CONCORDIA MARITIME

2022

Annual Report

Across the river and into the oceans

Concordia Maritime's history is largely a mirror of society at large. When the business started in the late 1880s, it was to support an emerging Swedish wood industry by transporting goods to the UK. Then, as demand for oil increased in the 1920s, the focus shifted to tanker transport. As the oil industry has evolved, and the number of oil fractions has increased and requirements have become more stringent, Concordia Maritime's operations have also continued to develop.

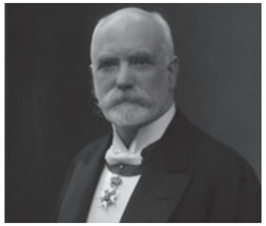
1880s

Industrialisation and new business opportunities
During the 1880s, industrialisation really took off in Sweden. Among the fastest growing sectors was the wood industry. Among the entrepreneurs was Justus A Waller, who eventually became a major exporter of wood to the UK. In November 1887, he and ship's officer Wilhelm Lundgren bought an English steamer called the Apollo. The following year, Rederi AB Concordia held its first statutory meeting. The partnership between Waller and Lundgren lasted until 1904 when Lundgren established his own shipping company, which later became Rederi Transatlantic.

1920s

New focus as demand for oil rises
Until the mid-1920s, Rederi AB Concordia's fleet consisted mainly of steamships. At the same time, industry's need for oil products grew and in 1926, a contract was signed with AB Götaverken for a 9,620 tdw motor tanker. The vessel, which was delivered two years later, was named Abadan. The old steamships were gradually phased out and the last one was sold in 1937. Rederi AB Concordia then became a pure tanker company with one or two vessels.

S/S Faunus


Justus A Waller

1970s

New role in the Stena Group
In 1966, Rederi AB Concordia was purchased by Stena. The acquisition was to be Sten A Olsson's stepping stone to the really big transactions. In the early 1970s, Stena separated the metals business from the shipping business. Rederi AB Concordia became the parent company of the entire Stena Group and acted as the owner of Swedish-flagged vessels. In the mid-1970s, Swedish industry in general, and the automotive industry in particular, was booming. A sharp increase in exports meant that vessels were required and in November 1975, Rederi AB Concordia placed an order for as many as 11 advanced RoRo vessels from Hyundai Heavy Industries in Korea.

1887
First vessel is ordered. Focus on transport of wood products.

1888
First statutory meeting of Rederi AB Concordia.

1926
Focus on tanker transport.

1966
Stena new owner.

1975
Order of 11 advanced RoRo vessels.

1980s

Birth of the modern Concordia Maritime

Rederi AB Concordia remained as the parent company of the Stena Group but the role of vessel owner gradually disappeared. Dan Sten Olsson took over as CEO of the Stena Group in autumn 1983 and it was then that today's Concordia Maritime was created. In 1984, the share was listed on the Stockholm Stock Exchange. After a few years, a strategic investment in large tankers was launched with the purchase of two 458,000 dwt ULCCs. This was quickly followed by the purchase of six VLCCs built by the legendary shipowner Daniel K Ludwig.

V-MAX tanker *Stena Vision* at Fort Mifflin, Philadelphia

1990s

The MAX concept – at the forefront in safety

After shipping was hit by several accidents involving major oil spills, the requirements for tankers were sharpened significantly in the 1990s. As early as the beginning of the 1990s, Stena Teknik developed a new oil tanker with a double hull, propellers and rudder. In 1997, Concordia Maritime ordered two shallow draft V-MAX type VLCC tankers – a vessel type that was revolutionary in its design.

Stena Primorsk at the christening in Stockholm in 2006

2000s

Focus on MR – but positions also in other segments

The MAX concept would then become what distinguished Concordia Maritime from the turn of the millennium until today. The V-MAX vessels left the fleet through the "Arlington Tankers" spin-off, which was listed on the New York Stock Exchange in autumn 2004. In parallel, the focus shifted again, this time to the product tanker segment. In 2003, the first two P-MAX type MR tankers were ordered. Eight more vessels of the same type were subsequently ordered. The vessels received much media attention, particularly in summer 2006 when *Stena Primorsk* was christened by Queen Silvia in the heart of Stockholm.

Although the base of Concordia Maritime's operations was the P-MAX, the Company was also open to taking positions in other vessel types. Two LR1s were delivered in 2006–2007 for a 10-year time charter to the Finnish company Neste. In 2012, Concordia took delivery of a Suezmax tanker and in 2015 two MR vessels, built according to the IMOIIMAX concept.

1888 2023

To mark the 135th anniversary, the book *Över älven och ut på världshaven (Over the river and into the oceans)* is coming out in spring 2023. The book, written by Krister Bång, Rickard Sahlsten and Thomas Taro Lennerfors, is published by Breakwater Publishing.

1982 – The sister company Stena Bulk is founded.

1984 – Concordia Maritime is listed on the Stockholm Stock Exchange.

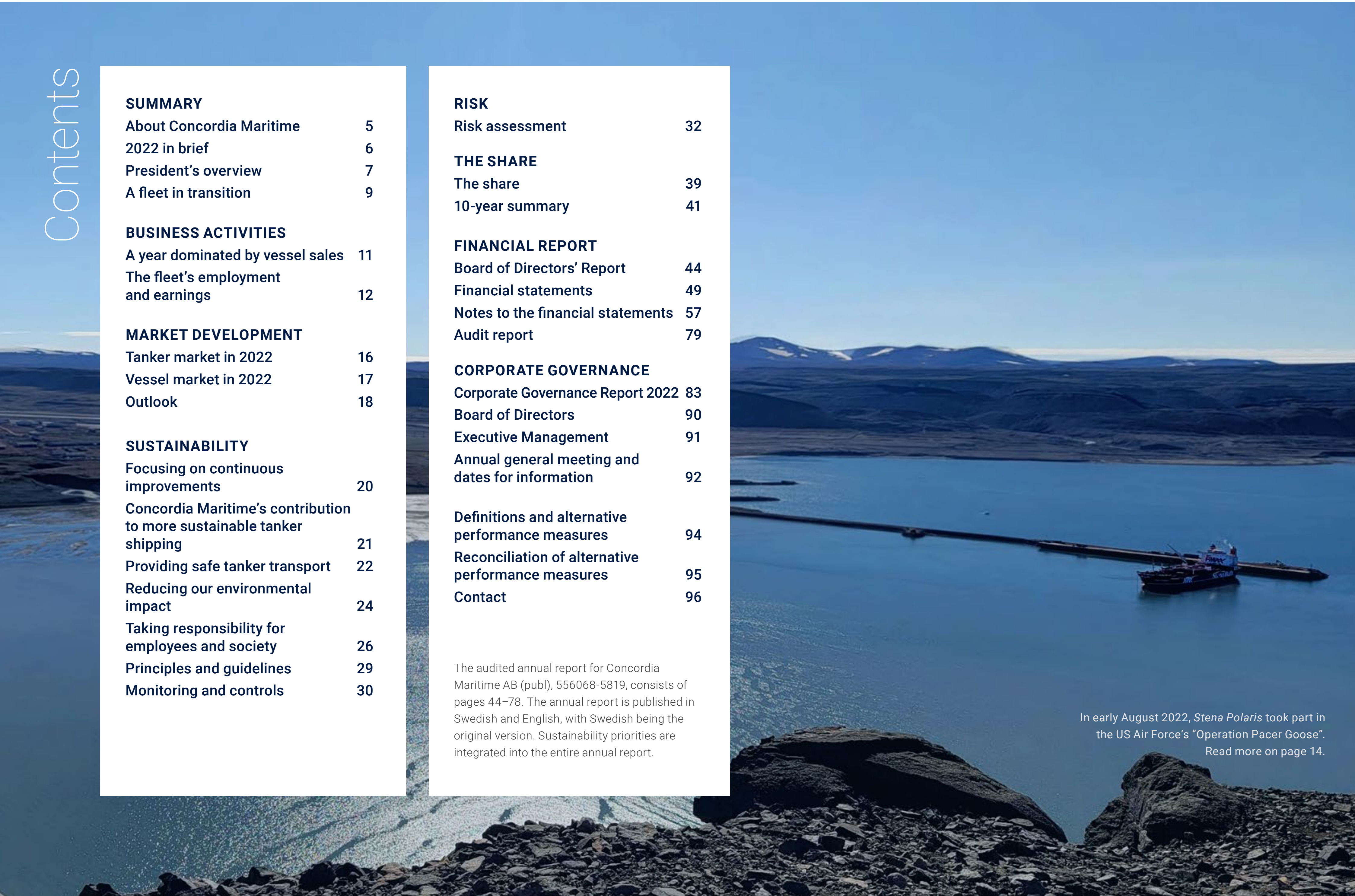
1988 – Strategic investment in ULCC/VLCC. The vessels were successfully divested some years later.

2003 – MAX concept focus. First P-MAX vessel orders.

2023 – Disposal of several P-MAX vessels.

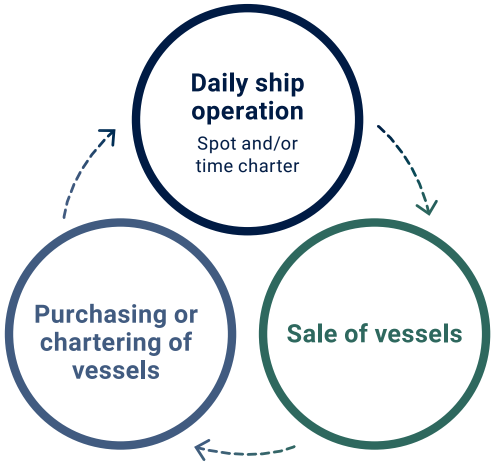
Contents

The audited annual report for Concordia Maritime AB (publ), 556068-5819, consists of pages 44–78. The annual report is published in Swedish and English, with Swedish being the original version. Sustainability priorities are integrated into the entire annual report.



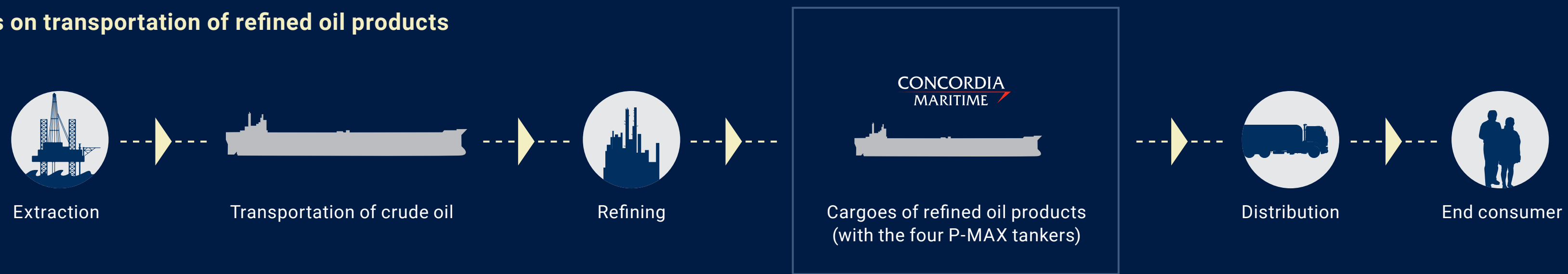
In early August 2022, *Stena Polaris* took part in the US Air Force's "Operation Pacer Goose". Read more on page 14.

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



Concordia Maritime's business model is built on three pillars – daily ship operation, purchasing/chartering and sale of vessels.

Focus on transportation of refined oil products



2022 in brief

- **Net sales SEK 686.1 (704.8) million**
- **EBITDA SEK 374.1 (–82.6) million**
- **Result before tax SEK 126.1 (–658.2) million**
- **Equity ratio 33% (14)**

Key figures

	2022	2021
Total income, SEK million	686.1	704.8
Of which vessel sales, SEK million	193.9	0.0
EBITDA, SEK million	374.1	–82.6
EBITDA, USD million	37.0	–9.6
Operating result, SEK million	216.9	–583.5
Of which impairment, SEK million	0.0	–267.7
Result before tax, SEK million	126.1	–658.2
Result before tax, adjusted for impairment, SEK million	126.1	–390.5
Result after tax, SEK million	123.3	–660.4
Equity ratio, %	33	14
Return on equity, %	36	neg
Available liquid funds, including unutilised credit facilities, SEK million	98.0	34.9
Result per share after tax, SEK	2.58	–13.84
Equity per share, SEK	8.60	6.21
Dividend per share, SEK	0.00	0.00
Share price on closing date, SEK	5.78	5.90
Lost-time injuries	0	0

Strong tanker and vessel market

After many weak years, the tanker market took a sharp upturn in 2022. The trend was largely due to the changes in cargo flows brought about by the Russian invasion of Ukraine. In addition, refinery capacity was still strained, resulting in longer transport distances. The stronger tanker transport market in turn led to rising vessel prices. Vessel turnover during the year was high, particularly for older tonnage.

Sale of vessels

2022 was largely marked by the sale of more than half of the vessels. A total of seven vessels were sold during the year: six P-MAX product tankers and one Suezmax tanker. Under the Company's agreements with the banks, the surplus from the P-MAX vessel sales has been used for accelerated loan amortisation, while the proceeds from the sale of the Suezmax vessel have helped to reduce the Company's net debt.

Entire fleet employed on longer contracts

Virtually the entire fleet was employed on a five-year time charter with Stena Bulk for the P-MAX vessels during the year. The contract guarantees earnings of USD 15,000 per vessel and day, and profit-sharing for surplus levels.

P-MAX vessel *Stena Polaris* chartered out

In early 2022, Concordia Maritime signed a bareboat charter contract with Crowley Government Services Inc. The contract includes annual extension options up to and including 2026.

Fleet review continues

Concordia Maritime is undergoing change. The review of the current fleet continues and more vessels may be divested.

No serious incidents or accidents

There were no serious incidents or accidents on any of Concordia Maritime's vessels in 2022. There were zero lost-time injuries.

Events after the end of the financial year

- In January 2023, *Stena Provence* was delivered to her new owners. The delivery enabled repayment of the debt to most of the lending banks.
- In early 2023, Crowley Government Services Inc. decided to exercise the extension option for *Stena Polaris*. The contract now runs until the beginning of 2024.

CEO's overview

Ready for new business

2022 was a year of upheaval both for the tanker market and Concordia Maritime. After many years of weakness, the market really began to pick up during the year, with record highs in several segments. For Concordia Maritime, the year was largely dominated by several vessel sales. This has enabled us to strengthen the Company's financial position in order to take on new business.

DEVELOPMENTS DURING THE YEAR are to some extent significant and typical for the overall tanker market – the fluctuations can be rapid and sharp. 2021 was one of tanker shipping's most challenging years ever. 2022 turned out to be one of the strongest in a very long time.

The conditions for an upturn had been in place for some time. The economic recovery from the pandemic had gained momentum, demand for oil was good, inventory levels were low and the overall order book for product tankers was historically low.

Even so, the market remained very weak in the first quarter of 2022. Average spot market earnings for an MR vessel were USD 5,150 per day, while time charter rates were about USD 13,000 per day, partly depending on duration.

What then sent the rates soaring was, as so often, something completely unexpected. Russia's horrific invasion of Ukraine led to major changes in cargo flows, with western imports of Russian oil being replaced by oil from the US, the Middle East and elsewhere – initially on a voluntary basis but later also due to sanctions and embargoes. The upturn – first seen for crude oil but soon spreading to product tankers – then continued throughout the year. In the fourth quarter of 2022, average spot market earnings for an MR vessel were USD 37,800 per day. The average for the full year 2022 was USD 26,400 per day, and for a three-year time charter the average was USD 16,300 per day. An unprecedented rise in the space of 12 months.

Sharply rising vessel values

Tanker market developments were also reflected in vessel valuations. The increase in prices, both for newbuildings and older tonnage, was significant during the year. On average, prices for new MR vessels increased by 10 percent during the year. The price growth was significantly stronger for second-hand tonnage. The price of a 15-year-old MR vessel rose by about 90 percent during the year, from USD 11 million to USD 21 million. This was because many wanted to take quick advantage of the rising spot market.

"2021 was one of tanker shipping's most challenging years ever. 2022 turned out to be one of the strongest in a very long time."

All market data from Howe Robinson Partners

What about other segments? Containers, which experienced incredible freight rates in 2021 and early 2022, fell drastically in the second half of the year with generally declining volumes and fewer delays in port. LNG cargoes rose sharply as demand for gas supplies to Europe and elsewhere increased from the second quarter onwards. Dry cargo lost some ground during the year, particularly in the larger size classes, but there is currently a strong belief that a continued recovery in China's economy will drive the freight market for raw materials shipped in bulk. Interest in offshore wind service vessels increased significantly as more new wind farms are being planned and built.

Erik Lewenhaupt at Marine Money in Singapore, 2022.

A year dominated by vessel sales

For Concordia Maritime too, 2022 was in many ways a transformative year, marked by vessel transactions, a reduced fleet and a stronger financial position. Seven vessels were sold during the year: one Suezmax tanker and the six oldest P-MAX product tankers (the last one was delivered in January 2023). 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 took place in a strong vessel market and we have been able to obtain very good prices for our older vessels.

The results of the sales are clearly reflected in the financial performance for the year. Concordia Maritime's result before tax in 2022 was SEK 126.1 (–658.2) million. EBITDA was SEK 374.1 (–82.6) million. The improvement compared with the previous year is largely an effect of the vessel sales and higher earnings. This has enabled substantial loan amortisation, contributing to lower interest expenses.

Overall, developments during the year have meant that the Company has significantly reduced its debt burden. We entered 2023 on a much more stable financial footing than a year ago.

Outlook for 2023

After a strong end to the year, the tanker market took a bit of a breather at the beginning of 2023, resulting in slightly weaker rates. In February and March, it recovered and average earnings in the MR segment in the first quarter were around USD 30,000 per day. Vessel values remained stable at a high level.

Despite high shipyard prices, we have started to see an increase in new tanker orders. Drivers include the high earnings in 2022 and a belief that the trend will continue in 2023 and 2024.

As always, it is difficult to say with certainty how the tanker transport market will develop in the future, as there are so many interacting factors. However, the fundamentals – the order book, energy demand and expected capacity utilisation – remain positive. In the MR segment, net annual growth in 2023 and 2024 is expected to fall below 2%, which is historically low.

However, as always, there is uncertainty linked to the geopolitical situation and changes can quickly have a major impact. Energy prices and possible OPEC cuts, as well as a weaker economy in China and the rest of the world, could have negative consequences.

Heading for something new

In June 2023, it will be 135 years since the first general meeting of Rederi AB Concordia was held. It has been a fascinating journey, marked by entrepreneurship and ship operation through both ups and downs. As an independent company, Concordia Maritime has been focusing on safe and efficient tanker transportation solutions since 1984. After a transformative 2022, we are now entering an exciting new phase in the Company's history

In terms of operations, as previously communicated, we are open to further divestments given the right opportunity. Buying and selling at the right time in a fluctuating market is part of every shipping company's business. At the time of writing, we are evaluating a number of concrete options for new business in parallel with this. As we do so, we will not close the door on opportunities in any segment.

Gothenburg, March 2023
Erik Lewenhaupt, CEO

A company in transition

After seven vessels were sold in 2022, Concordia Maritime's fleet consisted of four 65,200 dwt P-MAX product tankers in March 2023. Three of the vessels were employed on a five-year time charter contract with Stena Bulk. The contract runs until 2026. The fourth vessel, *Stena Polaris*, has been chartered to Crowley Government Services Inc. since early 2022.

Fleet employment, 1 March 2023

	DWT	Ice class	IMO type	Built	Employment	Stena Bulk's employment of vessel 01/03/2023
Stena Penguin	65,200	1A	2	2010	Time charter to Stena Bulk to August 2026.	Time charter to April 2023. DPP[2)], Atlantic. Contract entered 25 April 2022.
Stena Premium	65,200	1B	3	2011	Time charter to Stena Bulk to August 2026.	Time charter to May 2023 with option 18 months. CPP[1)], Atlantic. Contract entered 17 September 2021.
Stena Progress	65,200	1B	2	2009	Time charter to Stena Bulk to August 2026.	Time charter to October 2024. CPP[1)], Atlantic. Contract entered 17 September 2021.
Stena Polaris	65,200	1A		2010	Bareboat charter to Crowley to January 2024, incl. annual extension options to end of 2026. CPP[1)], Atlantic.	

1) Clean Petroleum Products 2) Dirty Petroleum Products

2022

January
Sale of P-MAX vessel *Stena Perros*

March
Sale of P-MAX vessel *Stena President*

May
Sale of the Suezmax tanker *Stena Supreme*

July
Sale of P-MAX vessel *Stena Paris*

September
Sale of P-MAX vessels *Stena Primorsk, Stena Performance* and *Stena Provence*

2023

January
Delivery of *Stena Provence*

Business activities

A year dominated by vessel sales

Result before tax was SEK 126.1 (–658.2) million. EBITDA was SEK 374.1 (–82.6) million. The improvement compared with the previous year is largely an effect of vessel sales and higher earnings. The vessel sales also enabled substantial loan amortisation, contributing to lower interest expenses.

IN TOTAL, SEVEN VESSELS were sold during the year: six 65,200 dwt P-MAX tankers and one 158,000 dwt Suezmax tanker. The first three vessels were sold to avoid docking costs and strengthen the Company's financial position, and the others primarily to take advantage of the strong tanker market.

The total sales proceeds for vessels sold in 2022 amounted to SEK 1,148 million. Under the terms of the Company's agreements with the banks, the surplus from the P-MAX vessel sales has been used for accelerated bank loan amortisation. Total amortisation and repayment in connection with the sale of the P-MAX vessels and the Suezmax vessel amounted to SEK 1,042.4 million.

Reduced debt and stronger financial position

Amortisation of the Company's bank loans totalled SEK 828.0 million during 2022, including SEK 721.0 million related to the sale of vessels. In 2022, a total of SEK 351.6 million of the lease liability for *Stena Supreme* was repaid, SEK 321.5 million of which was related to the sale of the vessel. 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.

Unlike the P-MAX vessels, the transaction and proceeds from the sale of *Stena Supreme* were not subject to any special conditions from the lending banks. This meant that the surplus from the sale helped to reduce the Company's net debt.

Available liquid funds, including unutilised credit and, mortgage facilities, amounted to SEK 98.0 (34.9) million at the end of the year.

The Group's total income and earnings

SEK millions	2022	2021
Total income	686.1	704.8
of which result from ship sales	193.9	0.0
of which profit-sharing[1]	47.9	n.a.
Operating result	216.9	–583.5
Result before tax	126.1	–658.2
Result per share after tax, SEK	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

The fleet's employment and earnings

Earnings for the product tanker fleet during the year were USD 17,200 per day, which is higher than the previous year but lower than the average earnings on the spot market. This is a consequence of the 5-year charter signed in 2021. A comparison with the time charter market shows average earnings of USD 16,300[1)] per day for an MR tanker on a three-year time charter in 2022.

Earnings per vessel category

SEK millions	Full year 2022	2021
Product tankers, time charter	424.0	322.3
Product tankers, spot	29.7	300.5
Result from vessel sales	147.0	0.0
Product tankers, total earnings	**600.7**	**622.8**
Suezmax, spot	38.6	82.0
Result from vessel sales	46.9	0.0
Suezmax, total earnings	**85.4**	**82.0**
Other	0.0	0.0
Total income	**686.1**	**704.8**

Product tankers

All product tankers in the fleet, apart from *Stena Polaris*, were employed on a five-year time charter with Stena Bulk during the year.

The five-year agreement secures a base rate of USD 15,500 per day and vessel, with profit-sharing for any surplus levels, calculated on the basis of average earnings per vessel per half-year.

As a result of the strong product tanker market, total profit-sharing of SEK 47.9 million was paid. Including profit-sharing, average earnings for the vessels contracted out to Stena Bulk during the year amounted to the equivalent of USD 17,200 (13,700) per day, which was in line with the average breakeven level for the vessels.

Stena Bulk's employment of the vessels during the year was a combination of short and medium-term contracts. For more information about Stena Bulk's employment of the vessels, see page 9.

The previous agreement with the lending bank stipulated that generated revenue from the charter could only be used for planned operating expenses (such as crew costs, technical maintenance and insurance), provisions for periodic drydocking, interest payments and loan amortisation.

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. However, if there are 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.

Stena Polaris was chartered out to Crowley Government Services Inc. (Crowley) at the beginning of 2022. The contract includes annual extension options up to and including 2026. Crowley has in turn chartered the vessel to US Military Sealift Command. The agreement terminates the charter to

1) Howe Robinson Partners, MR Global basket

Stena Bulk but it will be reinstated if the full period is not declared.

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

Crude oil

Before the sale in spring 2022, the Suezmax tanker *Stena Supreme* was employed in the spot market via Stena Sonangol Suezmax Pool, controlled by Stena and the Angolan state oil company Sonangol.

Average earnings per day were USD 19,200 (11,900) during the year.

Repairs and drydock

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

Valuation of the fleet

During the fourth quarter, Concordia Maritime obtained valuations of the fleet from three independent valuers. The valuations indicated a continued strong value trend, with an upturn of about 10 percent compared with the previous valuations at the end of September 2022. Compared with the valuations in December 2021, the upturn was 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.

EBITDA per quarter

USD millions	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Product tankers, time charter	5.4	4.9	6.6	5.1	5.7	1.7	0.8	0.7
Product tankers, spot, owned and leased tonnage	–0.3	–0.1	0.1	0.3	–0.7[4)]	–2.0[3)]	–0.1 [2)]	–3.7[1)]
Sale of vessels	15.4	–0.4	–	–1.4	–	–3.6	–	–
Product tankers, total	**20.5**	**4.4**	**6.6**	**4.0**	**5.0**	**–3.7**	**0.8**	**–3.1**
Suezmax[5)], spot, owned and leased tonnage	0.0	–0.5	0.9	0.5	0.4	–0.1	0.2	0.3
Suezmax, spot, short-term chartered tonnage	–	0.0	0.0	0.0	–0.1	–2.0	–2.0	–1.8
Sale of vessels	0.0	0.6	4.1	–	–	–	–	–
Suezmax, total	**0.0**	**0.1**	**5.0**	**0.5**	**0.3**	**–2.1**	**–1.8**	**–1.5**
Admin. and other	–0.8	–1.1	–1.0	–1.2	–0.9	–0.8	–1.0	–0.8
Total	**19.7**	**3.4**	**10.6**	**3.2**	**4.4**	**–6.6**	**–2.0**	**–5.4**

1) Total includes a negative bunker hedge of USD –2.9 million.
2) Total includes a negative bunker hedge of USD –1.9 million.
3) Total includes a negative bunker hedge of USD –0.3 million.
4) Total includes a negative bunker hedge of USD –0.9 million.
5) Suezmax tanker ***Stena Supreme*** was sold in May 2022.

Stena Polaris and Operation Pacer Goose

In early August 2022, *Stena Polaris* took part in the annual "Pacer Goose Mission", the purpose of which is to supply the US Thule Air Base on the northwest coast of Greenland with fuel, building materials, vehicles and other types of heavier supplies.

The operation is carried out in July or August – the only time of year that weather conditions permit and when the ice is at its thinnest. The Thule Air Base is operated by the US Force Space. The base was established in the 1940s and currently houses about 600 individuals.

Stena Polaris was used to transport 230,000 barrels of jet fuel. The journey from the Greek port of Athens, through the Mediterranean, across the Atlantic then up the Labrador Sea, went well. The weather was good and the sea mostly ice-free. The vessel was escorted into port by the two icebreakers Des Groseilliers and Ocean Gladiator.

Stena Polaris has been chartered out to Crowley Government Services Inc. since early 2022. Crowley has in turn chartered the vessel to US Military Sealift Command, which uses her to transport fuel to bases around the world.

Stena Polaris has been converted to meet requirements imposed by the U.S. Department of Defense. Among other things, the ship has been fitted with equipment for bunkering military ships while at sea. *Stena Polaris* sails under the flag of the United States and is manned by an American crew.

Market development

Tanker market in 2022

The previous year will go down in history as a very strong year for all types of tanker transportation of chemicals, vegetable oils, oil and oil products.

AFTER A WEAK FIRST QUARTER, the tanker market took a sharp upturn in spring and remained strong throughout the year. The upturn was first seen in the product tanker segments, but from late summer it was also seen in the crude oil segments.

This trend has been driven by several interacting factors. Basically, it is a question of good demand for oil after Covid and low net fleet growth. Overall, average demand for oil during the year increased by around 2.2 million barrels per day, reaching approximately 99.4 million barrels per day[1]. Combined with changed transport patterns, this has resulted in significant transportation needs. Net growth for the total tanker fleet hit a record-low 3.5 percent, which meant increased capacity utilisation for existing vessels.

Longer tonne-miles due to changes in cargo flows

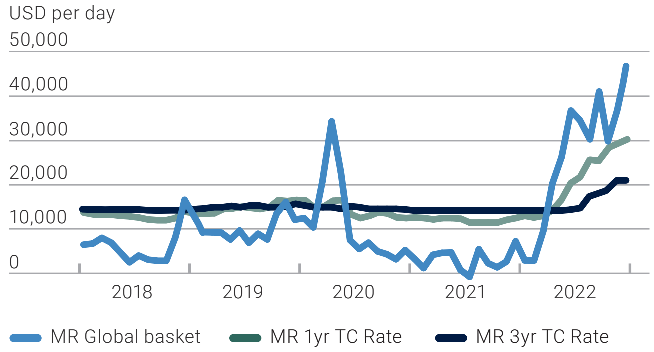
The drivers also include changes in cargo flows due to the Russian invasion of Ukraine. Russian crude oil and oil products previously exported to Europe have found new markets in China, India, South America and elsewhere. In Europe, Russian deliveries have gradually been replaced by increased imports from the US and Asia. Overall, the changes have resulted in longer tonne-miles and higher capacity utilisation, with dramatic increases in freight rates as a result. Average spot rates for MR vessels were USD 26,400 per day during the year, compared with USD 3,150 in 2021[2]. In the Suezmax segment, average freight rates on the spot market were USD 44,000 per day, compared with USD 7,300 per day in the previous year[3].

The upturn was also noted in the time charter market, with the average MR freight rate for a one-year time charter increasing from around USD 13,000 per day to USD 30,000 during the year[2]. For a three-year charter, the average for the year was USD 16,300 per day[2].

Earnings affected by bunker consumption

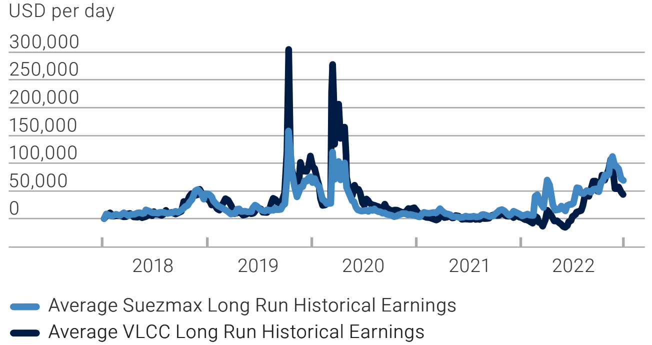
The price of crude oil was high during the year, resulting in continued high bunker prices. This, in turn, meant that vessels in the same market and segment have shown significant differences in earnings due to differences in bunker consumption.

Market rates, Product tankers (MR)



Average earnings per day for the spot market amounted to USD 26,400 (3,150) during the year. The time charter market also strengthened, and a one-year contract for an MR tanker was about USD 21,000 per day at the end of the year, partly depending on the vessel's design. Source: Howe Robinson Partners

Market rates, VLCC and Suezmax



In the VLCC segment, average earnings per day for the spot market were USD 23,900 (3,200) during the year. The corresponding earnings per day in the suezmax segment were USD 44,300 million. Source: Clarksons

1) US Energy Information Administration, Short term Energy Outlook
2) Howe Robinson Partners, MR Global basket
3) Clarksons Average Suezmax Long Run Historical Earnings

Vessel market in 2022

We saw a record-strong vessel market in 2022, with high prices of second-hand tonnage and robust vessel turnover.

WE SAW A RECORD-STRONG VESSEL MARKET in 2022, with sharply rising prices and a very large number of transactions.

Price increases were strong in virtually all tanker segments, but strongest in older quality tonnage. The price of a 15-year-old MR vessel rose from about USD 11 million at the beginning of the year to USD 21 million at the end of the year[1] – the highest level since 2008, corresponding to an increase of around 90 percent.

The trend was mainly a consequence of the strong tanker market, with buyers keen to secure access to vessel capacity in a strong market that is expected to continue. At the same time, most sellers saw good opportunities for solid returns on the sale of older tonnage.

Ten percent of the vessels in the total global tanker fleet changed hands during the year.

Low net growth due to few deliveries

The number of deliveries of new tankers during the year was at about the same level as in the last five years. In total, around 250 tankers were delivered from shipyards during the year.

Vessel scrapping decreased slightly, a consequence of a strong market, a high USD rate and therefore a sharp fall in remuneration from recycling yards. The average scrapping age for product tankers at the end of the year was about 23 years.

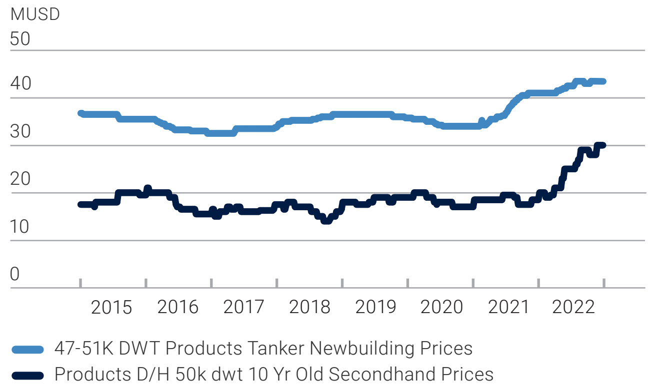
Overall, developments during the year resulted in low net growth in most vessel segments.

Still few new orders

Despite the strong market, the number of new orders during the year remained low, largely due to the yards' order books being fully booked, mainly with new gas and container vessels. In the product tanker segment, the order book averaged about 5.4 percent of the existing MR fleet at the end of the year. Net growth in 2023 and 2024 is expected to remain at about 1–1.5 percent per year[1].

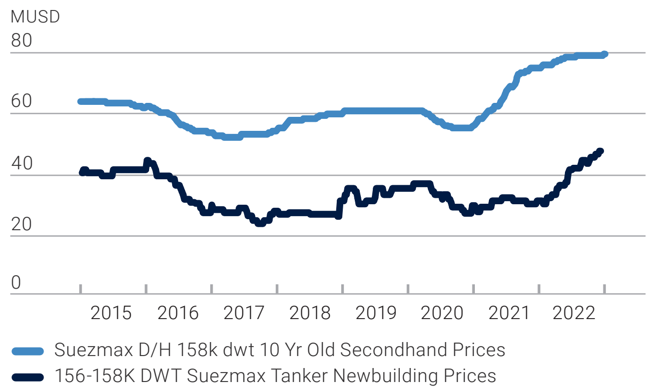
1) Howe Robinson Partners

Vessel values, MR product tankers



The strong performance of the spot market during the year resulted in a sharp rise in the market values of vessels. This in particular applies to older quality tonnage.
Source: Clarksons

Vessel values, Suezmax



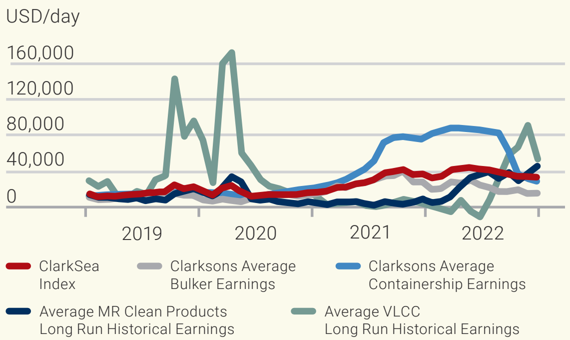
Source: Clarksons

Outlook

As usual, it is difficult to say with certainty how the tanker market will develop going forward. Further sanctions on Russian petroleum products, record high oil demand and low net tanker fleet growth all indicate a continuation of the strong market. On the other side of the scale are possible OPEC cuts and possible weaker economic development in China and the rest of the world.

Varying outlook depending on segment

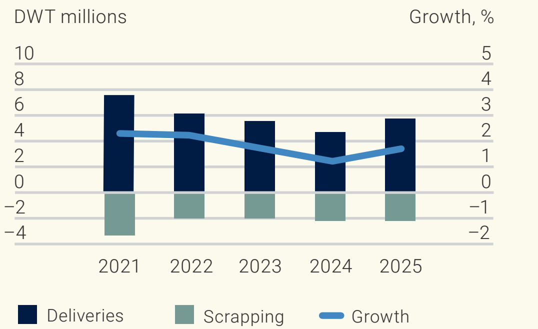
The market outlook varies from segment to segment. The container segment has recently fallen from previous record levels and may be further affected in the future due to the extensive deliveries that are expected. In the LNG segment, there is also uncertainty as to whether the market will be able to absorb the expected deliveries. Dry cargo is expected to strengthen towards the end of 2023. The outlook is also positive for "new" segments such as offshore wind.



Source: Clarkson

Low net growth in the product tanker fleet

The outlook for the tanker market is positive until 2025. The main drivers include a low order book and expected stable growth in energy demand. In addition, current sanctions against Russia have led to an increase in tonne-miles that is likely to have a lasting effect. Including the expected phasing-out of tonnage, MR fleet growth is expected to be below 2.0 percent in 2023 and 2024.



Average growth LR2/LR1/MR/Handy. Source: Howe Robinson Partners

Sanctions, geopolitical unrest and economic uncertainty

The main challenges ahead include the global economic downturn, risks of war, production cuts by OPEC and current low levels of ship recycling. After a strong trend in 2022, the order intake is likely to increase again, despite high shipyard prices. In addition, the number of vessels in the "ghost fleet" is also increasing, creating a secondary and less regulated market.

Concordia Maritime's contribution to safer and more efficient 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 5. The sustainability framework is presented on pages 19–30, safety aspects on pages 22–23, environmental aspects on pages 24–25 and social aspects on pages 26– 27. Monitoring and controls are described on page 30 and risk descriptions can be found on pages 32–37.

Focusing on continuous improvements

CONCORDIA MARITIME HAS LONG BEEN at the forefront of tanker shipping in terms of safety and quality. 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.

In close cooperation with partners

Concordia Maritime's sustainability efforts are largely reflected in the work carried out in each partner's operations. The Company works continuously with Stena Bulk and Northern Marine Management to develop working practices and technical solutions to improve the environmental performance, thereby enabling emission requirements to be met and a safe work environment to be provided for seagoing employees. The work is based on three components:

- **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 ensure compliance.
- **Operational and Commercial Measures**: analysed in order 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.

Stena Polaris in Jacksonville, Florida.

Three focus areas for sustainable tanker shipping

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 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 What we report must be transparent, relevant and linked to the most important issues for our business.

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.
Learn more on pages 22–23.

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.
Learn more on pages 24–25.

3 Taking responsibility for employees and society

Concordia Maritime is a responsible employer and community participant, promoting good working conditions, equality, human rights and anti-corruption.
Learn more on pages 26–27.

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 and manning company Northern Marine Management devote considerable resources to the continuous development of vessels, procedures and crews. There is a strong focus on identifying potential risks and hazardous operations on board the vessels.

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 reflecting on 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.

We are pleased to report a year without any lost time injuries

It is pleasing to note that during the year, there were 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 was one minor incident classified as

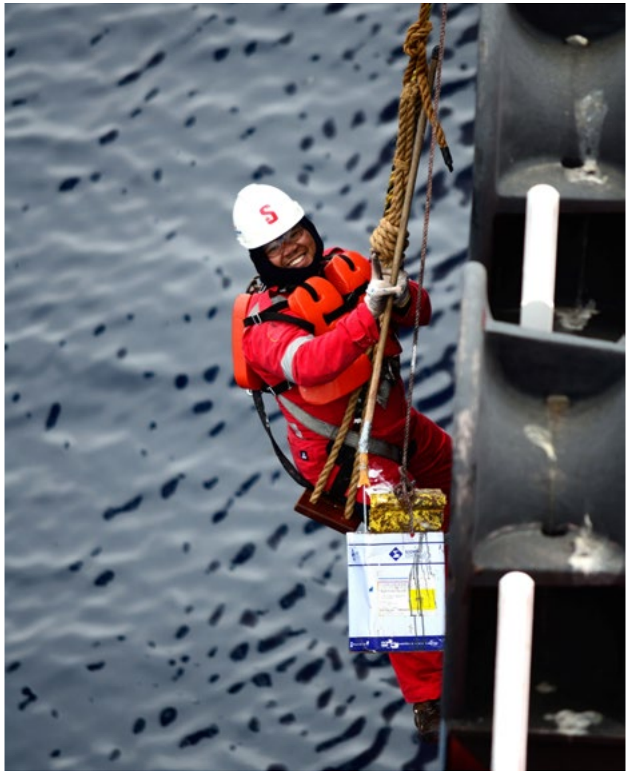
Stena Provence approaching Rio de Janeiro.

AMBITION AND FOCUS

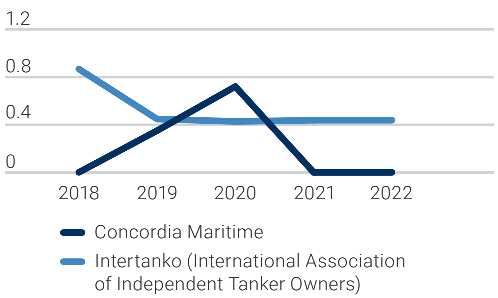
- To ensure ships and routines are of the highest quality
- To continuously increase the safety of employees on board ships

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 by customers and port states
- Proactive work to prevent hijackings
- Unannounced tests and random checks regarding zero tolerance for drugs and alcohol



LTIF compared with the sector



a restricted work case. On *Stena Performance*, a crew member suffered a sprained ankle during a lifeboat launching exercise.

There was one minor incident classified as a medical treatment case during the year. A crew member injured a finger while working on a lathe. Three incidents classified as high potential near misses occurred.

There were three incidents that resulted in damage to property during the year. The first involved *Stena Polaris,* which was run into by a tugboat while anchored in port. The collision was very mild. After inspection, there was nothing found to report. The second concerned *Stena Penguin*. The vessel was safely moored when swell waves from a larger vessel caused damage to the gangway. The third incident, in the fourth quarter, occurred on *Stena Performance*, when two ropes were destroyed during the use of tugboats. Overall, a positive result for the year.

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.

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 2022 and on no occasion was any effect of alcohol or drugs identified.

External controls and inspections

There were 16 vetting inspections on board Concordia Maritime's vessels during 2022. There were 45 observations recorded during these inspections, corresponding to an average of 2.8 observations per inspection. There were also 7 port state controls during the year. None of these resulted in observations of a serious nature.

Efforts to prevent and deter hijacking

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 Northern Marine Management (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 2022.

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 work on minimising the impact. There is a strong focus on ensuring efficient fuel and energy use. Activities and measures include continuous monitoring of vessels' energy consumption, and systems and routines that enable speed and route optimisation based on weather conditions, demurrage, bunker costs and customer needs.

The work includes procedures related to operation at sea, as well as waiting in port. All ships have a designated Energy Management Officer on board, with specific responsibility for ensuring efficient use of energy and resources on board. All senior officers are trained in current focus areas for energy saving.

Data-driven analysis

Concordia Maritime and Stena Bulk have for some time been working on data-driven analysis of both individual vessels and the fleet as a whole. The work is based on a digital platform, OrbitMI, which enables continuous monitoring and optimisation of ship operation. Concordia Maritime and technical manager Northern Marine Management will also connect the vessels to the Storm Geo S-Insight fleet performance management system in 2023. The platform collects and analyses data from the vessels on a daily basis to enable measures to be taken for achieving higher efficiency and lower emissions. It also facilitates emission reporting to the relevant authorities.

AMBITION AND FOCUS	ACTIVITIES AND INITIATIVES
Reduce emissions from operations	■ Energy management ■ Route planning based on real time data ■ Technical measures to increase fuel efficiency and reduce emissions ■ Evaluation of alternative fuels and CCS (carbon capture and storage)
Reduce the impact on the marine environment	■ Installation of ballast water treatment systems ■ Routines to reduce the risk of oil spills ■ Reduction of discharges of waste water ■ Phasing out single-use plastic
Take responsibility for vessels' life cycle/value chain	■ Clear criteria for ship orders ■ Invest in existing tonnage for technical development and maintenance ■ Recycling of ships must always be conducted in accordance with the relevant regulations

However, as all vessels are contracted out on time and bareboat charters, Concordia Maritime does not make overall operational decisions on voyage charters, bunker purchases and speed. These are handled by the charterer instead.

Lower emissions but poorer emission efficiency

As a consequence of vessel sales, total emissions from the Concordia Maritime fleet decreased during the year. The total reduction was 32 percent. The EEOI, which measures vessels' operational energy efficiency, deteriorated slightly during the year due to the composition of the fleet, with the remaining P-MAX vessels being less efficient than the fleet average for the previous year. The proportion of days in port also increased during the year, which has had a detrimental effect on the figure for certain vessels.

Tougher regulations

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. 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)**, an IMO regulation to measure 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. To comply with the EEXI regulations, an EPL (Engine Power Limitation) system will be installed on the vessels during 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.
- **Carbon Intensity Indicator (CII)**, a controversial IMO regulation to measure 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 technical energy efficiency improvements, lower speed, renewable fuels and other operational improvements.
- **The EU Emissions Trading Scheme (ETS)** is being amended to include shipping, which will mean increased CO_2 emission costs for travel to and from EU countries.

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, the North Sea, the English Channel, Canada and the United States. The Mediterranean is also expected to eventually become a SECA area. The limit in non-SECA areas 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 exclusively using low-sulphur fuels since 2020.

Emissions of nitrogen oxides from shipping have fallen sharply in recent years as a result of tighter regulation, technical improvements and generally lower speeds. The current emission limit values for nitrogen oxides are governed by when the engine was manufactured and when the vessel was built. All remaining 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. All fleet vessels also have ballast water management systems installed.

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 2022.

3 Taking 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.

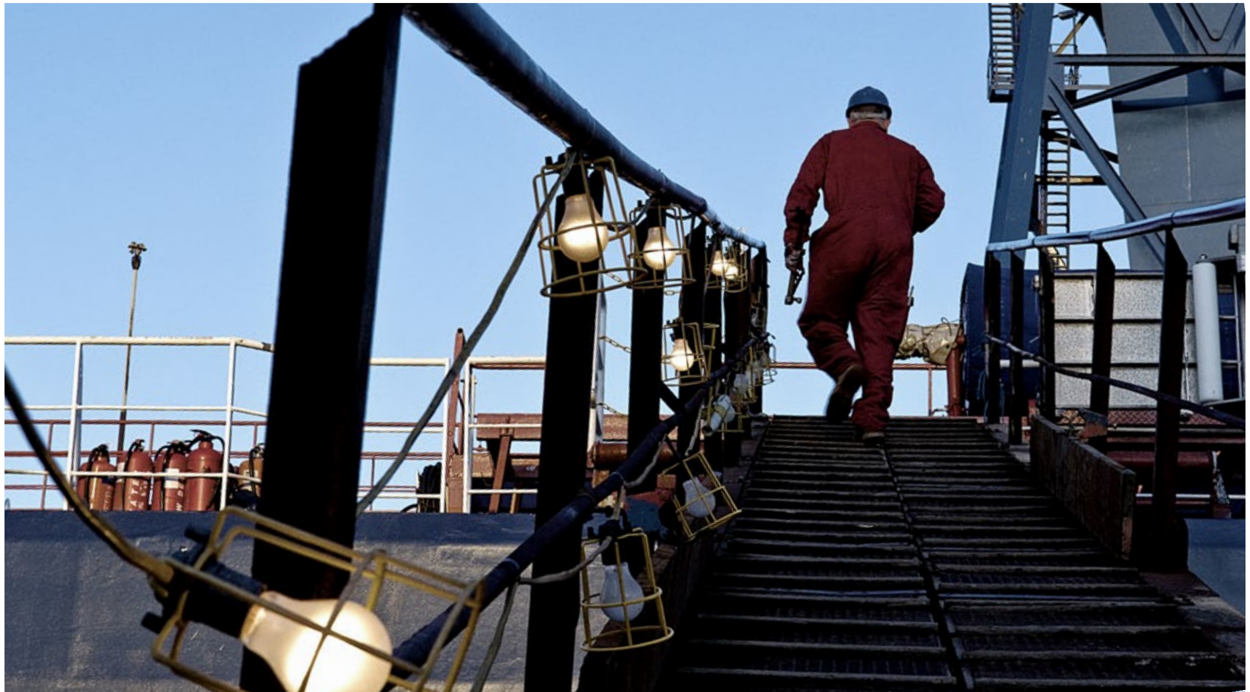
As an international tanker shipping company, Concordia Maritime also has social responsibility. The Company and its partners work according to codes of conduct and guidelines in order to contribute to sustainable development in areas such as corruption, human rights and working conditions at sea.

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 can 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

As a result of the vessel sales, the number of seagoing employees decreased during the year. A total of 139 staff



GOAL	ACTIVITIES AND INITIATIVES
Create a safe and stimulating workplace	■ Initiatives for increased well-being ■ Development and career opportunities ■ Fair and competitive conditions ■ Group-wide whistleblower system
Contribute to sustainable social development	■ Zero tolerance for bribery and corruption ■ Requirement for suppliers and partners to comply with human rights ■ Support for Mercy Ships Cargo Day

were employed on Concordia Maritime's vessels at the end of 2022, 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.

A good diet and the opportunity to exercise

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. The catering partner Oceanic Catering facilitates healthier food onboard. During recent years, certain vessels have been provided with upgraded gym equipment to encourage exercise and fitness. Other initiatives include guidelines for mental health and the "Well at Sea" app, developed by psychologists.

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 29. Concordia Maritime is a member of the Maritime Anti-Corruption Network (MACN).

Human rights

It goes without saying that Concordia Maritime supports 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 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, functional diversity, 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.

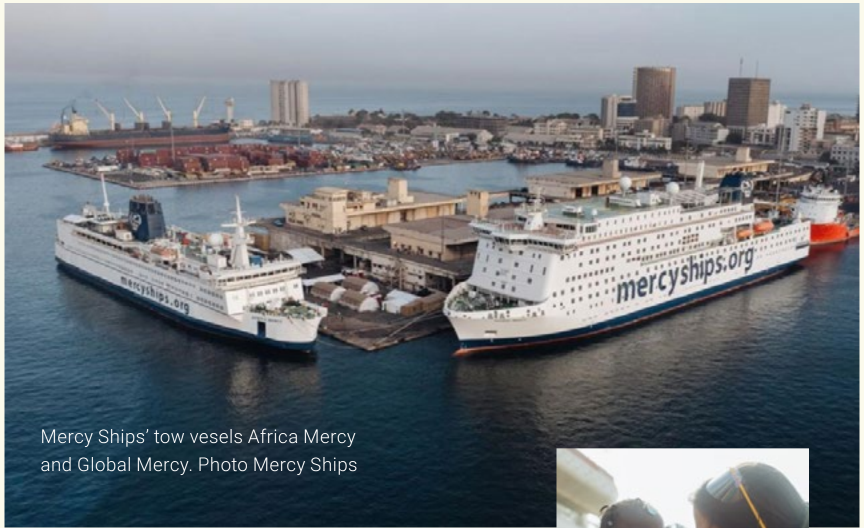
Key figures

Safety	**Target 2022**	**Outcome 2022**	**Target 2023**
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	0	0
Average number of vetting observations per inspection (owned vessels)	<4	2.8	<3
Number of PSC inspections with detentions	0	0	0
Number of piracy-related incidents	0	0	0
Damage to property	0	3	0
Medical treatment case	0	1	0
Restricted work case	0	1	0
High potential near miss	0	3	0
High risk observation	0	0	0

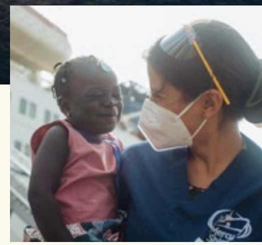
Environmental impact	**Outcome 2022**	**Outcome 2021**
Bunker consumption (tonnes)		
HSFO		0
LSFO	44,711	62,666
MGO	8,119	14,738
Total	**52,830**	**77,404**
Emissions (tonnes)		
CO_2	165,278	242,421
SOx	454	641
NOx	4,727	6,927
Particulates	57.7	80
Efficiency (EEOI)		
gCO_2/tonne-NM	16.13	13.26
Oil spills, litres	0	0

Social	**Target 2022**	**Outcome 2022**	**Target 2023**
Medical treatment case	0	1	0
Restricted work case	0	1	0
Malpractice reported through whistleblower system	0	0	0

Definitions, see page 94.



Mercy Ships' tow vesels Africa Mercy and Global Mercy. Photo Mercy Ships



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 *Africa Mercy*, with six fully-equipped operating theatres and six wards with a total of 80 beds on board. In 2022, *Africa Mercy* was 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.

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 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

- **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.
- **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 The results are recorded and used in on-going improvement work.

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

In 2022, new KYC and sanction control procedures were established. The work is being carried out in close cooperation with Stena Bulk and an external legal partner.

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, 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 2022, 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 log-books 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 2022* on page 88.

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 2022. 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 89.

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 2022 Sustainability Report on pages 5, 19–30 and 32–37, and for ensuring that it is prepared in accordance with the Annual Accounts Act.

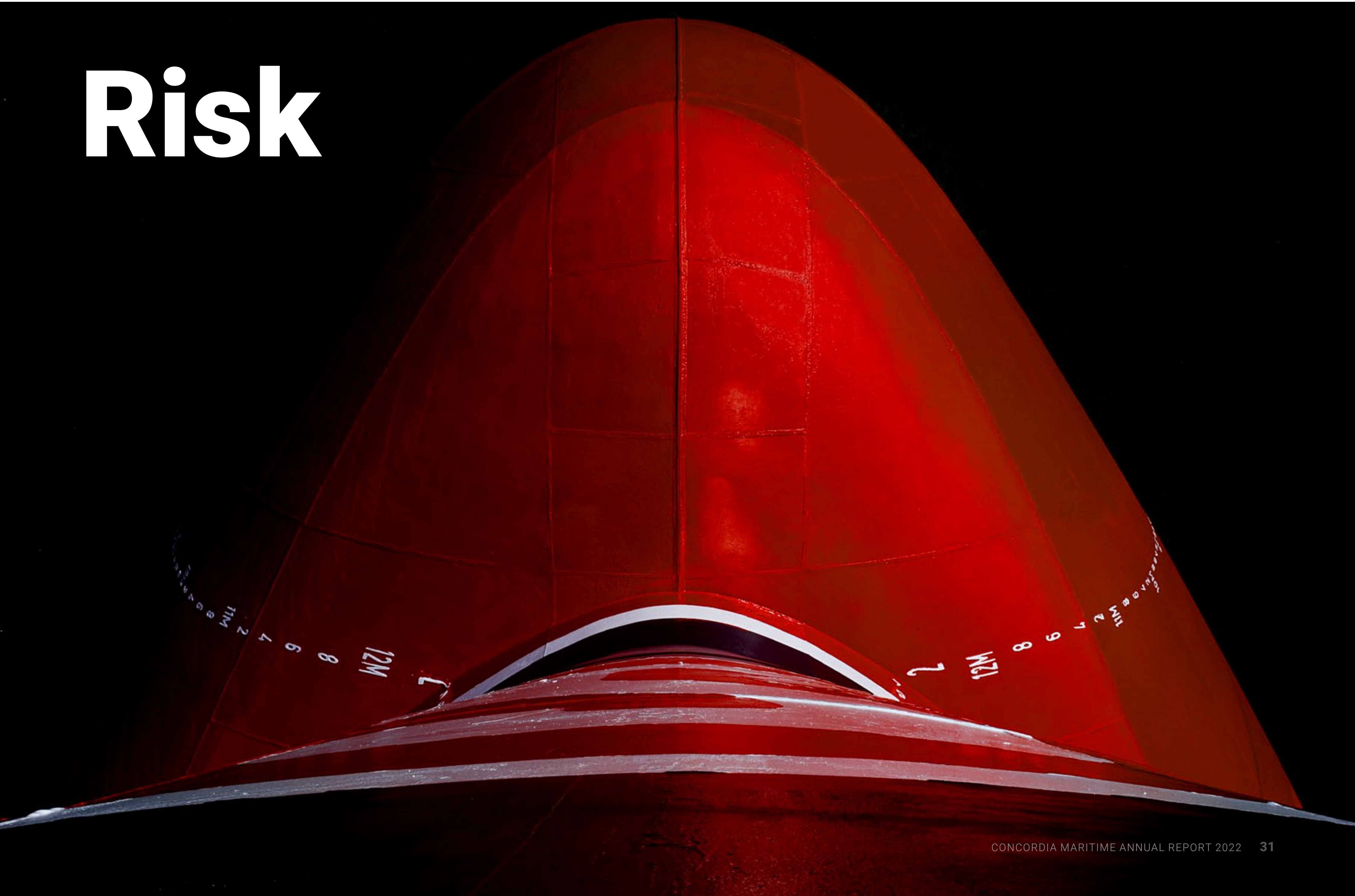
Focus and scope of the review
Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor´s opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope 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 2023
Öhrlings PricewaterhouseCoopers AB

Fredrik Göransson
Authorised Public Accountant

Risk



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 approved 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.

Responsibility

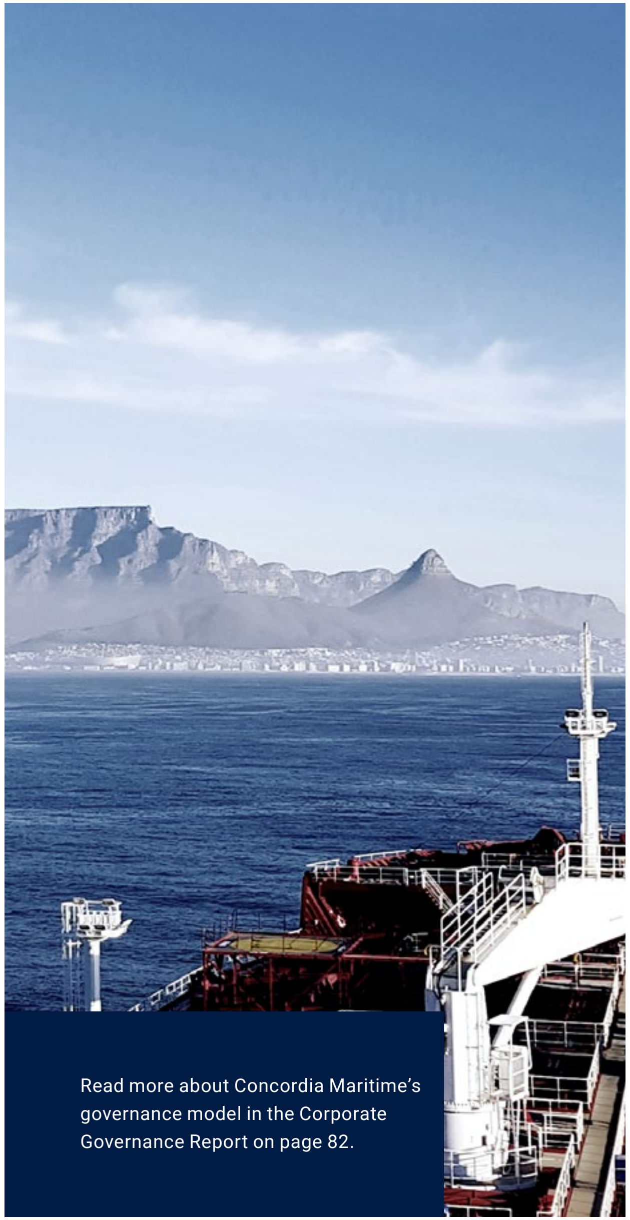
The process of identifying and managing risks is directed by the Company's management group and is part of day-to-day operations. The CEO has ultimate responsibility for risk work. The CFO is responsible for ongoing work associated with financial risks.

Monitoring

Company management systematically monitors and follows up Concordia Maritime's risk work by means of 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 82.

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.

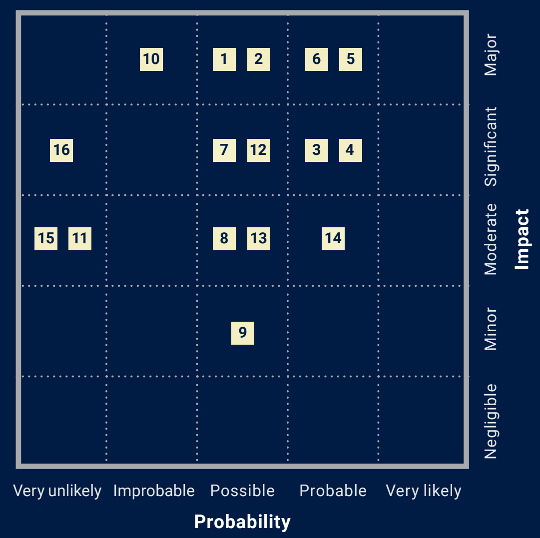
- **Strategic risks** are primarily external factors that could affect Concordia Maritime's operations. The Board and management have limited opportunity to control these risks in the short term, but must still deal with them in the planning and governance of the operations. Strategic risks also include internal factors that could make it difficult to achieve the Company's overall business goals.
- **Operational risks** are related to 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 not reported in this section but are described in note 17.

Change in the risk environment in 2022

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 – has been somewhat lower. At the same time, chartering limits the opportunity to earn money when the market is strong.

Risks related to conflicts and unrest increased during the year due to heightened geopolitical concerns, particularly as a result of the war in Ukraine.

Financial risk decreased during the year due to several vessel sales and more stable earnings.



Strategic risks

1. Changes in demand for tanker transport
2. Changes in net world fleet growth
3. Political decisions
4. Fuel price
5. Ship value
6. Conflicts and sanctions
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, there is a shift towards renewable energy sources that may affect long-term demand for oil transportation but increase transportation of renewable fuels.

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. At the end of the year, all P-MAX vessels apart from one were out on multi-year charter contracts.

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.

3. Political decisions

Political decisions can have adverse consequences for international trade in energy 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. Fuel 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 necessarily 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 may also be used in some cases.

5. Ship value

The prices of both new and second-hand tonnage vary according to the market, future regulations and the nature and age of the vessel. 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 sanctions

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, both positive and negative. 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. Counterparty control with KYC (Know Your Customer) and sanctions registers. 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 cost-effective 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 cooperation with Stena Bulk on chartering and operations is based on agreements between the companies. 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. 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 income due to damage, breakdown or accidents, referred to as "Hull and Machinery". 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.

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 19–30.

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 higher 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.

Learn more about the Company's anti-corruption work on page 27.

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.

Learn more on page 27.

The share

Stena Polaris in Souda Bay, Greece.

The share

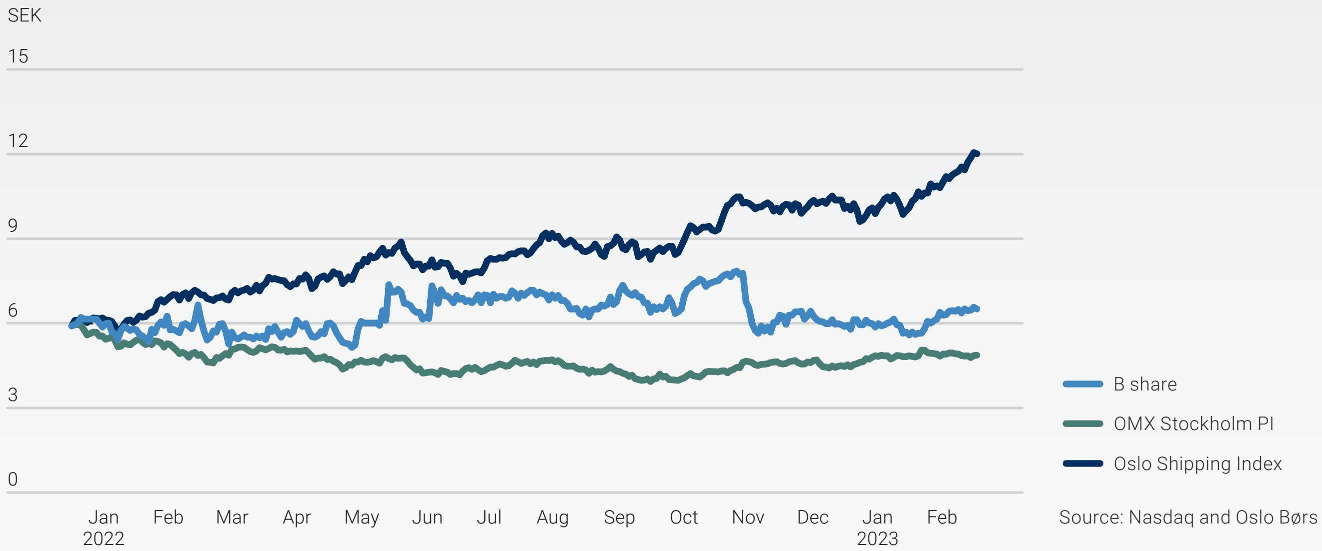
CONCORDIA MARITIME'S B SHARES have been traded on Nasdaq Stockholm since 1984. The largest owner is Stena Sessan.

Concordia Maritime's B share price was SEK 5.78 (5.90) at the end of 2022, and the Company's market capitalisation was SEK 275.9 (281.6) million. During the year, a total of 12.3 million Concordia Maritime shares were traded on Nasdaq Stockholm.

At 31 December 2022, share capital amounted to SEK 187.5 million, divided into 47,729,798 shares: 4,000,000 A shares and 43,729,798 B shares. The par value is SEK 3.93 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. 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 shares. Concordia Maritime had a total of 4,016 shareholders at the end of the year.

Concordia Maritime's share price, 2022



Source: Nasdaq and Oslo Børs

About the share

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

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 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.

Dividend proposal 2023

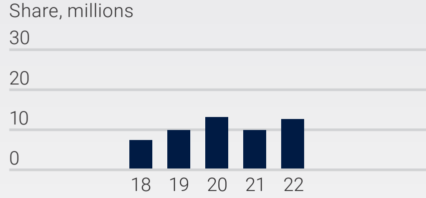
The Board's proposal to the 2023 Annual General Meeting is that no dividend be paid for the 2022 financial year. This is because the Board is evaluating new concrete business options for the Company's future and therefore currently prioritising greater financial manoeuvrability.

Key figures for the share

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Dividend, SEK	0.00[1)]	0.00	0.00	0.00	0.00	0.00	0.50	0.50	0.00	0.00
Dividend as % of net result	n/a	n/a	n/a	n/a	n/a	n/a	34	14	n/a	n/a
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	5.78	5.9	8.18	14.60	12.20	12.50	13.90	19.50	12.90	11.70
Dividend yield, %[2)]	n/a	n/a	n/a	n/a	n/a	n/a	3.0	3.1	n/a	n/a
Total return, Concordia share, %	–2	–28	–44	20	–2	–10	–26	55	10	15
P/E ratio including ship sales	2.24	neg	neg	neg	neg	neg	9.5	5.4	71.7	neg
Turnover of shares per year, millions	12.3	9.6	12.8	9.7	7.3	18.9	13.5	21.4	10.1	14.8
Turnover rate, %	28	22	32	20	15	40	28	45	21	31
Market cap at year-end, SEK million	276	275	390	697	582	597	603	931	616	558
Number of shareholders	4,016	4,065	4,150	4,168	4,137	4,301	4,610	4,744	4,546	5,109
Equity per share	8.60	6.21	16.66	22.12	22.24	25.60	43.78	39.15	32.99	27.07

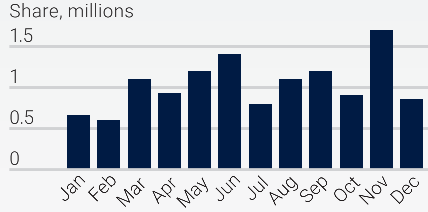
1) Board's proposal. 2) Dividend per share divided by average share price.

Share turnover 2018–2022



Source: Nasdaq

Share turnover 2022



Source: Nasdaq

Dividend 2013–2022

Year	Dividend per share, SEK	Dividend yield, %
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	n/a
2022	0.00	n/a

1) Proposed dividend.

Ownership concentration, 31/12/2022

	Capital, %	Votes, %
10 largest shareholders	73.8	85.1
20 largest shareholders	78.2	87.6
50 largest shareholders	84.3	91.1
100 largest shareholders	89.3	93.9

Shareholder categories, 31/12/2022

	Capital, %	Votes, %
Foreign	9.0	5.1
Swedish	91.0	94.9
of which		
Institutions	65.5	80.3
Private individuals	25.5	14.6

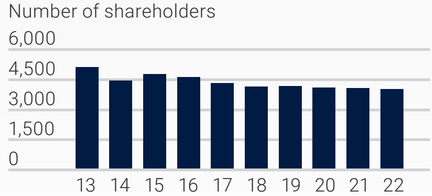
Shareholder structure, 31/12/2022

Shareholding	Owners	Holding, %
1-500	2,600	65.8
500-1,000	480	12.1
1,001-5,000	541	13.7
5,001-10,000	125	3.2
10,001-15,000	45	1.1
15,001-20,000	28	0.7
>20,001	135	3.4

Ten largest shareholders, 31/12/2022

	Capital, %	Votes, %
Stena Sessan	52.2	72.7
Ponderus Invest AB	4.7	2.1
Avanza Pension	3.8	2.3
Åkesson, Morgan-Åke	2.7	1.6
Andersson, Stig	2.5	1.4
Mutual Fund Fourton Hannibal	2.5	1.4
Stillström, Bengt	2.0	1.2
SIX SIS AG	1.6	0.9
Nordnet Pensions-försäkring AB	1.0	0.4
Stillström, Ann	0.7	0.4

Shareholder trend 2013–2022



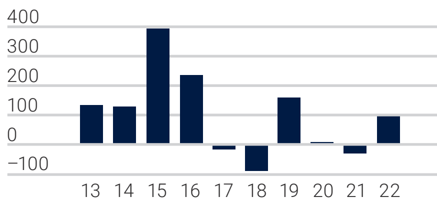
Source: Euroclear

Ten-year summary

	2022[1]	2021[1]	2020[1]	2019[1]	2018[1]	2017[1]	2016[1]	2015[1]	2014	2013
Profit/loss items, SEK million										
Total income	686.1	704.8	1,025.8	1,140.2	1,052.9	827.5	1,038.2	1,086.6	531.2	467.8
Operating costs excluding depreciation/impairment	−469.2	−787.4	−748.0	−890.6	−1,183.0	−978.5	−955.5	−877.0	−474.8	−467.4
Operating result	216.9	−583.5	32.6	−0.4	−130.1	−624.6	82.7	209.6	56.4	0.4
of which result from ship sales	193.9	−30.6	–	–	–	–	54.8	–	57.4	–
EBITDA[2]	374.1	−82.6	277.8	249.5	56.8	51.3	319.9	423.8	201.0	144.7
Result after financial items	126.1	−658.2	−65.1	−102.3	−181.9	−660.2	56.9	174.3	16.5	−39.0
Result for the year	123.3	−660.4	−66.0	−102.6	−182.1	−660.2	69.5	173.9	8.7	−28.8
Cash flow from operating activities[2,3]	93.0	−33.5	3.0	148.7	−88.9	−14.9	227.0	392.2	121.8	124.1
Investments in non-current assets	−0.8	487.4	140.9	76.4	2.9	78.0	89.5	459.3	87.9	64.7
Balance sheet items, SEK million										
Ships	1,035.6	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
(Number of ships)	5	11	13	13	11	11	11	13	11	12
Ships under construction	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	205.8	100.5
(Number of ships)	–	–	–	–	–	–	–	–	2	2
Cash & cash equivalents	110.4	15.9	130.2	227.7	126.4	243.6	406.3	273.6	136.6	106.0
Short-term deposits	0.0	0.0	0.0	3.4	97.4	222.8	273.2	0.0	0.0	81.7
Other assets	97.7	112.1	145.3	349.6	266.4	196.2	276.7	271.3	243.7	203.5
Interest-bearing liabilities	577.3	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
Other liabilities and provisions	255.9	212.8	217.8	188.4	192.6	111.0	118.7	98.6	102.2	120.2
Equity	410.5	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
Total assets	1,243.7	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

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 94.
3) Ship sales not included.

Cash flow from operations, excl. ship sales

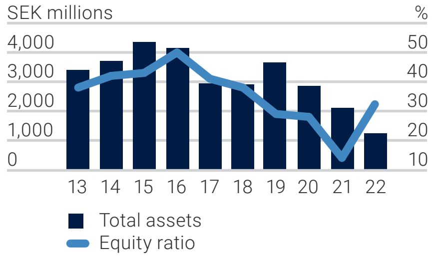


Ten-year summary, cont'd

	2022[1]	2021[1]	2020[1]	2019[1]	2018[1]	2017[1]	2016[1]	2015[1]	2014	2013
Key figures, %										
Equity ratio[2]	33	14	28	29	38	41	50	43	42	38
Return on total capital[2]	13	–22	1	–1	–3	–17	2	5	2	0
Return on capital employed[2]	16	–24	1	–1	–4	–18	2	5	2	0
Return on equity[2]	36	–112	–6	–9	–16	–42	4	10	1	–2
Per-share data, SEK										
Result for the year	2.58	–13.84	–1.38	–2.15	–3.81	–13.83	1.46	3.64	0.18	–0.60
of which result from ship sales	4.06	–0.64	–	–	–	–	1.15	–	1.20	–
Cash flow from operating activities[3]	1.95	0.73	0.06	3.12	–1.86	–0.31	4.76	8.22	2.55	2.60
Equity	8.60	6.21	16.66	22.12	22.4	25.60	43.78	39.15	32.99	27.07
Net asset value/Equity	1.99	0.40	0.63	1.01	1.03	1.08	1.32	1.06	1.25	2.31
Share price at year-end	5.78	5.76	8.18	14.60	12.20	12.50	13.90	19.50	12.90	11.70
Dividend[4]	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.50	0.00	0.00
Dividend as % of net result after tax	n/a	n/a	n/a	n/a	n/a	n/a	34	14	n/a	n/a
Other										
P/E ratio including ship sales	2.24	neg	neg	neg	neg	neg	9.5	5.4	71.7	neg
Number of shareholders	4,016	4,065	4,150	4,168	4,137	4,301	4,610	4,744	4,546	5,109

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 94.
3) Ship sales not included.
4) For the year 2022, the dividend proposed to the 2023 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 2022. 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

After many weak years, the tanker market took a sharp upturn in 2022. This trend is largely due to the changes in cargo flows brought about by the Russian invasion of Ukraine. In addition, refinery capacity was still strained, resulting in longer transport distances. The stronger tanker transport market in turn led to rising vessel prices. Vessel turnover during the year was high, particularly for older tonnage.

For Concordia Maritime, the year was largely dominated by several vessel sales. A total of seven vessels were sold during the year: six P-MAX product tankers and one Suezmax tanker. Under the Company's agreements with the banks, the surplus from the P-MAX vessel sales has been used for accelerated loan amortisation. Amortisation of the Company's bank loans totalled SEK 828 million during 2022, including SEK 721 million related to the sale of vessels.

Product tanker fleet

After six vessels were sold, Concordia Maritime's fleet consisted of five 65,200 dwt P-MAX vessels at the end of the year. All product tankers in the fleet, apart from *Stena Polaris*, were employed on a five-year time charter with Stena Bulk during the year. *Stena Polaris* was chartered out to Crowley Government Services Inc. (Crowley) at the beginning of 2022. The contract includes annual extension options up to and including 2026.

Suezmax fleet

Before the sale in spring 2022, the Suezmax tanker *Stena Supreme* was employed in the spot market via Stena Sonangol Suezmax Pool, controlled by Stena and the Angolan state oil company Sonangol.

Focus going forward

As a consequence of completed vessel sales, the Company has started evaluating new concrete business proposals. As always, timing is critical in shipping, for both buying or selling. If the vessel market continues to be strong, the Company may divest further vessels and then, when the right opportunity arises, grow the business again.

Covenants

Now that bank loans have been repaid following the sale of vessels, previous financial covenants have been terminated. At present, the Company has only one secured ship loan left, which is the loan from Svenska Skeppshypotek for *Stena Penguin*. The loan agreement specifies that the loan may not be higher than 70 percent of the market value. As of 31 December 2022, there was a good margin to the existing covenant as the debt corresponded to approximately 30 percent of the vessel's market value.

Liquidity

During the year, Concordia Maritime's available liquidity increased significantly in connection with the sale of vessels. Available liquid funds, including unutilised credit facilities, amounted to SEK 98.0 (34.9) million at the end of the year.

Valuation of the fleet

During Q4 2022, Concordia Maritime obtained valuations of the fleet from three independent valuers. Compared with the valuations in December 2021, the upturn was 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 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.

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

After a weak first quarter, the tanker market took a sharp upturn in spring and remained strong throughout the year. The upturn was first seen in the product tanker segments, but from late summer it was also seen in the crude oil segments.

Product tanker market (MR)

The five-year agreement secures a base rate of USD 15,500 per day and vessel, with profit-sharing for any surplus levels, calculated on the basis of average earnings per vessel per half-year. Including profit-sharing, average earnings for the vessels contracted out to Stena Bulk during the year amounted to the equivalent of USD 17,200 (13,700) per day. Stena Bulk's employment of the vessels during the year was a combination of short and medium-term contracts. Earnings for *Stena Polaris* correspond to a time charter contract of approximately USD 18,000 per day.

Newbuilding prices

At the end of the year, the price of a new standard product tanker was about USD 44 (41) million. The price of a standard Suezmax tanker at the end of the year was about USD 80 (76) million.

Financial summary

Income and earnings

Total income for 2022 was SEK 686.1 (704.8) million. Result before tax for the year amounted to SEK 126.1 (–658.2) million. Result per share after tax was 2.58 (–13.84). The 2022 result was positively affected by capital gains of SEK 193.9 million on the sale of vessels. The 2021 result was negatively affected by SEK –267.7 million attributable to impairment of the value of the vessel fleet.

Investments

Investments in property, plant and equipment during the year amounted to SEK –0.8 (191.5) million.

Liquidity and financial position

On the reporting date, the Group's available liquidity, including unutilised credit facilities, was SEK 98.0 (34.9) million. The Company's interest-bearing liabilities were SEK 577.3 (1,597.6) million at the end of the year. Equity totalled SEK 410.5 (296.3) million at the reporting date and the equity ratio was 33 (14) percent. In connection with the general meeting in May 2022, the Company's share capital was reduced to SEK 187,500,000.00, divided into a total of 47,729,798 shares.

Further information about the Group's liquidity and financial position can be found on page 44 under the headings "Covenants" and "Liquidity".

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 information

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 2022. 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 a consequence of vessel sales, actual emissions from the Concordia Maritime fleet decreased during the year. The total reduction was 32 percent.

There were 16 vetting inspections on board Concordia Maritime's vessels during 2022. There were 45 observations recorded during these inspections, corresponding to an average of 2.8 observations per inspection. This outcome is in line with the target of <4.

In 2022, 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 19–30.

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

Increased geopolitical instability and high macroeconomic uncertainty make market developments difficult to assess. 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 percent, which is lower than in 2022. Demand can be affected by 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. Upcoming environmental legislation such as CII may require investment in existing tonnage to ensure compliance.

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 82–93. 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 date[1)]

- *Stena Provence* was delivered at the end of January 2023. The delivery enabled repayment of the debt to most of the lending banks.
- In early 2023, Crowley Government Services Inc. decided to exercise the extension option for *Stena Polaris*. The contract now runs until the beginning of 2024.

Guidelines for remuneration of senior executives

The Board proposes that the 2023 annual general meeting adopt the following guidelines for remuneration of senior executives.

Scope of the guidelines

These guidelines apply to members of Concordia Maritime's Group management. The guidelines apply to agreed remuneration, and amendments to already agreed remuneration, after adoption of the guidelines by the 2023 AGM. The guidelines do not include remuneration decided by the meeting.

In the case of employment governed by rules other than Swedish rules, appropriate adjustments may be made to comply with mandatory rules or established local practice, while meeting the overall objectives of these guidelines as far as possible.

1) Events up to and including the date of signature of this annual report, 13 April 2023.

The guidelines' promotion of the Company's business strategy, long-term interests and sustainability

The Company's vision is to always be the preferred carrier and business partner within tanker transportation. To achieve this, the Company has a business strategy which, in short, is to meet its customers' needs for safe, sustainable and reliable tanker transportation based on innovation and performance, and to make timely investments in vessels, gaining financially from fluctuations in their values. Successful implementation of the business strategy and safeguarding of the Company's long-term interests, including its sustainability, are dependent on the ability to recruit and retain qualified employees. This requires the Company to be able to offer attractive and competitive remuneration. The absolute level depends on the scope and complexity of the position held and the individual's annual performance. These guidelines enable senior executives to be offered attractive and competitive total remuneration.

The purpose of variable cash compensation covered by these guidelines is to promote the Company's business strategy and long-term interests, including its sustainability.

Types of remuneration

Remuneration shall be market-based and comprise a fixed cash salary, variable cash compensation, retirement benefits and other benefits. In addition, and irrespective of these guidelines, the AGM may also adopt other remuneration, such as equity and share-based payments.

Fulfilment of the criteria for payment of variable cash compensation must be measurable over a period of one year. The variable cash compensation may not exceed 50 percent of the fixed annual cash salary. The variable cash compensation shall be linked to annually defined and measurable criteria, such as commercial, operational and financial criteria, to be determined by the Board of Directors. They can also be individualised quantitative or qualitative targets and goals. The criteria must be designed in such a way as to promote the Company's business strategy and long-term interests, including its sustainability, by, for example, having a clear link to the business strategy or stimulating the executive's long-term performance. These criteria currently include avoidance of workplace accidents (LTIF), the number of observations during ship inspections and fleet utilisation. The applicable criteria and the relative size of the different criteria are determined on an individual basis.

After the measurement period for achievement of the criteria for payment of variable cash compensation, the extent to which the criteria have been achieved shall be assessed and determined. The Board is responsible for assessment of the CEO's variable cash compensation. The CEO is responsible for assessment of variable cash compensation for other executives. With regard to the achievement of financial targets, the assessment should be based on the established financial data for the current period. If the Group's result before tax is negative for the current period, payment of variable cash compensation is limited to 50 percent of the actual outcome.

For the CEO, retirement benefits, including health insurance, shall be defined-contribution. Variable cash compensation shall be pensionable. Contributions for defined-contribution pensions shall amount to a maximum of 35 percent of the annual cash salary. For other senior executives, retirement benefits, including health insurance, shall be defined-contribution unless the executive is covered by a defined-benefit pension under the provisions of a compulsory collective agreement. Variable cash compensation shall only be pensionable to the extent that provisions of a compulsory collective agreement are applicable to the executive. Contributions for defined-contribution pensions shall amount to a maximum of 30 percent of the fixed annual cash salary.

Other benefits may include health insurance and car allowance. These benefits may not exceed 10 percent of the fixed annual cash salary.

For executives stationed in a country other than their home country, additional remuneration and other benefits may be awarded to a reasonable extent, taking into account the particular circumstances of the foreign posting, while meeting the overall objectives of these guidelines as far as possible. These benefits may not exceed 15 percent of the fixed annual cash salary.

Termination of employment

In the case of termination of employment by the Company, the notice period shall be a maximum of two years for the CEO and one year for other senior executives. The fixed cash salary during the notice period and termination benefits may not exceed in total an amount equivalent to the fixed cash salary for two years for the CEO and one year for other senior executives. In the case of termination of employment not initiated by the Company, the notice period shall be a maximum of 12 months for the CEO and 6 months for other senior executives, without entitlement to termination benefits.

Salary and terms of employment for employees

In preparing the Board's proposal for these remuneration guidelines, salaries and terms of employment for the Company's employees have been taken into account by including information about employees' total remuneration, components of remuneration and the increase and growth rate of remuneration over time in the support material provided to the Board for their evaluation of the reasonableness of the guidelines and associated limitations. The development of the gap between the remuneration of senior executives and other employees will be reported in the remuneration report.

Decision-making process for establishing, reviewing and implementing the guidelines

The Board has not established a remuneration committee, as the Board considers it more appropriate for the full Board to carry out the tasks of such a committee. The Board shall prepare a proposal for new guidelines at least every four years and submit the proposal for adoption at the AGM. The guidelines shall apply until new guidelines have been adopted by the AGM. The Board shall also monitor and evaluate programmes for variable compensation for executive management, the application of guidelines for remuneration of senior executives, and current remuneration structures and levels in the Company. When the Board considers and decides on remuneration-related matters, the CEO and other members of Group management are not present, insofar as they are affected by the matters.

Derogation from the guidelines

On occasions, the Board may decide to derogate from the guidelines, in whole or in part, if there are special reasons for doing so in an individual case and a derogation is necessary to meet the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. The Board decides on any derogations from the guidelines.

Description of significant changes to the guidelines and how shareholders' views have been considered

The current guidelines for remuneration of senior executives were adopted at the 2020 Annual General Meeting. These guidelines are essentially the same as the guidelines adopted by the 2020 Annual General Meeting. However, the notice period for other senior executives in the case of termination by the Company has been changed from a maximum of six months to a maximum of one year. In addition, for other senior executives, the fixed cash salary during the notice period and termination benefits may not exceed in total an amount equivalent to the fixed cash salary for one year, instead of six months as previously.

No comments on the remuneration guidelines have been made in connection with a general meeting.

Parent Company

Concordia Maritime AB's main activities are the provision of Group-wide services.

Proposed distribution of profit

The Board of Directors propose that the available profits of SEK –82.0 million be distributed as follows.

SEK millions	2020	2021	2022
Dividend (47,729,798 shares)	0.0	0.0	0.0
Carried forward	–80.8	–194.5	–82.0
Total	**–80.8**	**–194.5**	**–82.0**

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

Consolidated income statement and other comprehensive income

1 January–31 December, SEK millions	Note	2021	2022	2022 USD m[1]
Time charter income, leasing of vessels		120.2	176.5	17.4
Time charter income, operational services		202.1	247.6	24.5
Spot charter income		382.5	68.2	6.7
Other income		0.0	193.9	19.1
Total income	2, 3, 19	**704.8**	**686.1**	**67.8**
Voyage-related operating costs	2	−220.1	−9.9	−1.0
Operating costs, ships	2	−297.3	−119.6	−11.8
Personnel costs, temporary seagoing	4	−196.7	−150.1	−14.8
Other external expenses	5	−59.2	−22.9	−2.3
Personnel costs, land-based	4	−14.0	−9.4	−0.9.
Depreciation/impairment	8	−501.0	−157.2	−15.5
Total operating costs	21	**−1,288.3**	**−469.2**	**−46.3**
Operating result	2	**−583.5**	**216.9**	**21.4**
Finance income		8.6	0.7	0.1
Finance costs		−83.3	−91.6	−9.0
Financial net	6	**−74.7**	**−90.9**	**−9.0**
Result before tax		**−658.2**	**126.1**	**12.5**
Tax	7	−2.1	−2.7	−0.3
Result for the year attributable to owners of the parent		**−660.4**	**123.3**	**12.2**

1 January–31 December, SEK millions	Note	2021	2022	2022 USD m[1]
Other comprehensive income				
Items that have been/can be transferred to result for the period	13			
Translation differences for the year, foreign operations		48.6	43.4	4.3
Changes in fair value of cash flow hedges		61.8	−6.2	−0.6
Changes in fair value of cash flow hedges reclassified to result for the period		51.2	4.1	0.4
Reversal of translation differences related to divested vessels		0.0	−50.5	−5.0
Comprehensive income for the year attributable to owners of the parent		**−498.7**	**114.2**	**11.3**
Result per share, before/after dilution	13	**−13.84**[2]	**2.58**	**0.23**[3]

1) Unaudited, see note 1.
2) Value in SEK.
3) Value in USD.

Consolidated statement of financial position

31 December, SEK millions	Note	2021	2022	2022 USD m 1)
ASSETS				
Non-current assets				
Ships	3, 8, 19	1,454.5	883.2	84.7
Non-current receivables	10	5.4	5.6	0.5
Total non-current assets		**1,459.8**	**888.8**	**85.2**
Trade receivables	9	56.8	15.0	1.4
Other current receivables	10	31.1	37.4	3.6
Prepayments and accrued income	11	24.1	39.6	3.8
Cash & cash equivalents	12, 23	15.9	110.4	10.6
Assets held for sale	8, 19	518.8	152.4	14.6
Total current assets		**646.8**	**354.9**	**34.0**
TOTAL ASSETS		**2,106.7**	**1,243.7**	**119.3**

31 December, SEK millions	Note	2021	2022	2022 USD m 1)
Equity	13			
Share capital		381.8	187.5	18.0
Other paid-in capital		61.9	61.9	5.9
Reserves		462.3	453.1	43.5
Retained earnings, incl. result for the year		–609.7	–292.0	–28.0
Total equity		**296.3**	**410.5**	**39.4**
LIABILITIES				
Non-current liabilities	17, 18			
Liabilities to credit institutions	14	0.0	75.0	7.2
Other non-current liabilities	14, 19	310.9	441.7	42.4
Total non-current liabilities		**310.9**	**516.8**	**49.6**
Current liabilities	17, 18			
Liabilities to credit institutions	14	773.9	136.4	13.1
Trade payables		5.3	20.2	1.9
Current tax liability		6.8	6.2	0.6
Other liabilities	15, 19	0.3	0.2	0.0
Accruals and deferred income	16	191.6	120.0	11.5
Liabilities directly associated with assets held for sale	14, 19	521.5	33.3	3.2
Total current liabilities		**1,499.4**	**316.4**	**30.3**
TOTAL EQUITY, PROVISIONS AND LIABILITIES		**2,106.7**	**1243.7**	**119.3**

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

			Reserves[2]				
SEK millions	Share capital	Other paid-in capital	Translation reserve	Fair value reserve	Hedging reserve	Retained earnings[1]	Total equity
Opening equity, 1 Jan 2022	381.8	61.9	460.2	0.0	2.1	−609.6	296.3
Comprehensive income for the year							
Result for the year						123.3	123.3
Other comprehensive income for the year			−7.0	0.0	−2.1	0.0	−9.1.
Comprehensive income for the year	**381.8**	**61.9**	**453.1**	**0.0**	**0.0**	**−486.3**	**410.5**
Transactions with owners of the parent							
Share capital reduction	−194.3					194.3	0.0
Dividend						0.0	0.0
Closing equity, 31 Dec 2022	**187.5**	**61.9**	**453.1**	**0.0**	**0.0**	**−292.0**	**410.5**

			Reserves[2]				
SEK millions	Share capital	Other paid-in capital	Translation reserve	Fair value reserve	Hedging reserve	Retained earnings[1]	Total equity
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**	**296.3**
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**

1) Retained earnings includes result for the year.
2) See also note 13.

Consolidated cash flow statement

1 January–31 December, SEK millions	Note	2021	2022	2022 USD m[1]
Operating activities				
Operating result		−583.5	216.9	21.4
Finance income	23	8.6	4.2	0.4
Finance costs	23	−83.3	−89.8	−8.9
Adjustment for non-cash items	23	625.8	−37.0	−3.7
Tax paid		−1.1	−1.3	−0.1
Cash flow from operating activities before changes in working capital		**−33.5**	**93.0**	**9.2**
Cash flow from changes in working capital				
Increase (−)/Decrease (+) in operating receivables		−8.0	17.3	1.7
Increase (+)/Decrease (−) in operating liabilities		76.3	12.0	1.2
Cash flow from operating activities		**34.8**	**122.3**	**12.1**
Investing activities				
Acquisition of property, plant and equipment		−191.5	−0.8	−0.1
Disposal of property, plant and equipment		487.4	1,148.2	113.4
Cash flow from investing activities		**295.9**	**1,147.4**	**113.3**
Financing activities				
New loans		203.9	0.0	0.0
Amortisation of loans		−105.2	−828.0	−81.8
Amortisation of leases		−551.3	−351.6	−34.7
Cash flow from financing activities		**−452.5**	**−1,179.6**	**−116.5**
Cash flow for the year		−121.9	90.1	8.9
Cash and cash equivalents at beginning of year		130.2	15.9	1.8
Exchange differences		7.6	4.5	−0.1
Cash and cash equivalents at end of year		**15.9**	**110.4**	**10.6**

1) Unaudited, see note 1.

Income statement and other comprehensive income – Parent Company

1 January–31 December, SEK millions	Note	2021	2022
Net sales	3	45.2	2.6
Total income		**45.2**	**2.6**
Operating costs, ships		−96.4	0.3
Other external expenses	5	−12.7	−12.2
Personnel expenses	4	−10.1	−5.5
Operating result	21	**−74.0**	**−14.8**
Result from financial items:			
Result from subsidiaries		−71.0	0.0
Other interest and similar income		90.4	37.4
Interest and similar expense		−59.2	−104.4
Financial net	6	**−39.7**	**−81.8**
Result after financial items		**−113.7**	**−81.8**
Tax	7	0.0	0.0
Result for the year[1]		**−113.7**	**−81.8**

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	2021	2022
ASSETS			
Non-current assets			
Property, plant and equipment	8	0.0	0.0
Financial assets			
Investments in Group companies	22	675.5	675.5
Deferred tax assets	7	0.0	0.0
Non-current receivables, Group companies		886.2	297.6
Other non-current receivables	10	5.4	0.0
Total financial assets		1,567.1	973.1
Total non-current assets		**1,567.1**	**973.1**
Current assets			
Current receivables			
Trade receivables	9	0.0	0.0
Current tax receivable		0.0	0.4
Receivables from Group companies		15.4	310.2
Other receivables	10	1.4	0.0
Prepayments and accrued income	11	5.8	0.2
Total current receivables		**22.6**	**310.9**
Cash and bank balances	23	0.0	0.0
Total current assets		**22.6**	**310.9**
TOTAL ASSETS		**1,589.7**	**1,284.0**

31 December, SEK millions	Note	2021	2022
EQUITY AND LIABILITIES			
Equity	13		
Restricted equity			
Share capital		381.8	187.5
Statutory reserve		138.3	138.3
Unrestricted equity			
Retained earnings		–80.8	–0.2
Result for the year		–113.7	–81.8
Total equity		**325.7**	**243.8**
Non-current liabilities	17, 18		
Liabilities to credit institutions	14	0.0	0.0
Liabilities to Group companies	21	27.4	27.4
Other non-current liabilities		310.9	441.7
Total non-current liabilities		**338.4**	**469.2**
Current liabilities	17, 18		
Liabilities to credit institutions	14	749.1	163.7
Liabilities to Group companies	21	83.1	365.8
Trade payables		2.1	1.1
Current tax liability		5.2	5.3
Other liabilities		0.3	0.6
Accruals and deferred income	16	85.8	34.5
Total current liabilities		**925.6**	**570.9**
TOTAL EQUITY AND LIABILITIES		**1,589.7**	**1,284.0**

Statement of changes in equity – Parent Company

	Restricted equity		Unrestricted equity		
SEK millions	Share capital	Statutory reserve	Retained earnings	Result for the year	Total equity
Opening equity, 1 Jan 2022	381.8	138.3	–80.8	–113.7	325.7
Result for previous year			–113.7	113.7	0.0
Result for the year				–81.8	–81.8
Share capital reduction	–194.3		194.3		0.0
Dividend					0.0
Closing equity, 31 Dec 2022	**187.5**	**138.3**	**–0.2**	**–81.8**	**243.8**

	Restricted equity		Unrestricted equity		
SEK millions	Share capital	Statutory reserve	Retained earnings	Result for the year	Total equity
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**

Cash flow statement – Parent Company

1 January–31 December, SEK millions	Note	2021	2022
Operating activities			
Operating result		–74.0	–14.8
Result from subsidiaries		–71.0	0.0
Finance income	23	90.4	36.8
Finance costs	23	–59.2	–30.6
Adjustment for non-cash items	23	67.9	0.1
Tax paid		–1.1	–0.4
Cash flow from operating activities before changes in working capital		**–46.9**	**–8.9**
Cash flow from changes in working capital			
Increase (–)/Decrease (+) in operating receivables		25.1	698.2
Increase (+)/Decrease (–) in operating liabilities		–94.9	–15.2
Cash flow from operating activities		**–116.7**	**674.0**
Investing activities			
Investments in financial assets		0.0	0.0
Cash flow from investing activities		**0.0**	**0.0**
Financing activities			
New loans		211.5	0.0
Amortisation of loans		–105.2	–672.3
Cash flow from financing activities		**106.3**	**–672.3**
Cash flow for the year		–10.4	1.7
Cash and cash equivalents at beginning of year		20.2	0.0
Exchange differences		–9.8	1.7
Cash and cash equivalents at end of year		**0.0**	**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 "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 2023. The consolidated and Parent Company income statements and statements of financial position will be presented for adoption at the Annual General Meeting on 4 May 2023.

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 2022 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 = 10.12 and closing rate USD 1.00 = 10.43. 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

Note 1 cont'd.

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.

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 therefore 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 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.

Note 1 cont'd.

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.

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 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. For interest-rate derivatives, hedge accounting is applied if the instrument is held for hedging purposes, 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 in the statement of financial position in the event of disposal. The gain or loss arising on 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.

Note 1 cont'd.

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 cash-generating unit exceeds its recoverable amount. An impairment loss is recognised as an expense in result 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 finance 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.

The lease remaining at the beginning of the financial year contains 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.

Note 1 cont'd.

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.

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 carryforward 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 in value recognised in profit or loss. Hedge accounting is not applied. Investment assets are measured at fair value, with changes in value 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

	Q4		Q3		Q2		Q1		Full year	
USD millions	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
Product tankers (time charter)	5.7	5.4	1.7	4.9	0.8	6.6	0.7	5.1	8.8	21.4
Product tankers (spot)	−1.4	−0.3	−2.0	−0.1	−1.1	0.1	−4.5	0.3	−6.5	−1.0
Product tankers (vessel sales)	0.0	15.4	−3.6	−0.4	0.0	0.0	0.0	−1.4	−3.6	14.5
Suezmax (spot)	0.3	0.0	−2.1	−0.5	−1.8	0.9	−1.5	0.5	−5.1	0.9
Suezmax (vessel sales)	0.0	0.0	0.0	0.6	0.0	4.1	0.0	0.0	0.0	4.6
Administration and other	−0.9	−0.8	−0.5	−1.1	−0.9	−1.0	−0.8	−1.2	−3.2	−3.5
Total	**4.4**	**19.7**	**−6.6**	**3.4**	**−2.0**	**10.6**	**−5.4**	**3.2**	**−9.6**	**37.0**

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 94.

Earnings per vessel category

	Full year	
SEK millions	2021	2022
Product tankers, time charter	322.3	424.0
Product tankers, spot	300.5	29.7
Product tankers, vessel sales	0.0	147.0
Product tankers, total earnings	**622.8**	**600.7**
Suezmax, spot	82.0	38.6
Suezmax, vessel sales	0.0	46.9
Suezmax, total earnings	**82.0**	**85.4**
Other	0.0	0.0
Total income	**704.8**	**686.1**

3 Geographical distribution

Geographical areas

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

	Total	
Group, SEK millions	2021	2022
Income		
Sweden	205.6	425.6
Greece	0.0	160.6
United States	138.3	66.2
Other	360.9	33.7
Total income	**704.8**	**686.1**

Largest customers by income

The Group generated income of SEK 686.1 million in 2022. Two individual customers accounted for more than 10% of total income during the year. The three largest individual customers had income shares of 62% (SEK 425.6 million), 23.4% (SEK 160.6 million) and 9.7% (SEK 66.2 million).

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).

	Total	
Parent, SEK millions	2021	2022
Income		
Sweden	45.2	0.0
Denmark	0.0	2.6
Total income	**45.2**	**2.6**

The Parent Company's income for 2022 is from intra-group services and for 2021 from chartered-in vessels.

	Total	
Group, SEK millions	2021	2022
Non-current assets		
Bermuda	1,973.3	814.3
United States	0.0	225.8
Total non-current assets (ships)	**1,973.3**	**1,040.0**

4 Employees and personnel expenses

Employee benefits expenses

Group, SEK millions	2021	2022
Salaries and other benefits	8.4	7.3
Pension costs, defined contribution plans	2.7	1.2
Social security contributions	1.8	1.5
	12.9	**10.0**

Gender distribution in Company Management

Parent Company	2021 Proportion female	2022 Proportion female
Board	33%	25%
Other senior executives	0%	0%

Group		
Board	33%	28%
Other senior executives	0%	0%

Salaries, employee benefits and social security contributions

	2021		2022	
Parent, SEK millions	Salaries and other benefits	Social security contributions	Salaries and other benefits	Social security contributions
Parent Company	6.3	4.0	5.5	2.3
(of which pension costs)		2.6		1.1

SEK 1,074 (2,571) 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 termination of employment by the Company, termination benefits are payable up to a maximum of 24 months' salary.

Average number of employees

Parent Company	2021	Of which male	2022	Of which male
Sweden	1.0	100%	1.5	67%
Parent total	**1.0**		**1.5**	
Subsidiaries				
Denmark	2.0	50%	1.8	55%
Subsidiaries total	**2.0**	**50%**	**1.8**	
Group total	**3.0**	**67%**	**3.3**	**60%**

The Company employed 139 temporary workers on its vessels in 2022 (604 in 2021).

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

	2021		2022	
Group, SEK millions	CEO and Management	Other employees	CEO and Management	Other employees
Parent: Sweden	4.7	0.0	3.5	0.5
Subsidiaries: Denmark	2.7	1.0	2.4	0.9
Group total	**7.4**	**1.0**	**5.9**	**1.4**
(of which bonus)	0.7	0.0	0.2	0.1

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.

	Group		Parent Company	
SEK millions	31/12/2021	31/12/2022	31/12/2021	31/12/2022
Costs for defined contribution plans	2.7	1.2	2.6	1.1

Senior executives' remuneration and benefits

	2021					2022				
Salary and other benefits during the year, SEK thousands	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	225				225	225				225
Henrik Hallin	225				225	225				225
CEO	4,042	596	57	1,465	6,160	3,453	0	21	737	4,211
Other senior executives	2,564	61	56	1,106	3,786	1,622	193	625	337	2,777
Total	**8,131**	**657**	**113**	**2,571**	**11,472**	**6,600**	**193**	**646**	**1,074**	**8,513**

SEK 1,596 thousand of the amount for the basic salary for the CEO in 2022 refers to costs for the former CEO. Other senior executives comprise 1 (1) individual. See also the Corporate Governance section and the Board of Directors' report for information about remuneration, benefits and agreements for the Board, CEO and senior executives.

5 Auditors' fees and remuneration

SEK millions	Group 2021	Group 2022	Parent Company 2021	Parent Company 2022
	PwC	PwC	PwC	PwC
Audit services	0.8	1.7	0.6	1.2
Tax advisory services	0.6	0.9	0.1	0.0
Other services	0.4	0.4	0.2	0.4
	1.7	**3.0**	**0.9**	**1.6**

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	2021	2022
Changes arising from remeasurement of financial assets at fair value	0.0	0.6
Exchange differences	0.0	0.0
Other interest income	8.6	0.1
Finance income	**8.6**	**0.7**
Interest expenses	−68.8	−65.5
Other finance costs	−14.5	−26.1
Finance costs	**−83.3**	**−91.6**
Financial net	**−74.7**	**−90.9**

Parent, SEK millions	Result from other securities and receivables 2021	Result from other securities and receivables 2022	Interest and similar income 2021	Interest and similar income 2022
Interest income	0.0	0.0	28.7	36.8
Changes arising from remeasurement of financial assets at fair value	61.8	0.6	0.0	0.0
Exchange differences	0.0	0.0	0.0	0.0
Dividends from subsidiaries	0.0	0.0	0.0	0.0
Finance income	**61.8**	**0.6**	**28.7**	**36.8**

Parent, SEK millions	Interest and similar expense 2021	Interest and similar expense 2022
Interest expense on bank loans (including effect of swaps)	−31.7	−49.4
Exchange differences	−24.1	−48.5
Changes arising from remeasurement of financial assets at fair value	−2.7	−6.2
Other finance costs	−0.8	−0.3
Finance costs	**59.3**	**−104.4**
Financial net	**31.2**	**−67.0**

7 Taxes

Recognised in the income statement

Group, SEK millions	2021	2022
Current tax expense(−)/ tax income(+)	−2.1	−2.7
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	**−2.1**	**−2.7**

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	2021, %	2021	2022, %	2022
Result before tax		−658.2		126.1
Tax according to parent's enacted tax rate	20.6	135.6	20.6	−26.0
Effect of different tax rates for foreign subsidiaries	−16	−104.3	25	31.5
Non-deductible expenses	−1	−7.5	5	5.9
Non-taxable income	1	7.3	1	0.7
Increase in loss carryforwards without corresponding capitalisation of deferred tax	−5	−32.6	−10	−12.2
Increase in restricted net interest income	0	−2.1	−2	−2.7
Recognised effective tax	**0**	**−2.1**	**−2**	**−2.7**

Note 7 cont'd.

Parent, SEK millions	2021, %	2021	2022, %	2022
Result before tax		–113.7		–81.8
Tax according to parent's enacted tax rate	21	23.4	21	16.9
Non-deductible expenses	–14	–15.8	–3	–2.8
Non-taxable income	23	25.6	1	0.8
Increase in loss carryforwards not resulting in corresponding increase in deferred tax	–29	–32.6	–15	–12.2
Increase in restricted net interest income	–1	–0.7	–3	–2.7
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:

	Deferred tax assets		Deferred tax liabilities	
Group, SEK millions	2021	2022	2021	2022
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:

	Deferred tax asset/liability	
Parent, SEK millions	2021	2022
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	2021	2022
Sweden	505.0	577.1
Total	**505.0**	**577.1**

All loss carryforwards continue indefinitely. Of the Group's loss carryforwards at the end of the financial year, SEK 577.1 (505.0) million has not been capitalised. SEK 49.8 (36.8) 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 and the USA.

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 pages 11–13.

Group, SEK millions	Vessel	Non-current assets held for sale	Equipment	Total
Cost of acquisition				
Opening balance, 1 January 2022		1,339.1	2.7	5,707.4
Purchases	2.5	0.0	0.0	2.5
Reclassification	–490.3	490.3	0.0	0.0
Reduction in right-of-use assets	0.0	0.0	0.0	0.0
Sale/scrapping	–1,646.4	–1,542.4	–2.7	–3,191.5
Exchange differences	662.5	203.2	0.0	865.8
Closing balance, 31 December 2022	**2,893.8**	**490.3**	**0.0**	**3,384.1**

Group, SEK millions	Vessel	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**	**1,339.1**	**2.7**	**5,707.4**

Note 8 cont'd.

Group, SEK millions	Vessel	Non-current assets held for sale	Equipment	Total
Depreciation and impairment				
Opening balance, 1 January 2022	2,910.9	820.3	2.7	3,734.0
Depreciation for the year	116.4	0.0	0.0	116.4
Depreciation for the year, periodic maintenance	52.8	0.0	0.0	52.8
Impairment	0.0	0.0	0.0	0.0
Reclassification	−337.9	337.9	0.0	0.0
Sale/scrapping	−1,180.3	−944.8	−2.7	−2,127.8
Exchange differences	446.9	124.5	0.0	571.4
Closing balance, 31 December 2022	**2,009.0**	**337.9**	**0.0**	**2,346.8**

Group, SEK millions	Vessel	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/scrapping	−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**
Carrying amounts				
1 January 2022	1,454.5	518.8	0.0	1,973.3
31 December 2022	**884.9**	**152.4**	**0.0**	**1,037.2**
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**

Parent, SEK millions	Equipment	Total
Cost of acquisition		
Opening balance, 1 January 2022	0.7	0.7
Scrapping	−0.7	−0.7
Closing balance, 31 December 2022	**0.0**	**0.0**
Opening balance, 1 January 2021	0.7	0.7
Purchases	0.0	0.0
Closing balance, 31 December 2021	**0.7**	**0.7**
Depreciation		
Opening balance, 1 January 2022	0.7	0.7
Scrapping	−0.7	−0.7
Closing balance, 31 December 2022	**0.0**	**0.0**
Opening balance, 1 January 2021	0.7	0.7
Closing balance, 31 December 2021	**0.7**	**0.7**
Carrying amounts		
1 January 2022	0.0	0.0
31 December 2022	**0.0**	**0.0**
1 January 2021	0.0	0.0
31 December 2021	**0.0**	**0.0**

Collateral

At 31 December 2022, vessels with a carrying amount of SEK 1,000.6 (1,649.5) million had been pledged as collateral for the available bank facility.

Ship values and impairment testing

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

During Q4 2022, Concordia Maritime obtained valuations of the fleet from three 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, there was no indication of impairment as the recoverable amount (market value) of the cash-generating unit was higher than its carrying amount.

Impairment testing of the fleet at the end of December 2021 identified impairment of SEK 267.7 million due to the negative effects of the prolonged weak tanker market on the fleet's market value.

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 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. For information about Stena Bulk's employment of the vessels, see pages 11-13.

Assets held for sale

	2022	2021
Ships	152.4	518.8
Total	**152.4**	**518.8**

In connection with the year-end financial statements, management made an assessment that it was very likely that one of the Company's vessels would be divested in the coming year. The vessel has been sold in the first quarter of 2023.

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.

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

	Group		Parent Company	
SEK millions	Carrying amount, not impaired 2021	Carrying amount, not impaired 2022	Carrying amount, not impaired 2021	Carrying amount, not impaired 2022
Not past due	0.7	0.0	0.0	0.0
Past due 0-30 days	30.1	0.0	0.0	0.0
Past due 31–90 days	1.9	12.5	0.0	0.0
Past due >90 days	18.9	2.5	0.0	0.0
Total	**51.6**	**15.0**	**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

	2021			2022		
Group	No. of customers	% total no. of customers	% of value	No. of customers	% total no. of customers	% of value
Exposure SEK <1 million	7	64%	0%	0	0%	0%
Exposure SEK 1–10 million	2	18%	6%	2	100%	100%
Exposure SEK >10 million	2	18%	94%	0	0%	0%
Total	**11**	**100%**	**100%**	**2**	**100%**	**100%**

Concentration of credit risk, 31 December

	2021			2022		
Parent Company	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 100% (98%) 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	31/12/2021	31/12/2022
Non-current receivables that are non-current assets		
Other non-current receivables	5.4	5.6
	5.4	**5.6**
Other receivables that are current assets		
Bunker oil stocks	3.8	7.3
Other current receivables	27.3	30.1
	31.1	**37.4**

Parent, SEK millions	31/12/2021	31/12/2022
Other receivables (current)		
Other receivables	1.4	0.0
	1.4	**0.0**
Other receivables (non-current)		
Other receivables	5.4	0.0
	5.4	**0.0**

11 Prepayments and accrued income

	Group		Parent Company	
SEK millions	31/12/2021	31/12/2022	31/12/2021	31/12/2022
Other prepayments	13.1	0.0	5.8	0.2
Accrued income	11.0	39.6	0.0	0.0
	24.1	**39.6**	**5.8**	**0.2**

12 Cash & cash equivalents

Group, SEK millions	31/12/2021	31/12/2022
The following components are included in cash & cash equivalents:		
Cash and bank balances	15.9	110.4
Total reported in balance sheet	**15.9**	**110.4**
Total reported in cash flow statement	**15.9**	**110.4**

On the reporting date, SEK 44.5 (9.3) 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	2021	2022
Result per share after tax	−13.84	2.58

Summary of issued shares

Number	2021	2022
A shares	4,000,000	4,000,000
B shares	43,729,798	43,729,798
Total	**47,729,798**	**47,729,798**

During the financial year, the share capital in the Parent Company was reduced by SEK 194.3 million from SEK 381.8 million to SEK 187.5 million in accordance with a decision by the Annual General Meeting. The par value of the share is SEK 3.93.

Appropriation of profit

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

SEK millions	2021	2022
SEK 0 (0) per share	0.0	0.0
Carried forward	−194.5	−82.0
Total	**−194.5**	**−82.0**

Equity – reconciliation of reserves for the Group

SEK millions	Translation reserve	Fair value reserve	Hedging reserve
Opening carrying amount, 1 Jan 2022	460.2	0.0	2.1
Translation differences for the year, foreign operations	43.4		
Changes in fair value of cash flow hedges			−6.2
Changes in fair value of cash flow hedges reclassified to result for the period			4.1
Reversal of translation differences related to divested vessels	−50.5		
Closing carrying amount, 31 Dec 2022	**453.1**	**0.0**	**0.0**

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**

Cash flow hedges transferred to income statement

SEK	2021	2022
Voyage-related operating costs	52.4	4.1
Financial net	−1.2	0.0
	51.2	**4.1**

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	31/12/2021	31/12/2022
Bank loans	0.0	74.8
Other non-current liabilities	280.7	323.3
Total non-current interest-bearing liabilities	**280.7**	**398.1**

Group, SEK millions	31/12/2021	31/12/2022
Bank loans	967.9	179.2
Other liabilities	349.0	0.0
Total current interest-bearing liabilities	**1,316.9**	**179.2**

Parent, SEK millions	31/12/2021	31/12/2022
Bank loans	0.0	0.0
Other non-current liabilities	280.7	323.3
Total non-current liabilities	**280.7**	**323.3**

Parent, SEK millions	31/12/2021	31/12/2022
Bank loans	751.4	165.1
Other liabilities	0.0	0.0
Total current liabilities	**751.4**	**165.1**

The current and non-current liabilities above comprise the Group's total interest-bearing liabilities of SEK 577.3 million. These liabilities relate to the Bank and Stena Sphere loans. The Group's total interest-bearing liabilities also include overdraft agreements totalling SEK 165.7 (145.8) million, of which SEK 134.4 (117.5) million had been utilised at the end of the year. During the year, the lease liability for the Suezmax vessels was redeemed when the vessel was 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 5.6 (11.5) million at the end of the financial year and are recognised over the duration of the bank loan.

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	31/12/2021	31/12/2022
Other current liabilities		
Other liabilities	0.3	0.2
	0.3	**0.2**

16 Accruals and deferred income

	Group		Parent Company	
SEK millions	31/12/2021	31/12/2022	31/12/2021	31/12/2022
Accrued expenses, ships	176.7	69.7	72.0	0.0
Accrued personnel expenses	2.6	0.9	2.0	0.6
Other accruals	3.0	3.3	2.6	2.8
Accrued interest expense	9.3	31.1	9.2	31.1
Deferred income	0.0	15.0	0.0	0.0
	191.6	**120.0**	**85.8**	**34.5**

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

		Outcome				
	Target	2018	2019	2020	2021	2022
Growth	10% average fleet growth over a business cycle	44	−26	5	−25	−55
Profitability	10% return on equity	−16	−10	−6	−112	36
Equity ratio	at least 40% over a business cycle	38	29	28	14	33

The outcome of Concordia Maritime's financial targets is strongly related to the market's general development.

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. The Company has significantly reduced its debt during the year. The delivery of *Stena Provence* in early 2023 enabled repayment of the debt to most of the lending banks. After repayment, the Company has only one loan secured against a vessel. The loan was issued by Svenska Skeppshypotek and relates to the financing of *Stena Penguin*. The conditions state that the loan may not exceed 70% of the current market value. As of 31 December 2022, the loan corresponded to approximately 30% of the current market value (based on analyses from three independent brokers).

Note 17 cont'd.

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.

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. 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 9.05 at 31 December 2021 and SEK 10.43 at 31 December 2022.

It is estimated that a change of SEK 0.10 in the dollar rate would affect Concordia Maritime's equity by approx. SEK 7.7 million or SEK 0.16 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 and Danish kroner. 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 5.8 (15.9) million at 31 December 2022.

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. As of 31 December 2022, the Company does not have any open derivative instruments.

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 10.43 to report the total of loan amount in USD.

Group, SEK millions	31/12/2021	31/12/2022	Margin over reference rate, %	Fixed-interest period	Effective interest, %	Currency	Nominal amount in original currency, USD thousands	Due
Bank loan – P-MAX (Bank group)	−741.4	−155.8	2.70	3 months	7.43	USD	14,939	2023
Bank loan – P-MAX (Skeppshypotek)	−216.5	−89.0	2.75	3 months	7.48	USD	8,530	2025
Loans, related party – AB Stena Finans	−108.7	−125.1	2.75	3 months	7.48	USD	12,000	2025
Loans, related party – TriTec Marine	−172.0	−198.1	5.50	3 months	10.23	USD	19,000	2025

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.

	2021						2022					
Group, SEK millions	Total	2022 1 year	2023 2 years	2024 3 years	2025 4 years	5 or more years	Total	2023 1 year	2024 2 years	2025 3 years	2026 4 years	5 or more years
Bank loan – P-MAX (Bank group)	−741.4	−81.5	−90.5	−90.5	−478.9	0.0	−155.8	−155.8	0.0	0.0	0.0	0.0
Bank loan – P-MAX (Skeppshypotek)	−216.5	−25.2	−25.9	−26.7	−138.8	0.0	−89.0	−14.1	−14.5	−60.4	0.0	0.0
Loans, related party – AB Stena Finans	−108.7	0.0	0.0	0.0	−108.7	0.0	−125.1	0.0	0.0	−125.1	0.0	0.0
Loans, related party – TriTec Marine	−172.0	0.0	0.0	0.0	−42.4	−129.6	−198.1	0.0	0.0	−198.1	0.0	0.0
Lease liability – Suezmax	−349.0	−349.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade payables	−5.3	−5.3	0.0	0.0	0.0	0.0	−20.2	−20.2	0.0	0.0	0.0	0.0
Interest payments, Bank loan – P-MAX (Bank group)	−52.4	−19.8	−17.5	−15.0	0.0	0.0	−0.2	−0.2	0.0	0.0	0.0	0.0
Interest payments, Bank loan – P-MAX (Skeppshypotek)	−16.4	−5.3	−6.0	−5.2	0.0	0.0	−6.3	−2.7	−2.0	−1.6	0.0	0.0
Interest payments to related party – Finans	−12.4	−3.1	−3.1	−3.1	−3.1	0.0	−10.7	−3.6	−3.6	−3.6	0.0	0.0
Interest payments to related party – TriTec	−48.0	−9.6	−9.6	−9.7	−8.7	−10.4	−33.3	−11.1	−11.1	−11.1	0.0	0.0

	2021						2022					
Parent, SEK millions	Total	2022 1 year	2023 2 years	2024 3 years	2025 4 years	5 or more years	Total	2023 1 year	2024 2 years	2025 3 years	2026 4 years	5 or more years
Bank loan – P-MAX (Bank group)	−741.4	−81.5	−90.5	−90.5	−478.9	0.0	−155.8	−155.8	0.0	0.0	0.0	0.0
Loans, related party – AB Stena Finans	−108.7	0.0	0.0	0.0	−108.7	0.0	−125.1	0.0	0.0	−125.1	0.0	0.0
Loans, related party – TriTec Marine	−172.0	0.0	0.0	0.0	−42.4	−129.6	−198.1	0.0	0.0	−198.1	0.0	0.0
Trade payables	−2.1	−2.1	0.0	0.0	0.0	0.0	−1.1	−1.1	0.0	0.0	0.0	0.0
Interest payments, Bank loan – P-MAX (Bank group)	−52.4	−19.8	−17.5	−15.0	0.0	0.0	−0.2	−0.2	0.0	0.0	0.0	0.0
Interest payments to related party – AB Stena Finans	−12.4	−3.1	−3.1	−3.1	−3.1	0.0	−10.7	−3.6	−3.6	−3.6	0.0	0.0
Interest payments to related party – TriTec Marine	−48.0	−9.6	−9.6	−9.7	−8.7	−10.4	−33.3	−11.1	−11.1	−11.1	0.0	0.0

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 10.43.

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 2022, 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	10.5					10.5	10.5
Trade receivables	15.0					15.0	15.0
Cash & cash equivalents	110.4					110.4	110.4
Total	**135.9**	**0.0**	**0.0**	**0.0**	**0.0**	**135.9**	**135.9**
Non-current interest-bearing liabilities					398.1	398.1	398.1
Other non-current liabilities					35.8	35.8	35.8
Current interest-bearing liabilities					169.9	169.9	169.9
Trade payables					20.2	20.2	20.2
Total	**0.0**	**0.0**	**0.0**	**0.0**	**624.0**	**624.0**	**624.0**

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 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**

Note 18 cont'd.

Parent 2022, 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
Trade receivables					0.0	0.0
Cash & cash equivalents					0.0	0.0
Total	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Non-current interest-bearing liabilities				323.3	323.3	323.3
Other non-current liabilities			22.1	10.4	32.5	32.5
Current interest-bearing liabilities				165.1	165.1	165.1
Liabilities to Group companies				393.3	393.3	393.3
Trade payables				1.1	1.1	1.1
Total	**0.0**	**0.0**	**22.1**	**893.2**	**915.3**	**915.3**

For the item Other current liabilities, the column Financial liabilities at FVTPL refers to bunker positions of SEK 22.1 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 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**

19 Leases

Leases where the Company is the lessee (chartering in)
At the beginning of year, Concordia Maritime had one vessel chartered in on a bareboat basis with a fixed lease payment. The contract contains annual purchase options from the third year. One of these purchase options was exercised to purchase the vessel during the year, thereby settling the lease contract. The vessel was then immediately sold to an external party. After the sale, the Group's property, plant and equipment consists exclusively of owned assets. Right-of-use assets for vessels where the Group was lessee were reported in the item Ships, under Assets, before their sale.

Right-of-use assets
In the comparative period, right-of-use assets for leased vessels were recognised as Assets held for sale. On the reporting date, right-of-use assets for leased vessels amounted to SEK 0.0 (316.9) million. See note 8 Property, plant and equipment. Additions to right-of-use assets in 2022 amounted to SEK 0.0 (1.3) million, and in the comparative period were related to 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	2021	2022
Current lease liabilities	348.6	0.0
Non-current lease liabilities	0.0	0.0
Total lease liabilities	**348.6**	**0.0**

For a maturity analysis of the lease liabilities, see note 18 Financial instruments.

Amounts recognised in the income statement

SEK millions	2021	2022
Depreciation/impairment of right-of use-assets	−121.7	0.0
Interest expenses on lease liabilities	−31.5	−9.2
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 −351.6 (−511.5) 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.

	Group	
SEK millions	2021	2022
Within one year	404.2	206.2
One to five years (2023–2026)	1,319.3	459.6
After five years	0.0	0.0
	1,723.6	**665.9**

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

	Group		Parent Company	
SEK millions	2021	2022	2021	2022
Pledged assets				
For own liabilities and provisions				
Shares in subsidiaries	353.0	378.4	645.5	645.5
Ships	1,649.5	1,000.6	0.0	0.0
Total pledged assets	**2,002.5**	**1,379.1**	**645.5**	**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 a provided a guarantee for a subsidiary, which relates to vessel financing 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 22. 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)	2022	190.0	467.3	12.6
Other related parties (see below)	2021	246.2	392.3	45.3

0.4% (4%) of the Parent Company's sales are 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	2022	1.4	393.2	607.8
Subsidiaries	2021	2.0	29.4	901.6
Other related parties	2022	1.4	467.3	0.0
Other related parties	2021	1.0	392.3	0.0

Note 21 cont'd.

	2021	2022
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 shareholders 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. 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:

- 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. 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, % 2021	Ownership share, % 2022
Concordia Maritime Chartering AB	Sweden	0.0	33.7	100	100
Rederi AB Concordia	Sweden	0.0	0.4	100	100
Concordia Maritime A/S	Denmark	−0.6	652.2	100	100
Concordia Maritime USA Holding LLC	United States	0.0	0.0	n.a.	100
Concordia Maritime USA LLC	United States	4.8	5.0	n.a.	100
Concordia Maritime AG	Switzerland	6.8	242.7	100	100
CM P-MAX I Ltd	Bermuda	4.9	37.6	100	100
CM P-MAX II Ltd	Bermuda	2.3	17.7	100	100
CM P-MAX III Ltd	Bermuda	40.4	96.6	100	100
CM P-MAX IV Ltd	Bermuda	52.6	74.4	100	100
CM P-MAX V Ltd	Bermuda	−7.7	6.2	100	100
CM P-MAX VI Ltd	Bermuda	−20.7	1.6	100	100
CM P-MAX VII Ltd	Bermuda	−13.5	64.0	100	100
CM P-MAX VIII Ltd	Bermuda	−42.4	32.5	100	100
CM P-MAX IX Ltd	Bermuda	−6.6	46.7	100	100
CM P-MAX X Ltd	Bermuda	−9.1	28.6	100	100
CM Suez I Ltd	Bermuda	35.2	−32.6	100	100
CM IMOMAX A Ltd	Bermuda	0.0	18.2	100	100
CM IMOMAX B Ltd	Bermuda	−0.3	26.8	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 10.12.
Foreign subsidiaries' equity has been translated from USD to SEK at the closing rate, which is 10.43.

Parent, SEK millions	2021	2022
Accumulated cost	675.5	675.5
Closing balance, 31 December	**675.5**	**675.5**

Parent Company's direct holdings of shares in subsidiaries

Subsidiary/Corp. ID/Registered office	Number of shares	Holding, %	31/12/2021 Carrying amount	31/12/2022 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	645.5	645.5
Concordia Maritime USA Holding LLC, USA		100	0.0	0.0
Total holdings of shares in subsidiaries			**675.5**	**675.5**

23 Cash flow statement

Cash & cash equivalents

Group, SEK millions	31/12/2021	31/12/2022
The following components are included in cash & cash equivalents:		
Cash and bank balances	15.9	110.4
Short-term deposits, equivalent to cash & cash equivalents	0.0	0.0
Total reported in balance sheet	**15.9**	**110.4**
Total reported in cash flow statement	**15.9**	**110.4**

Parent, SEK millions	31/12/2021	31/12/2022
The following components are included in cash & cash equivalents:		
Receivables from Group companies	0.0	0.0
Cash and bank balances	0.0	0.0
Total reported in balance sheet	**0.0**	**0.0**
Total reported in cash flow statement	**0.0**	**0.0**

On the reporting date, SEK 44.5 (9.3) million of cash and cash equivalents in the Group and the Parent Company were restricted as provisions for future dry-docking 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	31/12/2021	31/12/2022	31/12/2021	31/12/2022
Dividend received	0.0	0.0	0.0	0.0
Interest received	0.0	0.1	0.0	0.0
Interest paid	−59.3	−45.0	−22.2	−28.9
	−59.3	**−44.9**	**−22.2**	**−28.9**

Non-cash items

	Group		Parent Company	
SEK millions	31/12/2021	31/12/2022	31/12/2021	31/12/2022
Depreciation, amortisation and impairment	449.3	105.5	70.9	0.0
Depreciation, periodic maintenance	55.1	51.7	0.0	0.0
Result from ship sales	30.6	−193.9	0.0	0.0
Unrealised exchange differences	98.7	0.0	122.2	0.0
Changes in value of financial instruments	−10.8	0.0	−125.2	0.0
Capital gain/loss on sale of financial assets	0.0	0.0	0.0	0.0
Other	2.9	−0.3	0.0	0.1
	625.8	**−37.0**	**67.9**	**0.1**

Transactions that do not involve payments

	Group		Parent Company	
SEK millions	2021	2022	2021	2022
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 2021	Cash flow	New leases and remeasurement of lease liability	Exchange differences	Closing 2022
Loans from credit institutions	967.9	−828.0		114.1	254.0
Loans from related parties	280.7	0.0		42.6	323.3
Lease liabilities	349.0	−351.6		2.6	0.0
Total	**1,597.6**	**−1,179.6**	**0.0**	**159.3**	**577.3**

			Non-cash movements		
	Closing 2020	Cash flow	New leases and remeasurement of lease liability	Exchange differences	Closing 2021
Loans from credit institutions	977.7	−105.2		95.4	967.9
Loans from related parties	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**	**1,597.6**

Reconciliation of liabilities attributable to financing activities – Parent Company

			Non-cash movements	
	Closing 2021	Cash flow	Exchange differences	Closing 2022
Loans from credit institutions	751.4	−672.3	86.0	165.1
Loans from related parties	280.7		42.6	323.3
Total	**1,032.1**	**−672.3**	**128.6**	**488.4**

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

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 2022 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 date[1)]

- Divestment of P-MAX vessel *Stena Provence*. Repayment of the bank loan to the Bank group following the sale of *Stena Provence*.
- In early 2023, Crowley Government Services Inc. decided to exercise the extension option for *Stena Polaris*. The contract now runs until the beginning of 2024.

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 2023.

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 of25 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 2022 year-end did not identify any impairment. See also notes 1 and 8 for further information about the estimates and assessments made in connection with 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

At the beginning of the year, Concordia Maritime had one lease containing 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 annual accounts 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 2023

Carl-Johan Hagman
Chairman

Stefan Brocker
Board member

Henrik Hallin
Board member

Mats Jansson
Board member

Ulrika Laurin
Board member

Erik Lewenhaupt
CEO

Our audit report was submitted on 13 April 2023

ÖhrlingsPricewaterhouseCoopersAB

Fredrik Göransson
Authorised Public Accountant
Chief auditor

Helena Pegrén
Authorised Public Accountant

Audit Report

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

Report on the annual accounts and consolidated annual financial statements

Opinions

We have audited the annual accounts and consolidated financial statements for Concordia Maritime AB (publ) for the year 2022. The Company's annual accounts and consolidated financial statements are included in this document on pages 44–77.

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 at 31 December 2022 and its financial performance and cash flows for the year then ended. The consolidated financial statements have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group at 31 December 2022 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 financial statements.

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 financial statements 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 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. This means that, to the best of our knowledge, no prohibited services listed in article 5.1 of Regulation (EU) No. 537/2014 on the Statutory Audit of Public-Interest Entities 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.

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 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 financial statements.

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 financial statements of the current period. These matters were addressed in the context of our audit of the annual accounts and consolidated financial statements 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 2022, the Group's vessel values recognised in the balance sheet amounted to SEK 1,035.6 million (including 152.4 million related to non-current assets held for sale), corresponding to approximately 83.3% of the Group's total assets.

Management evaluates the carrying amount of the vessel fleet at least 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.

In the impairment testing conducted at 31 December 2022, the market value was higher than the carrying amount, and management therefore made the assessment that a calculation of the cash-generating unit's value in use was not necessary. A description of management's impairment testing can be found 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 and compared these values with the carrying amount of the fleet.

We have discussed the results of the external vessel valuations with management and compared the results with available market statistics.

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 financial statements

This document also contains information other than the annual accounts and consolidated financial statements, which is presented on pages 2–42 and 93–94. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated financial statements 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 financial statements, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated financial statements. 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 financial statements and for ensuring that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated financial statements, 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated financial statements, 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 financial statements 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 ISAs 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 financial statements.

A further description of our responsibility for the audit of the annual accounts and consolidated financial statements 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

Auditor's examination of the administration and the proposal for appropriation of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated financial statements, we have also audited the administration of the Board of Directors and the Managing Director of Concordia Maritime AB (publ) for the financial year 2022 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 opinions

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 financial statements, we have also examined whether the Board of Directors and the Managing Director have prepared the annual accounts and consolidated financial statements 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 AB (Publ) for the year 2022.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the ESEF report 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 Auditor's 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 AB (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 accounts [and consolidated financial statements]. 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 audit procedures consist mainly of checking that the ESEF report has been prepared in a valid XHTML format and reconciling the ESEF report with the audited annual accounts and consolidated financial statements.

The procedures also include an assessment of whether the consolidated income statement, balance sheet, statement of changes in equity, cash flow statement and notes in the ESEF report have been tagged with iXBRL as required by the ESEF Regulation.

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 2022 and has been the company's auditor since 28 April 2021.

Gothenburg, 13 April 2023

Öhrlings PricewaterhouseCoopers AB

Fredrik Göransson *Authorised Public Accountant* *Chief auditor*	Helena Pegrén *Authorised Public Accountant*

Corporate Governance

Corporate Governance Report 2022

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, the Articles of Association adopted by the AGM, the Board's rules of procedure, the CEO's instructions, including financial reporting instructions, and policies adopted by the Board. 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 English version of the Swedish Corporate Governance Code is available at www.corporategovernanceboard.se.

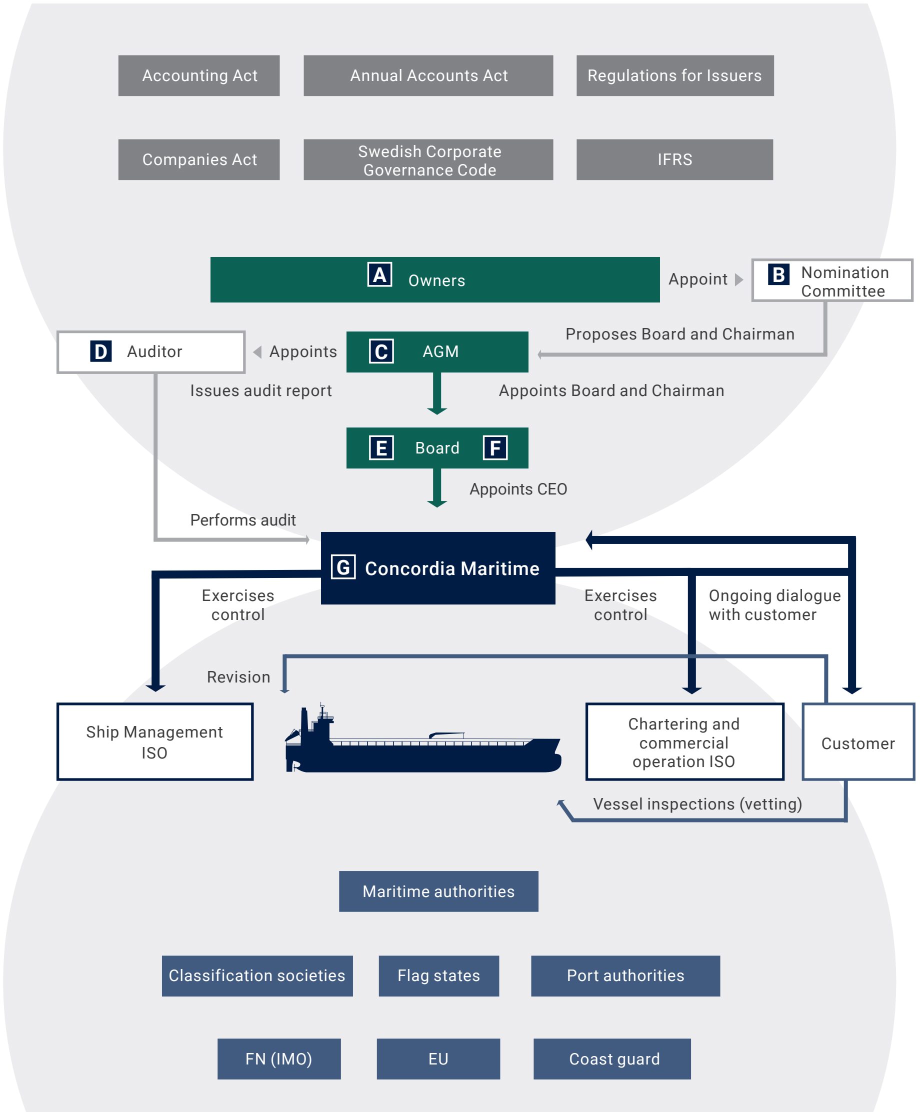
Certain information required under Chapter 6, Section 6 (3) of the Swedish Annual Accounts Act can be found in the Board of Directors' Report. Information at concordiamaritime.com includes:

- 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.

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.



Regulations, corporate governance

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.

Corporate Governance

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.

Operational control

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.

Operational regulations

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 3.93 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 2022, share capital amounted to SEK 410.5 million, divided into 47,729,798 shares, of which 43,729,798 were B shares. The total number of votes is 83,729,798. See page 40 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.

2022 Annual General Meeting

The Annual General Meeting was held on 5 May 2022.at Elite Park Avenue Hotel, Gothenburg. Minutes from the AGM and associated documentation can be found on Concordia Maritime's website *www.concordiamaritime.com.*

2023 Annual General Meeting

The Annual General Meeting will be held on Thursday, 4 May 2023 at 1.00 p.m. at Elite Park Avenue Hotel, Kungsportsavenyn 36–38, Gothenburg. For more information, see page 92.

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 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 2023 AGM

The nomination committee for the 2023 meeting consists of Carl-Johan Hagman (Chairman of the Board), Karl Swartling, representing Stena Sessan as the largest shareholder and Peter Edwall, representing himself as the second-largest shareholder.

In December 2022, the nomination committee represented 75 percent of the shareholders' votes. The composition of the committee was announced on Concordia Maritime's website on 2 November 2022. Prior to the 2023 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 2022 AGM, Öhrlings PricewaterhouseCoopers AB was elected as the Company's external auditor, with Fredrik Göransson as chief auditor, until the 2023 AGM. The auditor's fees are charged on a current account basis. In 2022, Öhrlings PricewaterhouseCoopers AB received fees totalling SEK 3.0 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 90.

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 four regular meetings during the year. 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 2022

The Board held five ordinary meetings, four 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 sales.

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 results of the evaluation are used as a basis for developing the Board's work, and also as support for the work of the nomination committee.

The 2022 Board evaluation found that the work of the Board has been effective and that comments from the previous evaluation have been taken into account. The evaluation also showed that the Board's competence needs are well met and that the individual members bring a wide range of expertise from different areas relevant to Concordia Maritime's business.

Board of Directors, cont'd

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 2023 annual general meeting, all meeting-elected Board members apart from Henrik Hallin have been assessed by the nomination committee as independent of major shareholders, and independent of the Company and its management. Henrik Hallin is not considered independent of Concordia Maritime's largest shareholders, as he has a managerial function in Stena Sphere.

Remuneration of the Board
The 2022 AGM adopted total Board fees of SEK 1,300,000, distributed as follows: SEK 400,000 to the Chairman and SEK 225,000 to each of the other meeting-elected Board members. 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 the control environment is the corporate culture that is established in the Group and in which managers and employees operate. Concordia Maritime works actively on communication and education with regard to the values described in an internal joint document.

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 2022, the total number of persons employed through the Group was 143, and 139 of the employees were seagoing. Only the four shore-based employees are formally employed by Concordia Maritime; other employees are temporary workers.

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 2022

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.

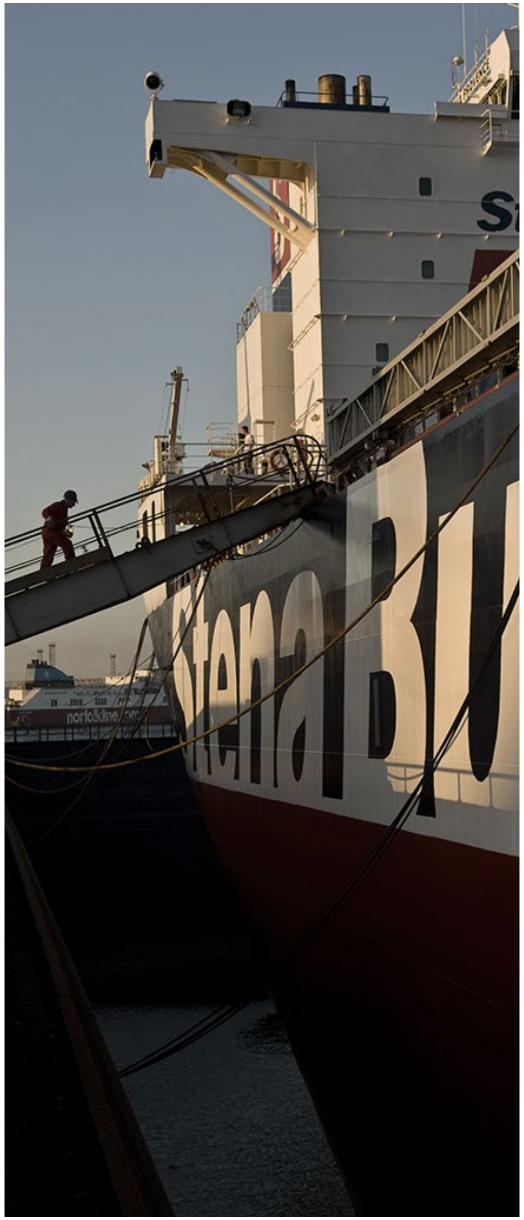
Flag State Control
All ships must be registered in a specific nation. The owner of the ship undertakes thereby to comply with the laws and regulations laid down by the nation in question. Flag State Control ensures a ship complies with applicable laws and regulations.

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 costeffective 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.

Other business generated by Stena Bulk is not available to Concordia Maritime.

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.

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); Tritec 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 Swedish Corporate Governance Code (the Code).

Derogations from the Code, stock exchange rules or good practices in the share market
The Company has not derogated from the stock exchange rules or the Code. 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 share market.

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 and Chairman since 2012. LL.B.

Background
Former CEO of Stena Rederi AB, responsible for Stena AB Group's shipping business. Former CEO of Wallenius Lines, Stockholm, Eukor Car Carriers, Seoul, Rederi AB Transatlantic, Skärhamn, and Höegh Autoliners AS, Oslo.

Other assignments
CEO NYK in Europe and Africa from 1 April 2023, Director of Gard P&I Ltd and Nefab AB.

Special expertise
Experience in shipping and as a maritime lawyer and naval officer. Twenty years' experience of Asia.

Shareholding 0

Stefan Brocker

Born 1966.
Board Member since 2007. LL.B.

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 Sam-skola, Director of Alectum AB.

Special expertise
Shipping law. Has worked as a lawyer in shipping and offshore for almost 30 years.

Shareholding 0

Henrik Hallin

Born 1972.
Board Member since 2019.
M.Sc.(Business Administration & Economics).

Background
CFO Stena Adactum. Prior to this, experience in corporate finance and from CFO positions.

Other assignments
Director of Ballingslöv International AB, Envac AB, S-Invest Trading AB (Blomsterlandet), Captum Group AB and Alpegro AS.

Special expertise
Financing, Acquisitions and Transactions, Finance and capital Market, Asset management, Shipping and Offshore.

Shareholding 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.

Shareholding 33,758

Ulrika Laurin

Born 1970.
Board Member since 2021.
M.Sc. in Economics and Business Administration.

Background
Former CEO of product tanker company Anglo-Atlantic Steamship Co. Ltd. Director of Stena Bulk AB, Frontline Ltd., Golden Ocean Group Ltd. and the Swedish Shipowners' Association. Chairman of Laurin Shipping AB.

Other assignments
Director of Wilh. Wilhelmsen Holding ASA and Stainless Tankers ASA. Chairman of Human Rights Watch Stockholm Committee.

Special expertise
Operational and strategic experience from leading positions in international shipping. Solid experience from directorships in listed companies in the US and Norway.

Shareholding 0

Board attendance and remuneration

	Independence[1)]	Total fees, SEK[2)]	Attendance
Carl-Johan Hagman	Independent	400,000	10/10
Stefan Brocker	Independent	225,000	9/10
Mats Jansson	Independent	225,000	10/10
Ulrika Laurin	Independent	225,000	10/10
Henrik Hallin	Non-independent	225,000	10/10

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.

Helena Levander served on the Board until the 2022 AGM.

Auditor

Fredrik Göransson,
Öhrlings PricewaterhouseCoopers AB

Executive Management

Erik Lewenhaupt

Born 1971. CEO.
M.Sc., Economics and Business Administration
Employed since January 2022.

External assignments
Director of Maritime Forum and Nautiska Föreningen i Göteborg. Director of the Scholarship Fund for Swedish Youth Abroad.

Shares held in Concordia Maritime 0

Martin Nerfeldt

Born 1973. CFO.
MBA, M.Pol.Sc.
Employed since January 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, 4 May 2023 at 1.00 p.m. at Elite Park Avenue Hotel, Kungsportsavenyn 36–38, 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 Tuesday 25 April 2023; and
- **have given notice of participation** in the meeting no later than Thursday 27 April 2023. Notification of participation in the meeting may be made by post 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 Tuesday 25 April 2023; and
- **have given notice of participation** in the meeting no later than Thursday 27 April 2023 by submitting 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 Thursday, 27 April 2023. The completed and signed form must be sent to Computershare AB "Concordia Maritime AB's Annual General Meeting", Box 5267, SE-102 46 Stockholm. The completed and signed form may also be sent by email to *proxy@computershare*.se (write "Concordia Maritime – postal voting" in the subject line). 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 Thursday, 27 April 2023.

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 Tuesday 25 April 2023. 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 Thursday 27 April 2023 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 4 May 2023, first six months on 24 August 2023 and first nine months on 15 November 2023.

Signatures

Gothenburg, 13 April 2023

Carl-Johan Hagman
Chairman

Stefan Brocker
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 2022 Corporate Governance Report on pages 82–92, 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 RevR 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 2023
Öhrlings PricewaterhouseCoopers AB

Fredrik Göransson
Authorised Public Accountant

Definitions

CO_2 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 CO_2 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 measures[1)]

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 2022	Full year 2021
Operating result	216.9	−583.5
Depreciation/impairment	157.2	501.0
EBITDA	**374.1**	**−82.6**

Result excluding impairment and tax

SEK millions	Full year 2022	Full year 2021
Result after tax	123.3	−660.4
Impairment	0.0	267.7
Tax	2.7	2.1
Result excluding impairment and tax	**126.1**	**−390.5**

Result per share excluding impairment and tax

SEK millions	Full year 2022	Full year 2021
Result excluding impairment and tax	126.1	−390.5
Number of shares	47,729,798	47,729,798
Result per share excluding impairment and tax	**2.64**	**−8.18**

Return on equity

SEK millions	Full year 2022	Full year 2021
Result after tax	123.3	−660.4
Equity	342.5	587.9
Return on equity	**36%**	**−112%**

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
Result after financial net plus finance costs	**217.6**	**−574.9**
Total assets	1,650.4	2,599.9
Non-interest-bearing liabilities	−260.4	−240.5
Capital employed	**1,390.0**	**2,359.3**
Return on capital employed	**16%**	**neg**

Return on total capital

SEK millions	Full year 2022	Full year 2021
Result after financial net	126.1	−658.2
Finance costs	91.6	83.3
Result after financial net plus finance costs	**217.6**	**−574.9**
Total assets	1,650.4	2,599.9
Return on total capital	**13%**	**−22%**

Equity ratio

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

Contact

Erik Lewenhaupt
CEO
Tel +46 31 85 50 00
or +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

Concordia Maritime AB (publ)
SE-405 19 Gothenburg, Sweden
Tel +46 31 85 50 00
info@concordiamaritime.com

Concordia Maritime A/S
Tuborg Boulevard 12
DK-2900 Hellerup
Denmark

www.concordiamaritime.com

concordia-maritime

concordiamaritime

Concordia Maritime AB (publ)
Corp. ID 556068–5819
Ticker CCOR
Registered office Gothenburg, Sweden

CONCORDIA
MARITIME

www.solberg.se | Photos: Lars Ardarve, Brazilship, Sam Chin, Michael Cooper, Crowley, Andrejs Dubovovs, Per-Anders Hurtigh, Robert Lee, Marine Money, Jesper Orrbeck, Maksims Sokolovs, Conny Wickberg, Ann-Charlotte Ytterberg, crew of Stena Polaris and Stena Rederi et al.