

2021

CONCORDIA
MARITIME

Annual Report

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The audited annual report for Concordia Maritime AB (publ), 556068-5819, consists of pages 47–84. The annual report is published in Swedish and English, with Swedish being the original version. Sustainability priorities are integrated into the entire annual report.



Concordia Maritime is an international tanker shipping company. We focus on safe, sustainable and reliable transportation of refined oil products, chemicals and vegetable oils.



9
ships in
the fleet

604
Number of seafarers

Engaged via manning company
Northern Marine Management.

1887

Concordia Maritime
was founded



Concordia Maritime
supports Agenda 2030

Fleet's position, 24 February 2022

- | | |
|---------------------|------------------|
| 1 Stena Premium | 6 Stena Paris |
| 2 Stena Polaris | 7 Stena Primorsk |
| 3 Stena Performance | 8 Stena Penguin |
| 4 Stena Provence | 9 Stena Supreme |
| 5 Stena Progress | |

Focus on transportation
of refined oil products



Extraction



Refining



Distribution



End consumer

2021 in brief

- Net sales SEK 704.8 (1,025.8) million
- EBITDA SEK –82.6 (277.8) million
- Result before tax SEK –658.2 (–65.1) million
- Equity ratio 14% (28%)

Particularly weak market

2021 was a particularly weak year – both for the market and for Concordia Maritime. Continued production cuts, stock reductions and the consequences of the pandemic resulted in low rates in all tanker market segments.

Extensive docking programme completed

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

Time charter contract for P-MAX vessels

A five-year time charter contract for P-MAX vessels was signed with Stena Bulk in August.

Revised loan terms for P-MAX vessels

An agreement on new loan terms was entered into with lending banks in September. Overall, the new terms include a lower repayment rate, new levels of covenants and a stipulation that the Company may not pay dividends before the

end of the loan agreement in December 2024 without the consent of the lending banks.

Erik Lewenhaupt new CEO

Erik Lewenhaupt was appointed new CEO during the year. Erik has a long track record in tanker shipping, including roles at Nordström & Thulin and Stena Bulk, where he was Tanker Chartering Manager in both Gothenburg and Singapore. His most recent position was Head of Sustainability at Stena Line.

Sale of vessels

The two IMOIIIMAX vessels *Stena Image* and *Stena Important* were sold at the end of August. The buyer was a Chinese leasing company. The net liquidity surplus from the transactions amounted to approximately SEK 45 million.

Impairment of vessel values

After an overall assessment of the vessels' market value and their value in use, vessel values were written down by SEK 268 million in Q4. The carrying amount of Concordia Maritime's vessels after the impairment amounts

Events after the end of the financial year

to SEK 1,973 million.

P-MAX vessel *Stena Polaris* chartered out

After a long tendering process, Concordia Maritime signed a charter contract with Crowley Government Services Inc. (Crowley) for the P-MAX vessel *Stena Polaris* in early 2022. The contract is for a minimum period of 12 months with options up to 5 years, starting in January 2022.

Technical design study launched

Concordia Maritime, together with Stena Teknik and a German consultancy specialising in ship design, has launched a technical design study. The aim is to investigate the technical feasibility of converting and adapting P-MAX vessels for container transportation.

New covenant terms

In the first quarter of 2022, the Company and lending banks agreed on new long-term

sustainable covenant levels.

Sale of two P-MAX vessels

In early 2022, the P-MAX vessels *Stena Perros* and *Stena President* were sold. Both vessels, built in 2007, had periodic maintenance dockings scheduled for 2022. The purchase prices resulted in a positive liquidity effect of approximately USD 1.4 million and USD 0.6 million. The surplus will be used for accelerated loan amortisation, which will strengthen the Company in the longer term.

Key figures

	2021	2020
Total income	704.8	1025.8
EBITDA, SEK million	–82.6	277.8
EBITDA, USD million	–9.6	30.2
Operating result, SEK million	–583.5	32.6
Result before tax, SEK million	–658.2	–65.1
Result before tax, adjusted for impairment	–390.5	–65.1
Result after tax, SEK million	–660.4	–66.0
Equity ratio, %	14	28
Return on equity, %	–112	–6
Available liquid funds, including unutilised credit facilities, SEK million	34.9	378.0
Result per share after tax, SEK	–13.84	–1.38
Equity per share, SEK	6.21	16.66
Dividend per share, SEK	0.00	0.00
Share price on closing date, SEK	5.90	8.18
Lost-time injuries	0	2

CEO's overview

Energy, economy, politics and tragedy

After a mediocre 2020, the fundamentals pointed to a better tanker market in 2021. Stock levels were low and demand for oil increased after the sharp decline early on in the pandemic. But the upturn did not materialise. Instead, 2021 turned out to be one of tanker shipping's most challenging years ever and 2022 also started at low levels. However, there are still good prospects for a stronger market, although war and tragedy in the world around us have created high uncertainty and we can expect continuing volatility going forward.

APART FROM THE TANKER SEGMENT, all shipping segments performed strongly in 2021 – largely driven by high commodity prices, disruptions in logistics chains and a generally strong recovery in the global economy – supported by record low interest rates. The ship broker Clarkson's "ClarkSea Index", which shows overall earnings for shipping, increased by +93 percent during the year. At the same time, the tanker segment decreased by –71 percent.

Several reasons behind the weak market

The weak market during the year was due to a number of factors, the main ones being:

- *Lower volumes.* Despite a recovering economy and increased demand for oil, OPEC+ has not increased production at the same pace. Stock levels have been historically low but the broad replenishment that was expected has not taken place.
- *Shorter distances.* This is partly due to lower than expected exports from typical long-distance exporters

like West Africa, Brazil and the US, to regions such as Asia, leading to a reduction in transport distances.

- *Less phasing-out/recycling than necessary.* Despite a historically weak market, a relatively large number of older vessels remained active rather than being recycled. About 100-200 of these older vessels are now reported to be sailing "off radar" with cargo from countries under sanction. This contributed to net fleet growth.
- *Increased fuel prices.* The price of crude oil rose gradually over the year, from approximately USD 50/barrel in January to approximately USD 80/barrel in December. In 2022, the price of crude oil has continued to rise, affecting fuel prices for the fleet and pointing towards a broad replenishment of stocks.

Major impact on Concordia Maritime

The continuation of the weak market is clearly reflected in Concordia Maritime's financial performance. Result for 2021 was SEK –660 million. A strong contributor to the



weak performance is the fleet impairment recognised in Q4 and previously communicated. Other contributory factors were increased non-recurring costs related to periodic dry-docking, investments in statutory ballast water treatment systems and increased complexity in crew changes as a result of the pandemic. The stronger result in the fourth quarter is mainly a consequence of the five-year time charter for the P-MAX fleet. Although the base rate does not generate a profit, the agreement provides good basic cover during challenging circumstances and there is the possibility of profit-sharing for income above the base rate.

Measures to strengthen the Company's financial position

Overall, the weak market in 2021 has posed major challenges for tanker operators and for Concordia Maritime. This has led to a number of activities being initiated and implemented:

- Time chartering of the entire P-MAX fleet (progressively from Q3 2021). The five-year agreement with Stena Bulk secures a base rate of USD 15,500 per day and vessel with profit-sharing for any surplus levels.
- Revised loan terms with lending banks, including a lower repayment rate and new long-term covenant levels (up to the end of Q4 2024).
- Divestment of the two IMOIIIMAX product tanker vessels *Stena Image* and *Stena Important* (Q3 2021).
- Redelivery of shares in chartered Suezmax vessels (Q3 and Q4 2021).



- Sale of P-MAX vessels *Stena Perros* and *Stena President*. Both vessels had periodic maintenance dockings and investments in ballast water treatment systems scheduled for 2022 (Q1 2022).

A new reality? The market in 2022 and beyond

At the time of writing, uncertainty is high. The tragic developments in Ukraine mean that we can expect market swings based less and less on fundamentals and more and more on sanctions and other political decisions. A new kind of iron curtain is emerging in Europe, making it even more difficult to analyse transport demand on a market basis.

Will we see new trade patterns and a slowdown in globalisation in the wake of new sanctions against Russia? Will 2022 be the year we win the battle against Covid – or will the pandemic continue to disrupt global logistics chains? Is the economy heading for a slump due to high commodity prices and rising inflation?

The questions are many but the underlying need for transport remains. Refined products, vegetable oils, renewable fuels and chemicals all need to be shipped to feed a growing world. According to JP Morgan*, global demand for oil will not peak until 2030, even though we all want a faster transition. The month of March has seen a gradual improvement in product market earnings as Russian cargoes have been replaced by products from the US and Asia.

Looking at the supply side, we can see that the order book for tankers is at 7.3 percent of the total fleet and the average age of the fleet continues to rise. Most yards are fully booked until early 2025 but are dominated by container ships and LNG carriers. Steel scrap prices in ship recycling have reached new record levels. Expected net tanker fleet growth is therefore also very low for 2023 and 2024. Stock levels of oil and

products remain low – and, despite the current high price levels, we have to wonder how long this situation can persist. So there are still reasons for cautious optimism.

Safety and operation

Operation of our vessels has gone well in 2021 and safety is, as always, the main focus on board. No incidents resulting in LTIs were recorded during the year, which is a fine testament to Northern Marine's structured approach. Also, no oil was spilled overboard. Our crews handled another year of Covid-19 restrictions valiantly. We are also reviewing how our vessels can become even more effective and fuel-efficient as they adapt to the forthcoming IMO EEXI and CII regulations.

A major focus in 2022 will be to gradually strengthen the Company's financial position. The time chartering of the P-MAX vessels provides a necessary basis here. In addition, there is an ongoing review of the fleet's challenges and opportunities to adapt to changing regulatory and market conditions. An example of this is the technical design study we are conducting to investigate the feasibility of converting P-MAX vessels to container ships. The road to a decision is certainly long, but we are turning over every stone to do what is best for the Company and shareholders.

"Expect the best, plan for the worst and prepare to be surprised" are apt words for the tanker market. We are keeping our options open for future challenges and opportunities.

Gothenburg, March 2022
Erik Lewenhaupt, CEO

* JP Morgan Global Commodities Energy – "Peak out of sight"

Business and revenue model

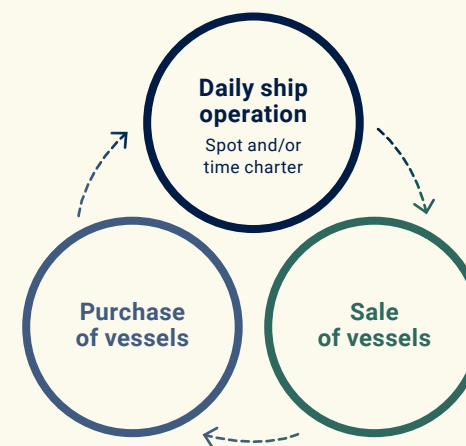
Concordia Maritime's business model is built on two pillars – daily ship operation and the purchase and sale of vessels.

Vision

- Always the customer's first choice for ocean transport.

Business concept

- To deliver innovative, safe and efficient maritime transport with a reduced environmental footprint.
- To achieve a good return on invested capital through well-balanced charter contracts, and the purchase and sale of vessels.



Business and revenue model

Daily ship operation

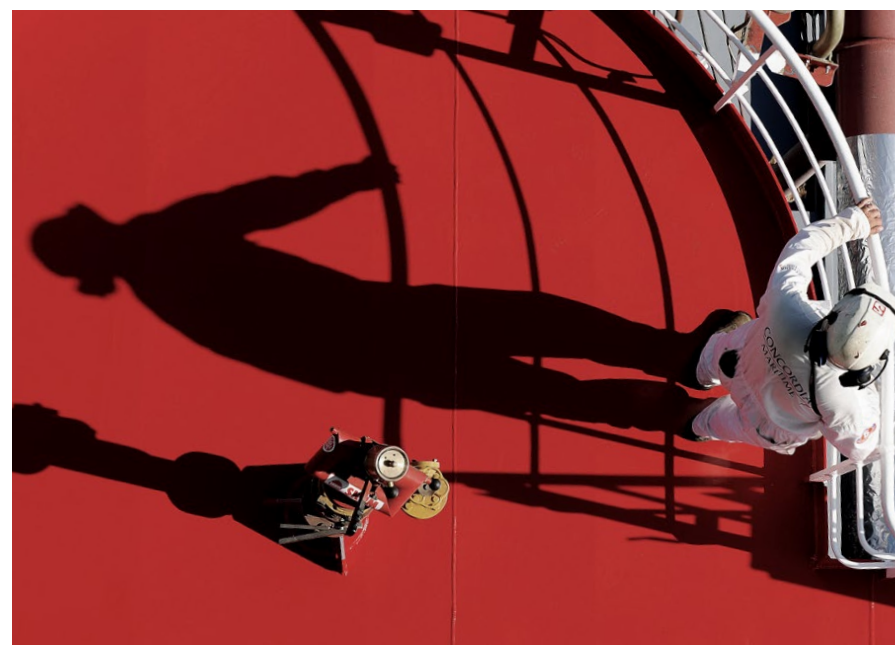
Income from daily operation is derived from contracting either through the spot market or time charters. Freight rate levels for spot charters are completely variable and based on supply and demand at any given time. With time charters, on the other hand, income consists of a pre-agreed daily time charter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

Vessel transactions

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

Goals and strategies

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



Financial targets

	TARGET	OUTCOME 2021	COMMENTS
Profitability	10% return on equity.	-112%	A very weak spot market relative to operating and charter costs, as well as impairment charges on the carrying amount of vessels, contributed to a significant loss for 2021.
Equity ratio	>40% over a business cycle.	14%	A very weak spot market combined with impairment of vessel values resulted in a lower equity ratio compared with 2020.
Growth	10% ¹⁾ average annual fleet growth over a business cycle.	-25%	On 31 December 2021, the Company had 11 (13) vessels in the fleet. The decrease from the previous year is due to the divestment of the two IMOIIIMAX vessels <i>Stena Image</i> and <i>Stena Important</i> and the redelivery of previously chartered Suezmax tankers.

Targets: environment and safety

	TARGET	OUTCOME 2021	COMMENTS
Lost-time injuries	0	0	During the year, there no workplace incidents resulting in the individual employee being unable to return to a work shift on the following day.
Oil spills	0	0	No Concordia Maritime vessels were involved in any incident that resulted in bunker oil or cargo discharging into the water in 2021.
Average number of vetting observations per inspection	<4	1.9	There were 32 vetting inspections of Concordia Maritime's vessels during the year. There were 62 observations recorded during these inspections, resulting in an average of 1.9 observations per inspection.

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

Overall strategy

Preferred partner

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

Diversified fleet strategy

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

Major focus on sustainability

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

Cost efficiency and flexibility

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

MONITORING IN 2021

Transporter at US Military Sealift Command

After a long tendering process, a charter contract (min. 12 months, max 5 years) was signed with Crowley Government Services Inc. (Crowley) for the P-MAX vessel *Stena Polaris* in early 2022. Crowley will in turn charter the vessel to US Military Sealift Command.



MONITORING IN 2021

P-MAX vessels chartered out

A five-year time charter contract for P-MAX vessels was signed with Stena Bulk in August. The contract guarantees earnings per day of USD 15,500 and profit-sharing for surplus levels.

Sale of vessels

The two IMOIIIMAX tankers *Stena Image* and *Stena Important* were divested during the year. In Q1 2022, the P-MAX vessels *Stena Perros* and *Stena President* were also sold.

Technical design study launched

After the end of the year, a technical design study was launched with the aim of investigating the technical feasibility of converting and adapting P-MAX vessels for container transportation.

MONITORING IN 2021

0 Lost-time injuries

During the year, there no workplace incidents resulting in the individual employee being unable to return to a work shift on the following day.

Inget oljespill

No Concordia Maritime vessels were involved in any incident that resulted in bunker oil or cargo discharging into the water in 2021.

Investment in ballast water treatment systems

During the year, ballast water treatment systems were installed on two of the vessels in the fleet. By the end of Q1 2022, the systems had been installed on eight of the vessels in the fleet.

MONITORING IN 2021

Close cooperation with Stena Sphere continues

The cooperation with the Stena Sphere, in particular Stena Bulk, Northern Marine Management and Stena Teknik, continued during the year and was further intensified as a consequence of the time chartering of the P-MAX vessels to Stena Bulk.

With effect from January 2020, ship operation is run from Denmark and is part of the Danish tonnage tax system.



Fleet & organisation

Flexible fleet with a product tanker focus

At the end of March 2022, Concordia Maritime's product tanker fleet consisted of eight P-MAX owned vessels. The presence in the crude oil segment consisted of the Suezmax vessel *Stena Supreme*.

P-MAX

The P-MAX concept combines transport economy and flexibility with safety of the highest class. The P-MAX were originally developed in response to a need to operate in shallow waters and ports while carrying more cargo than corresponding vessels of the same size class. To make this possible, the P-MAX tankers are considerably wider than traditional MR tankers. The increased volume means that they are able to transport up to 30 percent more cargo on the same draft, allowing them to compete for cargo in both the MR and panamax segments.

Examples of product tanker cargo

Petroleum

- Fuel oil
- Ultra low sulphur diesel (ULSD)
- Gasoline
- Motor Gas Oil
- Naptha
- Aviation gasoline

Chemicals

- Aromatics
- Urea Ammonium Nitrate
- Caustic soda
- Ammonium Polyphosphate Solution
- Methyl tert-butyl ether

Vegetable oils

- Soyabean oil
- Palm oil



Fleet employment at 31 March 2022

	DWT	Ice class	IMO type	Built	Employment
Product tankers					
P- MAX					
Stena Premium	65,200	1B	3	2011	Time charter to August 2026
Stena Primorsk	65,200	1B	2	2006	Time charter to August 2026
Stena Performance	65,200	1B	3	2006	Time charter to August 2026
Stena Provence	65,200	1B	3	2006	Time charter to August 2026
Stena Progress	65,200	1B	2	2009	Time charter to August 2026
Stena Paris	65,200	1B	2	2005	Time charter to August 2026
Stena Polaris ¹⁾	65,200	1A	2	2010	Bareboat charter to January 2023
Stena Penguin	65,200	1A	2	2010	Time charter to August 2026

SUEZMAX

Stena Supreme ²⁾	158,000	2012	Spot
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- 1) Contracted out on a bareboat basis until 2023. Extension options up to January 2027.
2) Contracted in on a bareboat basis until 2028, with annual purchase options from 2019.

Suezmax

As a complement to the transportation of refined oil products, Concordia Maritime is also active in the transportation of crude oil. The presence in the Suezmax segment con-

sists of the Suezmax tanker *Stena Supreme*, employed in the spot market via Stena Sonangol Suezmax Pool. The pool consists of a fleet of about 20 efficient Suezmax tankers.

The fleet's earnings 2021

For Concordia Maritime, the year was largely focused on the continuing process of positioning and deploying the fleet in line with the employment strategy and based on current market conditions. From the end of the third quarter, the entire P-MAX fleet was employed on chartering contracts.

FOR THE FULL YEAR, average earnings per day for the entire product tanker fleet, spot and TC, were USD 13,700 (16,200). For vessels employed in the spot market, average earnings per day for the year were USD 11,400 (16,100). In the suezmax segment, average earnings for the year were USD 11,900 (27,100) per day.

Product tankers

P-MAX

The P-MAX fleet were employed on Time charter charters or in the spot market during the year. During the year, several of the vessels sailed on niche routes. A five-year charter contract for the entire fleet was signed with Stena Bulk in Q3.

Stena Polaris was chartered out to Crowley Government Services Inc. (Crowley) at the beginning of 2022. The bareboat contract is for a minimum period of 12 months and a maximum of 5 years. Crowley will in turn charter the vessel to US Military Sealift Command. The agreement terminates the charter to Stena Bulk but it will be reinstated if the full period is not declared.

IMOIIIMAX

Before their disposal, the IMOIIIMAX vessels *Stena Image* and *Stena Important* were employed under the cooperation with Stena Bulk. During the year, both vessels had earnings that exceeded the market, mainly due to a good combination of petroleum products, vegetable oils and chemicals.

Crude oil

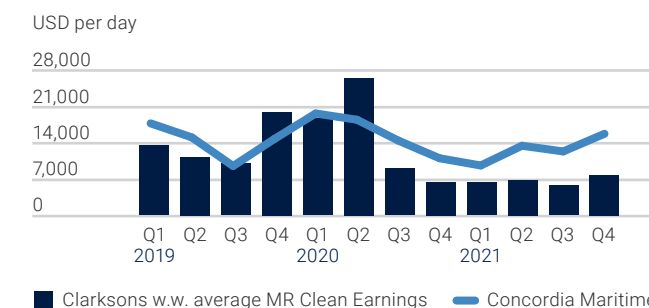
Suezmax

During the year, the suezmax tanker *Stena Supreme* was successfully employed in the spot market via Stena Sonangol Suezmax Pool, controlled by Stena and the Angolan state oil company Sonangol.

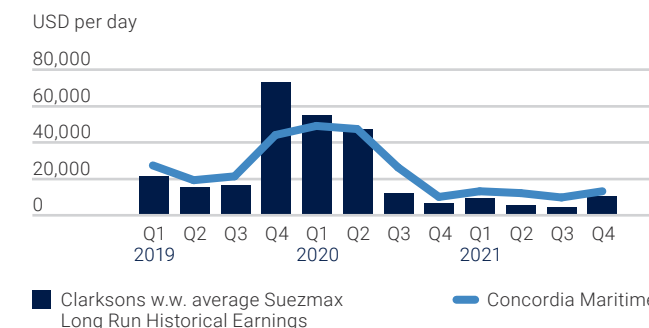
Suezmax vessels chartered in

During parts of the year, four more Suezmax vessels were chartered in. These were joint charters with Stena Bulk, and Concordia Maritime's share was 50 percent for two of the vessels and 33 percent for one of the vessels. These vessels were also employed on the spot market via Stena Sonangol Suezmax Pool.

Product tanker fleet's average voyage result (spot)



Suezmax fleet's average voyage result (spot)





Valuation of the fleet

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

The fleet is defined as two cash-generating units, with product tankers representing one unit and the suezmax tanker the other unit. An impairment loss is recognised when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. The recoverable amount is the higher of fair value (external valuations) and value in use (future discounted cash flows).

Following an assessment made in connection with the year-end accounts, Concordia Maritime decided to write down the carrying amount of the fleet vessels by SEK 268 million. The impairment was a consequence of the prolonged tanker market weakness, which is considered to have had a negative effect on the vessels' market values. This assessment is also confirmed by the sale of the P-MAX vessels *Stena Perros* and *Stena President* in early 2022.

EBITDA per quarter

USD millions	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Product tankers, time charter	5.7	1.7	0.8	0.7	4.6	4.5	4.2	4.6
Product tankers, spot, owned and leased tonnage	-0.7 ⁴⁾	-2.0 ³⁾	-0.1 ²⁾	-3.7 ¹⁾	-2.0	0.3	5.2	5.5
Sale of vessels	—	-3.6	—	—	—	—	—	—
Product tankers, total	5.0	-3.7	0.8	-3.1	2.6	4.9	9.3	10.1
Suezmax, spot, owned and leased tonnage	0.4	-0.1	0.2	0.3	0.1	1.4	3.4	3.6
Suezmax, spot, short-term chartered tonnage	-0.1	-2.0	-2.0	-1.8	-1.8	0.0	0.0	0.0
Sale of vessels	—	—	—	—	—	—	—	—
Suezmax, total	0.3	-2.1	-1.8	-1.5	-1.7	1.4	3.4	3.6
Admin. and other	-0.9	-0.8	-1.0	-0.8	-0.8	-0.7	-1.0	-0.9
Total	4.4	-6.6	-2.0	-5.4	0.1	5.5	11.8	12.7

As a result of an updated allocation key between spot and TC, all quarters in 2021 have been updated to facilitate comparison. The update does not involve any change between individual vessel types or in the total.

1) The total includes a negative bunker hedge of USD -2.9 million.

2) The total includes a negative bunker hedge of USD -1.9 million.

3) The total includes a negative bunker hedge of USD -0.3 million.

4) The total includes a negative bunker hedge of USD -0.9 million.

Earnings per vessel category

SEK millions	Full year	
	2021	2020
Product tankers, time charter	322.3	262.2
Product tankers, spot	300.5	638.0
Product tankers, total earnings	622.8	900.2
Suezmax, spot	82.0	122.8
Suezmax, total earnings	82.0	122.8
Other	0.0	2.9
Total income	704.8	1,025.8

Drydocking and repairs

During 2021, the vessels *Stena Paris*, *Stena Premium*, *Stena Performance*, *Stena Provence* and *Stena Primorsk* went into drydock.

Statutory ballast water treatment systems were also installed during the visits to drydock. Read more about the system on page 29.

P-MAX vessels chartered out to Stena Bulk

As part of the efforts to strengthen the Company's financial position and liquidity, a time charter agreement was signed with Stena Bulk during the year concerning the P-MAX vessels*. Under the agreement, Stena Bulk pays Concordia Maritime a guaranteed base rate of USD 15,500 per day and vessel in advance on a monthly basis.

The agreement with the lending banks stipulates that the charter rate (before any profit-sharing) can only be used for planned operating expenses (such as crew costs, technical maintenance and insurance), provision for periodic dry-docking, interest payments and loan. The agreement with the lending banks stipulates that the charter rate (before any profit-sharing) can only be used for planned operating expenses (such as crew costs, technical maintenance and insurance), provision for periodic drydocking, interest payments and loan repayments.

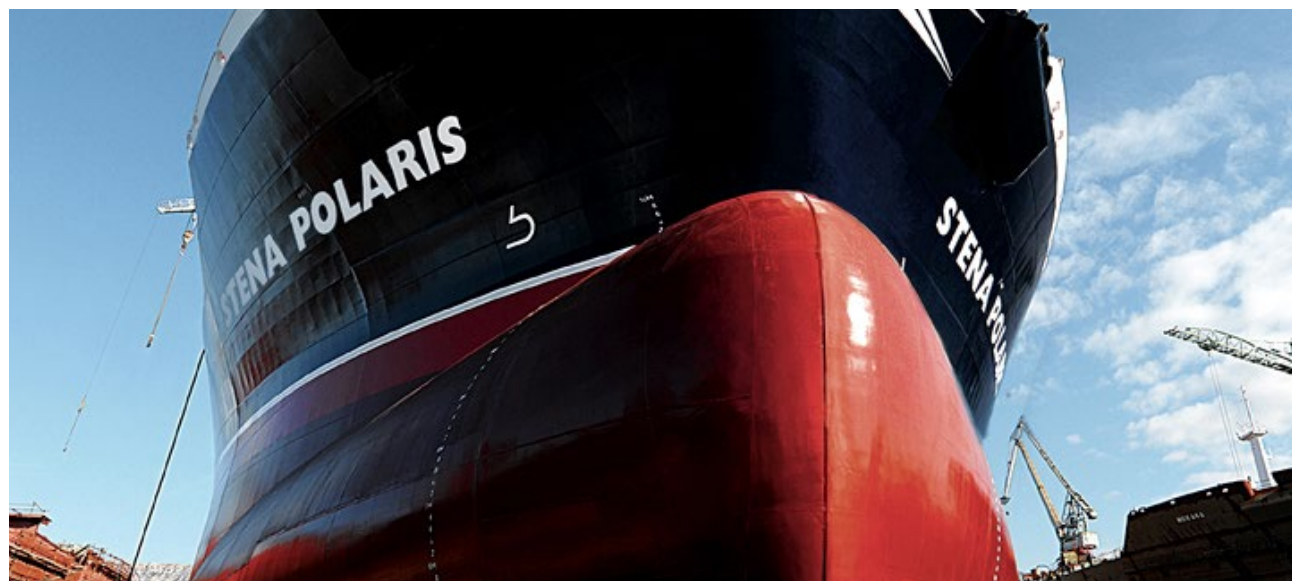
Possibility of profit-sharing

In addition to the guaranteed income, the time charter agreement also contains a profit-sharing mechanism whereby Concordia Maritime and Stena Bulk share equally in any surplus generated by the vessels above the basic rate.

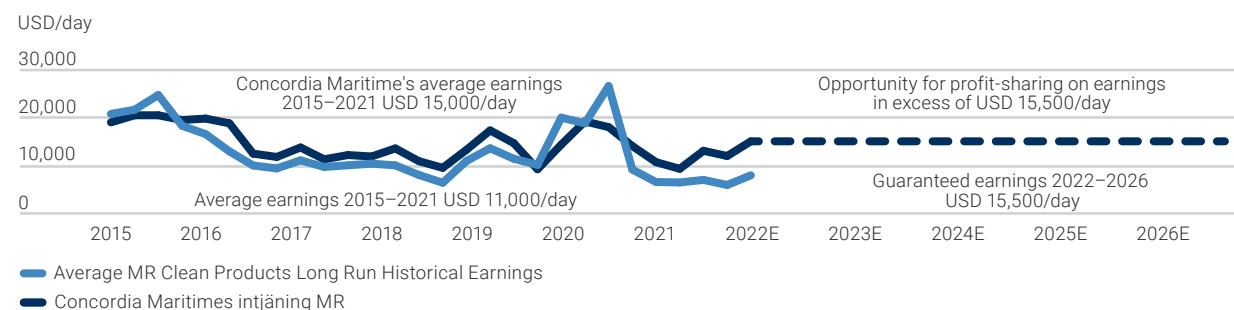
The Company's share of any profit-sharing may only be used for the purposes described above for the guaranteed income.

Right to dispose of vessels

Concordia Maritime continues to have the right to sell all or part of the fleet during the term of the contract, without any costs of terminating the time charter agreement.



Fixed base rate and possibility of profit-sharing



* The agreement with Stena Bulk covers all P-MAX vessels with the exception of *Stena Polaris*, which is chartered out to Crowley Government Services Inc.

A cost-efficient organisation

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

CONCORDIA MARITIME'S OWN SHORE-BASED ORGANISATION

is small and focuses on strategy, business and market development, financing and reporting. Day-to-day operational work in the form of chartering and technical operation and manning is purchased and carried out by industry-leading companies within the Stena Sphere.

Part of the Stena Sphere

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

3

employees in shore-based organisation
(3)

604

contracted seagoing employees
(596)



Stena Bulk

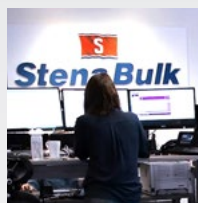
Chartering and commercial operation

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

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

Stena Bulk charters and operates about 75 vessels worldwide. Customers include leading oil and gas companies and independent trading houses.

www.stenabulk.com



Northern Marine Management

Operation, manning and maintenance

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

NMM is responsible for operation and/or manning of about 130 vessels of varying types and sizes, with an industry-leading focus on quality and safety. The company has about 5,600 seagoing employees and customers include many of the world's leading shipping and oil companies. NMM's head office is in Glasgow and there are offices in Aberdeen, Gothenburg, Rotterdam, St Petersburg, Houston, Mumbai, Shanghai, Singapore, Busan and Jakarta.

www.nmm-stena.com



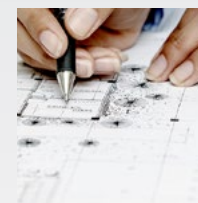
Stena Teknik

Newbuilding and conversion projects, R & D and procurement

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

Stena Teknik is a resource for all maritime-related business in the Stena Sphere. Operations include newbuilding and conversion projects, general marine technical consultation and procurement services. In addition, research and development is carried out in energy efficiency and alternative climate-smart fuels for shipping. The business is conducted from the office in Gothenburg.

www.stenateknik.com



External trends & market



Market drivers

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

Factors affecting demand for tanker transport

1

Demand for energy

is cyclical and drives the basic demand for seaborne transport of crude oil, products, vegetable oils and chemicals.

2

Changing trade patterns

due to, e.g., free trade agreements, exchange rate changes, new regulations or increased distances between production and end consumers have a major impact on the need for transport.

3

Actual and expected oil price development

affects both demand for oil and stocks of crude oil and oil products in the consuming countries.

4

Changes in OPEC+ production

have a direct impact on the need for transport as OPEC+ countries control about 50 percent of total world oil production.

Factors affecting supply of vessels

1

Phasing-out of older vessels

usually through recycling or use as floating storage. Both the economy and new regulations can affect the phasing-out rate for existing tonnage.

2

Deliveries of new vessels

are a key factor in a cyclical industry. New building generally increases when demand for tonnage is high and shipping companies are profitable – and vice versa when markets are weaker.

3

Shipbuilding capacity

Tankers are mainly built in Asia, with China, Korea and Japan being the main shipbuilding nations. Japan builds mainly for Japanese shipping companies. Both China and Korea cater for the international market and their shipbuilding capacity fluctuates – sometimes driven by government subsidies but also by commodity prices, exchange rates and economic activity.

Factors that can affect both supply and demand

!

Stockpiling and stock withdrawals

Political decisions and international price fluctuations affect the levels of stocks held. At the beginning of 2022, they were significantly below the average levels for the last five years.

!

Temporary disruption of transport patterns due to war, geopolitical unrest, severe weather or pandemics

Stoppages in the international trading system can quickly change market conditions, locally or internationally.

!

New types of energy

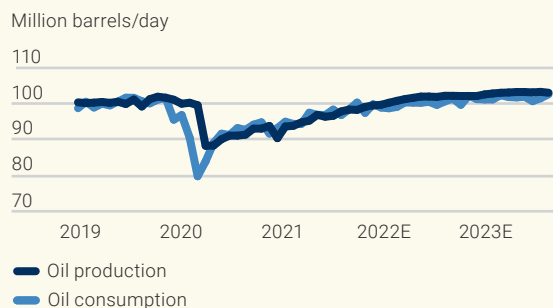
Changes in the international energy mix may be due to new infrastructure projects, switching to new fuels and price changes.

Factors to watch

In addition to the pandemic, the weakness of the tanker market in recent years is largely due to OPEC+ production cuts and withdrawals from stocks close to consuming countries – all of which have reduced transport needs. How these factors develop in the future is expected to have a major impact on the future development of the tanker market.

OPEC production of oil

After the sharp fall in demand during the pandemic's first phase in spring 2020, oil demand has recovered and is not expected by some analysts to peak before 2030*. At the time of writing, in early 2022, consumption (according to the EIA) is about 100 million barrels per day, which is in line with the 2019 figures. For crude oil production, several countries have struggled to meet their production targets, for example in West Africa. At the same time, there is a strong desire for more renewable energy. Over time, demand in the product tanker segment will therefore shift to more bio-based fuels and e-fuels.



Source: EIA, short-term energy outlook

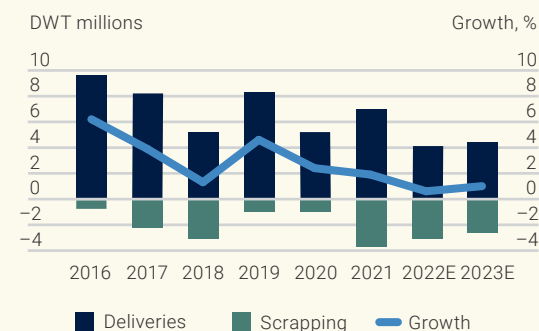
Sanctions and policies

The dramatic developments we have seen in early 2022 could change trade patterns for a long time to come. Russian petroleum products in Europe are currently being replaced by products from the US and Asia. If most of the previous exports of 5 million barrels of Russian crude oil a day end up in Asia instead of Europe, this could mean an increase in tonne-miles and demand for tanker transport.



Record low net fleet growth

At the beginning of March 2022, the order book for the product tanker segment was at a record low 5.6 percent of the total tanker fleet – the lowest in over 25 years. Including the expected phasing out of tonnage, growth in 2022 is expected to be only about 2 percent and in 2023 about 0.5 percent. In addition, very few new orders are being placed in the current situation. This is obviously good for the tanker market as a whole.



Source: Clarkson

Concordia Maritime's contribution to more sustainable tanker shipping

About sustainability reporting

This statutory sustainability report is provided by the Board of Concordia Maritime AB (publ), but does not constitute part of the formal annual accounts. Concordia Maritime's business model is presented on page 7. The sustainability framework is presented on pages 21–23 and 33, safety aspects on pages 24–26, environmental aspects on pages 27–29 and social aspects on pages 30–32. Control and monitoring are described on page 34. Risk descriptions can be found on pages 36–41.

Safe transportation of energy for a growing world

Global demand for energy is increasing and oil will continue to be a key raw material enabling production, mobility and growth in the foreseeable future. At the same time, production and transport of biofuels and e-fuels is becoming an increasingly important part of the road to a fossil-free world. Concordia Maritime's role is to provide the world with the energy and chemicals it needs – today and tomorrow – in the most sustainable way possible.

OIL IS AN ESSENTIAL ENERGY CARRIER for transporting people and goods, for industrial production and manufacturing, and for heating buildings and homes. It is a raw material used in many of the products that people use and consume every day.

Also, with a growing global population and middle class, demand for energy is increasing, which means that oil and petroleum products will continue to be a significant part of the energy system in the coming decades. In addition, new fuels for internal combustion engines also need to be transported across the world's oceans.

At the same time, the sector's environmental impact must be reduced and the move towards renewable energy production, energy efficiency and electrification of vehicles poses long-term challenges.

Concordia Maritime's role here is to provide the world with secure access to energy through safe and efficient tanker transportation, thereby enabling economic growth and increased prosperity. In addition, the Company is continuing its comprehensive efforts to find ways of reducing the environmental impact of vessels and to evaluate long-term business opportunities as the world gradually phases out fossil fuels.

The following pages describe how Concordia Maritime works to contribute to more sustainable shipping and, and in doing so, creates value for customers, owners, employees and society at large.



Three focus areas for sustainable tanker shipping

1

Providing safe tanker transport

Concordia Maritime's operations must be conducted in a manner that protects employees, the environment and vessels. A strong safety culture at all levels of the organisation is needed to prevent the risk of accidents and incidents. Read more on pages 24–26.

2

Reducing our environmental impact

Concordia Maritime is strongly committed to reducing the impact of its operations on the environment. Continuous work to counter the risk of spills and to increase energy efficiency is conducted within the organisation and with other stakeholders. Read more on pages 27–29.

3

Taking our responsibility for employees and society

Concordia Maritime is a responsible employer and community participant, promoting good working conditions, equality, human rights and anti-corruption. Read more on pages 30–32.

The basis of sustainability work

Care Care and quality in everything we do.

Innovation An innovative corporate culture helps us to perform and improve.

Performance First-class performance.

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

Principles and guidelines

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

Partnerships and collaboration

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

Monitoring and controls

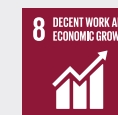
A structured approach to monitoring and controls creates conditions for measuring and improving the Company's sustainability performance.



THE GLOBAL GOALS

For Sustainable Development

Concordia Maritime supports the UN's 17 sustainable development goals. The focus is on goals 7, 8, 9, 13, 14, and 17 where there is clearest relevance and greatest scope to make a positive impact. Learn more about the work on the UN Global Goals at concordiamaritime.com.



CONCORDIA MARITIME HAS LONG BEEN AT THE forefront of tanker shipping in terms of safety, quality and employer responsibility. The most relevant sustainability issues include minimising the risk of accidents and continuously reducing the impact of the Company's operations on the environment. The work is carried out on a long-term basis and is monitored according to a structured plan headed by the CEO, who is also responsible for continuous reporting to the Board. Read more about control and monitoring of sustainability work on page 34.

Concordia Maritime's sustainability efforts are largely reflected in the work carried out in each partner's operations.

Continuous development of sustainability performance

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

The Company works continuously with Stena Bulk and NMM to develop working practices and technical solutions to improve the sustainability performance, thereby enabling emission requirements to be met and a safe work environment to be provided for seagoing employees. This work is based on three main pillars:

- **Fleet Assessment Model:** a model to improve understanding of the fleet vessels' status in terms of existing and future regulations and legal requirements – and what can be done to meet them.
- **Operational and Commercial Measures:** analysed using a behavioural science approach to identify the effect of different factors on sustainability performance. This includes the evaluation of alternative fuels.
- **Behaviour Based Safety:** a systematic and standardised method of identifying and reporting risks on board vessels.



1 Providing safe tanker transport

FOR A TANKER SHIPPING COMPANY, safety always comes first. To prevent the risk of accidents and to minimise any damage should an accident nevertheless occur, Concordia Maritime devotes considerable resources to the continuous development of vessels, procedures and crews.

This includes both the design and construction of the vessels and their equipment, as well as systematic work to identify potential risks and hazardous operations on board the vessels.

Key figures

	Target 2021	Outcome 2021	Target 2022
LTI (Lost Time Injury)	0	0	0
LTIF (Lost Time Injury Frequency)	0	0	0
Number of inspections with more than 5 observations (owned vessels)	0	1	0
Average number of vetting observations per inspection (owned vessels)	<4	1.9	<4
Number of PSC inspections with detentions	0	0	0
Number of piracy-related incidents	0	0	0
Damage to property	0	1	0
Medical treatment case	0	0	0
Restricted work case	0	4	0
High potential near miss	0	5	0
High risk observation	0	0	0

Definitions, see page 97.



AMBITION AND FOCUS

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

ACTIVITIES AND INITIATIVES

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



Safety Leader of the Month

NMM runs the Safety Leader of the Month programme, which aims to highlight seafarers who have demonstrated a positive and supportive attitude to safety in all aspects of their work and have contributed to the safety culture on board their vessel. The feedback from many vessels is that the programme has been well received on board.

Pictured is Dandy Caballero, a repairer on *Stena Polaris*, who was one of the crew members named Safety Leader of the Month during 2021.

Continuous skills development

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

Systematic risk identification

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

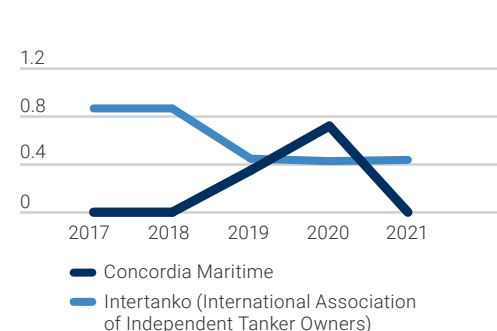
The systematic safety work is clearly reflected in the number of injuries and LTIFs, with Concordia Maritime for many years being significantly lower than the industry average.

A year without any lost time injuries

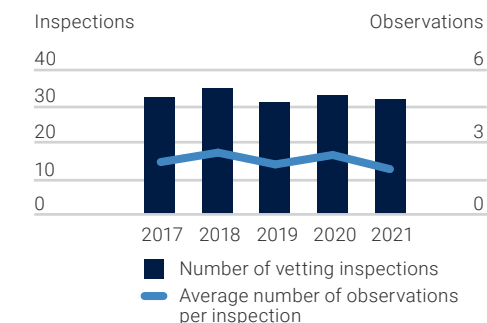
During the year, there no workplace incidents resulting in the individual employee being unable to return to a work shift on the following day (lost time injury). However, there were four incidents classified as restricted work cases. On *Stena Premium*, a crew member slipped during maintenance of a ballast tank. During a drydocking operation in Portugal, a crew member tripped and fell, injuring a finger and on *Stena Primorsk*, a crew member suffered a sprained ankle. During an overhaul of the main engine, an engineer twisted his foot awkwardly, requiring first aid to be provided. All of these employees have made a full recovery.

During the year, there were no work-related injuries requiring treatment by healthcare personnel (medical treatment case). Five incidents classified as high potential near misses occurred.

LTIF compared with industry



Vetting inspections of our fleet¹⁾



¹⁾ Oil companies' vessel inspections

One minor incident resulted in damage to property. During a loading operation in Malaysia, a hose was connected incorrectly, causing slight deformation of a freshwater tank on the starboard side.

Zero tolerance for drugs and alcohol

There is zero tolerance for alcohol and drugs on board Concordia Maritime's vessels and the captain of each vessel is entitled to carry out unannounced tests. Random checks are also conducted regularly by third parties. Tests were carried out on all vessels in 2021 and on no occasion was any effect of alcohol or drugs identified.

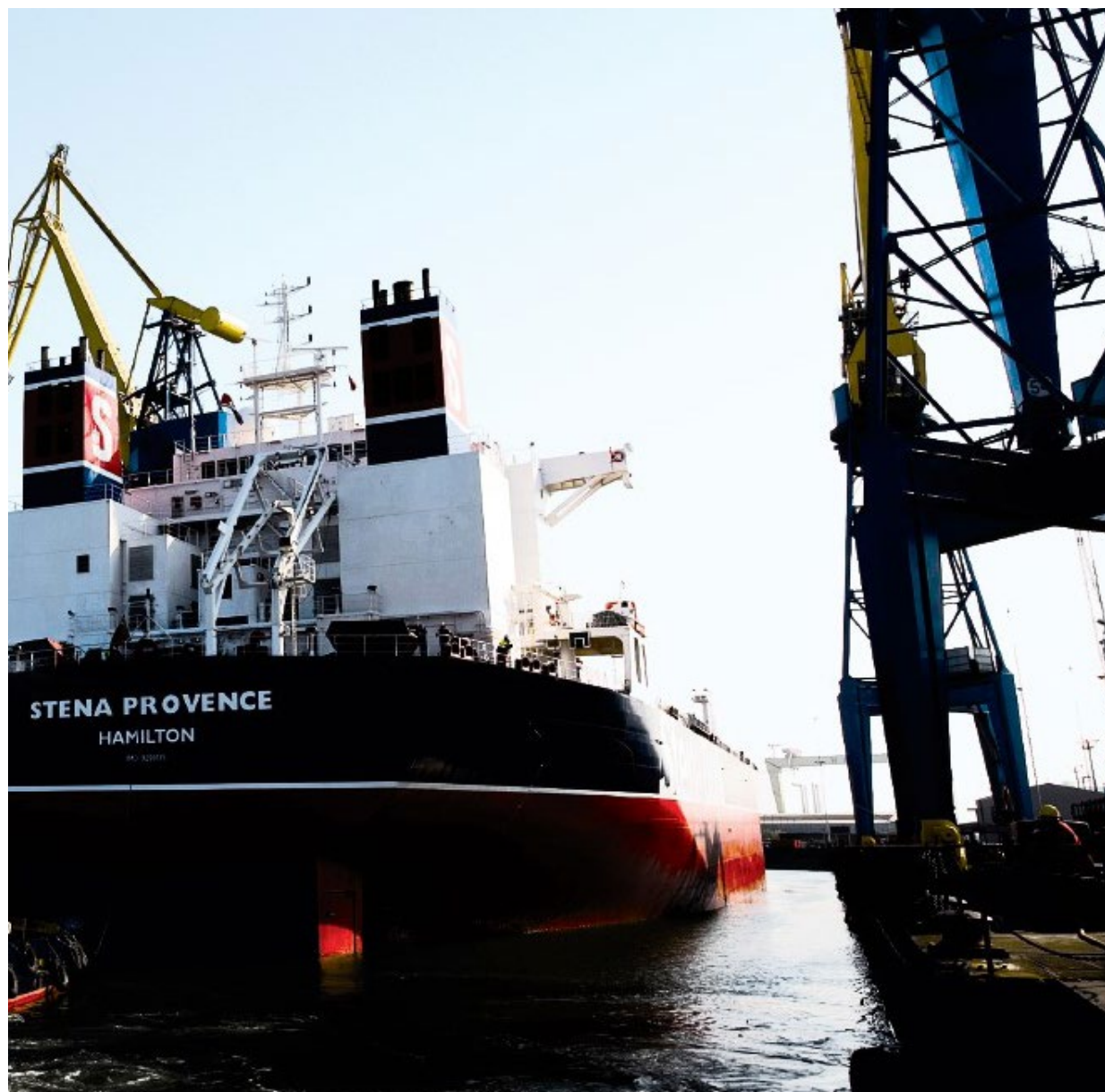
External controls and inspections

There were 32 vetting inspections on board Concordia Maritime's vessels during 2021. There were 62 observations recorded during these inspections, resulting in an average of 1.9 observations per inspection. There were no observations of a serious nature. One inspection had more than 5 observations. There were also 23 port state controls during the year. None of these resulted in observations of a serious nature.

No piracy-related incidents

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

Concordia Maritime's partner NMM has a separate department that conducts a risk analysis before each voyage. None of Concordia Maritime's vessels were involved in any piracy-related incidents during 2021.



2 Reducing our environmental impact

SHIPPING IS ONE OF THE MOST energy-efficient ways of transporting large quantities of goods. However, as in other sectors, emissions must be reduced to meet global climate targets. Together with its partners, Concordia Maritime engages in systematic, long-term environmental work.

Tougher regulations

To achieve progress, a number of emission controls have been introduced in recent years, which Concordia Maritime welcomes. In 2023, additional regulations will be introduced that will affect all shipping companies worldwide:

- **Energy Efficiency Existing Ship Index (EEXI)**, a regulation from IMO that covers the energy efficiency of existing ships from a technical perspective (not how they are operated). The EEXI requires approximately 20 percent greater energy efficiency compared with a historical baseline. Ways of achieving this include technical improvements and limiting engine efficiency.
- **Carbon Intensity Indicator (CII)**, an IMO regulation that covers operational energy efficiency. The indicator takes into account both the technical performance of the ship and how it is operated. The CII requires annual emission reductions up to the year 2030. These can be achieved through energy efficiency measures with technical solutions, renewable fuels and through operational improvements.
- **The EU Emissions Trading Scheme (ETS)** is being amended to include shipping, which will mean increased CO₂ emission costs for travel to and from EU countries.



AMBITION AND FOCUS	ACTIVITIES AND INITIATIVES
Reduce emissions from operations	<ul style="list-style-type: none"> ■ Energy management ■ Route planning based on real time data – Orbit ■ Technical measures to increase fuel efficiency and reduce emissions ■ Evaluation of alternative fuels and carbon capture (CCS)
Reduce the impact on the marine environment	<ul style="list-style-type: none"> ■ Installation of ballast water treatment systems ■ Routines to reduce the risk of oil spills ■ Reduction of discharges of waste water ■ Phasing-out of disposable plastic and testing of a filtered drinking water system on board
Take responsibility for vessels' life cycle /value chain	<ul style="list-style-type: none"> ■ Clear criteria for ship orders ■ Invest in existing tonnage for technical development and maintenance ■ Any scrapping must be in line with relevant regulations

In the longer term, both the IMO and the EU have set emission reduction targets for 2030 and 2050. The IMO target for 2050 is a 50-percent reduction in total carbon emissions compared with 2008 levels. The EU has set a net zero target for shipping by 2050, which is also the vision for Concordia Maritime.

Technical development and maintenance

In order to meet current and future requirements, Concordia Maritime and Stena Bulk carry out ongoing analysis and development work that includes technical, operational and commercial measures for the fleet vessels. Extensive fuel efficiency efforts have been in progress since 2012. Activities and measures include detailed monitoring of vessels' energy consumption and implementation of systems and routines that enable speed and route optimisation based on weather conditions, demurrage, bunker costs and customer needs.

In addition to work on route planning, optimisation of speed and energy management, the Company also conducts continuous technical development and maintenance of the vessels. Measures to reduce fouling on the hull, propellers and gears have a significant effect on fuel consumption.

In order to reduce fuel consumption, efforts have also been focused on the technical development of the propellers themselves. On several of the vessels, VTA turbines have been installed, with blades that can be

angled to adapt the turbine's efficiency to the vessel's speed. Other activities include analysis and evaluation of various alternative fuels such as methanol, biofuels, hydrogen and ammonia. In addition, Stena Bulk is conducting studies on carbon capture on board vessels.

Decision-making based on real-time data

Concordia Maritime and Stena Bulk work on data-driven analysis of both individual vessels and the fleet as a whole. The work is based on ORBIT, a digital platform that enables continuous monitoring and optimisation of operational activities and ship operation.

Internally and externally generated data is used to enable more efficient route planning, resulting in a higher level of service to customers and lower fuel consumption – which in turn contributes to reduced emissions and bunker costs. Built-in KPIs and key figures make it easy to continuously adjust operations based on relevant emissions targets. The system can also be adapted to new regulations and requirements.

Lower emissions but poorer emission efficiency

In 2021, actual emissions from Concordia Maritime's fleet decreased, while emission efficiency (grams of CO₂ per tonne-mile) showed a deterioration. This is due to the departure from the fleet of the newly built IMOIIIMAX vessels and a few contracts involving longer term float-storage of cargo with a short sailing distance.

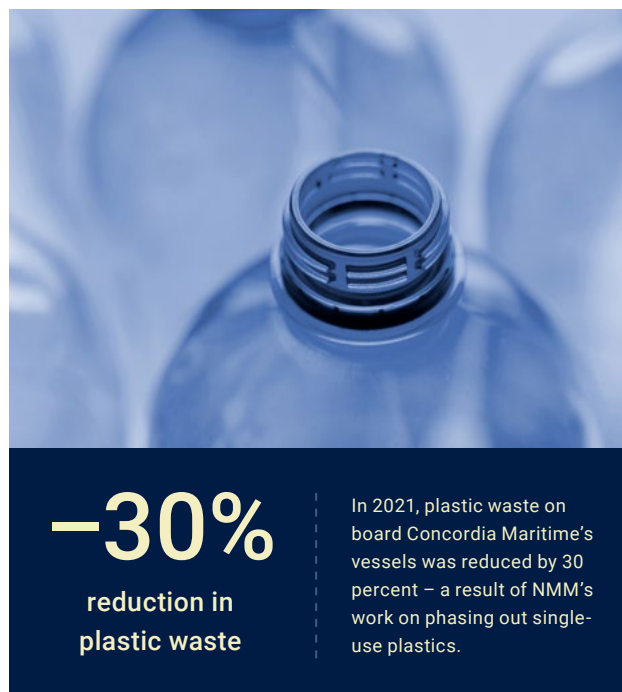


Concordia Maritime's environmental impacts are emissions of carbon dioxide, sulphur and nitrogen oxides and particles associated with bunker fuel consumption. In addition, there is also a potential risk of spreading organisms as a result of the discharge of ballast water. In both areas, work is carried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

Key figures

	Outcome 2021	Outcome 2020
Bunker consumption (tonnes)		
HSFO	0	0
LSFO	62,666	79,399
MGO	14,738	20,407
Total	77,404	99,806
Emissions (tonnes)		
CO ₂	242,421	312,680
SOx	641	847
NOx	6,927	8,930
Particulates	80	101.6
Efficiency (EEOI)		
gCO ₂ /tonne-NM	13.26	11.16
Oil spills, litres	0	0

Definitions, see page 97.



Measures to reduce emissions of sulphur and nitrogen oxides

In addition to carbon emissions, shipping also affects the environment through emissions of sulphur and nitrogen oxides. The sulphur content of the fuel affects the emissions in several different ways. In addition to determining the amount of sulphur dioxide released, the sulphur content also affects emissions of particles and nitrogen oxides.

Maximum sulphur content may differ according to where the vessel is sailing. In sulphur emission control areas (SECAs), the limit is 0.1% m/m. These areas include the Baltic Sea, North Sea, English Channel, Canada and the United States. The limit in areas outside the SECA has been 0.5% m/m since 2020.

To meet the requirements, shipping companies can use low-sulphur marine fuels or alternative fuels such as methanol, or equip vessels with scrubbers that clean exhaust gases during use of high-sulphur fuel. Concordia Maritime has decided against investing in scrubbers but has been using low-sulphur fuels since 2020.

Emissions of nitrogen oxides from shipping have fallen sharply in recent years as a result of tighter regulation and technological improvements. The current emission limit values for nitrogen oxides are governed by when the engine was manufactured and when the vessel was built. All vessels in Concordia Maritime's fleet meet the IMO's Tier I standards.

Ballast water management and treatment

To reduce the risk of impacts on local ecosystems, the IMO introduced a ballast water management convention in 2017, aimed at preventing alien organisms from being spread with ships' ballast water. This applies to all ships on international voyages and requires each ship to have a built-in ballast water management and treatment system to remove micro-organisms in the ballast water before it is discharged.

All Concordia Maritime's vessels follow a Ballast Water Management Plan, based on existing guidelines. Eight of the vessels in the fleet have ballast water management

systems installed, five of which were installed in 2021. The remaining vessel in the fleet will have similar systems installed during drydocking in 2022.

Another year with no oil spills

Oil spills resulting from groundings, collisions or other accidents can have grave environmental consequences. However, with today's safe and modern tanker fleet, and stringent legal requirements and regulations, oil spills are very rare.

Strict reporting procedures enable good control over incidents, both in port and at sea. No Concordia Maritime vessels were involved in any incident that resulted in bunker oil or cargo discharging into the water in 2021.

Cargo-flexible vessels

Concordia Maritime's P-MAX vessels are designed to transport different types of oil products, which creates good cargo efficiency. Three of the P-MAX vessels have been converted to IMO3 class after delivery, resulting in a further increase in cargo flexibility, as they can also carry vegetable oils and lighter chemicals.

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

3 Taking our responsibility for employees and society

COMPETITION FOR trained and experienced seafarers is fierce. Attracting and retaining skilled and experienced employees is not only dependent on competitive salaries but also a good reputation as a long-term, responsible employer.

Concordia Maritime and its manning partner Northern Marine Management (NMM) endeavour to be perceived as an attractive employer, offering competitive conditions while also providing stimulating and safe workplaces. Respect for the individual, skills development opportunities and a strong safety culture play a key part in these efforts.

As an international tanker shipping company, Concordia Maritime also has social responsibility. The Company and its partners work according to codes of conduct and guidelines in order to contribute to sustainable development in areas such as corruption, human rights and working conditions.

For local community engagement, priority is given to projects and initiatives that support the progression towards more environmentally and socially sustainable shipping or contribute to positive development in the local markets where the Company operates.

Key figures

	Target 2021	Outcome 2021	Target 2022
Medical treatment case	0	0	0
Restricted work case	0	4	0
Malpractice reported through whistleblower system	0	0	0

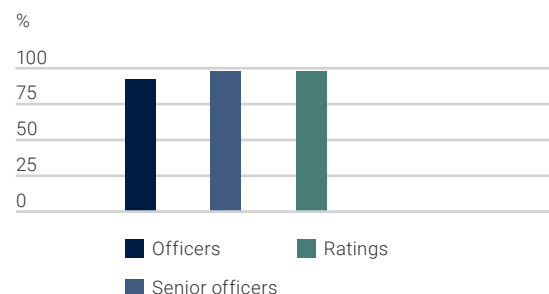
Definitions, see page 97.



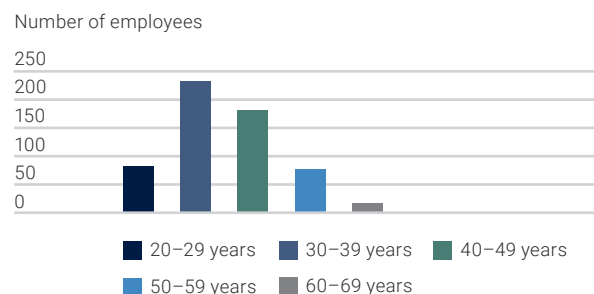
GOAL	ACTIVITIES AND INITIATIVES
Create a safe and stimulating workplace	<ul style="list-style-type: none"> ■ Continuing work to prevent the spread of coronavirus on board ships ■ Initiatives for increased well-being ■ Development and career opportunities ■ Fair and competitive conditions ■ Group-wide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



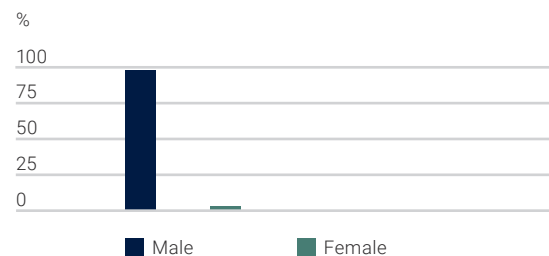
Retention rate over the calendar year, seagoing



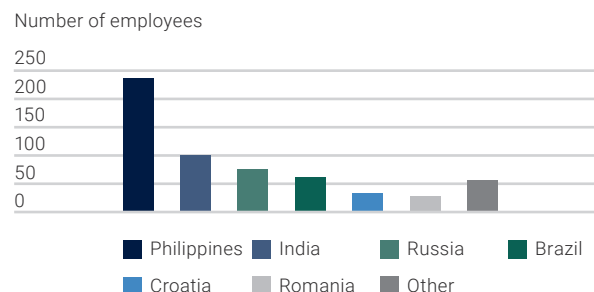
Age distribution



Gender distribution



Nationality



Measures to limit the spread of infection

The pandemic continued to affect crew changes but Concordia Maritime was spared any major outbreaks of Covid-19 on board the Company's vessels in 2021. Concordia Maritime and NMM continued to carry out extensive measures to reduce the spread of infection. Since the pandemic, a number of preventive measures have been taken, including the introduction of many special routines. These include continuous risk assessments and drills, such as special procedures on what should be done before, during and after loading or unloading, contacts with onshore personnel and sanitation on board. In addition, there are also established routines in the event of someone in the crew being considered ill.

Development and career opportunities

Concordia Maritime works with NMM to provide employees with opportunities for skills development. Employees are also offered various career options, which means that seafarers have the opportunity to work on shore in various staff positions. For employees wanting to advance through the ranks, there are clearly laid out career paths, which both NMM and Concordia Maritime encourage.

Low staff turnover

A total of 604 staff were employed on Concordia Maritime's vessels at the end of 2021, all hired through the Company's manning partner Northern Marine Management. The year's average staff turnover for seagoing employees was about 4 percent, which is relatively low compared with industry standards. All seagoing personnel on our vessels are covered by ITF (International Transport Workers' Federation) agreements.

Initiatives for increased well-being

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

In order to improve well-being, NMM is working with Mission to Seafarers, an initiative to support seafarers and their families. Through its catering partner Oceanic Catering, healthy food is offered to onboard personnel. During the year, vessels have been provided with upgraded gym equipment to encourage exercise and fitness. It also includes guidelines for mental health and the "Well at Sea" app, developed by psychologists. Another example is an ongoing study on the feasibility of having greenhouses on board for growing fruit and vegetables.

Zero tolerance for bribery and corruption

Within Concordia Maritime, Stena Bulk and NMM, there is zero tolerance for all forms of corruption, including all types of bribery, extortion, nepotism, racketeering and misappropriation. In addition, work to eliminate facilitation payments is also in progress. See also Principles and guidelines on page 33.

Human rights

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



Concordia Maritime CEO Erik Lewenhaupt on board *Africa Mercy* in February 2022. Learn more about the opportunity to support Mercy Ships' activities at mercyships.se.

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

Life-saving care with Mercy Ships

Concordia Maritime has supported Mercy Ships Cargo Day since 2016. Its purpose is to raise funds for Mercy Ships, a charity organisation that provides free surgery, dental care

and other qualified medical care to people in countries where there is no other way to get essential care. Mercy Ships operates what is currently the world's largest private hospital ship, *Africa Mercy*, with six fully-equipped operating theatres and six wards with a total of 80 beds on board.

In 2022, *Africa Mercy* will be joined in relief work in countries in Central and Sub-Saharan Africa by *Global Mercy* – an even larger, purpose-built hospital ship with six operating theatres, 200 beds, a laboratory and an eye clinic. With *Global Mercy*, the capacity to perform life-saving operations and train healthcare professionals is more than doubled. The ship was delivered from the shipyard in China in summer 2021 and sails to Senegal in 2022 for its first deployment in Mercy Ships' vital work.

Principles and guidelines

CONCORDIA MARITIME'S Board and management have jointly formulated and adopted a framework that defines guidelines on how Concordia Maritime should act as a responsible company and employer.

The framework consists mainly of the Company's sustainability policy and code of conduct as well as the external principles and recommendations that Concordia Maritime has undertaken to follow. Other internal guidelines relevant to sustainability include the Board's rules of procedure, the CEO's instructions, the information policy, the financial policy and authorisation instructions.

Sustainability Policy

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

The Sustainability policy is available on Concordia Maritime's website.

Code of Conduct

Concordia Maritime's Code of Conduct sets out applicable guiding principles to ensure operations are conducted in an ethically, socially and environmentally correct way,

and deals with areas such as the environment, social conditions, personnel, human rights and anti-corruption. The Code of Conduct also deals with relationships with business partners, with Concordia Maritime reserving the right to withdraw from a relationship if a partner does not meet the standards of business ethics that the Group expects.

The Code is based on internationally recognised conventions and guidelines, such as the UN Conventions on Human Rights, the ILO Conventions, OECD Guidelines and the UN Global Compact.

The Code applies to all employees without exception and all employees receive regular training in it.

The Code of Conduct is available on Concordia Maritime's website.

Code of Conduct for partners

Concordia Maritime's partners Stena Bulk (chartering and commercial operation) and Northern Marine Management (manning, operation and maintenance) are wholly owned by Stena AB. The companies' operations are subject to Stena's Group-wide Code of Conduct, which sets out applicable guiding principles to ensure operations are conducted in an ethically, socially and

environmentally correct way. The Code deals with areas such as environmental issues, social issues, good business practices and human rights. The Code also deals with relationships with business partners, with Stena reserving the right to withdraw from a relationship if a partner does not meet the standards of business ethics that Stena expects.

The Code of Conduct is available on Stena's website: bit.ly/Stena-CoC

External guidelines and alliances

■ **Global Compact** Concordia Maritime follows both the UN Global Compact Initiative and the Universal Declaration of Human Rights. The Global Compact is the largest international initiative for corporate responsibility and sustainability issues. The corporate members undertake to comply with ten principles on human rights, environment, labour and anti-corruption, and to respect them throughout the value chain.

■ **OECD Guidelines for Multinational Enterprises** The OECD Guidelines for Multinational Enterprises are recommendations addressed to multinational enterprises operating or based in any of the OECD countries. The guidelines

cover how these enterprises are to relate to human rights, environment and labour.

- **The ILO's Fundamental Conventions** The International Labour Organization's eight fundamental conventions represent a minimum global standard for labour. The conventions address fundamental human rights at work.
- **World Ocean Council** In 2017, Concordia Maritime became a member of the World Ocean Council, a sectoral global organisation gathering together leaders in ocean and related industries. The overall goal is to contribute to sustainable development of the global ocean.
- **Maritime Anti-Corruption Network** In 2016, Concordia Maritime became a member of the Maritime Anti-Corruption Network (MACN), an international initiative created by maritime industry players to share experiences and promote best practice in combating all forms of corruption and bribery.

Monitoring and controls

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

Monitoring with partners

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

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

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

Whistleblower system

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

In 2021, no cases were reported that had a bearing on Concordia Maritime's operations, staff or seagoing employees.

External controls

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

The inspections include the ship's construction and its general condition, equipment and procedures for navigation, survival equipment, fire-fighting equipment,

cargo handling systems, oil recovery equipment and procedures for crisis management. Crew numbers, the crew's qualifications, employment conditions, the ship's logbooks and certificates are also examined.

Shore-based activities are checked primarily by auditing processes and procedures.

Read more about external controls under *Operational control in 2021* on page 91.

Compliance with laws and regulations

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

No violations of laws or permits resulting in legal consequences or fines were reported in 2021. Nor has the Company derogated from stock exchange rules or been the subject of decisions or criticisms in stock market matters. For derogations from the Code, see page 92.

Auditors' opinion regarding the statutory Sustainability Report

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

Assignment and responsibilities

The Board is responsible for the 2021 Sustainability Report on pages 7, 21–34 and 7–34, and for ensuring that it is prepared in accordance with the Annual Accounts Act.

Focus and scope of the review

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

Opinions

A statutory sustainability report has been prepared.

Gothenburg, 13 April 2022
Öhrlings PricewaterhouseCoopers AB

Fredrik Göransson
Authorised Public Accountant

Risk

A high-contrast, black and white photograph of a ship's propeller and wake. The propeller is visible in the upper left, partially obscured by the ship's hull. The wake is a turbulent, churning mass of white foam and dark water, filling the right side of the frame. The overall image conveys a sense of power, movement, and potential danger, which aligns with the 'Risk' theme.

Risk assessment

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

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

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

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

Responsibility

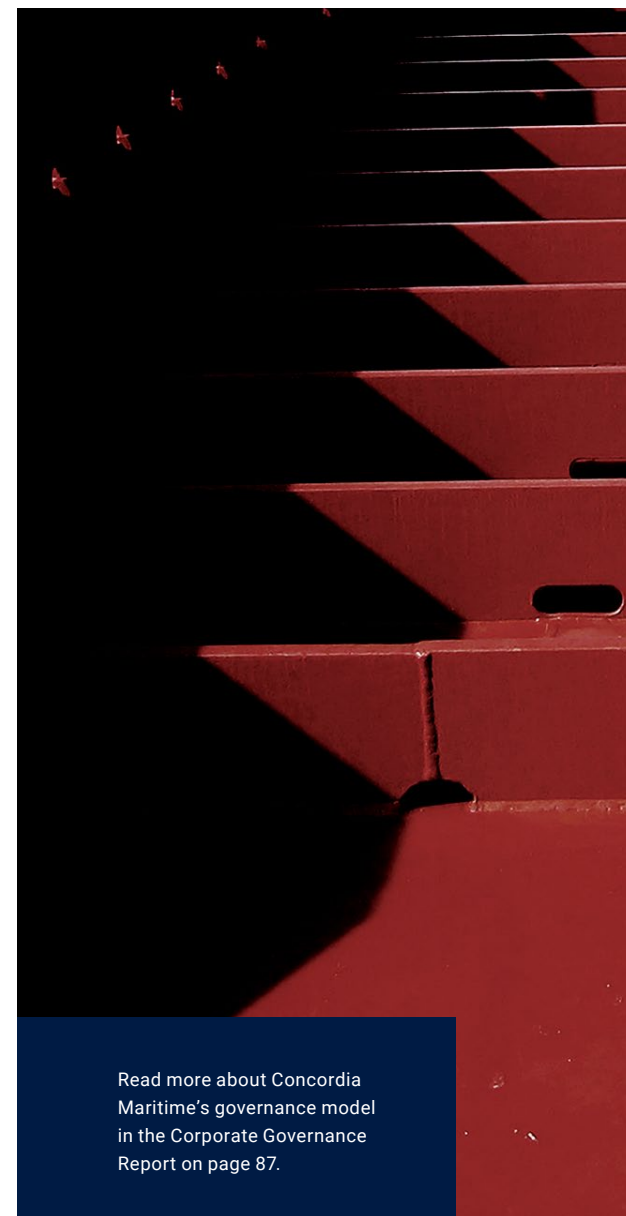
The process of identifying and managing risks is directed by the Company's management group and is part of day-to-day operations. The CEO has ultimate responsibility for risk work. The CFO is responsible for ongoing work associated with financial risks.

Monitoring

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

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

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



Read more about Concordia Maritime's governance model in the Corporate Governance Report on page 87.

Risk categories

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

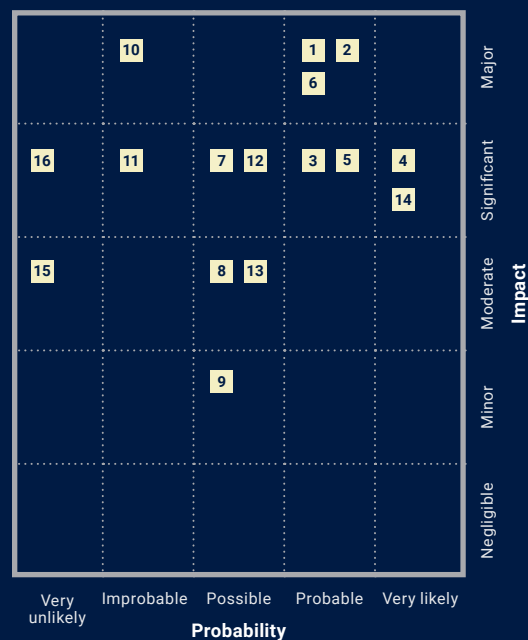
- **Strategic risks** are primarily external factors that could affect Concordia Maritime's operations. The Board and management have limited opportunity to control these risks in the short term, but must still deal with them in the planning and governance of the operations. Strategic risks also include internal factors that could make it difficult to achieve the Company's overall business goals.
- **Operational risks** are related till operating activities. These are risks that Concordia Maritime can largely control and prevent – either itself or through cooperation partners.
- **Compliance risks** are related to the fact that Concordia Maritime operates in a global market and an industry that is subject to many laws, regulations and rules on areas such as safety and the environment. The risks are associated with non-compliance, but also with the consequences of the Company adapting to regulations such as stricter environmental legislation.
- **Financial risks** include credit, currency and interest rate risks that may adversely affect the Company's results. Financial risks are described in note 17 and are not therefore reported in this section.

Change in the risk environment in 2021

As a result of the time charter agreement for the P-MAX vessels, the risk related to changes in demand for tanker transport – and the associated impact on market rates – was somewhat lower during the year.

Risks related to conflicts and unrest increased during the year due to heightened geopolitical concerns. There has subsequently been a further escalation as a result of the war in Ukraine.

Financial risk increased during the year as the very weak market continued. Overall, the prolonged market weakness has led to significant challenges related to the financing of the business.



Strategic risks

1. Changes in demand for tanker transport
2. Changes in net world fleet growth
3. Political decisions
4. Bunker oil price
5. Ship value
6. Conflicts and unrest
7. Dependency on key personnel & individual suppliers
8. Nature of the business

Operational risks

9. Damage to vessels
10. Accidents and incidents
11. Quality deficiencies
12. Commercial failure

Compliance risks

13. Disputes
14. Environmental legislation
15. Corruption
16. Human rights and working conditions

Financial risks

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

Strategic risks

1. Changes in demand for tanker transport

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

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

2. Changes in net world fleet growth

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

MANAGEMENT Continuous analysis of market trends, both short-term and long-term. This is then used for decisions on fleet disposition (incl. acquisitions and disposals) and type of chartering. Exposure to the spot market is partly balanced through participation in Stena Sonangol Suezmax Pool. At the end of the year, all P-MAX vessels were out on 5-year time-charter contracts.

3. Political decisions

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

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

4. Bunker oil price

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

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

5. Ship value

The prices of both new and second-hand tonnage vary according to the market and the ship's condition and age. These aspects can affect the Company's ability to invest in vessels and the opportunities for profitable vessel transactions. For more information and risks related to the fleet's valuation and impairment testing, see notes 8 and 17.

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

6. Conflicts and unrest

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

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

7. Dependency on key personnel & individual suppliers

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

MANAGEMENT Competitive remuneration and a stimulating workplace with good development opportunities for employees. The collaboration with Stena Bulk on chartering and operation is based on an agreement between the companies that is followed up and evaluated annually. Read more about the agreement in note 21. All related party transactions are conducted on commercial terms and at market-related prices.

8. Nature of the business

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

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

Operational risks

9. Damage to vessels

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

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

10. Accidents and incidents

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

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

11. Quality deficiencies

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

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

12. Commercial failure

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

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

Compliance risks

13. Disputes

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

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

14. Environmental legislation

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

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

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

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

Read more about the industry's and Concordia Maritime's development in the area of sustainability on pages 20–34.

15. Corruption

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

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

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

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

In addition, Concordia Maritime is a member of international collaborations aimed at developing the industry's anti-corruption work.

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

Read more about the Company's anti-corruption work on pages 32–34.

16. Human rights and working conditions

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

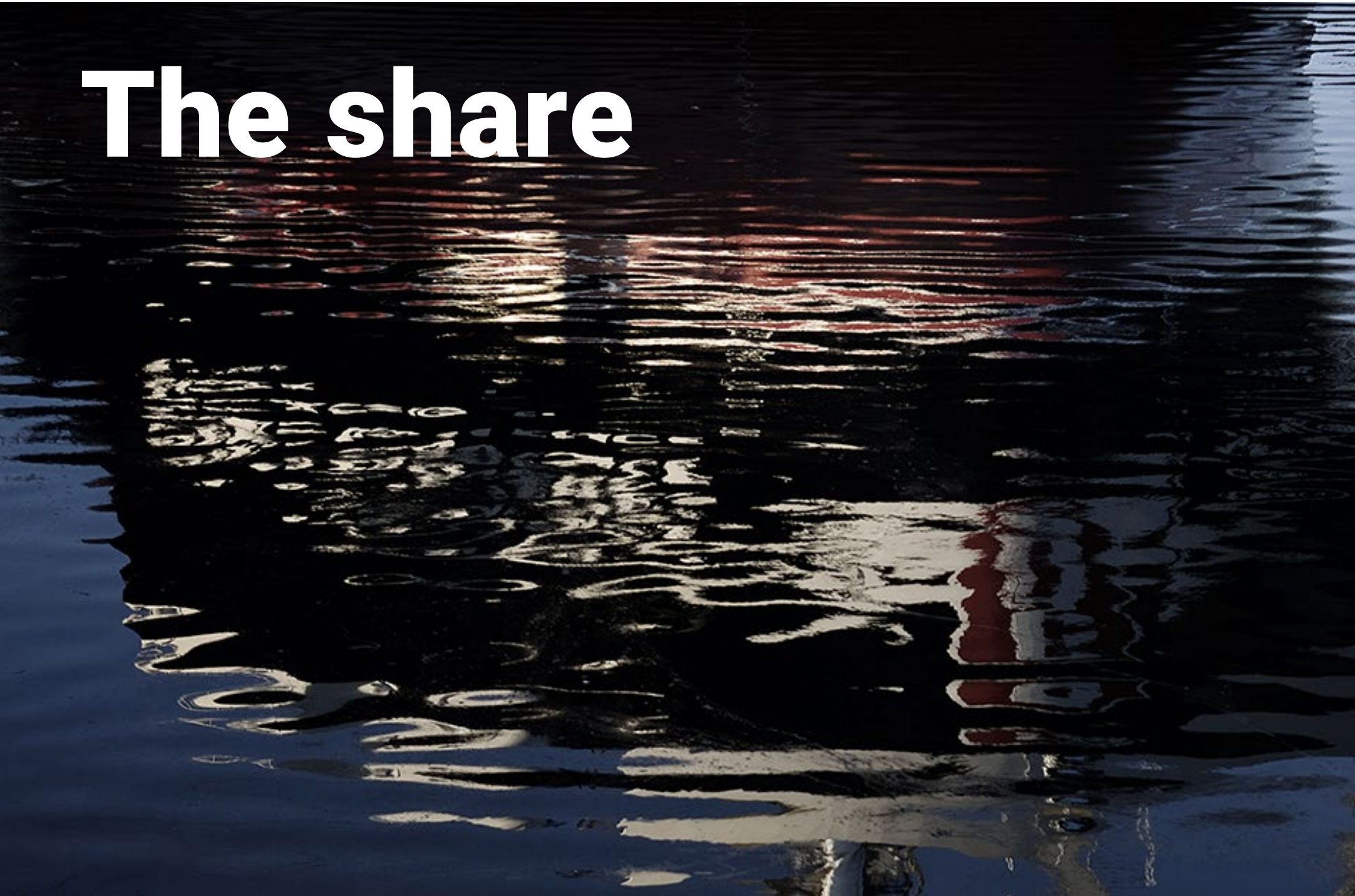
Lack of compliance with working conditions can have direct consequences for Concordia Maritime and impair the Company's reputation as an employer, making it more difficult to attract competent employees.

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

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

Read more on page 32.

The share



The share

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

Concordia Maritime's B share price was SEK 5.90 (8.18) at the end of 2021, and the Company's market capitalisation was SEK 281.6 (390.4) million. During the year, a total of 9.3 million Concordia Maritime shares were traded on Nasdaq Stockholm.

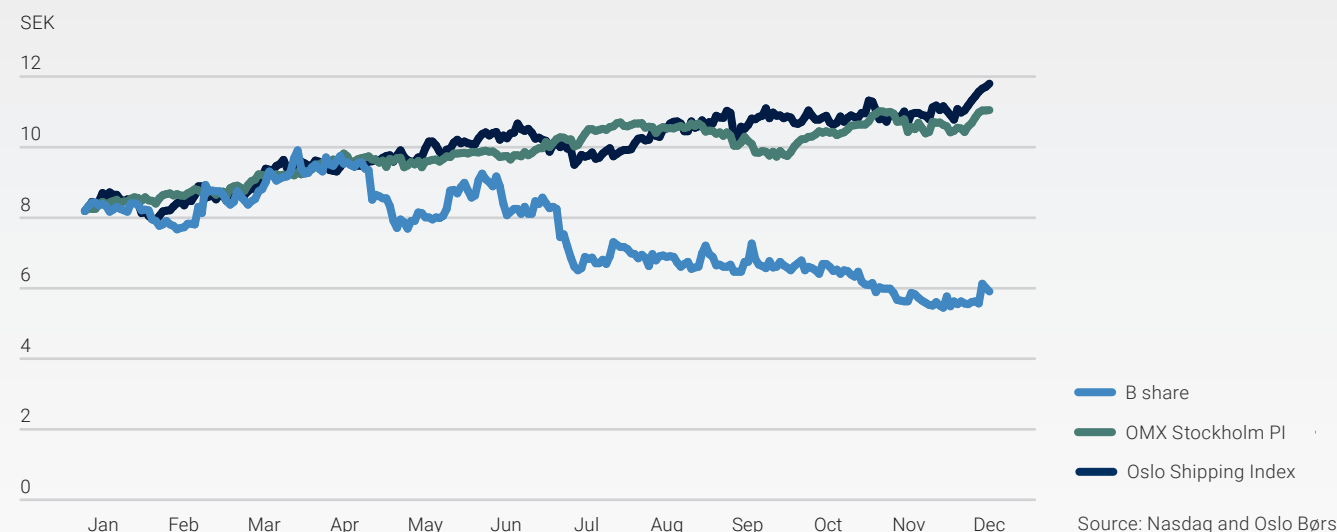
At the end of 2021, share capital amounted to SEK 381.8 million, divided into 47.73 million shares, of which 4 million were A shares and 43.73 million were B shares. The par value is SEK 8 per share. Class A shares carry ten votes per share and class B shares one vote per share at the AGM.

All class A shares are owned by Stena Sessan, which has been the principal owner since the Company was first listed in 1984. Stena Sessan has declared that a holding in Concordia Maritime corresponding to about 50 percent of the capital is a long-term objective. At year-end, the Stena Sphere owned approximately 52 percent of the share capital and controlled about 73 percent of the votes. The Board and CEO together own about 0.1 percent of the number of shares (Stena Sphere excluded). Concordia Maritime had a total of 4,065 shareholders at the end of the year.

Dividend Policy

Concordia Maritime's long-term objective is to maximise the value of the shareholders' capital in the Company through long-term growth in the value of the fleet and a good return on charter agreements. This should provide

Concordia Maritime's share price, 2021



the necessary conditions for a long-term, positive share price trend. The Company's policy is to distribute at least 10 percent of profit after tax. The aim is to distribute more than the minimum level specified by the policy. The Board's dividend proposal to the AGM reflects this aim, but also takes into account the Company's financial position and cash requirements for business projects.

About the share

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

Key figures for the share

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Dividend, SEK	0.00 ¹	0.00 ¹	0.00	0.00	0.00	0.50	0.50	0.00	0.00	0.50
Dividend as % of net result	n/a	n/a	n/a	n/a	n/a	34	14	n/a	n/a	-7
Shares outstanding at year-end, millions	47.73	47.73	47.73	47.73	47.73	47.73	47.73	47.73	47.73	47.73
Average number of shares outstanding, millions	47.73	47.73	47.73	47.73	47.73	47.73	47.73	47.73	47.73	47.73
Share price at year-end, SEK	5.76	8.18	14.60	12.20	12.50	13.90	19.50	12.90	11.70	10.15
Dividend yield, % ²⁾	n/a	n/a	n/a	n/a	n/a	3.0	3.1	n/a	n/a	4.9
Total return, Concordia share, %	-33	-44	20	-2	-10	-26	55	10	15	-18
P/E ratio including ship sales	neg	neg	neg	neg	neg	9.5	5.4	71.7	neg	neg
Turnover of shares per year, millions	9.6	12.8	9.7	7.3	18.9	13.5	21.4	10.1	14.8	5.7
Turnover rate, %	22	32	20	15	40	28	45	21	31	12
Market cap at year-end, SEK million	275	390	697	582	597	603	931	616	558	484
Number of shareholders	4,065	4,150	4,168	4,137	4,301	4,610	4,744	4,546	5,109	5,112
Equity per share	6.21	16.66	22.12	22.24	25.60	43.78	39.15	32.99	27.07	27.88

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

Dividend 2013–2022

Year	Dividend per share, SEK	Dividend yield, %
2012	0.50	4.9
2013	0.00	n/a
2014	0.00	n/a
2015	0.50	3.1
2016	0.50	3.0
2017	0.00	n/a
2018	0.00	n/a
2019	0.00	n/a
2020	0.00	n/a
2021	0.00 ¹⁾	n/a

1) Proposed dividend.

Ownership concentration, 28/02/2022

	Capital, %	Votes, %
10 largest shareholders	73.0	84.6
20 largest shareholders	77.2	87.0
50 largest shareholders	84.0	90.9
100 largest shareholders	88.9	93.7

Shareholder categories, 28 February 2022

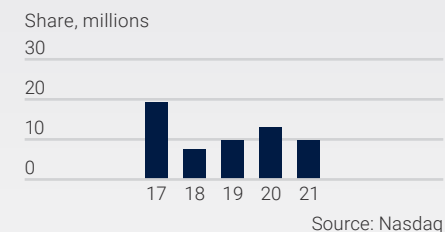
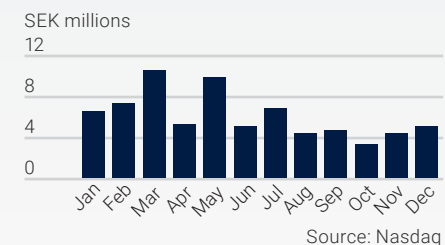
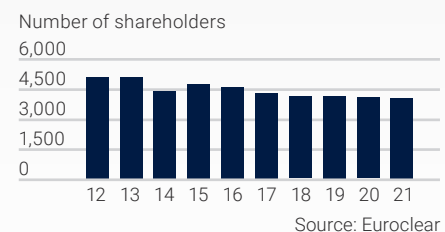
	Capital, %	Votes, %
Foreign	8.1	4.6
Swedish	91.9	95.4
of which		
Institutions	64.3	79.6
Private individuals	27.6	15.7

Shareholder structure, 28/02/2022

Shareholding	Owners	Holding, %
1–500	2,546	64.2
500–1,000	501	12.6
1,001–5,000	574	14.5
5,001–10,000	133	3.4
10,001–15,000	44	1.1
15,001–20,000	29	0.7
>20,001	136	3.4

Ten largest shareholders, 28/02/2022

	Capital, %	Votes, %
Stena Sessan	52.2	72.7
Avanza Pension	3.7	2.1
Stillström, Bengt	3.3	1.9
Åkesson, Morgan-Åke	2.6	1.5
Andersson, Stig	2.5	1.4
Mutual Fund Fourton Hannibal	2.5	1.4
AB Traction	2.3	1.3
SIX SIS AG	1.6	0.9
Ponderus Invest AB	1.5	0.9
Stillström, Ann	0.8	0.4

Share turnover 2017–2021**Share turnover 2021****Shareholder trend 2012–2021**

Ten-year summary

	2021 ¹⁾	2020 ¹⁾	2019 ¹⁾	2018 ¹⁾	2017 ¹⁾	2016 ¹⁾	2015 ¹⁾	2014	2013	2012
Profit/loss items, SEK million										
Total income	704.8	1,025.8	1,140.2	1,052.9	827.5	1,038.2	1,086.6	531.2	467.8	543.4
Operating costs excluding depreciation/impairment	-787.4	-748.0	-890.6	-1,183.0	-978.5	-955.5	-877.0	-474.8	-467.4	-465.9
Operating result	-583.5	32.6	-0.4	-130.1	-624.6	82.7	209.6	56.4	0.4	77.5
of which result from ship sales	-30.6	—	—	—	—	54.8	—	57.4	—	—
EBITDA ²⁾	-82.6	277.8	249.5	56.8	51.3	319.9	423.8	201.0	144.7	228.4
Result after financial items	-658.2	-65.1	-102.3	-181.9	-660.2	56.9	174.3	16.5	-39.0	-369.4
Result for the year	-660.4	-66.0	-102.6	-182.1	-660.2	69.5	173.9	8.7	-28.8	-356.0
Cash flow from operating activities ^{2, 3)}	-33.5	3.0	148.7	-88.9	-14.9	227.0	392.2	121.8	124.1	190.5
Investments in non-current assets	487.4	140.9	76.4	2.9	78.0	89.5	459.3	87.9	64.7	428.3
Balance sheet items, SEK million										
Ships	1,973.3	2,599.1	3,064.2	2,303.0	2,305.7	3,165.5	3,809.0	3,129.7	2,914.8	3,063.4
(Number of ships)	11	13	13	11	11	11	13	11	12	12
Ships under construction	0.0	0.0	0.0	0.0	0.0	0.0	0.0	205.8	100.5	48.0
(Number of ships)	—	—	—	—	—	—	—	2	2	2
Cash & cash equivalents	15.9	130.2	227.7	126.4	243.6	406.3	273.6	136.6	106.0	144.4
Short-term deposits	0.0	0.0	3.4	97.4	222.8	273.2	0.0	0.0	81.7	97.1
Other assets	112.1	145.3	349.6	266.4	196.2	276.7	271.3	243.7	203.5	127.8
Interest-bearing liabilities	1,597.6	1,861.7	2,400.9	1,539.1	1,635.6	1,933.7	2,387.2	2,038.9	1,994.0	1,993.3
Other liabilities and provisions	212.8	217.8	188.4	192.6	111.0	118.7	98.6	102.2	120.2	156.6
Equity	296.3	795.0	1,055.6	1,061.5	1,221.9	2,089.8	1,868.7	1,574.7	1,292.3	1,330.8
Total assets	2,106.7	2,874.6	3,644.9	2,793.2	2,968.5	4,142.2	4,354.5	3,715.8	3,406.5	3,480.7

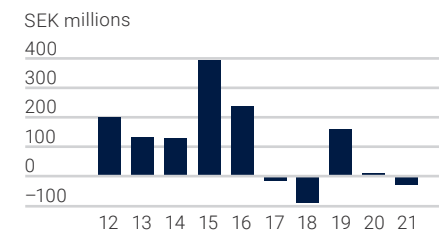
1) It was decided that with effect from 1 January 2016, spot charter income and expenses would be reported on a gross basis.

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

2) See alternative performance measures on page 97.

3) Ship sales not included.

Cash flow from operations, excl. ship sales



Ten-year summary, cont'd

	2021 ¹⁾	2020 ¹⁾	2019 ¹⁾	2018 ¹⁾	2017 ¹⁾	2016 ¹⁾	2015 ¹⁾	2014	2013	2012
Key figures, %										
Equity ratio ²⁾	14	28	29	38	41	50	43	42	38	38
Return on total capital ²⁾	-22	1	-1	-3	-17	2	5	2	0	-9
Return on capital employed ²⁾	-24	1	-1	-4	-18	2	5	2	0	-9
Return on equity ²⁾	-112	-6	-9	-16	-42	4	10	1	-2	-23
Per-share data, SEK										
Result for the year	-13.84	-1.38	-2.15	-3.81	-13.83	1.46	3.64	0.18	-0.60	-7.46
of which result from ship sales	-0.64	—	—	—	—	1.15	—	1.20	—	—
Cash flow from operating activities ³⁾	0.73	0.06	3.12	-1.86	-0.31	4.76	8.22	2.55	2.60	3.99
Equity	6.21	16.66	22.12	22.4	25.60	43.78	39.15	32.99	27.07	27.88
Equity/net asset value	0.40	0.63	1.01	1.03	1.08	1.32	1.06	1.25	2.31	2.75
Share price at year-end	5.76	8.18	14.60	12.20	12.50	13.90	19.50	12.90	11.70	10.15
Dividend ⁴⁾	0.00	0.00	0.00	0.00	0.00	0.50	0.50	0.00	0.00	0.50
Dividend as % of net result after tax	n/a	n/a	n/a	n/a	n/a	34	14	n/a	n/a	n/a
Other										
P/E ratio including ship sales ²⁾	neg	neg	neg	neg	neg	9.5	5.4	71.7	neg	neg
Number of shareholders	4,065	4,150	4,168	4,137	4,301	4,610	4,744	4,546	5,109	5,112

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

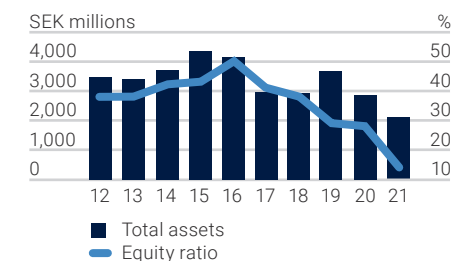
In this table, 2015 has also been changed to the same principle for comparison purposes.

2) See alternative performance measures on page 97.

3) Ship sales not included.

4) For the year 2021, the dividend proposed to the 2022 AGM is stated.

Equity ratio



Financial report



Board of Directors' Report

The Board and CEO of Concordia Maritime AB (publ), corp. ID 556068-5819, hereby submit the annual report for the financial year 1 January–31 December 2021. The principal owner is Stena Sessan AB, which owns approximately 52 percent of the capital and 73 percent of the total voting rights.

Business summary

2021 was a very special and extremely challenging year for Concordia Maritime. The prospects for a market recovery in 2021 seemed good at that time. Stock levels were low and demand for oil increased again – after the sharp decline early on in the pandemic. Summing up the market's development in 2021, average earnings per day for a Suezmax vessel fluctuated between USD 2,500 and 12,500. Corresponding earnings per day for an MR product tanker were USD 3,500 – 13,000. Some recovery could be seen in the fourth quarter, but nothing that would change the big picture. During spring and summer, much work was devoted to strengthening the Company's financial position and liquidity. A number of activities have been implemented to strengthen the Company's financial position and liquidity:

- At the EGM of Concordia Maritime AB (publ) on 12 August 2021, it was decided, in accordance with the Board's proposal, to approve the agreement with Stena Bulk AB on time chartering all the Company's P-MAX product tankers and the guarantee agreement whereby Stena Sessan AB guarantees to pay the lending banks up to USD 10 million on behalf of Concordia Maritime under certain circumstances.

- Entire P-MAX fleet chartered out The five-year time charter agreement with Stena Bulk (progressively from Q3 2021) guarantees a base rate of USD 15,500 per day and vessel with profit-sharing for any surplus levels.
- Revised loan terms include lower repayment rates and new covenant levels.
- Divestment of the two IMOIMAX vessels *Stena Image* and *Stena Important* (Q3 2021).
- Redelivery of chartered Suezmax shares (Q3 and Q4 2021).
- Sale of P-MAX vessel *Stena Perros* (Q1 2022).
- Sale of P-MAX vessel *Stena President* (Q1 2022).

Continued work ahead

Efforts to strengthen the Company's financial position and liquidity will continue. Increased daily costs or unforeseen events, combined with continued weak market conditions, could result in Concordia Maritime needing to obtain additional credit or strengthen its financial position in some other way.

Covenants and reclassification of debt

At the end of the year, with the weak tanker market continuing, there was a high risk that the Company might breach its equity/assets ratio covenant. In December 2021, a waiver was therefore agreed with the lending banks. As the waiver was for less than 12 months, the bank debt as a whole was recognised as a current liability in accordance with IFRS (IAS 1).

In the first quarter of 2022, the Company and lending banks agreed on long-term sustainable covenant levels.

In connection with the agreed new covenant levels, the Company intends to reclassify the loan liabilities in accordance with the loan structure of the bank agreement, i.e. with a non-current and a current portion.

Liquidity

Concordia Maritime's available liquid funds have decreased significantly during the year due to the withdrawal of credit facilities in connection with the new bank agreement and planned investments such as the installation of statutory ballast water treatment systems. At the same time, operating income has been low as a result of the current market situation. Available liquid funds, including unutilised credit facilities, amounted to SEK 34.9 million at the end of 2021.

The Board considers that existing bank financing and other sources of funding are sufficient to secure the Group's financing for at least the next 12-month period and the financial statements are therefore prepared on a going concern basis.

The product tanker fleet

After the sale of *Stena Perros* and *Stena President*, Concordia Maritime's product tanker fleet consists of eight 65,200 dwt P-MAX vessels. A five-year charter contract was signed with Stena Bulk during Q3 2021 and all vessels were employed under the contract the end of Q4. More about the agreement can be found on page 14 and at concordiamaritime.com. The vessel *Stena Polaris* was chartered out to Crowley Government Services Inc. (Crowley) at the beginning of 2022. The bareboat contract

is for a minimum period of 12 months with annual options up to the year 2026. Crowley will in turn charter the vessel to US Military Sealift Command. The agreement terminates the charter to Stena Bulk but it will be reinstated if the full period is not declared by Crowley. The agreement is an endorsement of the quality of Concordia Maritime's vessels.

Suezmax fleet

During the year, the Suezmax fleet consisted of the Suezmax tanker *Stena Supreme* (158,000 dwt), which is on a long-term charter, and shares in vessels on short-term contracts. The short-term contracts were joint charters with Stena Bulk, and Concordia Maritime's shares amounted to 50 percent and 33 percent. All the vessels were employed in the spot market via Stena Sonangol Suezmax Pool, controlled by Stena and the Angolan state oil company Sonangol. At the end of Q4 2021, the Company did not have The remaining any fleet vessels on short-term contracts.

IMOIIIMAX fleet

The two vessels *Stena Image* and *Stena Important* left the fleet in Q3 2021. The vessels were originally sold to a large Japanese financial company in 2016/2017 (with purchase options) under sale and leaseback agreements. The options were declared in 2021 and the vessels were then sold on.

Valuation of the fleet

Concordia Maritime's standard process is to conduct six-monthly assessments and valuations of the fleet to determine whether there is any indication of impairment. The process is based on an overall assessment of future earnings, newbuilding price development and average values from three independent ship brokers. The fleet is defined as two cash-generating units, with product tankers

representing one unit and the suezmax tanker the other unit. An impairment loss is recognised when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. The recoverable amount is the higher of fair value (external valuations) and value in use (future discounted cash flows). Following an assessment made in connection with the 2021 year-end accounts, Concordia Maritime decided to write down the carrying amount of the fleet vessels by SEK 268 million. The impairment was a consequence of the prolonged tanker market weakness, which is considered to have had a negative effect on the vessels' market values. This assessment is also confirmed by the sale of the P-MAX vessels *Stena Perros* and *Stena President* in early 2022.

Disputes

At the end of the financial year, there were no pending disputes considered to have a material impact on the Group's results and position.

Freight market trends

The tanker market was significantly affected by the global pandemic during the year. The market was extremely volatile and – looking at the full year – very weak.

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

Average earnings per day for the Company's product tanker fleet, spot and TC, were USD 13,700 (16,200) during 2021. For vessels employed in the spot market, average earnings per day were USD 11,400 (16,100).

Crude oil tanker market (Suezmax)

On a full year basis, average earnings per day for the Company's Suezmax fleet were USD 11,900 (27,100).

Newbuilding prices

At the end of the year, the price of a standard product tanker was about USD 41 (34) million. The price of a standard Suezmax tanker at the end of the year was about USD 76 (56) million.

Financial summary

Income and earnings

Total income for 2021 was SEK 704.8 (1,025.8) million. Result before tax for the year amounted to SEK –658.2 (–65.1) million. Result for the year was negatively affected by an impairment loss of SEK 268 (–) million on the carrying amount of the fleet. The impairment loss is included in result before tax. Result per share after tax was –13.84 (–1.38).

Investments

Investments in property, plant and equipment during the year amounted to SEK 191.5 (140.9) million. The Company's net investments in financial assets amounted to SEK –0.0 (–3.4) million. The figure for the comparative year was related to net sales of shares.

Liquidity and financial position

On the reporting date, the Group's available liquidity, including unutilised credit facilities, was SEK 34.9 (378.0) million. The Company's interest-bearing liabilities were SEK 1,597.6 (1,656.5) million at the end of the year. Equity totalled SEK 296.3 (795.1) at the reporting date and the equity ratio was 14 (28) percent.

Further information about the Group's liquidity and financial position can be found on page 48 under the headings "Covenants and reclassification of debt" and "Liquidity".

Remuneration policy for senior executives

Remuneration of the Chairman of the Board and Board members was as adopted by the 2021 AGM. The AGM adopted guidelines for the remuneration of Group management as follows: Remuneration comprises a fixed salary, variable compensation, pension and other benefits. In order to attract and retain skilled personnel, Concordia Maritime endeavours to offer employees attractive and competitive remuneration. The absolute level depends on the scope and complexity of the position held and the individual's annual performance. Performance is specifically reflected in the variable compensation. Variable compensation is based on factors such as the Company's development and achievement of commercial, operational and financial goals. The goals for the CEO are decided on by the remuneration committee (which consists of the full Board).

Agreements on other forms of remuneration may be reached when this is considered necessary in order to attract and retain key competence or to encourage individuals to move to new locations or accept new positions. This type of remuneration is for a limited period.

The proposed guidelines for the 2022 AGM correspond with those adopted in 2021. The Company's pension policy is to follow the practices of the local market in each country. In the case of the CEO, a premium corresponding to 35 percent of the pensionable salary and other compensation at any given time is paid.

Other senior executives in Sweden have a premium-based retirement benefit plan in addition to the standard Swedish labour market pension schemes. Senior executives in Sweden have a six to twelve month reciprocal period of notice depending on the position held. For the CEO, severance pay of up to 24 months' basic salary is paid in the case of involuntary termination of employment. See also note 4.

Information about risks and uncertainties

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

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

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

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

Concordia Maritime cooperates closely with the Stena Sphere, which supplies chartering, operational, manning and newbuilding services. Management believes that this

cooperation is one of the Company's absolute strengths compared with competitors.

Sustainability report

Concordia Maritime places the highest priority on human safety and protection of the maritime environment, both as a principle in day-to-day operations and as part of the overall Company objectives. Safety and protection of the maritime environment is an integral part of day-to-day business. The full commitment of all employees, on board and ashore, is critical to maintaining a high standard of safety and protecting the marine environment in the most effective way.

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

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

None of the Company's vessels were involved in any type of incident that resulted in bunker oil or cargo discharging into the water in 2021. There were 0 lost time incidents

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

As the Company's vessels spent more days in drydock than in the previous year, the fleet consumed 14 percent less bunker and had significantly lower emissions in 2021.

Customers' inspections of the Company's vessels in 2021 resulted in an average of 1.9 observations per inspection. This outcome is in line with the target of <4.

In 2021, the Company continued to support Mercy Ships' hospital ship, which offers free medical care to patients in west Africa who would be otherwise unable to receive such care.

For more information about sustainability work, see pages 21–34.

For financial instruments and risk management, see notes 17 and 18.

The share

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

Outlook

The war in Ukraine and the consequences of the Corona-virus make it difficult to assess future tanker market development. The more volatile geopolitical situation may also affect oil demand, stock levels and which countries are under sanctions. However, the time charter agreement with Stena Bulk guarantees stable income that covers operating cash flow. It also entitles Concordia Maritime to profit-sharing for surplus income above the base rate.

Corporate Governance Report

The corporate governance report has been prepared as a document that is separate from the annual report and can be found on pages 86–96. Information about the key elements of the Group's system of internal control and risk management during preparation of the consolidated financial statements is presented in the corporate governance report.

Events after the reporting date¹⁾

- *Stena Polaris* out on a bareboat charter for 12 months, with an option to extend
- Technical design study on conversion of P-MAX vessels launched
- Agreement with lending banks on new long-term sustainable covenant levels.
- Divestment of P-MAX vessels *Stena Perros* and *Stena President*

Parent Company

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

Proposed distribution of profit

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

SEK millions	2019	2020	2021
Dividend (47,729,798 shares)	0.0	0.0	0.0
Carried forward	–5.5	–80.8	–194.5
Total	–5.5	–80.8	–194.5

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

¹⁾ Events up to and including the date of signature of this annual report, 13 April 2022.

Consolidated income statement and other comprehensive income

1 January–31 December, SEK millions	Note	2020	2021	2021 USD millions ¹⁾
Time charter income, leasing of vessels		95.7	120.2	14.0
Time charter income, operational services		166.5	202.1	23.6
Spot charter income		760.7	382.5	44.6
Other income		2.9	0.0	0.0
Total revenue	2, 3, 19	1,025.8	704.8	82.1
Voyage-related operating costs	2	–274.3	–220.1	–25.7
Operating costs, ships	2	–207.9	–297.3	–34.6
Personnel costs, temporary seagoing	4	–210.3	–196.7	–22.9
Other external expenses	5	–39.6	–59.2	–6.9
Personnel costs, land-based	4	–16.0	–14.0	–1.6
Depreciation/impairment	8	–245.2	–501.0	–58.4
Total operating costs	21	–993.2	–1,288.3	–150.1
Operating result	2	32.6	–583.5	–68.0
Finance income		5.8	8.6	1.0
Finance costs		–103.5	–83.3	–9.7
Financial net	6	–97.7	–74.7	–8.7
Result before tax		–65.1	–658.2	–76.7
Tax	7	–0.9	–2.1	–0.2

1 January–31 December, SEK millions	Note	2020	2021	2021 USD millions ¹⁾
Result for the year attributable to owners of the parent		–66.0	–660.4	–77.0
Other comprehensive income				
Items that have been/can be transferred to result for the period	13			
Translation differences for the year, foreign operations		–119.6	48.6	5.7
Changes in fair value of cash flow hedges		–72.3	61.8	7.2
Changes in fair value of cash flow hedges reclassified to result for the period		–3.5	51.2	6.0
Items that cannot be transferred to result for the year				
Changes in the fair value of equity instruments at fair value through OCI		0.9	0.0	0.0
Total other comprehensive income for the year		–194.5	161.6	18.8
Comprehensive income for the year attributable to owners of the parent		–260.6	–498.7	–58.1
Result per share, before/after dilution	13	–1.38²⁾	–13.84²⁾	–1.61³⁾

1) Unaudited, see note 1.

2) Value in SEK.

3) Value in USD.

Consolidated statement of financial position

31 December, SEK millions	Note	2020	2021	2021 USD millions ¹⁾
ASSETS				
Non-current assets				
Ships	3, 8, 19	2,599.1	1,454.5	160.6
Non-current receivables	10	0.0	5.4	0.6
Total non-current assets		2,599.1	1,459.8	161.2
Trade receivables	9	55.9	56.8	6.3
Other current receivables	10	40.1	31.1	3.4
Prepayments and accrued income	11	49.2	24.1	2.7
Cash & cash equivalents	12, 23	130.2	15.9	1.8
Assets held for sale	8, 19	0.0	518.8	57.3
Total current assets		275.5	646.8	71.4
TOTAL ASSETS		2,874.6	2,106.7	232.7

31 December, SEK millions	Note	2020	2021	2021 USD millions ¹⁾
Equity				
Share capital	13	381.8	381.8	42.2
Other paid-in capital		61.9	61.9	6.8
Reserves		300.6	462.3	51.1
Retained earnings, incl. result for the year		50.7	-609.7	-67.3
Total equity		795.1	296.3	32.7
LIABILITIES				
Non-current liabilities				
Liabilities to credit institutions	17, 18			
	14	774.8	0.0	0.0
Other non-current liabilities	19	853.0	310.9	34.3
Total non-current liabilities		1,627.8	310.9	34.3
Current liabilities				
Liabilities to credit institutions	17, 18			
	14	189.0	773.9	85.5
Trade payables		2.2	5.3	0.6
Current tax liability		4.9	6.8	0.7
Other liabilities	15, 19	162.5	0.3	0.0
Accruals and deferred income	16	93.1	191.6	21.2
Liabilities directly associated with assets held for sale	14, 19	0.0	521.5	57.6
Total current liabilities		451.7	1,499.4	165.6
TOTAL EQUITY, PROVISIONS AND LIABILITIES		2,874.6	2,106.7	232.7

For information on the Group's pledged assets and contingent liabilities, see note 20

1) Unaudited, see note 1.

Consolidated statement of changes in equity

SEK millions	Share capital	Other paid-in capital	Reserves ²⁾			Retained earnings ¹⁾	Total equity
			Translation reserve	Fair value reserve	Hedging reserve		
Opening equity, 1 Jan 2021	381.8	61.9	411.5	0.0	-110.9	50.7	795.1
Comprehensive income for the year							
Result for the year						-660.4	-660.4
Other comprehensive income for the year			48.6	0.0	113.0	0.0	161.6
Comprehensive income for the year	0.0	0.0	48.6	0.0	113.0	-660.4	-498.7
Transactions with owners of the parent							
Dividend						0.0	0.0
Closing equity, 31 Dec 2021	381.8	61.9	460.2	0.0	2.1	-609.6	296.3

SEK millions	Share capital	Other paid-in capital	Reserves ²⁾			Retained earnings ¹⁾	Total equity
			Translation reserve	Fair value reserve	Hedging reserve		
Opening equity, 1 Jan 2020	381.8	61.9	531.2	-2.2	-35.1	118.1	1,055.6
Comprehensive income for the year							
Result for the year						-66.0	-66.0
Other comprehensive income for the year			-119.6	2.2	-75.8	-1.4	-194.5
Comprehensive income for the year	0.0	0.0	-119.6	0.0	-75.8	-67.4	-260.6
Transactions with owners of the parent							
Dividend						0.0	0.0
Closing equity, 31 Dec 2020	381.8	61.9	411.5	0.0	-110.9	50.7	795.1

1) Retained earnings includes result for the year.

2) See also note 13.

Consolidated cash flow statement

1 January–31 December, SEK millions	Note	2020	2021	2021 USD millions ¹⁾
Operating activities				
Operating result		32.6	–583.5	–68.0
Finance income	23	5.8	8.6	1.0
Finance costs	23	–103.5	–83.3	–9.7
Adjustment for non-cash items	23	71.4	625.8	72.9
Tax paid		–3.3	–1.1	–0.1
Cash flow from operating activities before changes in working capital		3.0	–33.5	–3.9
Cash flow from changes in working capital				
Increase (–)/Decrease (+) in operating receivables		190.9	–8.0	–0.9
Increase (+)/Decrease (–) in operating liabilities		109.1	76.3	8.9
Cash flow from operating activities		303.0	34.8	4.1
Investing activities				
Acquisition of property, plant and equipment		–140.9	–191.5	–22.3
Disposal of property, plant and equipment		0.0	487.4	56.8
Disposal of financial assets		3.4	0.0	0.0
Cash flow from investing activities		–137.5	295.9	34.5
Financing activities				
New loans		59.5	203.9	23.8
Amortisation of loans		–239.3	–105.2	–12.3
Amortisation of leases		–73.7	–551.3	–64.3
Cash flow from financing activities		–253.5	–452.5	–52.8
Cash flow for the year		–88.0	–121.9	–14.2
Cash and cash equivalents at beginning of year		227.7	130.2	15.8
Exchange differences		–9.5	7.6	0.2
Cash and cash equivalents at end of year		130.2	15.9	1.8

1) Unaudited, see note 1.

Income statement and other comprehensive income – Parent Company

1 January–31 December, SEK millions	Note	2020	2021
Net sales	3	12.2	45.2
Total income		12.2	45.2
Operating costs, ships		–30.2	–96.4
Other external expenses	5	–15.0	–12.7
Personnel expenses	4	–9.7	–10.1
Operating result	21	–42.7	–74.0
Result from financial items:			
Result from subsidiaries		0.0	–71.0
Other interest and similar income		97.2	90.4
Interest and similar expense		–129.8	–59.2
Financial net	6	–32.7	–39.7
Result after financial items		–75.3	–113.7
Tax	7	0.0	0.0
Result for the year¹⁾		–75.3	–113.7

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

Statement of financial position – Parent Company

31 December, SEK millions	Note	2020	2021
ASSETS			
Non-current assets			
Property, plant and equipment	8	0.0	0.0
Financial assets			
Investments in Group companies	22	746.4	675.5
Deferred tax assets	7	0.0	0.0
Non-current receivables, Group companies		832.0	886.2
Other non-current receivables	10	0.0	5.4
Total financial assets		1,578.5	1,567.1
Total non-current assets		1,578.5	1,567.1
Current assets			
Current receivables			
Trade receivables	9	0.0	0.0
Current tax receivable		0.0	0.0
Receivables from Group companies		16.7	15.4
Other receivables	10	0.1	1.4
Prepayments and accrued income	11	15.4	5.8
Total current receivables		32.2	22.6
Cash and bank balances	23	20.2	0.0
Total current assets		20.2	0.0
TOTAL ASSETS		1,630.8	1,589.7

31 December, SEK millions	Note	2020	2021
EQUITY AND LIABILITIES			
Equity	13		
Restricted equity			
Share capital		381.8	381.8
Statutory reserve		138.3	138.3
Unrestricted equity			
Retained earnings		-5.5	-80.8
Result for the year		-75.3	-113.7
Total equity		439.4	325.7
Non-current liabilities			
	17, 18		
Liabilities to credit institutions	14	607.9	0.0
Liabilities to Group companies	21	27.4	27.4
Other non-current liabilities		89.1	310.9
Total non-current liabilities		724.5	338.4
Current liabilities			
	17, 18		
Liabilities to credit institutions	14	164.5	749.1
Liabilities to Group companies	21	182.6	83.1
Trade payables		1.3	2.1
Current tax liability		4.1	5.2
Other liabilities		92.5	0.3
Accruals and deferred income	16	21.8	85.8
Total current liabilities		466.9	925.6
TOTAL EQUITY AND LIABILITIES		1,630.8	1,589.7

Statement of changes in equity – Parent Company

SEK millions	Restricted equity		Unrestricted equity		Total equity
	Share capital	Statutory reserve	Retained earnings	Result for the year	
Opening equity, 1 Jan 2021	381.8	138.3	-5.5	-75.3	439.4
Result for previous year			-75.3	75.3	0.0
Result for the year				-113.7	-113.7
Dividend					0.0
Closing equity, 31 Dec 2021	381.8	138.3	-80.8	-113.7	325.7

SEK millions	Restricted equity		Unrestricted equity		Total equity
	Share capital	Statutory reserve	Retained earnings	Result for the year	
Opening equity, 1 Jan 2020	381.8	138.3	-36.0	30.6	514.7
Result for previous year			30.6	-30.6	0.0
Result for the year				-75.3	-75.3
Dividend					0.0
Closing equity, 31 Dec 2020	381.8	138.3	-5.5	-75.3	439.4

Cash flow statement – Parent Company

1 January–31 December, SEK millions	Note	2020	2021
Operating activities			
Operating result		–42.7	–74.0
Result from subsidiaries		0.0	–71.0
Finance income	23	97.2	90.4
Finance costs	23	–129.8	–59.2
Adjustment for non-cash items	23	–231.8	67.9
Tax paid		–3.3	–1.1
Cash flow from operating activities before changes in working capital		–310.4	–46.9
Cash flow from changes in working capital			
Increase (–)/Decrease (+) in operating receivables		–675.6	25.1
Increase (+)/Decrease (–) in operating liabilities		133.2	–94.9
Cash flow from operating activities		–852.9	–116.7
Investing activities			
Investments in financial assets		0.0	0.0
Cash flow from investing activities		0.0	0.0
Financing activities			
New loans		59.5	211.5
Amortisation of loans		–443.8	–105.2
Cash flow from financing activities		–384.2	106.3
Cash flow for the year		–1,237.1	–10.4
Cash and cash equivalents at beginning of year		1,250.1	20.2
Exchange differences		7.2	–9.8
Cash and cash equivalents at end of year		20.2	0.0

Notes to the financial statements

1 Accounting policies

Statement of compliance

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

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

The Board has authorised the Parent Company's annual financial statements and the consolidated annual financial statements for issue on 13 April 2022. The consolidated and Parent Company income statements and statements of financial position will be presented for adoption at the annual general meeting on 5 May 2022.

Basis of preparation

The Parent Company's functional currency is Swedish kronor, which is also the presentation currency for the Parent Company and for the Group. Consequently, the financial statements are presented in Swedish kronor. However, for the reader's guidance, the 2021 financial statements have been converted from SEK into USD using the following exchange rates issued by the Swedish Central Bank: Average rate USD 1.00=8.58 and closing rate USD 1.00=9.05. However, from a Group perspective, most transactions are in US dollars. All amounts are reported in SEK millions unless otherwise stated. Assets and liabilities are measured at historical cost, apart from certain financial assets and liabilities which are measured at fair value. Financial assets and liabilities measured at fair value consist of shares and derivative instruments.

Preparation of financial statements in compliance with IFRS requires management to make critical judgements, accounting estimates and assumptions which affect the application of the accounting policies and the carrying amounts of assets, liabilities, income and expense. Estimates

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

Estimates made by management during the application of IFRS which have a significant effect on the financial statements, and assumptions which may result in material adjustments to the following year's financial statements largely relate to the valuation of vessels. See note 26.

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

New accounting policies effective in or after 2022

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

Basis of consolidation

Subsidiaries

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

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

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

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

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

Transactions eliminated on consolidation

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

Foreign currency

Foreign currency transactions

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

Financial statements of foreign entities

Assets and liabilities of foreign entities, including fair value adjustments, are translated into Swedish kronor using the exchange rate prevailing at the reporting date. Income and expenses in the income statements of foreign entities are translated into Swedish kronor using average exchange rates. This average is an approximation of the cumulative effect of the rates at each transaction date. Exchange differences arising on translation of foreign operations are recognised in other comprehensive income and accumulated in the translation reserve in equity. On disposal of a foreign operation, the cumulative exchange differences relating to that operation, adjusted for any hedging, are reclassified from the translation reserve to profit or loss.

Note 1 cont'd.

Operating segment reporting

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

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

Classification

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

Income

The Group's income consists primarily of spot charter and time charter income. Spot charter income is generated when the vessels are employed on the open market (the spot market) and chartered voyage by voyage. Spot charter income is received when the individual voyage is completed and the performance obligation is satisfied over time. Spot charter income for voyages in progress at the reporting date is distributed between the current reporting period and the next reporting period based on the number of days of the voyage. If the net result (freight income less direct voyage costs) of the voyage is negative, the entire amount is allocated to the current reporting period. Spot charter income is recognised as accrued income from the time the point in time when the performance obligation is satisfied until it is paid. Time charter income is received when the vessels are leased for a fixed period, normally one year or more. The income, which consists of a fixed daily hire of the vessel, is paid monthly in advance and recognised as income in the same way as spot charter income. The performance obligation for time charter income is satisfied over time. Time charter income is recognised as deferred income from the date of payment until the performance obligation is satisfied. Profit-sharing contracts are accounted for based on settlement with the charterer. If the settlement period and the financial reporting period differ, the profit-sharing contract is recognised using management's judgements and estimates, which are based on market conditions and the charterer's actual earnings in the financial reporting period. Usual settlement periods for profit-sharing contracts are monthly, 90 days or 180 days.

Finance income and costs

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

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

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

Financial instruments

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

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

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

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

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

Purchases and sales of financial assets are recognised on the trade date (the commitment date), apart from regular way transactions, which are recognised on the settlement date. The fair value of listed financial assets corresponds to the asset's bid price on the balance sheet date, subject to a deep and liquid market. The fair value of unlisted financial assets is determined using valuation techniques such as recent transactions, prices of similar instruments and discounted cash flows. For further information, see notes 17 and 18.

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

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

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

Financial assets at amortised cost

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

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

Financial assets at FVTOCI

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

Financial assets at FVTPL

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

Note 1 cont'd.

Financial liabilities at FVTOCI

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

Other financial liabilities

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

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

Trade payables are classified as other financial liabilities. Trade payables have a short expected maturity and are measured at nominal amounts with no discounting. For more information, see notes 17 and 18.

Impairment of financial assets

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

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

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

Derivatives and hedge accounting

Derivative instruments consist of forward contracts and swaps that are used to manage different types of risks, such as changes in bunker prices, exchange rate fluctuations and exposure to interest rate risks. Derivatives are also contractual terms that are embedded in other contracts. Changes

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

Property, plant and equipment

Owned assets

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

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

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

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

Borrowing costs

Borrowing costs that are attributable to the construction of qualifying assets are capitalised as part of the cost of the qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period

of time to get ready for its intended use. Firstly, borrowing costs incurred on loans that are specific to the qualifying asset are capitalised. Secondly, borrowing costs incurred on general loans that are not specific to any other qualifying asset are capitalised. Borrowing expenses are based on external borrowing.

Depreciation

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

Estimated useful lives:

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

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

Non-current assets classified as held for sale

Non-current assets are classified as held for sale when their carrying amount will be recovered principally through a sale transaction and a sale is considered highly probable. They are recognised at the lower of their carrying amount and fair value less costs to sell.

The Group recognises an impairment loss for any initial or subsequent write-down of the asset to fair value less costs to sell. The Group recognises a gain for any subsequent increase in fair value less costs to sell of an asset to the extent that it is not in excess of the cumulative impairment loss that has been recognised. A gain or loss not previously recognised by the date of the sale of a non-current asset shall be recognised at the date of derecognition.

Non-current assets are not depreciated as long as they are classified as held for sale. Interest and other expenses attributable to liabilities directly associated with assets held for sale continue to be recognised.

Non-current assets held for sale are presented separately from other assets in the balance sheet. Liabilities directly associated with assets held for sale are presented separately from other liabilities in the balance sheet.

Impairment

The Group's reported assets are assessed semi-annually to determine if there is any indication of impairment. IAS 36 is applied for impairment of vessels. If there is any indication of impairment, the asset's recoverable amount (i.e. the higher of net realisable value and value in use) is calculated. An impairment loss is recognised when the carrying amount of an asset or

Note 1 cont'd.

cash-generating unit exceeds its recoverable amount. An impairment loss is recognised as an expense in net income for the year. When impairment has been identified for a cash-generating unit, the impairment loss is proportionately allocated to the assets in the unit. The Group's fleet is divided into two cash-generating units, with product tankers representing one unit and suezmax vessels the other.

In measuring value in use, cash flows are discounted using a discount rate that reflects the risk-free rate of interest and the risks specific to the asset. Testing is based on an average value from three ship brokers and on discounted cash flows. Any assumptions in the case of a cash flow calculation are described in note 8 for property, plant and equipment.

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

Subsequent costs and periodic maintenance

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

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

Leases

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

Leases where the Group is lessee

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

The lease liability is initially recognised at the present value of the future payments associated with the lease. These payments include:

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

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

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

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

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

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term. Depreciation is normally on a straight-line basis.

The right-of-use asset is included in the same item in the statement of financial position as the corresponding underlying asset would have been, had it been owned.

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

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

Leases where the Group is lessor

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

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

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

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

Share capital**Dividends**

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

Employee benefits**Defined contribution plans**

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

Note 1 cont'd.

Provisions

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

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

Taxes

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

Current tax is the amount of income taxes payable or recoverable in respect of the taxable profit or loss for the current year, and is calculated using tax rates enacted or substantially enacted by the reporting date, and any adjustments relating to prior periods. Deferred tax is accounted for using the balance-sheet liability method. A deferred tax liability is recognised for temporary differences between the carrying amounts of assets and liabilities and their corresponding tax bases, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit or loss. A deferred tax liability is recognised for temporary differences associated with investments in subsidiaries except to the extent that it is probable that the temporary difference will not reverse in the foreseeable future. The measurement of deferred tax is based on the manner in which the Company expects to recover or settle the carrying amount of its assets and liabilities. Deferred tax liabilities and assets are measured using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets on

temporary differences and deferred tax assets arising from the carry-forward of unused tax losses are only recognised to the extent that it is probable that they can be utilised. The carrying amounts of deferred tax assets are reduced to the extent that it is no longer probable that the deferred tax asset can be utilised.

Contingent liabilities

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

Accounting policies – Parent Company

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

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

Subsidiaries

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

Income

Dividends

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

Property, plant and equipment

Owned assets

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

Financial instruments

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

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

2 EBITDA and earnings per vessel category

EBITDA per quarter

USD millions	Q4		Q3		Q2		Q1		Full year	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Product tankers (time charter)	4.6	5.7	4.5	1.7	4.2	0.8	4.6	0.7	17.8	8.8
Product tankers (spot)	-2.0	-1.4	0.3	-2.4	5.2	-1.1	5.5	-4.5	9.0	-9.5
Suezmax	-1.7	0.3	1.4	-2.1	3.4	-1.8	3.6	-1.5	6.7	-5.1
Administration and other	-0.8	-0.9	-0.7	-0.5	-1.0	-0.9	-0.9	-0.8	-3.5	-3.2
Total	0.1	4.4	5.5	-6.6	11.8	-2.0	12.7	-5.4	30.2	-9.6

As the fleet's performance is primarily monitored via EBITDA, this table provides a more accurate picture of the Company's earnings than a corresponding specification for income. A reconciliation of EBITDA and the income statement can be found in "Reconciliation of alternative performance measures" on page 98.

Earnings per vessel category

SEK millions	Full year	
	2020	2021
Product tankers, time charter	262.2	322.3
Product tankers, spot	638.0	300.2
Product tankers, total earnings	900.2	622.8
Suezmax, spot	122.8	82.0
Suezmax, total earnings	122.8	82.0
Other	2.9	0.0
Total income	1,025.8	704.8

3 Geographical distribution

Geographical areas

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

Group, SEK millions	Total	
	2020	2021
Income		
Sweden	30.2	205.6
United States	265.7	138.3
Brazil	263.0	120.3
Denmark	112.9	61.2
UK	29.4	44.1
Other	324.5	135.3
Total income	1,025.7	704.8

Largest customers by income

The Group generated income of SEK 704.8 million in 2021. Two individual customers accounted for more than 10% of total income during the year. The three largest individual customers had income shares of 28.9% (SEK 205.4 million), resulting from the time charter agreement signed with Stena Bulk during the year, 15.4% (SEK 109.4 million) and 8.6% (SEK 61.2 million).

The Group generated income of SEK 1,025.7 million in 2020. Three individual customers accounted for more than 10% of total income during the year. The three largest individual customers had income shares of 16.1% (SEK 165.7 million), 11.0% (SEK 112.9 million) and 10.9% (SEK 112.1 million).

Parent, SEK millions	Total	
	2020	2021
Income		
Sweden	10.7	45.2
Denmark	1.5	0.0
Total income	12.2	45.2

The Parent Company's net sales in 2021 and 2020 relate to income from chartered vessels.

Group, SEK millions	Total	
	2020	2021
Non-current assets		
Bermuda	2,587.8	1,973.3
Total non-current assets (ships)	2,587.8	1,973.3

4 Employees and personnel expenses

Employee benefits expenses

Group, SEK millions	2020	2021
Salaries and other benefits	10.1	8.4
Pension costs, defined contribution plans	3.1	2.7
Social security contributions	2.7	1.8
	15.9	12.9

Gender distribution in Company Management

	2020	2021
Parent Company	Proportion female	Proportion female
Board	11%	33%
Other senior executives	0%	0%

Group	2020	2021
Board	11%	33%
Other senior executives	0%	0%

Senior executives' remuneration and benefits

Salary and other benefits during the year, SEK thousands	2020					2021				
	Basic salary/directors' fees	Variable pay	Other benefits	Pension cost	Total	Basic salary/directors' fees	Variable pay	Other benefits	Pension cost	Total
Chairman of the Board, Carl-Johan Hagman	400				400	400				400
Stefan Brocker	225				225	225				225
Helena Levander	225				225	225				225
Mats Jansson	225				225	225				225
Ulrika Laurin	0				0	225				225
Henrik Hallin	225				225	225				225
Michael G:son Löw	225				225	0				0
Workplace representatives	75				75	0				0
CEO	4,664	383	58	1,683	6,788	4,042	596	57	1,465	6,160
Other senior executives	2,553	341	343	1,025	4,262	2,564	61	56	1,106	3,786
Total	8,817	724	401	2,708	12,650	8,131	657	113	2,571	11,472

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

Salaries, employee benefits and social security contributions

Parent, SEK millions	2020		2021	
	Salaries and other benefits	Social security contributions	Salaries and other benefits	Social security contributions
Parent Company	6.9	4.9	6.3	4.0
(of which pension costs)		2.9		2.6

SEK 2,571 (2,708) thousand of the Parent Company's pension costs relate to the Board, CEO and management. Senior executives in Sweden have a six to twelve month reciprocal period of notice depending on the position held. In the case of involuntary termination of employment, the maximum severance pay is 24 months' basic salary.

Average number of employees

Parent Company	2020	Of which male	2021	Of which male
Sweden	1	100%	1	100%
Parent total	1			
Subsidiaries				
Denmark	2	50%	2	50%
Subsidiaries total	2	50%	2	50%
Group total	3	67%	3	67%

The Company employed 604 temporary workers on its vessels in 2021 (596 in 2020).

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

Group, SEK millions	2020		2021	
	CEO and Management	Other employees	CEO and Management	Other employees
Parent: Sweden	5.1	0.2	4.7	0.0
Subsidiaries: Denmark	3.2	0.7	2.7	1.0
Subsidiaries: Switzerland	0.7	0.0	0.0	0.0
Subsidiaries: Bermuda	0.1	0.0	0.0	0.0
Group total	9.1	0.9	7.4	1.0
(of which bonus)	0.4	0.0	0.7	0.0

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

Defined contribution plans

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

SEK millions	Group		Parent Company	
	31/12/2020	31/12/2021	31/12/2020	31/12/2021
Costs for defined contribution plans	3.1	2.7	2.9	2.6

5 Auditors' fees and remuneration

SEK millions	Group		Parent Company	
	2020	2021	2020	2021
	KPMG	PwC	KPMG	PwC
Audit services	1.2	0.8	0.7	0.6
Tax advisory services	0.2	0.6	0.0	0.1
Other services	0.5	0.4	0.2	0.2
	1.9	1.7	0.9	0.9

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

6 Financial net

Group, SEK millions	2020	2021
Changes arising from remeasurement of financial assets at fair value	0.0	0.0
Exchange differences	0.0	0.0
Other interest income	5.8	8.6
Finance income	5.8	8.6
Interest expenses	-84.1	-68.8
Other finance costs	-19.4	-14.5
Finance costs	-103.5	-83.3
Financial net	-97.7	-74.7

Parent, SEK millions	Result from other securities and receivables		Interest and similar income	
	2020	2021	2020	2021
Interest income	0.0	0.0	51.6	28.7
Changes arising from remeasurement of financial assets at fair value	17.9	61.8	0.0	0.0
Exchange differences	0.0	0.0	27.7	0.0
Dividends from subsidiaries	0.0	0.0	0.0	0.0
Finance income	17.9	61.8	79.3	28.7

Parent, SEK millions	Interest and similar expense	
	2020	2021
Interest expense on bank loans (including effect of swaps)	-43.3	-31.7
Exchange differences	0.0	-24.1
Changes arising from remeasurement of financial assets at fair value	-85.6	-2.7
Other finance costs	-0.9	-0.8
Finance costs	-129.8	59.3
Financial net	-32.7	31.2

7 Taxes

Recognised in the income statement

Group, SEK millions	2020	2021
Current tax expense(-)/ tax income(+)	-0.9	-2.1
Deferred tax income/expense on temporary differences	0.0	0.0
Deferred tax income/expense in tax loss carryforward capitalised during year	0.0	0.0
Total recognised tax expense for Group	-0.9	-2.1

Parent, SEK millions

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

Reconciliation of effective tax

Group, SEK millions	2020, %	2020	2021, %	2021
Result before tax		-65.1		-658.2
Tax according to parent's enacted tax rate	21	13.9	21	135.6
Effect of different tax rates for foreign subsidiaries	-8	-5.6	-16	-104.3
Non-deductible expenses	-14	-9.5	-1	-7.5
Non-taxable income	1	0.8	1	7.3
Increase in loss carryforwards without corresponding capitalisation of deferred tax	-0	-0.6	-5	-32.6
Increase in restricted net interest income	0	0.0	0	-2.1
Recognised effective tax	1	-0.9	0	-2.1

Note 7 cont'd.

Parent, SEK millions	2020, %	2020	2021, %	2021
Result before tax		-75.3		-113.7
Tax according to parent's enacted tax rate	21	16.1	21	23.4
Non-deductible expenses	-38	-28.6	-14	-15.8
Non-taxable income	18	13.2	23	25.6
Increase in loss carryforwards not resulting in corresponding increase in deferred tax	-1	-0.6	-29	-32.6
Increase in restricted net interest income	0	0.0	-1	-0.7
Recognised effective tax	0	0.0	0	0.0

Recognised in the balance sheet – Deferred tax assets and liabilities

Deferred tax assets and liabilities are as follows:

Group, SEK millions	Deferred tax assets		Deferred tax liabilities	
	2020	2021	2020	2021
Tax loss carryforwards	0.0	0.0	0.0	0.0
Temporary differences, property, plant and equipment (excess depreciation)	0.0	0.0	0.0	0.0
Tax assets/liabilities	0.0	0.0	0.0	0.0
Offsetting	0.0	0.0	0.0	0.0
Total tax assets/liabilities, net	0.0	0.0	0.0	0.0

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are as follows:

Parent, SEK millions	Deferred tax asset/liability	
	2020	2021
Tax loss carryforwards	0.0	0.0
Other temporary differences	0.0	0.0
Tax assets/liabilities, net	0.0	0.0

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

The Group's tax loss carryforwards are as follows:

SEK millions	2020	2021
Sweden	343.6	505.0
Total	343.6	505.0

All loss carryforwards continue indefinitely. Of the Group's loss carryforwards at the end of the financial year, SEK 505.0 (343.6) million has not been capitalised. SEK 36.8 (33.5) million of the Group's loss carryforwards at the end of the financial year consists of restricted net interest income.

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

From 1 January 2021, the tax rate in Sweden is 20.6% for companies with financial years beginning on or after 1 January 2021. At the end of the year, there were no deferred tax assets or liabilities. No effect has been reported in the income statement, as the balances are unchanged from the comparative year. There are accumulated loss carryforwards attributable to Concordia Maritime AB, but they have not been utilised as the Company does not generate sufficient taxable income and there is also no offsetting option in the Group at present.

8 Property, plant and equipment

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

Group, SEK millions	Ships	Non-current assets held for sale	Equipment	Total
Cost of acquisition				
Opening balance, 1 January 2021	5,599.6	0.0	2.7	5,602.4
Purchases	223.2	0.0	0.0	223.2
Reclassification	-1,339.1	1,339.1	0.0	0.0
Reduction in right-of-use assets	-24.1	0.0	0.0	-24.1
Sale/scrapping	-657.1	0.0	0.0	-657.1
Exchange differences	562.8	0.0	0.0	562.8
Closing balance, 31 December 2021	4,365.3	5,707.1	2.7	5,707.4

Cost of acquisition

Opening balance, 1 January 2020	6,309.4	0.0	2.7	6,312.1
Purchases	125.9	0.0	0.0	125.9
Reclassification	-18.4	0.0	0.0	-18.4
Additions to right-of-use assets	1.3	0.0	0.0	1.3
Sale/scrapping	-52.0	0.0	0.0	-52.0
Exchange differences	-766.5	0.0	0.0	-766.5
Closing balance, 31 December 2020	5,599.6	0.0	2.7	5,602.4

Note 8 cont'd.

Group, SEK millions	Ships	Non-current assets held for sale	Equipment	Total
Depreciation and impairment				
Opening balance, 1 January 2021	3,011.9	0.0	2.7	3,014.6
Depreciation for the year	181.5	0.0	0.0	181.5
Depreciation for the year, periodic maintenance	55.1	0.0	0.0	55.1
Impairment	267.7	0.0	0.0	267.7
Reclassification	-820.3	820.3	0.0	0.0
Sale/scraping	-108.7	0.0	0.0	-108.7
Exchange differences	323.7	0.0	0.0	323.7
Closing balance, 31 December 2021	2,910.9	820.3	2.7	3,734.0

Group, SEK millions	Ships	Non-current assets held for sale	Equipment	Total
Depreciation and impairment				
Opening balance, 1 January 2020	3,245.2	0.0	2.7	3,247.9
Depreciation for the year	192.8	0.0	0.0	192.8
Depreciation for the year, periodic maintenance	51.2	0.0	0.0	51.2
Sale/scraping	-55.3	0.0	0.0	-55.3
Exchange differences	-422.0	0.0	0.0	-422.0
Closing balance, 31 December 2020	3,011.9	0.0	2.7	3,014.6

Carrying amounts

1 January 2021	2,587.8	0.0	0.0	2,587.8
31 December 2021	1,454.5	518.8	0.0	1,973.3
1 January 2020	3,064.2	0.0	0.0	3,064.2
31 December 2020	2,587.8	0.0	0.0	2,587.8

Parent, SEK millions	Equipment	Total
Cost of acquisition		
Opening balance, 1 January 2021	0.7	0.7
Purchases	0.0	0.0
Closing balance, 31 December 2021	0.7	0.7

Opening balance, 1 January 2020	0.7	0.7
Purchases	0.0	0.0
Closing balance, 31 December 2020	0.7	0.7

Depreciation

Opening balance, 1 January 2021	0.7	0.7
Closing balance, 31 December 2021	0.7	0.7
Opening balance, 1 January 2020	0.7	0.7
Closing balance, 31 December 2020	0.7	0.7

Carrying amounts

1 January 2021	0.0	0.0
31 December 2021	0.0	0.0
1 January 2020	0.0	0.0
31 December 2020	0.0	0.0

Collateral

At 31 December 2021, vessels with a carrying amount of SEK 1,649.5 (1,676.4) million had been pledged as collateral for the available bank facility.

Ship values and impairment testing

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

The Company's fleet comprises two cash-generating units. The product tanker fleet is treated as one cash-generating unit for the following reasons: the vessels are employed in systems and pools where cargo and/or income are shared, which means that the fleet is to be seen as a package of vessels,

the product tankers in the fleet are interchangeable as they can all carry the same type of cargo, and the fleet is monitored internally as a whole unit. In addition, all product tankers are covered by five-year chartering agreements with the same counterparty, Stena Bulk. The suezmax tanker is the other cash-generating unit.

To determine the net realisable value of the fleet, valuation reports are obtained from three valuers and an average value is calculated. To determine the value in use of the fleet, a number of assumptions are made, with the assessment of the fleet's future earnings and the discount rate having a significant impact on the calculation. Impairment testing of the fleet as at 31 December 2021 included assumptions about the vessels' earnings for the years 2022-2023, based on an average of official market forecasts for product tanker freight rates. For the period thereafter and up to the end of the useful life, freight rates were determined based on an average of historical freight rates for the last 10-year period. An annual increase of 1% in freight rates for 2025 and beyond, with 2024 as the base year, was applied. Assumptions were also made for operating costs for the year 2022 and an annual growth of 1% per year was assumed thereafter, with 2022 as the base year. A discount rate of 7.5% was used for the two cash-generating units. The value in use calculation also took into account the possibility of disposing of the vessel at an estimated "scrap value" at the end of its useful life. This value was determined on the basis of the current scrap value according to official market data, discounted to present value using the same discount rate used for the rest of the calculation. Impairment testing of the fleet in the comparative year included assumptions regarding the vessels' earnings for the years 2021-2024, and annual growth of 2% in earnings for 2025 and beyond (with 2024 as the base year). The testing also included assumptions regarding the vessels' operating expenses for the years 2021-2022, and annual growth of 2% in operating expenses for 2023 and thereafter (with 2022 as the base year). A discount rate of 6.4% was used for the two cash-generating units.

An increase of one percentage point in the assumed annual increase in the vessels' freight rates from 2024 results in an increase of SEK 102 (USD 11) million in the product tankers' total recoverable amount. A corresponding decrease of one percentage point in the assumed annual increase in the vessels' freight rates results in a decrease of SEK 96 (USD 11) million in the product tankers' total recoverable amount. A corresponding analysis was not made for the suezmax fleet as the vessel is expected to be divested in 2022 and is therefore not expected to have earnings or costs thereafter.

Note 8 cont'd.

An increase of one percentage point in the assumed discount rate results in a decrease of SEK 79 (USD 9) million in the product tankers' total recoverable amount and a reduction of SEK 3 (USD 0.3) million in the suezmax tanker's recoverable amount. A corresponding decrease of one percentage point in the assumed discount rate results in an increase of SEK 86 (USD 10) million in the product tankers' total recoverable amount and an increase of SEK 3 (USD 0.3) million in the suezmax tanker's recoverable amount.

In assessing the value of the assets at 31 December 2021, an impairment loss of SEK 267.7 million was identified. The background to the decline in value is the prolonged weakness of the tanker market, which is estimated to have had a negative impact on the market value of the tanker fleet. As management considered it likely that three of the Group's vessels would be divested in 2022, (the sale of two of them already realised in Q1 2022) the decrease in the net realisable value of the tanker fleet has been reflected in the calculation of the recoverable amount and therefore in the impairment amount determined.

Assets held for sale

	2021	2020
Ships	518.8	0.0
Total	518.8	0.0

In connection with the year-end financial statements, management made an assessment that it was very likely that three of the Company's vessels would be disposed of in the coming year. Two of the vessels have been sold in the first quarter of 2022.

The assets classified as held for sale are recognised at the lower of carrying amount and fair value less costs to sell at the date of reclassification.

This resulted in an impairment loss of SEK 139.8 million which was recognised in the income statement on the line depreciation/amortisation.

Fair value has been calculated according to level 2, by obtaining market valuations from three external parties.

9 Trade receivables

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

Ageing analysis, past due but not impaired

SEK millions	Group		Parent Company	
	Carrying amount, not impaired 2020	Carrying amount, not impaired 2021	Carrying amount, not impaired 2020	Carrying amount, not impaired 2021
Not past due	6.4	0.7	0.0	0.0
Past due 0–30 days	6.4	30.1	0.0	0.0
Past due 31–90 days	24.5	1.9	0.0	0.0
Past due >90 days	18.5	18.9	0.0	0.0
Total	55.9	51.6	0.0	0.0

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

Concentration of credit risk, 31 December

Group	2020			2021		
	No. of customers	% total no. of customers	% of value	No. of customers	% total no. of customers	% of value
Exposure SEK <1 million	10	48	4	7	64%	0%
Exposure SEK 1–10 million	10	48	52	2	18%	6%
Exposure SEK >10 million	1	5	44	2	18%	94%
Total	21	100	100	11	100%	100%

Concentration of credit risk, 31 December

Parent Company	2020			2021		
	No. of customers	% total no. of customers	% of value	No. of customers	% total no. of customers	% of value
Exposure SEK <1 million	0	0	0	0	0%	0%
Exposure SEK 1–10 million	0	0	0	0	0%	0%
Exposure SEK >10 million	0	0	0	0	0%	0%
Total	0	0	0	0	0%	0%

The Group's 3 largest customers account for 98% (60%) of trade receivables. The Parent Company's 3 largest customers account for 0% (0%) of trade receivables.

10 Non-current and other receivables

Group, SEK millions	31/12/2020	31/12/2021
Non-current receivables that are non-current assets		
Deferred tax assets	0.0	0.0
Shares	0.0	0.0
Other non-current receivables	0.0	5.4
0.0	0.0	5.4
Other receivables that are current assets		
Bunker oil stocks	21.5	3.8
Other current receivables	18.7	27.3
40.2	31.1	
Parent, SEK millions	31/12/2020	31/12/2021
Other receivables (current)		
Other receivables	0.1	1.4
0.0	0.0	1.4
Other receivables (non-current)		
Other receivables	0.0	5.4
0.0	0.0	5.4

11 Prepayments and accrued income

	Group		Parent Company	
SEK millions	31/12/2020	31/12/2021	31/12/2020	31/12/2021
Other prepayments	22.6	13.1	15.4	5.8
Accrued income	26.6	11.0	0.0	0.0
49.2	24.1	15.4	5.8	

12 Cash & cash equivalents

Group, SEK millions	31/12/2020	31/12/2021
The following components are included in cash & cash equivalents:		
Cash and bank balances	130.2	15.9
Total reported in balance sheet	130.2	15.9
Total reported in cash flow statement	130.2	15.9

On the reporting date, SEK 9.3 (0.0) million of cash and cash equivalents were restricted as provisions for future drydocking.

13 Equity and Result per share

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

Result per share

SEK	2020	2021
Result per share after tax	-1.38	-13.84

Summary of issued shares

Number	2020	2021
A shares	4,000,000	4,000,000
B shares	43,729,798	43,729,798
Total	47,729,798	47,729,798

The par value of the share is SEK 8.0.

Appropriation of profit

After the reporting date, the Board has proposed a dividend of SEK 0 (0) per share.

SEK millions	2020	2021
SEK 0 (0) per share	0.0	0.0
Carried forward	-80.8	-194.5
Total	-80.8	-194.5

Equity – reconciliation of reserves for the Group

SEK millions	Translation reserve	Fair value reserve	Hedging reserve
Opening carrying amount, 1 Jan 2021	411.5	0.0	-110.9
Translation differences for the year, foreign operations	48.6		
Changes in fair value of cash flow hedges			61.8
Changes in fair value of cash flow hedges reclassified to result for the period			51.2
Closing carrying amount, 31 Dec 2021	460.2	0.0	2.1

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

Cash flow hedges transferred to income statement

SEK	2020	2021
Voyage-related operating costs	0.0	52.4
Financial net	-3.5	-1.2
	-3.5	51.2

Translation reserve

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

Fair value reserve

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

Hedging reserve

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

14 Interest-bearing liabilities

Group, SEK millions	31/12/2020	31/12/2021
Bank loans	785.2	0.0
Other non-current liabilities	814.5	280.7
Total non-current interest-bearing liabilities	1,599.7	280.7

Group, SEK millions	31/12/2020	31/12/2021
Bank loans	192.4	967.9
Other liabilities	69.6	349.0
Total current interest-bearing liabilities	262.0	1,316.9

Parent, SEK millions	31/12/2020	31/12/2021
Bank loans	607.9	0.0
Other non-current liabilities	59.5	280.7
Total non-current liabilities	667.4	280.7

Parent, SEK millions	31/12/2020	31/12/2021
Bank loans	164.5	751.4
Other liabilities	0.0	0.0
Total current liabilities	164.5	751.4

The current and non-current liabilities above comprise the Group's total interest-bearing liabilities of SEK 1,597.6 million. These liabilities relate to the items Bank loan – revolving credit facility, Loans, related party – TriTec Marine, Lease liability – Suezmax (one vessel). The Group's total interest-bearing liabilities also include overdraft agreements totalling SEK 145.8 (247.8) million, of which SEK 117.5 (0.0) million had been utilised at the end of the year. During the year, the lease liability for the two IMOIMAX vessels was redeemed when the vessels were sold to an external party. All interest-bearing liabilities can be found in note 18. The balance sheet item also includes capitalised prepaid expenses related to the refinancing of P-MAX vessels, which are not included in the table above. The capitalised borrowing expenses amounted to SEK 11.5 (13.9) million at the end of the financial year and are recognised over the duration of the bank loan.

Bank loans were classified as current at the end of the year as the Company submitted a waiver, valid for less than 12 months, for the loan's equity ratio covenant. During the first quarter, the covenants for the remaining life of the loan were renegotiated. In connection with the new renegotiated covenant levels, the Company will reclassify the loan liabilities in accordance with the loan structure of the bank agreement, i.e. with a non-current and a current portion.

More information about the Company's exposure to interest rate risk and currency risk can be found in notes 17 and 18.

15 Other liabilities

Group, SEK millions	31/12/2020	31/12/2021
Other current liabilities		
Current lease liabilities	69.5	0.0
Other liabilities	93.0	0.3
	162.5	0.3

17 Financial risks

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

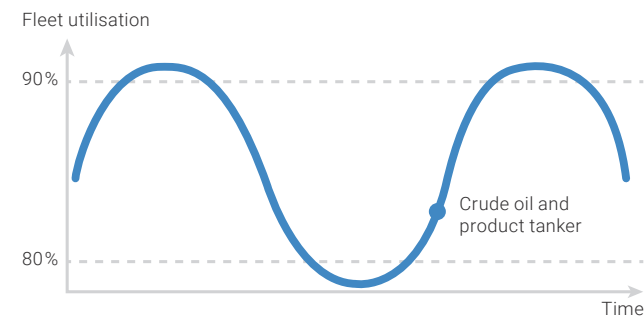
Historical outcome of financial targets

	Goal	Outcome				
		2017	2018	2019	2020	2021
Growth	10% average fleet growth over a business cycle	35	44	-26	5	-25
Profitability	10% return on equity	-42	-16	-10	-6	-112
Equity ratio	at least 40% over a business cycle	41	38	29	28	14

16 Accruals and deferred income

SEK millions	Group		Parent Company	
	31/12/2020	31/12/2021	31/12/2020	31/12/2021
Accrued expenses, ships	69.8	176.7	16.1	72.0
Accrued personnel expenses	3.5	2.6	2.7	2.0
Other accruals	3.9	3.0	3.0	2.6
Accrued interest expense	1.9	9.3	0.1	9.2
Deferred income	14.0	0.0	0.0	0.0
	93.1	191.6	21.8	85.8

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



Liquidity risk

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

Note 17 cont'd.

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

At the end of the year, with the weak tanker market continuing, there was a high risk that the Company might breach its equity ratio covenant. Management therefore negotiated a waiver with the lending banks during December. This waiver applies until 31 March 2022. In the first quarter of 2022, the Company and lending banks agreed on long-term sustainable covenant levels. In connection with the new renegotiated covenant levels, the Company will reclassify the loan liabilities in accordance with the loan structure of the bank agreement, i.e. with a non-current and a current portion.

Interest rate risk

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

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

The Group's interest rate risk mainly arises through long-term borrowing. The Group's risk management is centralised, which means the central finance function is responsible for identifying and managing interest rate exposure. The finance department continuously monitors the interest rate market and provides recommendations to the Board on any necessary interest rate hedging. See also the section on currency risk in operating activities. In 2016, the Company entered into an interest rate swap totalling USD 75 million and expiring in 2021, to provide protection against interest rate fluctuations. During Q3 2017, the Company decided to terminate this swap, generating a positive liquidity effect of SEK 13.5 million. Fair value changes for the interest rate swap previously reported in OCI and accumulated in a separate component of equity (hedging reserve) are recognised in the income statement over the original maturity of the contract. Income transferred to the Company's income statement is SEK 1.2 million accumulated for the year. At the end of the period, there was no amount remaining in the hedging reserve.

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

Financial risk management involves exposure to credit risks. These are mainly counterparty risks associated with receivables from banks and

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

Credit risk associated with trade receivables

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

Credit risk associated with investments

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

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

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

Currency risk in equity (translation exposure)

Exchange differences arising on translation of subsidiaries are recognised in the translation reserve. A strong US dollar will increase Concordia Maritime's equity and net value and vice versa. Exchange difference arising on translation of foreign subsidiaries to Swedish kronor are recognised in other comprehensive income and accumulated in the translation reserve. The exchange rate was SEK 8.23 at 31 December 2020 and SEK 9.05 at 31 December 2021.

It is estimated that a change of SEK 0.10 in the dollar rate would affect Concordia Maritime's equity by approx. SEK 5.9 million or SEK 0.12 per share.

Currency risk in operating activities (transaction exposure)

The Group's entire income is in US dollars. The Group's costs are also dominated by the US dollar, apart for some administrative expenses in Swedish kronor, Danish kroner and Swiss francs. Consequently, exchange rate fluctuations do not affect either cash flow or earnings significantly.

No hedging against exchange rate fluctuations in operating activities was conducted.

Financial exposure

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

Sensitivity analysis

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

Similarly, a general increase of 1% in the benchmark rate would reduce the Group's result before tax by SEK 15.9 (24.0) million at 31 December 2021.

Fair value measurement

The following description summarises the methods and assumptions used to determine the fair values of the financial instruments in note 18. Derivatives used for hedging are measured in accordance with level 2 inputs, which are observable market data not included in level 1.

Derivative instruments

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

Trade receivables and payables

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

Interest-bearing liabilities

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

Shares and bonds

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

18 Financial instruments

Effective interest rate and maturity structure

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

for the financial assets and liabilities. The nominal amount of the liabilities in the loans' original currency, USD, is multiplied by the year-end closing rate of 9.05 to report the total of loan amount in USD.

Group, SEK millions	31/12/2020	31/12/2021	Margin over reference rate, %	Fixed-interest period	Effective interest, %	Currency	Nominal amount in original currency, USD thousands	Due
Bank loan – P-MAX	-977.7	-957.9	2.70	3 months	2.91	USD	118,830	2024, 2025
Loans, related party – AB Stena Finans	0.0	-108.7	2.75	3 months	2.85	USD	12,000	2025
Loans, related party – TriTec Marine	-59.5	-172.0	5.50	3 months	5.61	USD	19,000	2026
Lease liability – Suezmax	-357.6	-349.0	3.00	3 months	5.75	USD	38,542	2029
Lease liability – IMOIIIMAX A	-231.5	0.0	2.35	3 months	2.60	USD	0	2021
Lease liability – IMOIIIMAX B	-235.4	0.0	2.35	3 months	2.60	USD	0	2021

1) At the end of 2021, the Group was in breach of one of the agreed covenants. A temporary covenant waiver has been received by the lending banks. In March, a new covenant package was negotiated and will remain in place until maturity of the loan.

The lending banks have set minimum levels for the following key figures as covenants linked to the credit facilities:

EBITDA/interest expenses, working capital, available liquidity and equity ratio.

Group, SEK millions	2020						2021					
	Total	2021 1 year	2022 2 years	2023 3 years	2024 4 years	5 or more years	Total	2022 1 year	2023 2 years	2024 3 years	2025 4 years	5 or more years
Bank loan – P-MAX	-977.7	-192.4	-192.4	-192.4	-306.7	-93.6	-957.9	-106.7	-116.4	-117.2	-617.7	0.0
Loans, related party – AB Stena Finans	0.0	0.0	0.0	0.0	0.0	0.0	-108.7	0.0	0.0	0.0	-108.7	0.0
Loans, related party – TriTec Marine	-59.5	0.0	-38.5	-21.0	0.0	0.0	-172.0	0.0	0.0	0.0	-42.4	-129.6
Lease liability – Suezmax	-357.6	-25.5	-25.5	-25.5	-25.5	-255.5	-349.0	-349.0	0.0	0.0	0.0	0.0
Lease liability – IMOIIIMAX A	-231.5	-22.8	-24.4	-25.1	-159.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lease liability – IMOIIIMAX B	-235.4	-21.3	-21.9	-22.4	-22.9	-147.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade payables	-2.2	-2.2	0.0	0.0	0.0	0.0	-5.3	-5.3	0.0	0.0	0.0	0.0
Interest on Bank loan – P-MAX	-71.6	-24.2	-19.6	-14.4	-10.9	-2.6	-68.8	-25.1	-23.5	-20.2	0.0	0.0
Interest payments to related party – Finans	0.0	0.0	0.0	0.0	0.0	0.0	-12.4	-3.1	-3.1	-3.1	-3.1	0.0
Interest payments to related party – TriTec	-3.4	-1.8	-1.4	-0.2	0.0	0.0	-48.0	-9.6	-9.6	-9.7	-8.7	-10.4
Interest on Lease liability – Suezmax	-91.8	-17.1	-15.4	-13.7	-12.0	-33.6	-8.7	-8.7	0.0	0.0	0.0	0.0
Interest on Lease liability – IMOIIIMAX A	-19.7	-5.9	-5.3	-4.6	-4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest on Lease liability – IMOIIIMAX B	-24.7	-5.9	-5.4	-4.8	-4.2	-4.4	0.0	0.0	0.0	0.0	0.0	0.0

Parent, SEK millions	2020						2021					
	Total	2021 1 year	2022 2 years	2023 3 years	2024 4 years	5 or more years	Total	2022 1 year	2023 2 years	2024 3 years	2025 4 years	5 or more years
Bank loan – P-MAX	-772.5	-164.5	-164.5	-164.5	-278.8	0.0	-741.4	-81.5	-90.5	-90.5	-478.9	0.0
Loans, related party – AB Stena Finans	0.0	0.0	0.0	0.0	0.0	0.0	-108.7	0.0	0.0	0.0	-108.7	0.0
Loans, related party – TriTec Marine	-59.5	0.0	-38.5	-21.0	0.0	0.0	-172.0	0.0	0.0	0.0	-42.4	-129.6
Trade payables	-1.3	-1.3	0.0	0.0	0.0	0.0	-2.1	-2.1	0.0	0.0	0.0	0.0
Interest on Bank loan – P-MAX	-51.7	-19.1	-14.7	-10.3	-7.6	0.0	-52.4	-19.8	-17.5	-15.0	0.0	0.0
Interest payments to related party – AB Stena Finans	0.0	0.0	0.0	0.0	0.0	0.0	-12.4	-3.1	-3.1	-3.1	-3.1	0.0
Interest payments to related party – TriTec Marine	-3.4	-1.8	-1.4	-0.2	0.0	0.0	-48.0	-9.6	-9.6	-9.7	-8.7	-10.4

Future interest payments have been calculated using the effective interest rate on the reporting date and as the interest's original currency is USD, the amounts have been converted to SEK at the closing rate on 31 December, which is 9.05.

Note 18 cont'd.

Financial assets and liabilities for both the Group and the Parent Company are measured at fair value in accordance with level 2. For fair value measurement according to level 2, the valuation techniques use market data as far as possible and company-specific data as little as possible.

Financial assets and liabilities – categories and fair values

Group 2021, SEK millions	Financial assets at amortised cost	Financial assets at FVTPL	Financial assets at FVTOCI	Financial liabilities at FVTOCI	Other financial liabilities	Total carrying amount	Total fair value
Other current receivables	13.0					13.0	13.0
Trade receivables	56.8					56.8	56.8
Cash & cash equivalents	15.9					15.9	15.9
Total	85.7	0.0	0.0	0.0	0.0	85.7	85.7
Non-current interest-bearing liabilities					280.7	280.7	280.7
Other non-current liabilities				22.1	9.2	31.3	31.3
Current interest-bearing liabilities					1,295.4	1,295.4	1,295.4
Trade payables					5.3	5.3	5.3
Total	0.0	0.0	0.0	22.1	1,590.6	1,612.7	1,612.7

For the item Other non-current liabilities, the column Financial liabilities at FVTOCI refers to a bunker hedge contract and Other financial liabilities refers to bunker positions. The bunker hedge is considered effective and is recognised in other comprehensive income (SEK 114.2 (–72.3) million). Note 11 presents the interim receivables in the form of accrued income that constitutes financial assets and note 16 presents the accrued expenses that constitute financial liabilities.

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

Note 18 cont'd.

Parent 2021, SEK millions	Financial assets at amortised cost	Financial assets at FVTPL	Financial liabilities at FVTPL	Other financial liabilities	Total carrying amount	Total fair value
Other current receivables						0.0
Trade receivables						0.0
Cash & cash equivalents	-7.6				-7.6	-7.6
Total	-7.6	0.0	0.0	0.0	-7.6	-7.6
Non-current interest-bearing liabilities				280.7	280.7	280.7
Other non-current liabilities			22.1	9.2	31.3	31.3
Current interest-bearing liabilities				741.4	741.4	741.4
Liabilities to Group companies				2.0	2.0	2.0
Trade payables				2.1	2.1	2.1
Total	0.0	0.0	22.1	1,035.4	1,057.5	1,057.5

For the item Other current liabilities, the column Financial liabilities at FVTPL refers to bunker positions of SEK 92.3 million.

Note 11 presents the interim receivables in the form of accrued income that constitutes financial assets and note 16 presents the accrued expenses that constitute financial liabilities.

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

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

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

Concordia Maritime has one vessel chartered in on a bareboat basis, with a fixed lease payment. The contract contains annual purchase options from the third year.

Right-of-use assets

Right-of-use assets for leased vessels are reported as Assets held for sale. During the comparative period, right-of-use assets were reported as property, plant and equipment in the item Ships. On the reporting date, right-of-use assets for leased vessels amounted to SEK 316.9 (901.4) million, see note 8 Property, plant and equipment. Additional right-of-use assets in 2021 amounted to SEK 1.3 (1.3) million and were the result of remeasured lease liabilities due to adjusted payments following changes in index-related interest components of the leases.

Lease liabilities

Lease liabilities for leases where the Group is lessee are recognised as liabilities directly related to the asset held for sale in the consolidated statement of financial position.

SEK millions	2020	2021
Current lease liabilities	69.6	348.6
Non-current lease liabilities	753.7	0.0
Total lease liabilities	823.3	348.6

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

Amounts recognised in the income statement

SEK millions	2020	2021
Depreciation/impairment of right-of use-assets	-56.0	-121.7
Interest expenses on lease liabilities	-39.3	-31.5
Costs for short-term leases	0.0	0.0

Amounts recognised in the cash flow statement

Total cash outflows attributable to leases for the year amounted to SEK -511.5 (-120.6) million. The cash outflows include both amounts for leases reported as lease liabilities and amounts paid for variable lease payments and short-term leases.

Leases where the Company is lessor

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

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

SEK millions	Group	
	2020	2021
Within one year	139.2	404.2
One to five years (2023-2026)	0.0	1,319.3
After five years	0.0	0.0
	139.2	1,723.6

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

The time charter contracts are in US dollars and are translated to SEK using the closing rate.

20 Pledged assets and contingent liabilities

SEK millions	Group		Parent Company	
	2020	2021	2020	2021
Pledged assets				
For own liabilities and provisions				
Shares in subsidiaries	676.5	353.0	716.4	645.5
Ships	1,676.4	1,649.5	0.0	0.0
Total pledged assets	2,352.9	2,002.5	716.4	645.5
Contingent liabilities				
Parent Company guarantees for subsidiaries' liabilities	0.0	0.0	0.0	0.0
Total contingent liabilities	0.0	0.0	0.0	0.0

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

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

21 Related parties**Related party relationships**

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

Related party transactions

Related party relationship Group, SEK millions	Year	Purchase of services from related parties	Due to related parties at 31 December	Due from related parties at 31 December
Other related parties (see below)	2021	246.2	392.3	45.3
Other related parties (see below)	2020	276.4	167.8	2.7

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

Related party relationship Parent, SEK millions	Year	Purchase of services from related parties	Due to related parties at 31 December	Due from related parties at 31 December
Subsidiaries	2021	2.0	29.4	901.6
Subsidiaries	2020	1.6	182.6	848.6
Other related parties	2021	1.0	392.3	0.0
Other related parties	2020	0.6	167.8	0.0

Note 21 cont'd.

	2020	2021
Other current liabilities		
Liabilities to other related parties	0.0	0.0

Concordia Maritime has a small internal organisation, and purchases services from related-party companies in Stena Sphere, which include Stena Bulk. The latter company conducts tanker business that competes with Concordia Maritime in some respects. Accordingly, there is an agreement, entered into many years ago, which regulates the relationship between the two companies with respect to new business. Under the terms of this agreement, Concordia Maritime has the right to participate in each new transaction on a 0%, 50% or 100% basis.

Under an agreement with Stena Bulk, Concordia Maritime is entitled to the financial result arising from vessels chartered in by Stena Bulk for a period of more than one year, should Concordia Maritime decide to participate in such charters. Financial result from vessels chartered in by Stena Bulk for less than one year is not available to Concordia Maritime.

At the EGM of Concordia Maritime AB (publ) on 12 August 2021, the minority owners decided, in accordance with the Board's proposal, to approve the agreement with Stena Bulk AB on time chartering all the Company's P-MAX product tankers and a guarantee agreement whereby Stena Sessan AB guarantees to pay the banks up to USD 10 million on behalf of Concordia Maritime under certain circumstances. The time charter agreement, which is for five years, secures a base rate of USD 15,500 per day and vessel with profit-sharing for any surplus levels.

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

- Vessel charter. Payment is based on a commission of 1%, 1.25% and 2% on freight rates, depending on the type of vessel.
- Commission on the purchase and sale of vessels. Payment is based on a commission of 1%.
- Operation and manning of the Group's vessels, also referred to as ship management. Payment is based on a fixed price per year and vessel.
- Administration, marketing, insurance services, technical monitoring and development of Concordia Maritime's fleet. Payment is based on a fixed price per month and vessel. With regard to technical consulting services for newbuild projects, an hourly rate is applied on a cost-plus basis, which is then charged to the project.
- Office rent and office services. A fixed annual price is charged.
- Credit facility and trading in financial instruments through AB Stena Finans.
- Financing agreement for ballast water treatment installations through TriTec Marine Ltd.

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

22 Group companies**Significant subsidiary holdings**

SEK MILLIONS	Registered office, country	Result	Equity	Ownership share, %	
				2020	2021
Concordia Maritime Chartering AB	Sweden	0.0	33.8	100	100
Rederi AB Concordia	Sweden	0.0	0.4	100	100
Concordia Maritime A/S	Denmark	-38.7	512.3	100	100
Concordia Maritime AG	Switzerland	3.2	185.0	100	100
CM P-MAX I Ltd	Bermuda	-20.0	-26.3	100	100
CM P-MAX II Ltd	Bermuda	-36.0	12.0	100	100
CM P-MAX III Ltd	Bermuda	-39.4	43.2	100	100
CM P-MAX IV Ltd	Bermuda	-31.0	15.8	100	100
CM P-MAX V Ltd	Bermuda	-47.0	11.1	100	100
CM P-MAX VI Ltd	Bermuda	-28.0	18.0	100	100
CM P-MAX VII Ltd	Bermuda	-22.8	61.1	100	100
CM P-MAX VIII Ltd	Bermuda	-45.1	59.8	100	100
CM P-MAX IX Ltd	Bermuda	-52.6	42.0	100	100
CM P-MAX X Ltd	Bermuda	-48.0	29.8	100	100
CM Suez I Ltd	Bermuda	-124.5	-54.1	100	100
CM IMOMAX A Ltd	Bermuda	-16.8	14.3	100	100
CM IMOMAX B Ltd	Bermuda	-17.1	21.3	100	100

The percentage of voting shares coincides with the percentage of ownership.

Foreign subsidiaries' income statements have been translated from USD to SEK at the average rate for the financial year, which is 8.58.

Foreign subsidiaries' equity has have been translated from USD to SEK at the closing rate, which is 9.05.

Parent, SEK millions	2020	2021
Accumulated cost	746.4	675.5
Closing balance, 31 December	746.4	675.5

Parent Company's direct holdings of shares in subsidiaries

Subsidiary/Corp. ID/Registered office	Number of shares	Holding, %	31/12/2020 Carrying amount	31/12/2021 Carrying amount
Concordia Maritime Chartering AB, 556260-8462, Gothenburg	250,000	100	29.6	29.6
Rederi AB Concordia, 556224-6636, Gothenburg	3,000	100	0.4	0.4
Concordia Maritime A/S, Denmark	400,001	100	716.4	645.5
Total holdings of shares in subsidiaries			746.4	675.5

23 Cash flow statement

Cash & cash equivalents

Group, SEK millions	31/12/2020	31/12/2021
The following components are included in cash & cash equivalents:		
Cash and bank balances	130.2	15.9
Short-term deposits, equivalent to cash & cash equivalents	0.0	0.0
Total reported in balance sheet	130.2	15.9
Total reported in cash flow statement	130.2	15.9

Parent, SEK millions	31/12/2020	31/12/2021
The following components are included in cash & cash equivalents:		
Receivables from Group companies	0.0	0.0
Cash and bank balances	20.2	0.0
Total reported in balance sheet	20.2	0.0
Total reported in cash flow statement	20.2	0.0

On the reporting date, SEK 9.3 (0.0) million of cash and cash equivalents in the Group and the Parent Company were restricted as provisions for future drydocking in accordance with the renegotiated bank agreement. The Parent Company's item Receivables from Group companies refers to the cash pool account.

Interest paid and dividend received

	Group		Parent Company	
SEK millions	31/12/2020	31/12/2021	31/12/2020	31/12/2021
Dividend received	0.0	0.0	0.0	0.0
Interest received	5.8	0.0	51.6	0.0
Interest paid	-84.1	-59.3	-43.3	-22.2
	-78.3	-59.3	8.3	-22.2

Non-cash items

	Group		Parent Company	
SEK millions	31/12/2020	31/12/2021	31/12/2020	31/12/2021
Depreciation, amortisation and impairment	192.8	449.3	0.0	70.9
Depreciation, periodic maintenance	51.2	55.1	0.0	0.0
Result from ship sales	0.0	30.6	0.0	0.0
Unrealised exchange differences	-134.0	98.7	8.1	122.2
Changes in value of financial instruments	-15.3	-10.8	-249.7	-125.2
Capital gain/loss on sale of financial assets	0.0	0.0	0.0	0.0
Other	-23.3	2.9	0.0	0.0
	71.4	625.8	-231.8	67.9

Transactions that do not involve payments

	Group		Parent Company	
SEK millions	2020	2021	2020	2021
Acquisition of assets through leases	0.0	0.0	0.0	0.0
	0.0	0.0	0.0	0.0

Reconciliation of liabilities attributable to financing activities – Group

	Non-cash movements				
	Closing 2020	Cash flow	New leases and remeasurement of lease liability	Exchange differences	Closing 2021
Loans, credit institutions	977.7	-105.2		95.4	967.9
Loans, related party	59.5	203.9		17.3	280.7
Lease liabilities	823.3	-551.3	24.1	52.9	349.0
Total	1,860.5	-452.6	24.1	165.6	1,596.7

	Non-cash movements				
	Closing 2019	Cash flow	New leases and remeasurement of lease liability	Exchange differences	Closing 2020
Loans, credit institutions	1,331.9	-387.0		32.8	977.7
Loans, related party	56.2	2.7		0.6	59.5
Lease liabilities	1,012.9	-120.6	22.4	-91.4	823.3
Total	2,400.9	-504.9	22.4	-58.0	1,860.5

Reconciliation of liabilities attributable to financing activities

– Parent Company

	Non-cash movements			
	Closing 2020	Cash flow	Exchange differences	Closing 2021
Loans, credit institutions	772.4	-97.6	76.6	751.4
Loans, related party	59.5	203.9	17.3	280.7
Total	831.9	106.3	93.9	1,032.1

	Non-cash movements			
	Closing 2019	Cash flow	Exchange differences	Closing 2020
Loans, credit institutions	1,331.9	-387.0	-172.5	772.4
Loans, related party	56.2	2.7	0.6	59.5
Total	1,388.0	-384.3	-171.9	831.9

24 The Parent Company

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

The 2021 consolidated financial statements comprise the Parent Company and its subsidiaries, which together form the Group.

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

25 Events after the reporting date¹⁾

- Erik Lewenhaupt took over as CEO on 1 January 2022
- Disposal of P-MAX vessels *Stena Perros* and *Stena President*
- Technical design study on conversion of P-MAX vessels launched
- Stena Polaris out on a bareboat charter for 12 months, with an option to extend
- Agreement with lending banks on new long-term sustainable covenant levels.

The war in Ukraine and the consequences of the Coronavirus make it difficult to assess future tanker market development. The more volatile geopolitical situation may also affect oil demand, stock levels and which countries are under sanctions. However, the time charter agreement with Stena Bulk guarantees stable income that covers operating cash flow. It also entitles Concordia Maritime to profit-sharing for surplus income above the base rate.

¹⁾ Events up to and including the date of signature of this annual report, 13 April 2022.

26 Significant accounting estimates

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

Ships

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

Impairment testing of vessels is conducted twice a year and more frequently if there is an indication that vessel values are impaired. Impairment testing for the 2021 year-end financial statements identified an impairment loss of SEK 268 million. See also notes 1 and 8 for further information about the estimates and assessments made in the impairment testing.

Deferred taxes

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

Leases

Concordia Maritime has one lease that contain annual purchase options. For this lease, assessments are made as to whether the purchase options will be exercised or not. The purchase option assessments are considered important as they have a significant effect on the value of lease liability and the size and useful life of the right-of-use asset and therefore on the size of the Group's interest expenses and depreciation.

Declaration by the Board

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

Gothenburg, 13 April 2022

Carl-Johan Hagman
Chairman

Stefan Bocker
Board Member

Helena Levander
Board Member

Mats Jansson
Board Member

Ulrika Laurin
Board Member

Henrik Hallin
Board Member

Erik Lewenhaupt
CEO

Our audit report was submitted on 13 April 2022

Öhrlings PricewaterhouseCoopers AB

Fredrik Göransson
*Authorised Public Accountant
Chief auditor*

Helena Pegrén
Authorised Public Accountant

Audit Report

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

Report on the Parent Company and consolidated annual financial statements

Opinion

We have audited the annual accounts and consolidated accounts for Concordia Maritime AB (publ) for the year 2021. The Company's annual accounts and consolidated accounts are included in this document on pages 48–81.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Parent Company as of 31 December 2021 and its financial performance and cash flows for the year then ended. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The Board of Directors' report is consistent with the other parts of the annual accounts and consolidated accounts.

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

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the Parent Company's and the Group's Audit Committee, pursuant to article 11 of the Audit Regulation (537/2014).

Basis for opinions

We conducted the audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This means that, to the best of our knowledge, no prohibited services listed in article 5.1 of the Audit Regulation (537/2014) have been provided to the audited entity, or where appropriate, to its parent undertaking and to its controlled undertakings within the European Union.

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

Other information

The audit of the annual accounts and consolidated accounts for the financial year 2020 was carried out by another auditor who issued an auditor's report dated 19 March 2021 with unmodified opinions in the report on the annual accounts and consolidated accounts.

Our audit approach

Scope of the audit

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered areas where the Managing Director and Board made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and forecasts regarding future events that are inherently uncertain. As in all of our audits, we also addressed the risk of the Managing Director and the Board overriding internal controls, including, among other things, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

Based on our professional judgement, we determined certain quantitative threshold materiality measures, including for the financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of individual and aggregate misstatements on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgement, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were

addressed in the context of our audit of the annual accounts and consolidated accounts as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters.

Impairment testing of the fleet

At 31 December 2021, the Group's vessel values recognised in the balance sheet amounted to SEK 1,973.3 million (of which 518.8 million was related to non-current assets held for sale), corresponding to approximately 93.7% of the Group's total assets.

Management evaluates the carrying amount of the vessel fleet twice a year by obtaining external vessel valuations. If these valuations indicate a lower value than the carrying amount, management also calculates the value in use.

To determine each cash-generating unit's value in use, management assesses the future expected cash flows from use of the vessels over their estimated useful life. If it is probable that the vessels will be disposed of during this period, the expected cash flow from the sale is taken into account. The estimated future cash flow is then discounted to present value using a discount rate. If the projected value in use is also less than the carrying amount, the fleet value is written down to the recoverable amount, which is the higher of the value indicated by the external vessel valuations and the projected value in use. Impairment testing carried out as at 31 December 2021 resulted in an impairment loss of SEK 268 million, which has been recognised in operating result for 2021.

Impairment testing requires management to make significant estimates and judgements about the future, including future freight rates, operating costs and the discount rate. The main assumptions applied are described in note 8.

Impairment testing is material to our audit as the fleet represents significant values in the Group's balance sheet and the impairment testing is based on significant estimates and judgements about the future.

How our audit addressed the key audit matter

Our audit of management's impairment testing of the fleet included the following audit procedures:

We obtained and inspected documentation of external vessel valuations carried out and compared these values with the carrying amount of the fleet.

We obtained management's model for calculating value in use and, with the support of PwC's valuation experts, evaluated its consistency with valuation practice.

We assessed the reasonableness of significant assumptions used by management to calculate future cash inflow by comparing, for example, assumptions about future freight rates against agreed levels in charter contracts with Stena Bulk, official market forecasts and historical freight rates. We evaluated assumptions about sales prices and scrap values against available market statistics.

We assessed the reasonableness of key assumptions for the calculation of the future cash outflow, including a comparison of the estimated operating cost with external cost budgets received from the external operating company.

With the support of our valuation experts, we evaluated the input calculation components of the discount rate used against observable market data, including risk-free interest rates, risk premiums for both debt and equity, the industry's debt/equity ratio and beta values.

Finally, we also assessed whether management had disclosed sufficient information about impairment testing of the fleet and its outcome.

Information other than the annual accounts and consolidated accounts

This document also contains information other than the annual accounts and consolidated accounts, which is presented on pages 2–47 and 97–99. The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

Responsibility of the Board of Directors and Managing Director

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

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Managing Director are responsible for the assessment of the Company's and the Group's ability to continue as a going concern. They disclose, as applicable, matters related to the going concern and use of the going concern basis of accounting. The going concern basis of accounting is, however, not applied if the Board of Directors and the Managing Director intend to liquidate the Company, cease operations, or have no realistic alternative but to do so.

Auditor's responsibility

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

A further description of our responsibility for the audit of the annual accounts and consolidated accounts can be found on the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Concordia Maritime AB (publ) for the financial year 2021 and the proposed appropriations of the Company's profit or loss.

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

Basis for opinion

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

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

Responsibility of the Board of Directors and Managing Director

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

The Board of Directors is responsible for the Company's organisation and the administration of its affairs. This includes, among other things, continuous assessment of the Company's and the Group's financial situation and ensuring that the Company's organisation is designed so that accounting, management of assets and the Company's financial affairs are otherwise controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions, and, among other matters, shall take measures that are necessary to handle the Company's accounting in accordance with law and to conduct the management of assets in a reassuring manner.

Auditor's responsibility

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

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

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

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

A further description of our responsibility for the audit of the administration can be found on the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

**The auditor's examination of the ESEF report
Opinion**

In addition to our audit of the annual accounts and consolidated accounts, we have also examined whether the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the ESEF report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Concordia Maritime Aktiebolag (Publ) for the year 2021. Our examination and our opinion relate only to the statutory requirements. In our opinion, the ESEF report #[3144195a83a032a3288984f281c55101ad18c60cdfb610 a70a12e431c2a85987] has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditor's Responsibility section. We are independent of Concordia Maritime Aktiebolag (Publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibility of the Board of Directors and Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the ESEF report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the ESEF report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance as to whether the ESEF report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the ESEF report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and applicable regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the ESEF report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers the elements of internal control that are relevant to the preparation of the ESEF report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a technical validation of the ESEF report, i.e. whether the file containing the ESEF report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the ESEF report with the audited annual accounts and consolidated accounts.

The procedures also include an assessment of whether the ESEF report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, financial position, changes in equity and cash flow.

Öhrlings PricewaterhouseCoopers AB, SE-113 21 Stockholm, was appointed as the auditor for Concordia Maritime Aktiebolag (Publ) by the Annual General Meeting on 28 April 2021 and has been the company's auditor since then.

Gothenburg, 13 April 2022

Öhrlings PricewaterhouseCoopers AB

Fredrik Göransson
Authorised Public Accountant
Chief auditor

Helena Pegrén
Authorised Public Accountant

Corporate Governance



Corporate Governance Report 2021

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

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

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

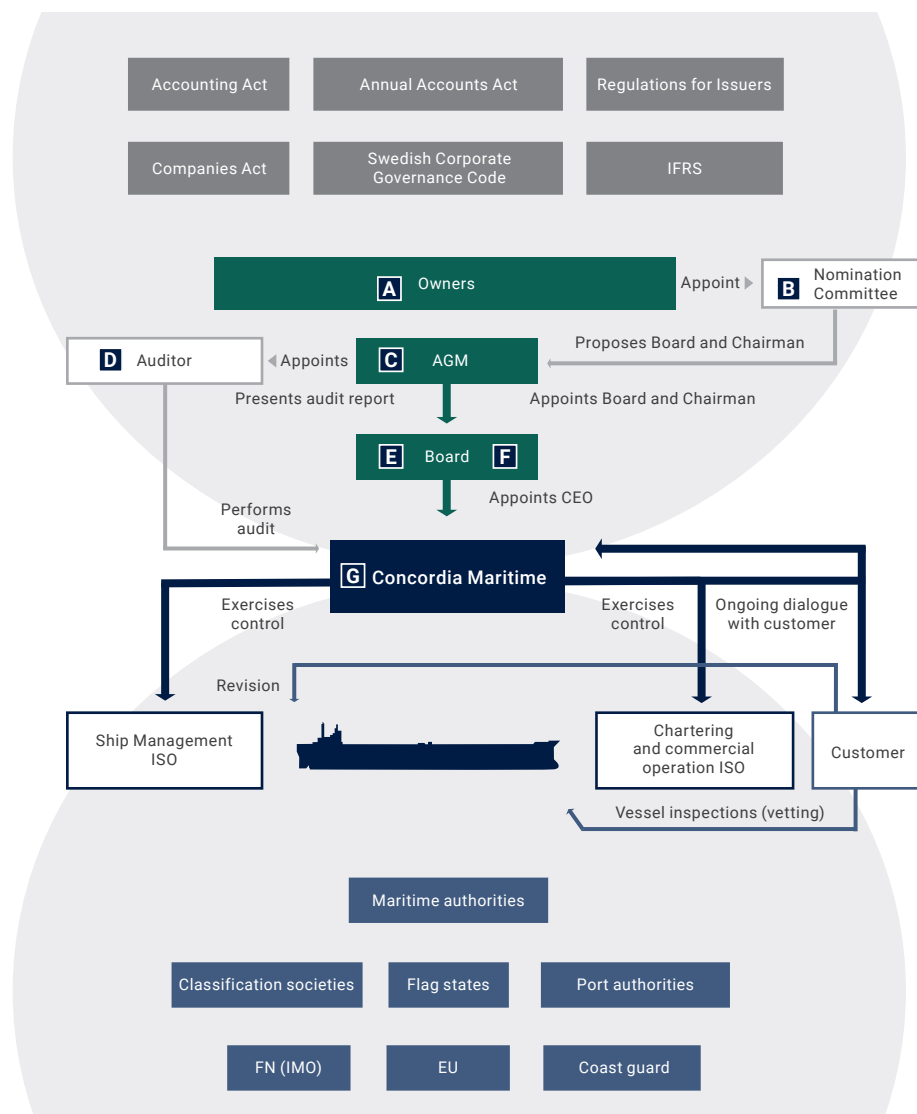
- More detailed information on internal control documents, e.g. the articles of association.
- Information from Concordia Maritime's annual general meetings, notices, minutes and financial reports.

Governance for value creation

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

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

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



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

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

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

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

A Owners

The share capital consists of class A shares and class B shares. All shares carry equal entitlement to a share of the Company's assets, earnings and dividends. The par value is SEK 8 per share. Class A shares carry ten votes per share and class B shares one vote per share at the AGM. At the end of the year, all class A shares were controlled by the Stena Sphere. At 31 December 2021, share capital amounted to SEK 381.8 million, divided into 47.73 million shares, of which 43.73 million were B shares. The total number of votes was 83.73 million. See page 44 for a list of the ten largest shareholders.

C Shareholders' Meeting

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

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

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

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

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

2021 Annual General Meeting

The Annual General Meeting was held on 28 April 2021 through postal voting. Minutes from the AGM and associated documentation can be found on Concordia Maritime's website www.concordiamaritime.com.

Extraordinary General Meeting

An Extraordinary General Meeting was held on 12 August 2021 at Elite Park Avenue, Gothenburg. Minutes from the AGM and associated documentation can be found on Concordia Maritime's website www.concordiamaritime.com.

2022 Annual General Meeting

The Annual General Meeting will be held on Thursday, 5 May 2022 at 1.00 p.m. at Elite Park Avenue, Gothenburg. Shareholders recorded in the share register maintained by Euroclear no later than 27 April 2022, and who have notified their participation in the meeting no later than Friday, 29 April 2022, are entitled to participate in the Annual General Meeting.

For further information, see page 95.

B Nomination committee

The nomination process for the election of Board members includes the appointment of a nomination committee consisting of three members. The members shall comprise the Chairman and one representative from each of the two largest shareholders (in terms of voting power), should they wish to serve on the committee. The composition of the nomination committee is based on shareholder statistics on 1 September in the year prior to the meeting. The names of representatives on the nomination committee and the shareholders they represent shall be announced on the website immediately after their appointment, but no later than six months before the annual general meeting. If the structure of major shareholders changes during the nomination process, the composition of the nomination committee may be changed to reflect this. Shareholders wishing to submit proposals to the nomination committee do so via arsstamma@concordiamaritime.com. The guidelines

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

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

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

The nomination committee's work prior to the 2022 AGM

The nomination committee for the 2022 meeting consists of Carl-Johan Hagman (Chairman of the Board), Karl Swartling, representing Stena Sessan as the largest shareholder and Bengt Stillström, representing himself and his family as the second-largest shareholder.

In December 2021, the nomination committee represented 77 percent of the shareholders' votes. The composition of the committee was announced on Concordia Maritime's website on 8 December 2021. Prior to the 2022 AGM, the nomination committee has held three minuted meetings and also communicated with each other by telephone and e-mail. The nomination committee's proposals are available at www.concordiamaritime.com.

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

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

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

D Auditor

The auditor provides an audit report on the annual accounts and consolidated accounts for Concordia Maritime AB (publ), the administration of the Board and the CEO and the annual accounts for other subsidiaries. The audit is conducted in accordance with the Swedish Companies Act and International Standards on Auditing (ISAs) issued by the International Federation of Accountants (IFAC). The auditing of annual financial statements for legal entities outside Sweden is conducted in accordance with laws and other regulations in each country and in accordance with IFAC's generally accepted auditing standards on providing audit reports for legal entities. An auditor is proposed by the nomination committee and elected by the AGM for a period of one year. At the 2021 AGM, Fredrik Göransson of Öhrlings PricewaterhouseCoopers AB was elected as the Company's external auditor until the 2022 meeting. The auditor's fees are charged on a current account basis. In 2021, Öhrlings PricewaterhouseCoopers AB received fees totalling SEK 1.7 million.

E Board of Directors

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

Composition of the Board

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

Chairman of the Board

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

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

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

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

Rules of procedure and Board meetings

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

The Board's work in 2021

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

Evaluation of the Board's work

The Board conducts an annual evaluation of its own work. The evaluation covers working methods, the working climate, the direction of the Board's work, the need for special competence on the Board and the availability of such competence. The evaluation is used as an aid in developing the work of the Board and also acts as support for the nomination committee's work. The Board's evaluation showed that the Board's work was very effective and that comments from the previous evaluation were taken into account, but that there was always scope for some further improvements. The evaluation also showed that the Board is a well-composed group with great commitment and that its members bring broad competence and have extensive experience from different areas that are relevant to Concordia Maritime's operations.

cont'd Board of Directors

Board meetings 2021

28 January	Year-end report
19 March	Extra Board meeting
26 March	Extra Board meeting
9 April	Extra Board meeting
15 April	Extra Board meeting
28 April	Interim report, Q1
28 April	Statutory Board meeting
7 May	Extra Board meeting
4 June	Extra Board meeting
11 June	Extra Board meeting
5 July	Extra Board meeting
9 and 12 July	Extra Board meeting
12 August	Half-year report, Q2 Extra Board meeting
29 September	Board meeting, by correspondence
2 November	Board meeting, strategy meeting
3 November	Interim report, Q3
7 December	Budget

Independence

In terms of independence, the Board of Directors is considered to be in compliance with Stock Exchange regulations and the requirements of the Code. Prior to the 2022 annual general meeting, all meeting-elected Board members apart from Carl-Johan Hagman and Henrik Hallin were assessed by the nomination committee as independent of both the major owners of the Company and its executive management. Carl-Johan Hagman and Henrik Hallin are not considered independent of Concordia Maritime's major owners, as they have a managerial function in Stena Sphere.

Remuneration of the Board

The 2021 AGM adopted total Board fees of SEK 1,525,000, distributed as follows: SEK 400,000 to the Chairman and SEK 225,000 to each of the non-executive directors. No special fees are paid for Board committee work.

The Board's committees

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

Audit committee

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

Remuneration committee

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

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

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

F Internal control

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

Control environment

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

Risk assessment

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

Need for internal audit

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

Monitoring

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

G Group

Management and corporate structure

The Group comprises the Parent Company Concordia Maritime AB (publ) and a number of Group companies, which ultimately report to the CEO. The Parent Company's own organisation consists solely of company management and administration. Other functions are purchased. At the end of 2021, the total number of persons employed through the Group was 607, and 604 of the employees were seagoing. Only the three shore-based employees are formally employed by Concordia Maritime.

CEO and Group management

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

Remuneration of Group management

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

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

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

Operational control in 2021

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

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

Chartering and operations

The collaboration with Stena Bulk on chartering and operation is based on an agreement between the companies that is followed up and evaluated annually. Read more about the agreement in note 21. Stena Bulk is responsible for the day-to-day operation of the vessels, maintaining contact with customers, and acting as an intermediary in connection with different types of controls and inspections. Reporting is formalised and the most important elements are regular reports on earnings, the outcome of profit-sharing clauses and cost control.

Manning, management and regular maintenance

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

Control and inspection of vessels

Shipping in general and tanker shipping in particular are associated with an extensive system of regulations. In addition to the owner's own inspections, several inspections are carried out annually by various stakeholders: customers, classification societies, port authorities and flag states. These inspections are largely similar to each other; and include putting the vessels through operational, technical, mechanical and safety checks. Some of the inspections are planned, while others are carried out without prior notice. Results are reported to the authorities concerned, the owner and, in some cases, also to the customer.

Flag State Control

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

Port State Control

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

Classification Society inspections

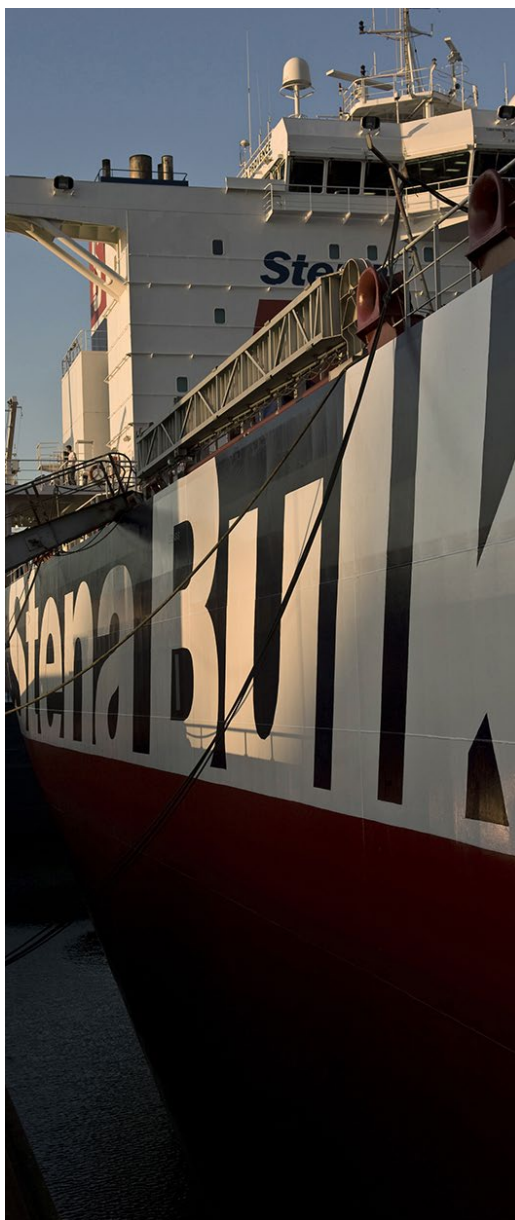
The Classification Society's inspections are conducted annually or following repairs/modifications. Additionally, a more comprehensive inspection is carried out every fifth year at the shipyard. Special emphasis is given to examining e.g. materials in the hull and machinery, maintenance procedures and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

Vetting – the customer's own inspection

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

The owner's own inspections

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



Cooperation with the Stena Sphere

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

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

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

The agreement also entitles Concordia Maritime to the financial result from vessels chartered in by Stena Bulk for a period of more than one year, should Concordia Maritime decide to participate in such charters. Other business generated by Stena Bulk is not available to Concordia Maritime.

During the year, the P-MAX fleet was contracted out on 5-year time charters with a base rate of USD 15,500 per day and 50% profit sharing on surplus earnings.

Concordia Maritime purchases services from Stena Sphere companies in the following areas:

- Chartering of the P-MAX fleet on 5-year time charters: Stena Bulk
- Vessel charter. Commercial operation (and administration): Stena Bulk
- Operation and manning of the Group's vessels: Northern Marine Management

- Technical support: Stena Teknik
- Insurance. Office rent and office services. Stena Rederi AB
- Financing agreements: AB Stena Finans (credit facility); Triton Marine Ltd (financing of ballast water installations)

All related party transactions are conducted on commercial terms and at market-related prices. The agreements between the parties are reviewed annually. Alongside the agreements, there is a policy document which regulates areas such as practical management of business opportunities, information management and logging procedures.

Regulations

External regulations

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

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

The Company has not derogated from the Code or stock exchange rules. Nor has the Company been the subject of a decision by Nasdaq Stockholm's Disciplinary Committee or a decision by the Swedish Securities Council on violations of good practices in the stock market. The Board has decided

not to establish a separate remuneration committee as it is considered more appropriate for the full Board to carry out the tasks of a remuneration committee as described in the Code. The Board has also decided not to establish an audit committee as it is considered more appropriate for the full Board to carry out the tasks of an audit committee.

In addition, the Company disclosed the names of the nomination committee members on its website on 8 December 2022, as it had not been informed of the composition of the nomination committee earlier, which is a derogation from the Code's rule that such information should be announced no later than six months before the AGM.

Internal regulations

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

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

Board of Directors



Carl-Johan Hagman

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

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

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

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

Shares held in Concordia Maritime 0



Ulrika Laurin

Born 1970. Board Member since 2021. M.Sc. in Economics and Business Administration

Background Former CEO and CFO of product tanker company Anglo-Atlantic Steamship Co. Ltd. Director of Frontline Ltd., Golden Ocean Group Ltd. and the Swedish Shipowners' Association. Chairman of Laurin Shipping Group and Council member of Intertanko.

Other assignments Director of Wilh. Wilhelmsen Holding ASA and Stena Bulk AB. Chairman of Human Rights Watch Stockholm Committee.

Special expertise Extensive operational and strategic experience from leading positions in the international shipping industry. Solid experience from directorships and remuneration committees in listed companies in the US and Norway. ESG focus, in particular human rights.

Shares held in Concordia Maritime 0



Helena Levander

Born 1957. Board Member since 2014. MBA.

Background Has extensive experience in the financial industry through leadership positions that include SEB, Nordea Asset Management, Odin Fonder and NeoNet.

Other assignments Chairman of Factoringgruppen and Caroline Svedbom AB. Director of Rejlers, Stendörren Fastigheter, Occlutech and Cinclus Pharma.

Special expertise Has served on a number of boards of publicly listed, state-owned and private companies since 2003.

Shares held in Concordia Maritime 20,637



Stefan Brocker

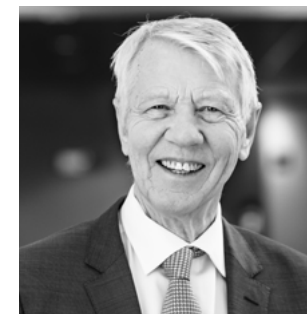
Born 1966. Board Member since 2007. LLB.

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

Other assignments Chairman of Mannheimer Swartlings Shipping Group, Board member of the European Maritime Lawyers Organisation, University of Gothenburg School of Business, Economics and Law, Göteborgs Högre Samskola, Director of Alectum AB.

Special expertise Shipping law. Has worked as a lawyer in shipping and offshore for almost 30 years.

Shares held in Concordia Maritime 0



Mats Jansson

Born 1945. Board Member since 2005. B.A.

Background Former President and CEO, Argonaut and NYKCool AB.

Other assignments Director of Hexicon AB.

Special expertise Background in tanker industry and entire working life in shipping. Extensive expertise and experience in the financial aspects of shipping.

Shares held in Concordia Maritime 33,758



Henrik Hallin

Born 1972. Board Member since 2019. M.Sc.(Business Administration & Economics). CFO Stena Adactum.

Background Experience from corporate finance and as CFO.

Other assignments Director of Ballingslöv International AB, Envac AB, S-Invest Trading AB (Blomsterlandet) and Captum Group AB.

Special expertise Financing, Acquisitions and Transactions, Finance and capital Market, Asset management, Shipping and Offshore market.

Shares held in Concordia Maritime 0



Board attendance and remuneration

	Independence ¹⁾	Total fees, SEK ²⁾	Attendance
Carl-Johan Hagman	Non-independent	400,000	16/16
Stefan Bocker	Independent	225,000	16/16
Mats Jansson	Independent	225,000	16/16
Helena Levander	Independent	225,000	16/16
Ulrika Laurin	Independent	225,000	10/10
Henrik Hallin	Non-independent	225,000	16/16
Michael Löw ³⁾	Independent	0	6/6
Daniel Holmgren ³⁾ Employee representative	Independent	0	3
Allesandro Chiesi ³⁾ Employee representative	Independent	0	1
Mahmoud Sifaf ³⁾ Employee representative Deputy	Independent	0	0

1) Independent is defined as independent of the Company, its management and major shareholders.

2) Remuneration of the Board is decided by the AGM and is paid to Board members of Concordia Maritime.

3) Left the Board in 2021.

Auditor

Fredrik Göransson,
Öhrlings PricewaterhouseCoopers AB

Executive Management



Erik Lewenhaupt

Born 1971. CEO.
MBA.
Employed since January 2022.

External assignments

Director of Maritimt Forum
and Nautiska Föreningen
i Göteborg.

**Shares held in Concordia
Maritime 0**



Martin Nerfeldt

Born 1973. CFO.
MBA, M.Pol.Sc.
Employed since February 2021.

**Shares held in Concordia
Maritime 0**

Annual General Meeting and dates for information

The Annual General Meeting of Concordia Maritime AB (publ) will be held on Thursday, 5 May 2022 at 1.00 p.m. at Elite Park Avenue, Gothenburg. Registration for the AGM begins at 12.15 p.m.

The Board has decided that shareholders will also be able to exercise their voting rights at the AGM by postal voting in accordance with the provisions of Concordia Maritime's Articles of Association.

Right to participate and registration

Attending the meeting venue

A. Anyone wishing to attend the meeting venue in person or by proxy must

■ **be recorded as a shareholder** in the share register maintained by Euroclear Sweden AB concerning the circumstances on Wednesday 27 April 2022; and

■ **have given notification of participation** in the meeting no later than Friday 29 April 2022. Notification of participation in the meeting may be made by mail to Computershare AB "Concordia Maritime AB's Annual General Meeting", Box 5267, SE-102 46 Stockholm, by e-mail proxy@computershare.se, by telephone +46 771-24 64 00, or using a link accessible at concordiamaritime.com/en/about-us/governance/arsstamma. The notification must state the shareholder's name, social security or company registration number, address, telephone number and the number of advisors attending, if relevant (maximum two).

Participation by postal voting

B. Anyone wishing to participate in the AGM by postal voting must

■ **be recorded as a shareholder** in the share register maintained by Euroclear Sweden AB concerning the circumstances on Wednesday 27 April 2022; and

■ **have given notification of participation** in the meeting no later than Friday, 29 April 2022 by having submitted a postal voting form in accordance with the instructions below, so that the postal vote is received by Computershare AB no later than that day.

A shareholder who wishes to attend the meeting venue in person or by proxy must give notice as described in A) above. Notification of participation only through postal voting is therefore not sufficient for anyone wishing to attend the meeting venue.

A special form must be used for postal voting. The form is available on Concordia Maritime's website, www.concordiamaritime.com. The completed and signed voting form must be received by Computershare AB no later than Friday, 29 April 2022. The completed and signed form should be sent to Computershare AB "Concordia Maritime AB's Annual General Meeting", Box 5267, SE-102 46 Stockholm. The completed and signed voting form may also be sent by email to proxy@computershare.se (subject line: "Concordia Maritime – postal voting"). Shareholders may also choose to cast their postal vote electronically through verification with BankID using a link accessible at concordiamaritime.com/en/about-us/governance/arsstamma.

Such electronic votes must be submitted no later than Friday, 29 April 2022.

Shareholders may not provide special instructions or conditions on the voting form. If they do, the vote (i.e. the postal vote in its entirety) will be invalid. Additional instructions and conditions can be found on the postal voting form.

Dividend

The Board proposes a dividend of SEK 0.0 per share.

Nominee-registered shares

To be eligible to participate in the AGM, shareholders who have registered their shares in the name of a nominee must, in addition to registering for the AGM by submitting a postal vote, re-register the shares in their own name so that they are listed as a shareholder in Euroclear Sweden AB's share register on 27 April 2022. Re-registration may be on a temporary basis. The request must be made to the nominee in accordance with the nominee's procedures and within the advance notice period stipulated by the nominee. Nominee re-registrations made no later than Friday 29 April 2022 will be taken into account in the production of the share register.

Reporting dates

Interim reports will be published as follows: first three months on 5 May 2022, first six months on 17 August 2022 and first nine months on 10 November 2022.

Signatures

Gothenburg, 13 April 2022

Carl-Johan Hagman
Chairman

Stefan Bocker
Board Member

Helena Levander
Board Member

Mats Jansson
Board Member

Ulrika Laurin
Board Member

Henrik Hallin
Board Member

Erik Lewenhaupt
CEO

Auditor's statement on the Corporate Governance Report

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

Assignment and responsibilities

The Board is responsible for the 2021 Corporate Governance Report on pages 86-96, and for ensuring that it is prepared in accordance with the Annual Accounts Act.

Focus and scope of the review

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

Opinions

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

Gothenburg, 13 April 2022
Öhrlings PricewaterhouseCoopers AB

Fredrik Göransson
Authorised Public Accountant

Definitions

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).

Depreciation Accounting deductions made in a company's financial statements in order to compensate for wear and ageing of its vessels and equipment.

Dividend yield Dividend per share divided by the average share price for the year.

DWT Deadweight tonnage – a measure of a vessel's maximum weight capacity.

Energy Efficiency Operational Indicator (EEOI) An operational measure to assess a vessel's energy efficiency and CO₂ emissions.

High potential near miss Incident that could have resulted in a serious accident.

HSFO High sulphur fuel oil.

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

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

LSFO Low sulphur fuel oil.

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

MGO Marine gas oil.

NOx Nitrogen oxide.

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

SOx Sulphur oxide.

Spot market (open market) Chartering of vessels on a voyage-by-voyage basis, with freight rates fluctuating virtually daily. The shipowner pays for the bunker oil and port charges.

Time charter The shipowner charters out its ship complete and crewed for a long period at fixed rates. The charterer pays for the bunker oil and port charges.

Alternative performance measures¹⁾

Cash flow from operating activities

Result after financial net plus depreciation minus tax paid (cash flow before change in working capital and investments and before effect of ship sales). The Company believes that the key figure provides a deeper understanding of the Company's profitability.

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

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

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

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

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

Reconciliation of alternative performance measures

EBITDA

SEK millions	Full year 2021	Full year 2020
Operating result	-583.5	32.6
Depreciation/impairment	501.0	245.2
EBITDA	-82.6	277.8

Result excluding impairment and tax

SEK millions	Full year 2021	Full year 2020
Result after tax	-660.4	-66.0
Impairment	267.7	0.0
Tax	2.1	-0.9
Result excluding impairment and tax	-390.5	-65.1

Result per share excluding impairment and tax

SEK millions	Full year 2021	Full year 2020
Result excluding impairment and tax	-390.5	-65.1
Number of shares	47,729,798	47,729,798
Result per share excluding impairment and tax	-8.18	-1.36

Return on equity

SEK millions	Full year 2021	Full year 2020
Result after tax	-660.4	-66.0
Equity	587.9	995.2
Return on equity	-112%	-6%

Return on capital employed

SEK millions	Full year 2021	Full year 2020
Result after financial net	-658.2	-65.1
Finance costs	83.3	103.5
Result after financial net plus finance costs	-574.9	38.4
Total assets	2,599.9	3,343.2
Non-interest-bearing liabilities	-240.5	-218.9
Capital employed	2,359.3	3,124.3
Return on capital employed	-24.4%	1.2%

Return on total capital

SEK millions	Full year 2021	Full year 2020
Result after financial net	-658.2	-65.1
Finance costs	83.3	103.5
Result after financial net plus finance costs	-574.9	38.4
Total assets	2,599.9	3,343.2
Return on total capital	-22.1%	1.1%

Equity ratio

SEK millions	Full year 2021	Full year 2020
Equity	296.3	795.1
Total assets	2,106.7	2,874.6
Equity ratio	14%	28%

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