



INTERIM REPORT 1 January–30 September 2015

- Total income, Q3: SEK 209.7 (104.0) million
9 months: SEK 592.4 (405.4) million
- Result before tax, Q3: SEK 52.4 (–23.0) million
9 months: SEK 124.5 (29.2) million
- EBITDA, Q3: SEK 108.0 (22.3) million
9 months: SEK 289.7 (160.5) million
- Result per share after tax, Q3: SEK 1.10 (–0.57)
9 months: SEK 2.61 (0.53)

- The market exceeded expectations
- Renewed contract with a large international oil and gas company. The contract is being extended by twelve months for two vessels and also includes an additional vessel for six months.

AFTER THE END OF THE REPORTING PERIOD

- On 15 October, the Company took delivery of the IMOIIIMAX vessel *Stena Important*. This means that the two IMOIIIMAX tankers that were on order have now been delivered.

Key ratios

	Quarter 3 (Jul-Sep)		9 months (Jan-Sep)		Full year
	2015	2014	2015	2014	2014
Total income, SEK million	209.7	104.0	592.4	405.4	531.2
EBITDA, SEK million	108.0	22.3	289.7	160.5	201.0
EBITDA, USD million	12.7	2.8	34.4	24.0	29.3
Operating result, SEK million	60.7	–13.9	152.0	54.2	56.4
Result after tax, SEK million	52.4	–27.0	124.5	25.3	8.7
Equity ratio, %	43	43	43	43	42
Growth in equity, from prev. quarter, %	5	6	10	14	22
Return on equity, %	6	0	6	0	1
Available liquid funds, including unutilised credit facilities, SEK million	362.5	358.3	362.5	358.3	233.5
Result per share after tax, SEK	1.10	–0.57	2.61	0.53	0.18
Equity per share, SEK	38.27	30.9	38.27	30.9	32.99



PRESIDENT'S OVERVIEW

Low season turned into high season

Good positions in a market that exceeded expectations gave Concordia Maritime a very strong quarter for the season. Overall, we are able to report a profit before tax of SEK 52.4 (-23.0) million for the quarter. EBITDA was SEK 108.0 (22.3) million, corresponding to USD 12.7 (2.8) million. Result after tax for the period January–September amounted to SEK 124.5 (25.3) million. EBITDA for the period was SEK 289.7 (160.5) million, corresponding to USD 34.4 (24.0) million.

The strong tanker market continued into the early part of the third quarter, but fell back slightly in August and September. After several strong quarters, we are now seeing a certain seasonal slowdown, just as previously predicted. However, the decline is from high levels and we do not believe that it will be as deep or prolonged as in recent years. The market in the crude oil segment has already recovered and we expect a similar trend for the product tanker segment during the current quarter. Such a strong market during the third quarter is uncharacteristic and must be seen as a sign of a good balance between supply and demand.

Looking at our own operations, we have continued the process of arranging the fleet based on our defined strategy. The contract with one of the world's largest oil and gas companies was renewed during the quarter. The contract has been extended by twelve months for two vessels and now also includes an additional vessel for six months. We have found an arrangement here that creates value for all parties. The client has a specific transport need for which the large load capacity of the P-MAX tankers will be well suited. For our part, the contract is fully in line with our efforts to concentrate employment on niche trades where the P-MAX tankers' unique properties come into their own, and where there are opportunities for premium rates.

Immediately after the end of the quarter, in early October, we took delivery of *Stena Important*, the second of the two ordered IMOII-MAX vessels. The two vessels have been very well received by the market and have performed above expectations.

The IMOII-MAX vessels represent the next step in the evolution of our fleet. The long-term aim is to continue progressively expanding the fleet. One of our targets is for our operations to generate a return over time that allows annual fleet growth of at least 10 percent over a business cycle. However, the overriding priority is the opportunity for good business. And for trading in vessels – both purchases and sales – the ability to use timing is crucial. For our part, this means that the fleet size may vary over time. If the right opportunity presents itself, we are ready to act – whether for a purchase or a sale.

Outlook for 2015 and early 2016

Our basic view of the market is unchanged. This means that we expect a strong conclusion to 2015 and a strong start to 2016. Based on a well functioning operation and a balanced contract portfolio, we consider ourselves well positioned to take advantage of the market situation.

Kim Ullman
CEO



Business activities

The third quarter of 2015 was marked by a continuation of strong demand for transportation of both crude oil and refined products. For Concordia Maritime, this meant good income for all vessels in the fleet.

The product tanker fleet

The ten 65,200 dwt P-MAX tankers are the backbone of Concordia Maritime's fleet. During the period, eight of the vessels were employed in the spot market through agreements with Stena Bulk and Stena Weco. *Stena Perros* and *Stena President* were employed on time charters with Stena Bulk during the quarter. The contract runs until the end of December 2015.

At the beginning of the fourth quarter, the Company took delivery of the second of the two ordered IMOIIIMAX vessels, *Stena Important*. Both vessels are employed via the cooperation with Stena Weco and have performed entirely according to plan during the period.

Average income for the entire product tanker fleet, spot and TC, during the third quarter was USD 20,600 (13,300) per day. For vessels employed on the spot market, average income for the quarter was USD 22,200 (12,600) for light products and USD 19,500 (13,900) for heavy products.

Looking at the first nine months of 2015, the average income for the entire product tanker fleet, spot and TC, was USD 19,900 (13,200) per day. For vessels employed on the spot market, average income for the period was USD 22,500 (12,100) for light products and USD 20,400 (14,500) for heavy products.

Suezmax

The suezmax tanker *Stena Supreme* (158,000 dwt) is employed on the spot market via Stena Sonangol Suezmax Pool, controlled by Stena Bulk and the Angolan state oil company Sonangol. The pool is a long-time market leader in terms of suezmax tanker income.

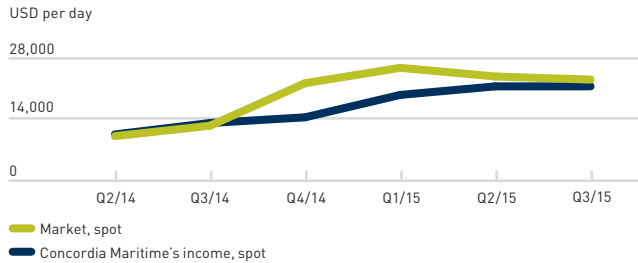
Average income for *Stena Supreme* was USD 40,000 (24,400) per day for the quarter and USD 41,200 (24,900) per day for the first nine months of 2015.

In addition to *Stena Supreme*, Concordia Maritime also has two positions in Stena Bulk's suezmax fleet corresponding to 50 percent charters of two tankers. These vessels are also employed on the global open market through the Stena Sonangol Suezmax Pool. The contracts run until December 2015 and July 2016.

Repairs and drydock

No scheduled five-year drydock was carried out during the quarter. However, during loading in Fujairah, *Stena Image* sailed into the mooring dolphin, which caused some hull damage. No-one was hurt and no oil was spilled into the water. The incident resulted in offhire of 12 days.

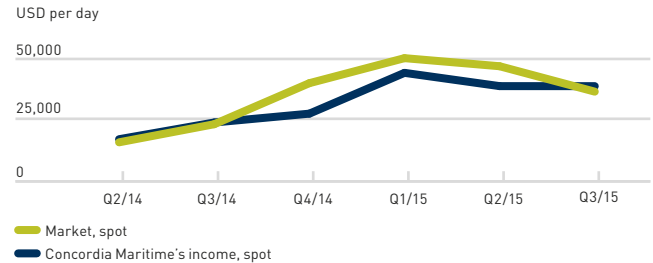
Product tanker fleet's average income (spot)



Source: Clarksons Average MR Clean Earnings/Average Panamax Dirty Earnings

Income for Concordia Maritime's product tanker fleet for first quarter of 2015 was somewhat lower than the theoretical average income for new contracts in the market. The main reason for this is that Concordia Maritime had certain vessels in the fleet committed to time charters on different occasions towards the end of 2014. When the market then remained strong during the first quarter, there was a kind of time lag effect that can arise in new contracts in the case of sharp ups and downs in the market. The fact that Q2 income for the suezmax fleet

Suezmax fleet's average income (spot)



Source: Clarksons "Average Suezmax Long Run Historical Earnings"

was lower than the overall market is largely due to demurrage, i.e., the charge for the time spent in port in excess of the contracted period. In strong markets, the charge is often lower than the expected voyage result. In practice, demurrage therefore pulls down the average income, which is not the case in the theoretical index calculation. This was normalised in the third quarter and Concordia Maritime's income exceeded that of the market.

Income, spot

USD per day	Number of vessels	Average income, Concordia Maritime				Average income, market	
		Q3 2015	Q3 2014	9 months 2015	9 months 2014	Q3 2015	Q3 2014
Product tankers	9	21,600	13,300	21,200	13,200	23,100	12,600
Suezmax	2	38,900	24,400	39,900	24,900	36,600	23,300

EBITDA per quarter

USD millions	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013
P-MAX, time charter	1.0	0.9	1.3	0.4	0.4	1.6	2.6 ³⁾	2.4
P-MAX, spot	7.8	7.5	6.0	4.4	2.2	0.5	3.7	-0.2
IMOIIIMAX	1.2	1.3	—	—	—	—	—	—
Panamax	—	—	—	—	—	11.9 ⁴⁾	1.1	0.9
Suezmax	3.6	3.2	3.7	1.9	1.3	0.6	2.1	0.9
Admin. and other	-0.9	-1.1	-1.1	-1.4	-1.1	-1.4	-1.5	-2.6 ²⁾
Total	12.7¹⁾	11.8¹⁾	9.9¹⁾	5.3¹⁾	2.8¹⁾	13.2¹⁾	8.0¹⁾	1.4

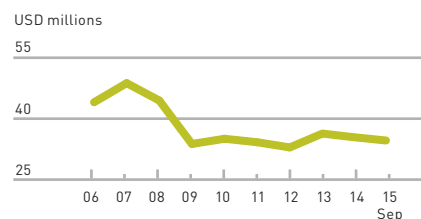
1) The company reports depreciation of drydock as an operating cost, broken down as follows – Q3 2015: SEK 6.0 million, Q2 2015: SEK 5.7 million, Q1 2015: SEK 5.1 million, Q4 2014: SEK 2.2 million, Q3 2014: SEK 4.4 million, Q2 2014: SEK 3.7 million and Q1 2014: SEK 3.4 million.

2) For Q4 2013, CEO termination benefits of USD 1.1 million are included.

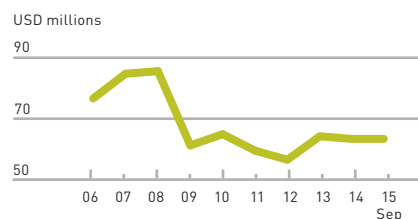
3) Includes one-time payment of USD 1.3 million for redelivery of *Stena Progress*.

4) Includes one-time payment of USD 3.6 million for lost charter income in jointly-controlled entities: *Stena Poseidon* and *Palva*. Includes result from sale of shares in jointly-controlled entities (vessels) of USD 8.6 million.

Newbuilding prices Product tankers



Newbuilding prices Suezmax



At the end of September, the price of a standard product tanker was about USD 36 million. The price of an IMOII class MR tanker like the IMOIIIMAX vessels we ordered was about USD 40 million. This is about 15 percent higher than when we placed our order with the shipyard in 2012. The price of a standard suezmax tanker at the end of the quarter was about USD 65 million.

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

Source: Clarkson



Financial summary

Equity

Equity per share was SEK 38.27 (30.90).

Changes in translation and hedging reserves

The parent company's functional currency is SEK, but the majority of the transactions in the Group are in USD. The Group's result is generated in USD, which means the result in SEK is a direct function of the SEK/USD exchange rate trend. In the third quarter of 2015, investments in foreign subsidiaries were partially hedged through the forward sale of USD 30 million as hedging instruments. The duration is two years and the amount corresponds to approx. 14% of foreign currency equity. If the hedge is effective, the change in value of the forward currency derivatives is reported in other comprehensive income, with the cumulative changes reported as a separate component of equity (translation reserve). This enables the translation differences arising from foreign operations to be partially offset. The accumulated translation differences, which are recognised in equity, amounted to SEK 413.5 (177.5) million. The changes are recognised in equity through OCI.

Investments

Investments during the quarter amounted to SEK 28.3 (34.5) million and were largely related to payments for the IMO IIMAX vessels under construction.

Valuation of the fleet

The Group's fleet is assessed on a six-monthly basis to determine whether there is any indication of impairment. The fleet is defined as a cash-generating unit, and an impairment loss is recognised when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. The recoverable amount is the higher of fair

value (external valuations) and value in use (future discounted cash flows). Impairment testing of asset values at 30 June 2015 did not indicate any impairment.

Seasonal variations

At the end of the quarter, two vessels from our fleet of 13.0 vessels (12 owned and two on 50% charters) were chartered out on fixed contracts and 11 were employed on the open market. This arrangement of the fleet means that income is affected by the seasonal variations that occur in tanker shipping.

Employees

The number of employees in the Group at 30 September 2015 was 6 (6). The Group employed 449 (399) temporary seagoing employees through Stena Sphere's manning company.

Parent company

The parent company's total income for the third quarter amounted to SEK 6.0 (0.1) million. Intragroup invoicing was SEK 0.0 (0.0) million. The parent company's net sales for the period January–September amounted to SEK 14.2 (0.5) million. The parent company's result before tax for the period January to September was SEK 68.8 (–42.3) million. The parent company's available liquid funds amounted to SEK 1,594.5 (1,592.2) million, which includes receivables from Group companies in the cash pool and unutilised credit facilities.

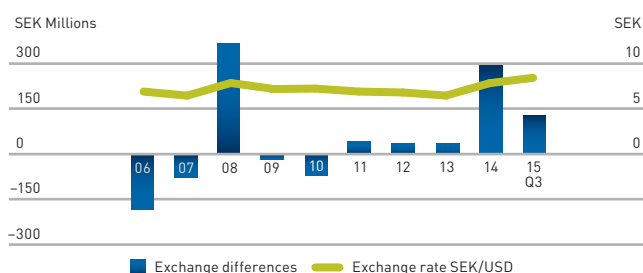
Demand for damages

In July 2013, the vessel owner received an application for arbitration for the damage the customer believes the Company has caused them in connection with *Stena Primorsk's* grounding in the Hudson River

in December 2012 and the Company's decision to stop operating the vessel in this shipping channel. In July 2013, the customer requested that the matter be settled by arbitration in the United States. The vessel owner strongly rejects the claim of approx. USD 21 million and is preparing for arbitration.

The discovery phase, in which both parties' standpoints and demands were examined carefully, was completed in the third quarter. A possible conciliation procedure may be implemented during the fourth quarter of 2015 or the first quarter of 2016. If the conciliation procedure is not implemented, the process will be handled through arbitration, which will probably start in the first half of 2016. The Company's fees for legal and similar assistance regarding this matter are charged to the Company's earnings as incurred.

Translation differences (reported in other comprehensive income)



As a result of the SEK/USD exchange rate, the company's profit in SEK has changed, while profit in USD remains unchanged.

Liquidity and financial position

SEK millions	30 Sep 2015	30 Sep 2014
Available liquid funds ¹⁾	362.5	358.3
Interest-bearing liabilities	2,298.1	1,792.2
Equity	1,826.6	1,474.9
Equity ratio, %	43	43

1) Includes unutilised available credit facilities.

The Group's total income and earnings

SEK millions	Quarter 3		9 months (Jan-Sep)	
	2015	2014	2015	2014
Total income	209.7	104.0	592.4	405.4
Operating result	60.7	-13.9	152.0	54.2
Result before tax	52.4	-23.1	124.5	29.2
Result per share after tax, SEK	1.10	-0.57	2.61	0.53

Other information

Related party transactions

Concordia Maritime has a small internal organisation, and purchases services from related-party companies in Stena Sphere, which include Stena Bulk. The latter company conducts tanker business that 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 opt for 0, 50 or 100 percent participation in each new transaction.

Stena Weco

At the beginning of April 2011, Stena Bulk and the Danish company Weco started a 50-50 joint venture which resulted in a newly established company, Stena Weco, Stena Weco specialises mainly in the transportation of vegetable oils. Under a new agreement with Stena Bulk, Concordia Maritime is entitled to the financial result arising from vessels that may from time to time be chartered in by Stena Weco for a period of more than one year, should Concordia Maritime decide to participate in such charters. Other business generated by Stena Weco is not available to Concordia Maritime.

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

- **Vessel charter**
Payment is based on a commission of 1.25 percent on freight rates.
- **Commission on the purchase and sale of vessels**
Payment is based on a commission of 1 percent.
- **Operation and manning of the Group's vessels, also referred to as ship management**
Payment is based on a fixed price per year and vessel.
- **Purchases of bunker oil**
Payment is based on a fixed commission per ton purchased.
- **Commercial operation, administration, marketing, insurance, technical monitoring and development of Concordia Maritime's fleet**
Payment is based on a fixed price per month and vessel. With regard to technical consulting services for newbuild projects, an hourly rate is applied on a cost-plus basis, which is then charged to the project.
- **Office rent and office services**
A fixed annual price is charged.

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

GROUP

Income statement, other comprehensive income and per-share data

SEK millions	Quarter 3 2015	Quarter 3 2014	9 months (Jan-Sep) 2015	9 months (Jan-Sep) 2014	Full year 2014
CONSOLIDATED INCOME STATEMENT					
Average exchange rate SEK/USD	8.47	6.95	8.42	6.68	6.86
Time charter income	24.8	13.5	76.3	103.4	119.4
Spot charter income	184.9	89.2	516.1	244.2	351.2
Result from sale of investments in jointly-controlled entities	0	1.3	0	57.4	57.4
Other external income	0	0.1	0	0.2	3.2
Total income	209.7	104.0	592.4	405.4	531.2
Operating costs, ships	-41.1	-34.7	-123.1	-105.7	-137.0
Personnel costs, seagoing	-46.5	-35.2	-133.2	-100.7	-138.0
Personnel costs, land-based	-3.7	-3.2	-14.7	-12.1	-17.0
Other external costs	-10.3	-8.6	-31.7	-26.3	-38.0
Depreciation	-47.4	-36.2	-137.7	-106.3	-144.7
Total operating costs	-149.0	-117.9	-440.4	-351.2	-474.8
Operating result	60.7	-13.9	152.0	54.2	56.4
Interest and similar income	0.1	0.1	0.7	5.4	5.6
Interest and similar expense	-8.4	-9.3	-28.2	-30.4	-45.4
Financial net	-8.3	-9.2	-27.5	-25.0	-39.8
Result before tax	52.4	-23.1	124.5	29.2	16.5
Tax	0	-4.0	0	-4.0	-7.8
Result after tax	52.4	-27.0	124.5	25.3	8.7
Other comprehensive income					
Items that have been/can be transferred to result for the period					
Translation differences	39.8	96.5	124.2	144.0	259.8
Equity hedges	0.0	0.0	0.0	0.0	0.0
Available-for-sale financial assets	0.0	0.0	3.2	-3.2	-3.2
Cash flow hedges, currency-related	0.0	0.0	0.0	0.0	0.0
Cash flow hedges, interest-related	0.0	4.9	0.0	12.5	17.1
Tax attributable to items that have been, or can be, transferred to result for the period	0.0	4.2	0.0	4.1	0.0
Comprehensive income for the period	92.2	78.6	251.9	182.7	282.4
Per-share data, SEK					
Number of shares	47,729,798	47,729,798	47,729,798	47,729,798	47,729,798
Result per share, before/after dilution	1.10	-0.57	2.61	0.53	0.18
Equity per share, SEK	38.27	30.9	38.27	30.9	32.99

GROUP

Condensed balance sheet

SEK millions	30 Sep 2015	30 Sep 2014	31 Dec 2014
Closing exchange rate SEK/USD	8.39	7.24	7.81
Assets			
Ships and equipment	3,559.5	2,944.9	3,129.7
Ships under construction	133.1	142.0	205.8
Financial assets	0.1	6.6	0.8
Total non-current assets	3,692.6	3,093.4	3,336.3
Current receivables	286.5	255.0	242.9
Short-term investments	0	0	0.0
Cash and bank balances	268.6	71.4	136.6
Total current assets	555.1	326.4	379.5
Total assets	4,248.0	3,419.8	3,715.8
Equity and liabilities			
Equity	1,826.6	1,474.9	1,574.7
Non-current liabilities	2,055.1	1,755.3	2,013.9
Current liabilities	366.3	189.6	127.2
Total equity and liabilities	4,248.0	3,419.8	3,715.8

The Group's pledged assets and contingent liabilities

In July 2013, the vessel owner received an application for arbitration for the damage the customer believes the Company has caused them in connection with *Stena Primorsk's* grounding in the Hudson River in December 2012 and the Company's decision to stop operating the vessel in this shipping channel. In July 2013, the customer requested that the matter be settled by arbitration in the United States. The vessel owner strongly rejects the claim of approx. USD 21 million and is preparing for arbitration.

A discovery phase, in which both parties' standpoints and demands were examined carefully, was completed in the third quarter. A possible conciliation procedure may be implemented during the fourth quarter of 2015 or the first quarter of 2016. If the conciliation procedure is not implemented, the process will be handled through arbitration, which will probably start in the first half of 2016. The Company's fees for legal and similar assistance regarding this matter are charged to the Company's earnings as incurred. It is the Company's assessment that a contingent liability amount cannot be determined at present.

Changes in equity

SEK millions	Share capital	Other paid-in capital	Translation reserve	Hedging reserve	Fair value reserve	Retained earnings	Total
Changes Jan-Sep 2015							
Opening balance 01.01.2015	381.8	61.9	289.3	-3.2	0.0	844.9	1,574.7
Comprehensive income for the period	0.0	0.0	124.2	3.2	0.0	124.5	251.9
Closing balance 30.09.2015	381.8	61.9	413.5	0.0	0.0	969.4	1,826.6
Changes Jan-Sep 2014							
Opening balance 01.01.2014	381.8	61.9	29.4	-20.3	3.2	836.3	1,292.3
Comprehensive income for the period			148.1	12.5	-3.2	25.3	182.7
Closing balance 30.09.2014	381.8	61.9	177.5	-7.8	0	861.5	1,474.9

GROUP

Condensed cash flow statement

SEK millions	Quarter 3 2015	Quarter 3 2014	9 months (Jan-Sep) 2015	9 months (Jan-Sep) 2014	Full year 2014
Operating activities					
Result before tax	52.4	-23.1	124.5	29.2	16.5
Adjustments:					
Depreciation	53.4	40.2	154.6	117.4	150.5
Result from sale of securities	0.0	0	0.0	-3.9	-4.0
Result from sale of investments in jointly-controlled entities	0.0	-1.3	0.0	-57.4	-58.9
Other items	40.2	8.0	14.9	2.5	17.7
Cash flow from operating activities before changes in working capital	145.9	23.8	294.0	87.8	121.8
Changes in working capital	19.6	-50.7	3.5	-25.4	-36.2
Cash flow from operating activities	165.6	-26.9	297.5	62.4	85.6
Investing activities					
Investment in non-current assets	-28.3	-2.8	-266.1	-33.9	-87.9
Sale of financial assets	0.0	1.9	0.0	87.8	90.2
Sale of investments in jointly-controlled entities	0.0	5.1	0.0	231.3	237.6
Cash flow from investing activities	-28.3	4.2	-266.1	285.2	239.9
Financing activities					
New loans	1.0	0.0	218.8	12.9	117.2
Amortisation of loans	-5.4	3.5	-109.4	-401.8	-434.9
Dividend to shareholders	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	-4.4	-3.5	109.4	-388.9	-317.7
Cash flow for the period	132.8	-26.2	140.8	-41.3	7.8
Balance at beginning of period (Note 1)	137.1	94.2	136.6	106.0	106.0
Exchange differences (Note 2)	-1.3	3.4	-8.8	6.7	22.8
Balance at end of period (Note 1)	268.6	71.4	268.6	71.4	136.6
Note 1. Consists of cash, bank balances and credit facility					
Note 2. Exchange differences attributable to:					
Cash and cash equivalents at beginning of year	8.9	0.0	8.9	0.0	0.0
Cash flow for the period	-10.2	3.4	-17.7	6.7	22.8
	-1.3	3.4	-8.8	6.7	22.8

PARENT COMPANY

Condensed income statement

SEK millions	9 months 2015	9 months 2014
Net sales	14.2	0.5
Other external costs	-10.6	-11.0
Personnel expenses	-11.0	-9.2
Operating result	-7.3	-19.8
Result from subsidiaries	86.4	
Other interest and similar income	21.1	9.4
Interest and similar expense	-31.4	-31.9
Result before tax	68.8	-42.3
Tax	0	0
Result for the period	68.8	-42.3

Condensed balance sheet

SEK millions	30/09/2015	30/09/2014
Assets		
Ships and equipment	0.1	0.1
Financial assets	34.3	34.3
Investments in Group companies	745.8	745.8
Total non-current assets	780.2	780.2
Current receivables	28.6	2.3
Receivables from Group companies	1,574.4	1,239.6
Cash and bank balances	19.8	66.2
Total current assets	1,622.8	1,308.2
Total assets	2,403.0	2,088.3
Equity and liabilities		
Equity	605.5	561.5
Non-current liabilities	1,583.1	1,327.8
Current liabilities	214.4	199.0
Total equity and liabilities	2,403.0	2,088.3
Pledged assets	83.9	72.4
Contingent liabilities ¹⁾	322.1	301.2

1) The parent company has provided a guarantee for a subsidiary, which relates to vessel financing.

Risks and risk management

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

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

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

More information about risks and risk management can be found in Concordia Maritime's 2014 annual report, which is available at www.concordiamaritime.com

Accounting policies

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

parent company, the same accounting principles and computation methods have been applied as in the most recent annual report. No new or revised IFRS recommendations or IFRIC interpretations have had any material effect on the Group's or parent company's financial position, results or disclosures.

The Concordia Maritime Group applies International Financial Reporting Standards (IFRS) as adopted by the EU. The Group applies the same accounting policies and calculation methods in the quarterly reports as in the annual report for 2014, in addition to those described in this report.

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

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

Gothenburg, 11 November 2015

Carl-Johan Hagman
Chairman

Stefan Brocker
Deputy Chairman

Daniel Holmgren

Mats Jansson

Helena Levander

Mahmoud Sifaf

Jörgen Lorén

Michael G:son Löw

Morten Chr. Mo

Dan Sten Olsson

Kim Ullman
CEO

Audit review report

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

Introduction

I have reviewed the condensed set of financial statements in the interim report for Concordia Maritime AB (publ) for the third quarter and the nine months ended 30 September 2015. The Board of Directors and CEO are responsible for the preparation and presentation of this interim financial report in accordance with IAS 34 and the Swedish Annual Accounts Act. My responsibility is to express an opinion on this interim report based on my review.

Scope of the review

I conducted my review in accordance with the International Standard on Review Engagements, ISRE 2410 – *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review

procedures. A review is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable me to obtain a level of assurance that would make me aware of all significant matters that might be identified during an audit. Consequently, conclusions based on a review do not have the level of assurance of those based on an audit.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the interim financial report has not been prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act for the Group and the Swedish Annual Accounts Act for the parent company.

Gothenburg, 11 November 2015

Jan Malm
Authorised Public Accountant

Quarterly overview

SEK millions	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013
Profit/loss items								
Total income	209.7	204.3	178.4	125.7	104.0	166.2	135.2	95.7
Operating costs excluding impairment	-149.0	-152.0	-139.4	-123.6	-117.9	-114.0	-119.3	-122.7
Operating result (EBIT)	60.7	52.3	39.0	2.2	-13.9	52.2	15.9	-27.0
of which result from sale of investments in jointly-controlled entities (vessels)	—	—	—	—	—	56.1	—	—
Financial net	-8.3	-8.3	-10.9	-14.9	-9.2	-10.1	-5.7	-8.0
Result after financial net	52.4	44.0	28.1	-12.7	-23.1	42.1	10.2	-35.0
Result after tax	52.4	44.0	28.1	-16.6	-27.0	40.1	12.2	-30.8
Cash flow from operating activities	145.9	55.2	87.0	34.0	23.8	21.9	42.1	13.2
EBITDA	108.0	99.5	82.2	40.5	22.3	86.5	51.7	9.2
Balance-sheet items								
Ships (number)	3,559.6 (12)	3,527.9 (12)	3,415.1 (11)	3,129.7 (11)	2,944.9 (11)	2,769.6 (11)	2,708.6 (12)	2,915.6 (12)
Ships under construction (number)	133.1 (1)	124.2 (1)	243.4 (2)	205.8 (2)	142.0 (2)	130.8 (2)	102.0 (2)	100.5 (2)
Liquid funds incl. investments	268.6	137.1	201.4	136.6	71.4	94.2	211.8	187.7
Other assets	286.5	315	267.5	243.7	261.6	182.2	364.6	202.7
Interest-bearing liabilities	2,298.1	2,260.8	2,250.7	2,038.9	1,792.2	1,669.0	1,970.6	1,994.0
Other liabilities and provisions	123.3	109.3	109.2	102.2	152.7	111.3	112.0	120.2
Equity	1,826.5	1,734.5	1,767.6	1,574.7	1,474.9	1,396.5	1,304.4	1,292.3
Total assets	4,248.0	4,105.3	4,127.5	3,715.8	3,419.8	3,176.8	3,387.0	3,406.5
Key ratios, %								
Equity ratio	43	42	43	42	43	44	39	38
Return on total capital	4	2	2	2	1	0	2	-3
Return on capital employed	3	2	2	2	1	0	2	-3
Return on equity	6	2	2	1	0	0	1	-9
Operating margin	29	25	22	2	-13	31	12	-28
Share data								
Total income	4.39	4.28	3.71	2.63	2.18	3.48	2.83	2.00
Operating costs excluding impairment	-3.12	3.18	-2.92	-2.59	-2.47	-2.39	-2.50	-2.57
Operating result before impairment	1.27	1.10	0.82	0.05	-0.29	1.09	0.33	-0.57
Financial net	-0.18	-0.17	-0.23	-0.31	-0.19	-0.21	-0.12	-0.17
Result after tax	1.10	0.92	0.59	-0.48	-0.57	0.84	0.26	-0.64
Cash flow from operations	3.06	1.16	1.82	-5.76	0.50	0.46	0.88	0.28
EBITDA	2.26	2.08	1.72	0.85	0.47	1.81	1.08	0.19
Equity	38.27	36.34	37.03	32.99	30.90	29.26	27.33	27.07

Please note that there has been no dilution effect since 2002.
Definitions: see page 14

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Calendar

2015 Year-end	28 January 2016
Q1 Interim report	26 April 2015
AGM	26 April 2015

Distribution For environmental reasons, we are no longer printing our quarterly reports and are only publishing them digitally. Concordia Maritime's interim reports and additional financial information about the Company can be read or downloaded from our website www.concordiamaritime.com/en/investor-relations

The information in this report is information that Concordia Maritime is required to disclose in accordance with the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. The information was made public on 11 November 2015, at approx. 2.30 p.m.

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Corp. ID 556068-5819
www.concordiamaritime.com

Fleet at 30/09/2015

		Employment	Partner/customer
P-MAX	Stena Premium	Spot (light)	Stena Weco
	Stena Polaris	Spot (light)	Stena Weco
	Stena Performance	Spot (light)	Stena Weco
	Stena Provence	Spot (light)	Stena Weco
	Stena Progress	Spot (light)	Stena Weco
	Stena Paris	Spot (light)	Stena Weco
	Stena Primorsk	Spot (heavy)	Concordia Maritime/Stena Bulk Pool
	Stena Penguin	Spot (heavy)	Concordia Maritime/Stena Bulk Pool
	Stena Perros	Time charter to Jan 2016 (heavy)	Concordia Maritime/Stena Bulk Pool
	Stena President	Time charter to Jan 2016 (heavy)	Concordia Maritime/Stena Bulk Pool
Suezmax	Stena Supreme	Spot	Stena Sonangol Suezmax Pool
	Unnamed vessel ¹⁾	Spot	Stena Sonangol Suezmax Pool
	Unnamed vessel ²⁾	Spot	Stena Sonangol Suezmax Pool
IMOIMAX	Stena Image	Spot (light)	Stena Weco
	Stena Important	Delivered Oct 2015	Stena Weco

Definitions

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).

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.

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.

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.

Equity ratio Equity as a percentage of total assets.

Spot charter (open market) Hiring of vessels on a voyage-by-voyage basis.

Time charter Hiring of vessels for a specified period at a fixed rate.

1) 50% charter December 2014–December 2015.
2) 50% charter July 2015–June 2016.