0	199.6
Operating costs excluding impairment ¹⁾	-290.6	-320.9	-269.7	-260.5	-289.5	-339.6	324.5	-282.4	-236.0
Operating result (EBIT)	58.0	-3.3	-10.6	-7.8	21.2	28.2	-66.4	-55.5	-36.4
of which result from sale of investments in jointly-controlled entities (vessels)	—	—	—	—	—	—	—	—	—
Financial net	-29.0	-26.1	-25.0	-31.4	-19.4	-47.6	-0.5	-1.6	-2.2
Result after financial net	29.0	-29.3	-35.6	-39.2	1.8	-19.4	-66.9	-57.0	-38.7
Result after tax	29.0	-29.5	-35.6	-39.2	1.7	-19.4	-67.0	-57.0	-38.7
Cash flow from operating activities	105.0	-44.2	28.9	24.7	51.9	-11.0	-31.4	-69.3	-4.4
EBITDA	123.2	62.3	52.4	53.3	81.6	77.1	-18.0	-9.3	7.0
Balance-sheet items									
Ships (number)	3,198.9 (13)	3,052.8 (13)	3,243.4 (13)	3,097.7 (13)	3,212.0 (13)	2,303.0 (11)	2,359.0 (11)	2,421.7 (11)	2,303.9 (11)
Ships under construction (number)	0	0	0	0	0	0	0	0	0
Liquid funds incl. investments	206.9	231.2	119.5	186.5	231.3	223.9	263.9	359.7	435.5
Other assets	372.6	349.5	285.6	252.8	266.8	253.5	280.9	262.2	206.3
Interest-bearing liabilities	2,407.0	2,400.9	2,321.4	2,267.9	2,397.8	1,539.1	1,625.8	1,686.2	1,620.2
Other liabilities and provisions	273.9	188.4	225.5	152.4	158.6	194.4	121.2	119.5	120.3
Equity	1,097.5	1,055.6	1,101.6	1,116.7	1,153.7	1,061.5	1,156.9	1,238.1	1,205.3
Total assets	3,778.4	3,644.9	3,648.5	3,537.0	3,710.1	2,795.0	2,903.9	3,043.8	2,945.8
Key figures, %									
Equity ratio	29	29	30	32	31	38	40	41	41
Return on total capital	1	1	1	-1	-1	-3	-5	-20	-18
Return on capital employed	2	1	1	-1	-2	-4	-5	-21	-19
Return on equity	-7	-9	-8	-11	-12	-16	-17	-54	-48
Operating margin	17	-1	-4	-3	7	8	-26	-24	-18
Share data									
Total income ¹⁾	7.30	6.65	5.43	5.29	6.51	7.71	5.42	4.76	4.18
Operating costs excluding impairment	-6.09	-6.72	-5.65	-5.46	-6.07	-7.11	-6.81	-5.92	-4.95
Operating result	1.22	-0.07	-0.22	-0.16	0.44	0.59	-1.39	-1.16	-0.76
Financial net	-0.61	-0.55	-0.52	-0.66	-0.41	-1.00	-0.01	-0.03	-0.05
Result after tax	0.61	-0.62	-0.75	-0.82	0.04	-0.41	-1.40	-1.19	-0.81
Cash flow from operating activities	2.20	-0.93	0.60	0.52	1.09	-0.23	-0.66	-1.45	-0.09
EBITDA	2.58	1.30	1.10	1.12	1.71	1.62	-0.38	-0.19	0.15
Equity	22.99	22.12	23.08	23.40	24.17	22.24	24.24	25.94	25.25

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 1		Full year
	2020	2019	2019
Group	69.1	67.3	274.8
Parent Company	0.2	0.4	1.8

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



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Calendar

Q2 Interim Report 13 August 2020
Q3 Interim Report 3 November 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 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 29 April 2020 at approximately 13.00 CET.

Fleet, 31/03/2020

Product tankers	Employment	Partner
P-MAX		
Stena Premium	Time charter to October 2021	Stena Bulk
Stena Polaris	Spot	Stena Bulk
Stena Performance	CVC to July 2020	Stena Bulk
Stena Provence	Spot	Stena Bulk
Stena Progress	Time charter to October 2021	Stena Bulk
Stena Paris	Time charter to September 2020	Stena Bulk
Stena Primorsk	CVC to September 2020	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

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

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

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

**CONCORDIA
MARITIME**

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