

Year-end report, 1 January – 31 December 2022

# Successful sales strengthen results

## ■ Total income

Q4 SEK 263.0 (151.2) million

Full year SEK 686.1 (704.8) million

## ■ EBITDA

Q4 SEK 203.7 (36.6) million

Full year SEK 374.1 (–82.6) million

## ■ Result before tax

Q4 SEK 142.8 (–308.2) million

Full year SEK 126.1 (–658.2) million

## ■ Result per share after tax

Q4 SEK 2.95 (–6.45)

Full year SEK 2.58 (–13.84)

## Events in the fourth quarter

- Strong result due to vessel sales. Result for Q4 2021 negatively affected by impairment of SEK 267.7 million.
- Delivery of the sold vessels Stena Primorsk and Stena Performance.
- Sharp reduction in bank debt due to vessel sales.
- Profit-sharing of approximately SEK 22.3 million in Q4 2022.

The Board will propose a dividend of SEK 0 (0) per share to the 2023 AGM.

Key figures	Q4 (Oct–Dec)		Full year	
	2022	2021	2022	2021
Total income, SEK million	263.0	151.2	686.1	704.8
EBITDA, SEK million	203.7	36.6	374.1	–82.6
EBITDA, USD million	19.8	4.4	37.0	–9.6
Operating result, SEK million	174.1	–290.0	216.9	–583.5
Result before tax, SEK million	142.8	–308.2	126.1	–658.2
Result after tax, SEK million	140.9	–40.5	123.3	–660.4
Interest-bearing liabilities	577.3	1,597.6	577.3	1,597.6
Equity ratio, %	33	14	33	14
Return on equity, %	36	–112	36	neg
Available liquid funds, including unutilised credit facilities, SEK million	98.0	34.9	98.0	34.9
Result per share after tax, SEK	2.95	–6.45	2.58	–13.84
Equity per share, SEK	8.60	6.21	8.60	6.21
Lost-time injury frequency	0	0	0	0

On board Stena Penguin  
in the North Atlantic.

# Reason to look both backwards and forwards

**The strong tanker market continued into the fourth quarter, with high rates and stable prices also in the vessel market. Looking at the year as a whole, it was a year of upheaval both for the tanker market and Concordia Maritime. Through a number of vessel sales, we have strengthened the Company's financial position and are now ready to look at new transactions.**

**THE STRONG PRODUCT TANKER** development continued in the fourth quarter. Average spot market earnings per day for an MR vessel fluctuated between USD 30,000 and 50,000. The trend was the same for the time charter market. Earnings per day for a one-year time charter were around USD 30,000 and for a three-year charter USD 21,000. The strong market was also reflected in continued high asset values for tankers – the highest since 2008. The market value for a new MR vessel, direct from the shipyard, was approximately USD 44 million at the end of December. The corresponding value for a 10-year-old vessel was around USD 30 million.

Concordia Maritime's result for the quarter was SEK 142.8 (–308.2) million. EBITDA was SEK 203.7 (36.6) million. The improvement in results compared with the same quarter in the previous year is mainly a consequence of vessel sales and lower interest expenses due to the reduction in loans. Result for the year amounted to SEK 126.1 (– 658.2) million. Higher earnings and revenue from vessel sales also contributed to the result. The result for the previous year was significantly affected by an impairment loss of SEK 267.7 million recognised in Q4 221.

## **Sharply rising freight rates and vessel values**

As we look back at the past year, we can see that, overall, 2022 was a year of strong recovery for the tanker market. After a weak first quarter, the market took a sharp upturn in spring and has remained strong throughout the year. This trend has been driven by several interacting factors. Basically, it is a question of good demand for oil and low net fleet growth. What then sent rates soaring was Russia's shocking invasion of Ukraine and the changes in cargo flows that followed. Overall, the changes have resulted in an increased number of tonne-miles and higher capacity utilisation, with dramatic freight increases as a result.

As a direct consequence, we have also seen a significant rise in prices for both new and second-hand tonnage during the year. On average, prices for new MR vessels increased by 10 percent during the year. The price growth was even stronger for second-hand tonnage. The price of a 15-year-old MR vessel rose by around 90 percent during the year. This was because more speculators wanted to take quick advantage of the rising spot market.



## **A year of transformative change**

In many ways, 2022 was a year of upheaval. For Concordia Maritime, it was a year of transformative change, marked by vessel transactions, a reduced fleet and a stronger financial position. During the year, the Company signed agreements for the sale of seven vessels: a suezmax tanker and the six oldest product tankers. The first vessels were sold before the market upturn and the sales were mainly made to avoid necessary but costly dry-docking. The latter sales have taken place in a strong vessel market and we have been able to obtain very good prices for our older vessels. As a result, the Company has significantly reduced its debt burden and is on a much more stable financial footing at the beginning of 2023 than a year ago.

Earnings per day for the P-MAX fleet during the year were USD 17,200, including profit-sharing, and in Q4 they were USD 20,300. We note that earnings have been higher than in the previous year, but significantly lower than the spot market average – a consequence of the 5-year charter signed in 2021. The charter agreement was absolutely necessary at the time, but is hampering the Company now that the market is strong. The reason why the strong spot market is not contributing to higher profit-sharing is that several of the freight contracts that Stena Bulk has signed for the vessels are mainly TC contracts.

### Outlook for 2023

As usual, it is difficult to say with certainty how the tanker market will develop going forward. 2022 ended with slightly weaker rates and 2023 has started in the same way.

Further sanctions on Russian petroleum products suggest that the market will remain strong. In addition, the IEA predicts that demand for oil will reach record growth. On the supply side, the tanker order book remains low, which is expected to lead to continued low net growth going forward. In the MR segment, net growth in 2023 is expected to fall to 2–3 per cent, which is lower than in 2022.

On the other side of the scale are weak scrapping and an increase in the average age of the fleet, possible OPEC cuts and weaker-than-forecast economic developments in China and the rest of the world, as well as an increasing rate of new orders.

To the above can also be added new and stricter environmental rules for existing vessels, which in various ways have the potential to change the market dynamics.

### On the road to something new

For our part at Concordia Maritime, we will have reason to look both backwards and forwards in 2023. This year marks the 135<sup>th</sup> anniversary of the founding of Rederi AB Concordia AB, which will be celebrated in various ways. In addition, we have started evaluating new concrete business proposals. We will do so from a significantly stronger financial position and with a significantly lower cost base. As always, timing is critical in shipping, for both buying or selling. If the vessel market remains strong, we may divest more vessels – before we find the right deal, with the right timing, to grow our business again.

Gothenburg, February 2023,  
Erik Lewenhaupt, CEO



# Business activities

Result for the quarter was SEK 142.8 (–308.2) million. EBITDA was SEK 203.7 (36.6) million. The improvement in results compared with the corresponding quarter in the previous year is largely an effect of the time charters that have been entered into and vessel sales. The result for the the corresponding quarter in the previous year was significantly affected by an impairment loss of SEK 267.7 million recognised in Q4 221. Result for the year amounted to SEK 126.1 (–658.2) million.

**DURING THE QUARTER**, two of the three previously sold vessels were delivered to their new owners. The deliveries enabled loan amortisation of USD 38 million. The third vessel, *Stena Provence*, was delivered at the end of January 2023.

After the deliveries, Concordia Maritime's product tanker fleet consists of four 65,200 dwt P-MAX vessels.

Three of the vessels are employed under a five-year time charter contract with Stena Bulk. The contract runs until 2026. Stena Bulk's employment of the vessels during the quarter was a combination of short and medium-term contracts. More information about vessel employment can be found on page 19. Further information about the agreement with Stena Bulk is available at [concordiamaritime.com](http://concordiamaritime.com).

*Stena Polaris* has been chartered out to Crowley Government Services Inc. since the beginning of 2022. The bareboat contract is for a minimum period of 12 months with annual extension options up to the year 2026. Crowley has in turn chartered the vessel to US Military Sealift Command.

## The fleet's earnings

The five-year agreement with Stena Bulk secures a base rate of USD 15,500 per day and vessel, with profit-sharing for any sur-

plus levels, calculated on the basis of average earnings per vessel per half-year. Including profit-sharing, average earnings during the quarter were USD 20,200 per day and vessel. Earnings for the full year, including profit-sharing, were USD 17,200 per day.

Earnings for *Stena Polaris* correspond to a time charter contract of approximately USD 18,000 per day.

## Accelerated loan amortisation

In addition to the scheduled loan amortisation, Concordia Maritime also repaid the loans for *Stena Primorsk* and *Stena Performance* during the quarter. Amortisation of the Company's bank loans totalled SEK 828 million during 2022, including SEK 721 million related to the sale of vessels. In early 2023, the vessel *Stena Provence* was delivered to new owners. The delivery enabled repayment of the debt to most of the lending banks. Available liquid funds, including unutilised credit facilities, amounted to SEK 98.0 (34.9) million at the end of the year.

## The board's proposal for a dividend

The board evaluates business alternatives for the company's future, why freedom of action is currently prioritized. The board therefore proposes that no dividend be paid for the fiscal year 2022.

## The Group's total income and earnings

SEK millions	Q4		Full year	
	2022	2021	2022	2021
Total income	263.0	151.2	686.1	704.8
<i>of which result from ship sales</i>	152.0	0.0	193.9	0.0
<i>of which profit-sharing<sup>1)</sup></i>	22.3	0.0	47.9	0.0
Operating result	174.1	–290.0	216.9	–583.5
Result before tax	142.8	–308.2	126.1	–658.2
Result per share after tax, SEK	2.95	–6.45	2.58	–13.84

1) The contract with Stena Bulk includes the possibility of profit-sharing for freight exceeding the base rate of USD 15,500 per day and vessel. The profit-sharing is based on average earnings per vessel per half-year.

## Liquidity and financial position

SEK millions	31 Dec 2022	31 Dec 2021
Available liquid funds	98.0	34.9
Interest-bearing liabilities	577.3	1,597.6
Equity	410.5	296.3
Equity ratio, %	33	14

## EBITDA per quarter

USD millions	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Product tankers, time charter	5.4	4.9	6.6	5.1	5.7	1.7	4.4	4.5	4.6
Product tankers, spot, owned and leased tonnage	-0.3	-0.1	0.1	0.3	-0.7 <sup>4)</sup>	-2.0 <sup>3)</sup>	-3.6 <sup>2)</sup>	-7.6 <sup>1)</sup>	-2.0
Product tankers, spot, short-term chartered tonnage	—	—	—	—	—	—	0.0	0.0	0.0
Sale of vessels	15.4	-0.4	—	-1.4	—	-3.6	—	—	—
<b>Product tankers, total</b>	<b>20.5</b>	<b>4.4</b>	<b>6.6</b>	<b>4.0</b>	<b>5.0</b>	<b>-3.7</b>	<b>0.8</b>	<b>-3.1</b>	<b>2.6</b>
Suezmax, spot, owned and leased tonnage	0.0	-0.5	0.9	0.5	0.4	-0.1	0.2	0.3	0.1
Suezmax, spot, short-term chartered tonnage	—	—	—	—	-0.1	-2.0	-2.0	-1.8	-1.8
Sale of vessels	0.0	0.6	4.1	—	—	—	—	—	—
<b>Suezmax, total</b>	<b>0.0</b>	<b>0.1</b>	<b>5.0</b>	<b>0.5</b>	<b>0.3</b>	<b>-2.1</b>	<b>-1.8</b>	<b>-1.5</b>	<b>-1.7</b>
Admin. and other	-0.8	-1.1	-1.0	-1.2	-0.9	-0.8	-1.0	-0.8	-0.8
<b>Total</b>	<b>19.7</b>	<b>3.4</b>	<b>10.6</b>	<b>3.2</b>	<b>4.4</b>	<b>-6.6</b>	<b>-2.0</b>	<b>-5.4</b>	<b>0.1</b>

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.

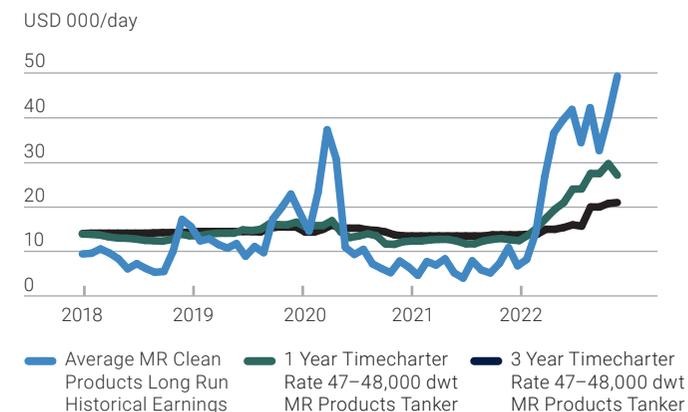
3) The total includes a negative bunker hedge of USD -0.3 million.

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

## Earnings per vessel category

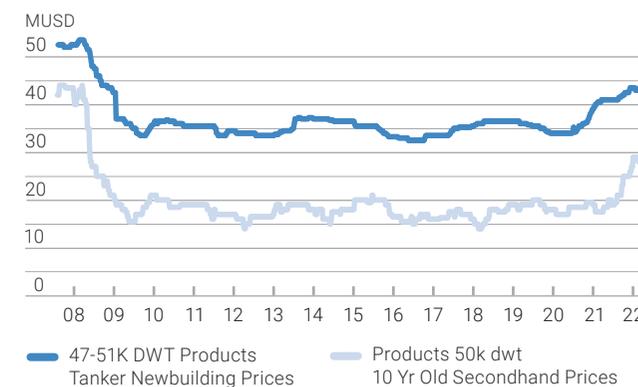
SEK millions	Q4		Full year	
	2022	2021	2022	2021
Product tankers, time charter	87.1	126.3	424.0	322.3
Product tankers, spot	23.2	11.2	29.7	300.5
Result from vessel sales	145.1	0.0	147.0	0.0
<b>Product tankers, total earnings</b>	<b>255.4</b>	<b>137.5</b>	<b>600.7</b>	<b>622.8</b>
Suezmax, spot	0.6	13.7	38.6	82.0
Result from vessel sales	6.9	0.0	46.9	0.0
<b>Suezmax, total earnings</b>	<b>7.5</b>	<b>13.7</b>	<b>85.4</b>	<b>82.0</b>
Other	0.0	0.0	0.0	0.0
<b>Total income</b>	<b>262.9</b>	<b>151.2</b>	<b>686.1</b>	<b>704.8</b>

## Freight market development, MR product tankers



Average earnings per day for the spot market amounted to USD 41,400 during the quarter. The time charter market has also strengthened, and a one-year contract for an MR tanker was about USD 30,000 per day at the end of the quarter, partly depending on the vessel's design.

## Vessel values, MR product tankers



Source: Clarksons

### Repairs and drydock

There were no scheduled drydock visits and no repairs in drydock during the quarter.

### Operational challenges

Covid-19 continues to present some challenges in terms of quarantine and crew changes. Restrictions have been eased in many places, including Brazil, during the year and, with the exception of China, well-functioning procedures for crew changes are now in place.

### Changes in translation and hedging reserves

The Parent Company's functional currency is SEK, but the majority of the transactions in the Group are in USD. The Group's result is generated in USD, which means the result in SEK is a direct function of the SEK/USD exchange rate trend.

The closing amount in the hedging reserve at the end of the quarter was SEK 0.0 (2.1) million. The closing balance for the translation reserve in equity amounted to SEK 548.0 (460.2) million at the reporting date. The changes are recognised in equity through OCI.

### Investments and deposits

Investments in property, plant and equipment during the quarter amounted to SEK 0 (–8.9) million. During the quarter, Concordia Maritime did not buy or sell any assets classified as short-term investments in the Company's balance sheet.

### Valuation of the fleet

After the sale of *Stena Supreme*, the fleet is defined as one cash-generating unit.

During the fourth quarter, Concordia Maritime obtained valuations of the fleet from three of our independent valuers. The valuations indicate a continued positive value trend with a market appreciation of about 10 percent compared with previous valuations at the end of September 2022. Compared with the valuations in December 2021, the increase is as much as 50 percent. At the end of Q4 2022, the recoverable amount (market value) of the cash-generating unit was higher than its carrying amount.

At the end of Q4 2022, all P-MAX vessels apart from one were chartered to Stena Bulk. The time charter contract with Stena Bulk runs until 2026. Under the agreement, Concordia Maritime has the right to dispose of vessels during the charter period and break the charter contract with Stena Bulk. However, if there are active underlying charter contracts between Stena Bulk and an end customer, there may be a cost associated with finding replacement tonnage or negotiating a cancellation of the underlying contract. Information about Stena Bulk's employment of the vessels can be found on page 19.

### Employees

The number of employees in the Group on 31 December 2022 was 4 (3). The Group employed 139 (589) temporary seagoing employees through Stena Sphere's manning company, Northern Marine Management.

### Parent Company

The Parent Company's sales for the quarter amounted to SEK 2.6 (0.0) million, with intragroup invoicing representing 2.6 (0.0) of this amount. The Parent Company's available liquid funds at the end of the quarter amounted to SEK 17.3 (20.7) million, which includes receivables from Group companies in the cash pool and unutilised credit facilities.

### Risks and risk management

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.

The main 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 – are divided into four categories: strategic risks, operational risks, compliance risks and financial risks. Sustainability risks are integrated into the risk categories. More information about risks and risk management can be found in Concordia Maritime's 2021 annual report, which is available at [www.concordiamaritime.com](http://www.concordiamaritime.com).

# Environmental and safety reporting

**NONE OF CONCORDIA MARITIME'S VESSELS** were involved in any incident that resulted in discharges of bunker oil or cargo during the quarter. There was one minor incident classified as a medical treatment case during the quarter. A crewman injured his finger while working on a lathe. The injury was minor and the crewman was soon able to return to work.

There was one event classified as damage to property during the quarter. Two boats were destroyed in connection with the use of tugboats. There were also two incidents classified as a high potential near miss during the quarter. One was on *Stena Provence*, where a few litres of dirty water spilled into the engine room. The other occurred when *Stena Penguin's* hull came into light contact with a sandbank while under pilot escort. The vessel did not suffer any damage.

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

## External controls

Four (4) vetting inspections were conducted during the quarter. In total, 11 observations were recorded during these inspections, resulting in an average of 2.75 observations per inspection. No port state control resulted in the detention in port of any vessel during the quarter.

## Energy management

The fleet's total CO<sub>2</sub> emissions in the quarter decreased by 43 percent compared with the corresponding quarter in 2021. This is linked to the reduced size of the fleet as a result of vessel sales. The fleet also had more ballast days in Q4 2022

than in 2021. The increased proportion of ballast days combined with the changed fleet composition has contributed to a deterioration in energy efficiency in relation to transport work (EEOI) compared with the same quarter in the previous year.

As all vessels are contracted out on time and bareboat charters, Concordia Maritime does not make operational decisions on voyage charters, bunker purchases and speed. This is handled by the customer instead.

*Stena Polaris* is chartered on a bareboat basis to Crowley, which handles the vessel's reporting to authorities etc. Emissions from the vessel are therefore not included in Concordia Maritime's reporting.

## New regulations

Concordia Maritime monitors developments regarding shipping regulations issued by the IMO, the EU and other relevant bodies. The IMO's short-term greenhouse gas reduction measures are likely to require fleet adaptations in the coming years. The IMO's EEXI and CII regulations enter into force in 2023 and the Company is currently evaluating which technical and operational initiatives are most effective.

Concordia Maritime and technical manager Northern Marine Management will connect the vessels to the Storm Geo S-Insight fleet performance management system. The platform collects and analyses data from the vessels on a daily basis to achieve higher efficiency and lower emissions. It also facilitates reporting to the relevant authorities.

To comply with the EEXI regulations, an EPL (Engine Power Limitation) system will be installed on the P-MAX vessels dur-

ing 2023. In short, this enables a vessel to limit its maximum engine power, which is not expected to have any negative operational impact. The investment is expected to amount to approximately USD 35,000 per vessel.



## Key figures

### Safety

	Q4 2022	Q4 2021	Full year 2022	Full year 2021	Target 2022
LTI	0	0	0	0	0
LTIF	0	0	0	0	0
Number of inspections with more than five observations (owned vessels)	0	0	0	1	0
Average number of vetting observations per inspection (owned vessels)	2.5	2.0	2.8	1.9	<4
Number of PSC inspections with detentions	0	0	0	0	0
Number of piracy-related incidents	0	0	0	0	0
Damage to property	1	0	3	0	0
Medical treatment case	1	0	1	0	0
Restricted work case	0	1	1	3	0
High potential near miss	2	1	3	3	0
High risk observation	0	0	0	0	0

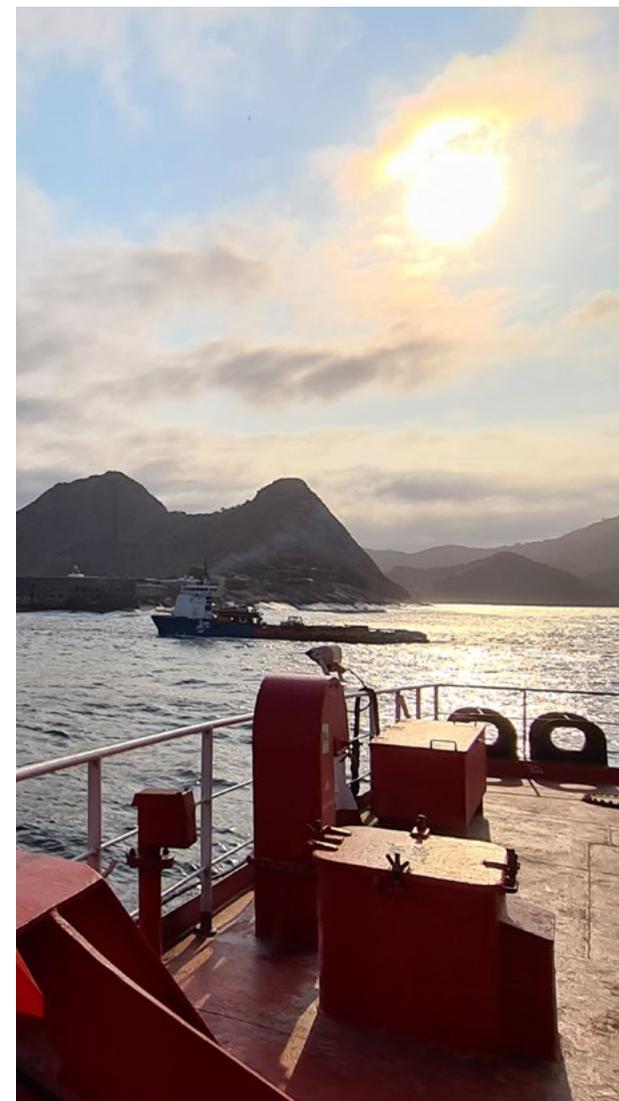
### Environmental impact

	Q4 2022	Q4 2021	Full year 2022	Full year 2021
<b>Bunker consumption (tonnes)</b>				
LSFO	8,870	13,381	44,711	62,666
MGO	1,552	4,903	8,119	14,738
<b>Total</b>	<b>10,422</b>	<b>18,284</b>	<b>52,830</b>	<b>77,404</b>
<b>Emissions (tonnes)</b>				
CO <sub>2</sub>	32,596	57,391	165,278	242,421
SO <sub>x</sub>	90	140	454	641
NO <sub>x</sub>	932	1,636	4727	6,927
Particulates	11.1	17.6	57.7	80
<b>Efficiency (EEOI)</b>				
gCO <sub>2</sub> /tonne-NM <sup>1)</sup>	18.79	14.63	16.13	n.a.
Oil spills, litres	0	0	0	0

1) The change in bunker consumption compared with 2021 is an effect of the size of the fleet.

2) 12-month rolling.

Definitions, see page 14.



Group

# Income statement

SEK millions	Q4 2022	Q4 2021	Full year 2022	Full year 2021
<b>Consolidated income statement</b>				
Average exchange rate SEK/USD	10.72	8.85	10.12	8.58
Time charter income, leasing of vessels	37.6	48.6	176.5	120.2
Time charter income, operational services	49.5	77.7	247.6	202.1
Spot charter income <sup>1)</sup>	23.9	24.9	68.2	382.5
Result from vessel sales	152.0	0.0	193.9	0.0
Other income	0.0	0.0	0.0	0.0
<b>Total income</b>	<b>263.0</b>	<b>151.2</b>	<b>686.1</b>	<b>704.8</b>
Voyage-related operating costs	-4.5	-22.6	-9.9	-220.1
Operating costs, ships <sup>1)</sup>	-16.1	-35.2	-119.6	-297.3
Personnel costs, temporary seagoing	-34.7	-48.3	-150.1	-196.7
Personnel costs, land-based	-2.4	-3.1	-9.4	-14.0
Other external expenses	-1.6	-5.4	-22.9	-59.2 <sup>2)</sup>
Depreciation/impairment	-29.6	-326.5	-157.2	-501.0
<b>Total operating costs<sup>1)</sup></b>	<b>-88.9</b>	<b>-441.2</b>	<b>-469.2</b>	<b>-1,288.3</b>
<b>Operating result</b>	<b>174.1</b>	<b>-290.0</b>	<b>216.9</b>	<b>-583.5</b>
Interest and similar income	0.1	0.1	0.7	8.6
Interest and similar expense	-31.4	-18.3	-91.6	-83.3
<b>Financial net</b>	<b>-31.3</b>	<b>-18.2</b>	<b>-90.9</b>	<b>-74.7</b>
<b>Result before tax</b>	<b>142.8</b>	<b>-308.2</b>	<b>126.1</b>	<b>-658.2</b>
Tax	-1.9	0.4	-2.7	-2.1
<b>Result after tax</b>	<b>140.9</b>	<b>-307.8</b>	<b>123.3</b>	<b>-660.4</b>

<sup>1)</sup> Accounting policies, see page 16.

<sup>2)</sup> Amount includes net loss of SEK -30.3 million on vessel sales.

Group

# Other comprehensive income

SEK millions	Q4 2022	Q4 2021	Full year 2022	Full year 2021
<b>Result after tax</b>	<b>140.9</b>	<b>-307.8</b>	<b>123.3</b>	<b>-646.6</b>
<b>Items that have been/can be transferred to result for the period</b>				
Translation differences	-19.9	7.9	43.4	48.6
Changes in fair value of cash flow hedges for the period	0.0	-8.1	-6.2	61.8
Changes in fair value of cash flow hedges transferred to result for the period	0.0	8.2	4.1	51.2
Sale of non-current assets	-50.5	0.0	-50.5	0.0
<b>Comprehensive income for the period</b>	<b>70.5</b>	<b>-299.8</b>	<b>114.2</b>	<b>-498.7</b>

## Per-share data

	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Number of shares	47,729,798	47,729,798	47,729,798	47,729,798
Result per share, before/after dilution	2.95	-6.45	2.58	-13.84
Equity per share, SEK	8.60	6.21	8.60	6.21

# Group

## Condensed balance sheet

SEK millions	31 Dec 2022	31 Dec 2021
Closing exchange rate SEK/USD	10.43	9.05
<b>Assets</b>		
Ships and equipment <sup>1)</sup>	883.2	1,454.5
Financial assets	5.6	5.4
<b>Total non-current assets</b>	<b>888.8</b>	<b>1,459.8</b>
Current receivables	92.1	112.1
Cash and bank balances <sup>2)</sup>	110.4	15.9
Assets held for sale	152.4	518.8
<b>Total current assets</b>	<b>354.9</b>	<b>646.8</b>
<b>Total assets</b>	<b>1,243.7</b>	<b>2,106.7</b>
<b>Equity and liabilities</b>		
Equity	410.5	296.3
Non-current liabilities	516.8	310.9
Current liabilities <sup>3)</sup>	316.4	1,499.4
<b>Total equity and liabilities</b>	<b>1,243.7</b>	<b>2,106.7</b>

1) Including right-of-use assets of SEK 0.0 (315.1) million.

2) Including restricted funds of SEK 44.5 (9.3) million.

3) Including liabilities of SEK 33.3 million directly associated with assets held for sale.

## Changes in equity

SEK millions	Share capital	Other paid-in capital	Translation reserve	Hedging reserve	Fair value reserve	Retained earnings	Total
<b>Changes Jan–Dec 2021</b>							
Opening balance 01.01.2021	381.8	61.9	411.5	-110.9	0.0	50.7	795.0
Comprehensive income for the period			49.4	113.0	0.0	-660.4	-498.7
<b>Closing balance 31.12.2021</b>	<b>381.8</b>	<b>61.9</b>	<b>460.9</b>	<b>2.1</b>	<b>0.0</b>	<b>-609.6</b>	<b>296.3</b>
<b>Changes Jan–Dec 2022</b>							
Opening balance 01.01.2022	381.8	61.9	460.2	2.1	0.0	-609.6	296.3
Comprehensive income for the period	0.0	0.0	-7.0	-2.1	0.0	123.3	114.2
Share capital reduction	-194.3	0.0	0.0	0.0	0.0	194.3	0.0
<b>Closing balance 31.12.2022</b>	<b>187.5</b>	<b>61.9</b>	<b>453.1</b>	<b>0.0</b>	<b>0.0</b>	<b>-292.0</b>	<b>410.5</b>

Group

# Condensed cash flow statement

SEK millions	Q4 2022	Q4 2021	Full year 2022	Full year 2021
<b>Operating activities</b>				
Result before tax	142.8	-308.2	126.1	-658.2
Adjustments:				
Depreciation/impairment	29.6	326.5	157.2	501.0
Result, sale of non-current assets	-193.9	0.0	-193.9	0.0
Other items	40.5	23.0	3.6	124.9
<b>Cash flow from operating activities before changes in working capital</b>	<b>19.0</b>	<b>41.3</b>	<b>93.0</b>	<b>-33.5</b>
Changes in working capital	16.0	-42.6	29.3	68.3
<b>Cash flow from operating activities</b>	<b>35.0</b>	<b>-1.4</b>	<b>122.3</b>	<b>34.8</b>
<b>Investing activities</b>				
Sale of non-current assets	432.7	0.0	1,148.2	487.4
Investment in non-current assets	0.0	8.9	-0.8	-191.5
Other financial items	0.0	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>432.7</b>	<b>8.9</b>	<b>1,147.4</b>	<b>295.9</b>
<b>Financing activities</b>				
New loans	0.0	9.2	0.0	203.9
Amortisation of loans	-440.0	-21.3	-828.0	-105.2
Other financing	0.0	-16.5	-351.6	-551.3
<b>Cash flow from financing activities</b>	<b>-440.0</b>	<b>-28.6</b>	<b>-1,179.6</b>	<b>-452.5</b>
Cash flow for the period	27.7	-21.1	90.1	-121.9
Balance at beginning of period (Note 1)	89.7	34.5	15.9	130.2
Exchange differences (Note 2)	-7.0	2.5	4.5	7.6
<b>Balance at end of period (Note 1)</b>	<b>110.4</b>	<b>15.9</b>	<b>110.4</b>	<b>15.9</b>
Note 1. Balance consists of cash, bank balances and credit facility				
Note 2. Exchange differences attributable to:				
Cash and cash equivalents at beginning of period	-0.7	4.3	1.4	12.4
Cash flow for the period	-6.3	-1.9	3.1	-4.9
<b>Total exchange differences</b>	<b>-7.0</b>	<b>2.5</b>	<b>4.5</b>	<b>7.6</b>

Parent Company

# Condensed income statement

SEK millions	2022	2021
Net sales	2.6	45.2
Operating costs, ships	0.0	-96.4
Other external expenses	-3.1	-12.7
Personnel expenses	-1.5	-10.1
<b>Operating result</b>	<b>-1.9</b>	<b>-74.0</b>
Result from subsidiaries	0.0	-71.0
Other interest and similar income	18.5	90.4
Interest and similar expense	8.5	-59.2
<b>Result before tax</b>	<b>25.0</b>	<b>-113.7</b>
Tax	0.0	0.0
<b>Result after tax</b>	<b>25.0</b>	<b>-113.7</b>

# Condensed balance sheet

SEK millions	31 December 2022	31 December 2021
<b>Assets</b>		
Ships and equipment	0.0	0.0
Financial assets	0.0	5.4
Investments in Group companies	675.5	675.5
Non-current receivables, Group companies	297.6	886.2
<b>Total non-current assets</b>	<b>973.1</b>	<b>1,567.1</b>
Current receivables	0.6	7.2
Receivables from Group companies	310.2	15.4
Cash and bank balances	0.0	-7.6
<b>Total current assets</b>	<b>310.9</b>	<b>15.0</b>
<b>Total assets</b>	<b>1,284.0</b>	<b>1,582.1</b>
<b>Equity and liabilities</b>		
Equity	243.8	325.7
Non-current liabilities	469.2	338.4
Current liabilities	570.9	918.0
<b>Total equity and liabilities</b>	<b>1,284.0</b>	<b>1,582.1</b>

## Definitions

### Bareboat charter

The shipowner charters out its ship uncrewed for a long period at fixed rates.

### Carbon Intensity Indicator (CII)

An IMO regulation to assess a vessel's operational efficiency and which is gradually tightened.

CO<sub>2</sub> Carbon dioxide.

### Consecutive Voyage Charter (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 the company's financial statements in order to compensate for wear and ageing of its vessels and equipment.

DWT Deadweight tonnage – a measure of a vessel's maximum weight capacity.

### Energy Efficiency eXisting ship Index (EEXI)

An IMO measure and regulation to assess a vessel's operational efficiency and which is gradually tightened.

### Energy Efficiency Operational Indicator (EEOI)

An operational measure to assess a vessel's energy efficiency and CO<sub>2</sub> emissions.

### FFA

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

### High potential near miss

Incident that could have resulted in a serious accident.

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.

NO<sub>x</sub> Nitrogen oxides.

### Restricted work case (RWC)

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

SO<sub>x</sub> Sulphur oxides.

### 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 measures<sup>1)</sup>

### 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 before tax adjusted for impairment

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.

### 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.

<sup>1)</sup> Alternative performance measures as defined by the European Securities and Markets Authority (ESMA).

# Reconciliation of alternative performance measures

## EBITDA

SEK millions	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Operating result	174.1	-290.0	216.9	-583.5
Depreciation/impairment	29.6	326.5	157.2	501.0
<b>EBITDA</b>	<b>203.7</b>	<b>36.6</b>	<b>374.1</b>	<b>-82.6</b>

## Result excluding impairment and tax

SEK millions	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Result after tax	140.9	-307.8	123.3	-660.4
Impairment	0.0	267.7	0.0	267.7
Tax	1.9	-0.4	2.7	2.1
<b>Result excluding impairment and tax</b>	<b>142.8</b>	<b>-40.5</b>	<b>126.1</b>	<b>-390.5</b>

## Result per share excluding impairment and tax

	Q4 2022	Q4 2021	Full year 2022	Full year 2021
Result excluding impairment and tax, SEK million	142.8	-40.5	126.1	-390.5
Number of shares	47.7	47.7	47.7	47.7
<b>Result per share excluding impairment and tax, SEK</b>	<b>2.99</b>	<b>-0.85</b>	<b>2.64</b>	<b>-8.18</b>

## Return on equity

SEK millions	Full year 2022	Full year 2021
Result after tax	123.3	-660.4
Equity	342.5	587.9
<b>Return on equity</b>	<b>36.0%</b>	<b>neg</b>

## Return on capital employed

SEK millions	Full year 2022	Full year 2021
Result after financial net	126.1	-658.2
Finance costs	91.6	83.3
<b>Result after financial net plus finance costs</b>	<b>217.6</b>	<b>-574.9</b>
Total assets	1,650.4	2,599.9
Non-interest-bearing liabilities	-260.4	-240.5
<b>Capital employed</b>	<b>1,390.0</b>	<b>2,359.3</b>
<b>Return on capital employed</b>	<b>15.66%</b>	<b>neg</b>

## Return on total capital

SEK millions	Full year 2022	Full year 2021
Result after financial net	126.1	-789.2
Finance costs	91.6	83.3
<b>Result after financial net plus finance costs</b>	<b>217.6</b>	<b>-705.8</b>
Total assets	1,650.4	2,599.9
<b>Return on total capital</b>	<b>13.2%</b>	<b>-27.1%</b>

## Equity ratio

SEK millions	Full year 2022	Full year 2021
Equity	410.5	296.3
Total assets	1,243.7	2,106.7
<b>Equity ratio</b>	<b>33%</b>	<b>14%</b>

# Accounting policies

This interim financial report in summary for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and relevant provisions of the Swedish Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with chapter 9 of the Swedish Annual Accounts Act.

The Concordia Maritime Group applies International Financial Reporting Standards (IFRS) as adopted by the EU. The Group applies the same accounting policies and calculation methods in the quarterly reports as in the annual report for 2021, in addition to those described in this report.

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

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

The report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act. The Board of Directors and CEO confirm that the interim report provides a true and fair overview of the operations, financial position and performance of the Parent Company and Group, and describes material risks and uncertainties faced by the Parent Company and Group companies.

Gothenburg, 9 February 2023

Carl-Johan Hagman  
*Chairman*

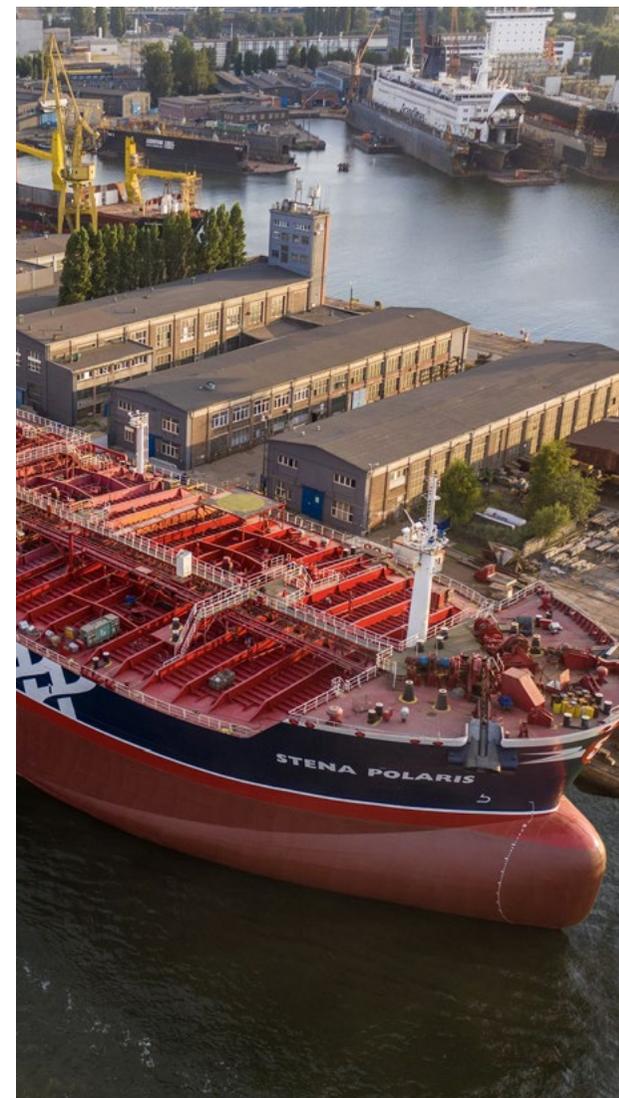
Stefan Brocker

Henrik Hallin

Mats Jansson

Ulrika Laurin

Erik Lewenhaupt  
*CEO*



# Quarterly overview

SEK millions	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
<b>Profit/loss items</b>									
Total income <sup>1)</sup>	263.0	118.2	180.8	124.1	151.2	165.6	208.4	179.6	165.7
Operating costs excluding impairment <sup>1)</sup>	-88.9	-121.9	-121.9	-136.6	-173.4	-283.1	-282.7	-281.4	-225.7
Operating result (EBIT)	174.1	-3.6	58.9	-12.5	-290.0	-117.5	-74.2	-101.9	-59.9
of which result from sale of investments in jointly-controlled entities (vessels)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-
Financial net	-31.3	-19.1	-22.5	-18.0	-18.2	-24.0	-14.2	-18.3	-26.5
Result before tax	142.8	-22.8	36.5	-30.4	-308.2	-141.4	-88.4	-120.2	-86.5
Result after tax	140.9	-22.8	35.7	-30.5	-307.8	-141.4	-89.7	-121.4	-87.4
Cash flow from operating activities	35.0	-20.4	78.5	29.2	-1.4	10.2	6.3	19.7	-62.1
EBITDA	203.7	38.0	102.7	29.7	36.6	-56.8	-16.7	-45.7	-4.6
<b>Balance-sheet items</b>									
Ships (number)	1,035.6 (5)	1479.1 (7)	1,534.5 (8)	1,586.7 (9)	1,973.3 (11)	2,252.9 (11)	2,685.3 (13)	2,771.6 (13)	2,599.1 (13)
Ships under construction (number)	0	0	0	0	0	0	0	0	0
Liquid funds incl. investments	110.4	89.7	81.6	19.9	15.9	34.5	51.6	45.1	130.2
Other assets	97.7	104.7	112.8	138.3	117.5	131.9	156.7	166.1	145.2
Interest-bearing liabilities	577.3	1,053.9	1,133.6	1,425.2	1,587.6	1,587.1	1,963.8	1,968.1	1,656.5
Other liabilities and provisions	255.9	272.4	276.1	251.7	222.8	236.1	226.9	255.7	423.0
Equity	410.5	340.0	342.6	276.9	296.3	596.2	700.0	759.0	795.0
Total assets	1,243.7	1,666.3	1,737.7	1,953.8	2,106.7	2,419.3	2,890.7	2,982.8	2,874.6
<b>Key figures, %</b>									
Equity ratio	33%	20	20	14	14	25	24	25	28
Return on total capital	13%	3	5	2	-27	-10	-4	-1	1
Return on capital employed	16%	4	5	2	-24	-11	-5	-1	2
Return on equity	36%	-104	-117	-122	-112	-62	-41	-24	-7
Operating margin	66%	-3	33	-10	-192	-87	-36	-57	-36
<b>Share data</b>									
Total income <sup>1)</sup>	5.51	2.48	3.79	2.60	3.17	3.47	4.37	3.76	3.47
Operating costs excluding impairment	-1.86	-2.55	-2.55	-2.86	-3.63	-5.93	-5.92	-5.90	-4.73
Operating result	3.65	-0.08	1.23	-0.26	-6.08	-2.46	-1.55	-2.13	-1.26
Financial net	-0.66	-0.40	-0.47	-0.38	-0.38	-0.50	-0.30	-0.38	-0.56
Result after tax	2.95	-0.48	0.75	-0.64	-6.45	-2.96	-1.88	-2.54	-1.83
Cash flow from operating activities	0.73	-0.43	1.64	0.61	-0.03	0.21	0.13	0.41	1.30
EBITDA	4.27	0.80	2.15	0.62	0.77	-1.19	-0.35	-0.96	-0.10
Equity	8.60	7.12	7.18	5.80	6.21	12.49	14.67	15.90	16.66

Definitions, see page 14.

<sup>1)</sup> Accounting policies, see page 16.

# Related party transactions

Concordia Maritime has a small internal organisation, and purchases services from related-party companies in the Stena Sphere, which include Stena Bulk AB. The latter company conducts tanker business that coincides with Concordia Maritime in some respects.

Accordingly, there is an agreement, entered into many years ago, which regulates the relationship between the two companies with respect to purchasing or chartering of vessels. Under the terms of this agreement, Concordia Maritime has the right to opt for 0, 50 or 100 percent participation in each new transaction (with the exception of shorter transactions of less than 12 months).

At the end of Q4 2022, all P-MAX vessels apart from one were chartered to Stena Bulk. The time charter contract with Stena Bulk runs until 2026. Under the agreement, Concordia Maritime has the right to dispose of vessels during the charter period and then break the charter contract with Stena Bulk. If there are underlying contracts between Stena Bulk and the end customer, these may constitute grounds for compensation.

Stena Bulk specialises in transportation of refined petroleum products and vegetable oils and has offices in five countries. Learn more at [www.stenabulk.com](http://www.stenabulk.com).

## Overview of transactions with Stena Sphere

### ■ Vessel charter

Payment is based on a commission of 1.25 percent on freight rates. Commission of 1 percent is charged on vessel sales.

### ■ Operation and manning of the Group's vessels

**(ship management)** Payment is based on a fixed price per year and vessel, with an additional payment for manning of vessels.

### ■ Commercial operation, administration, marketing, insurance, technical monitoring and development of Concordia Maritime's fleet

Payment is based on a fixed price per month and vessel. With regard to technical consulting services for newbuild projects, an hourly rate is applied on a cost-plus basis, which is then charged to the project.

### ■ Office rent and office services

A fixed annual price is charged.

### ■ Financing agreement

Concordia Maritime AB has been granted a credit facility under an agreement with AB Stena Finans. In connection with the purchase of ballast water equipment from Northern Marine Group, the company has obtained sales financing.

## Purchase of services from Stena Sphere

SEK millions	Q4		Full year	
	2022	2021	2022	2021
Group	37.1	54.7	176.1	246.2
Crewing	36.5	52.4	170.8	222.3
Administration	1.0	1.5	3.6	15.6
Chartering & commercial operation	0.0	0.7	1.7	8.3
Parent Company	0.6	0.5	1.4	1.0

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



## Other information

# Fleet employment

Ships	DWT	Ice class	Year	Employment	Stena Bulk's employment of vessel 09/02/2023
<b>P-MAX</b>					
Stena Penguin	65,200	1A	2010	Time charter to Stena Bulk to August 2026.	Time charter to April 2023. DPP <sup>2)</sup> , Atlantic. Contract entered 25 April 2022.
Stena Premium	65,200	1B	2011	Time charter to Stena Bulk to August 2026.	Time charter to May 2023 with option 18 months. CPP <sup>1)</sup> , Atlantic. Contract entered 17 September 2021.
Stena Progress	65,200	1B	2009	Time charter to Stena Bulk to August 2026.	Time charter to April 2023 with option 18 months. CPP <sup>1)</sup> , Atlantic. Contract entered 17 September 2021.
Stena Polaris	65,200	1A	2010	Bareboat charter to Crowley to January 2023, incl. extension option to end of 2026. CPP <sup>1)</sup> , Atlantic. Contract entered 17 December 2021.	

1) Clean Petroleum Products

2) Dirty Petroleum Products



Solberg

### Contact



**Erik Lewenhaupt,  
CEO**  
Tel +46 704 85 51 88  
erik.lewenhaupt@  
concordiamaritime.com



**Martin Nerfeldt,  
CFO**  
Tel +45 88 93 86 61  
or +46 704 85 50 07  
martin.nerfeldt@  
concordiamaritime.com

### Calendar

Q1 2023	4 May 2023
2023 AGM	4 May 2023
Q2 2023	24 August 2023
Q3 2023	15 November 2023

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This information is information that Concordia Maritime Aktieföretag (publ) is obliged to publish in accordance with the EU Market Abuse Regulation. The information was provided by the contact person above for publication on 9 February 2023 at 9.00 CET.

**CONCORDIA**  
MARITIME

**Concordia Maritime**  
SE-405 19 Gothenburg, Sweden  
Tel +46 31 85 50 00  
Corp. ID 556068-5819  
www.concordiamaritime.com