

YEAR-END REPORT 1 January–31 December 2015

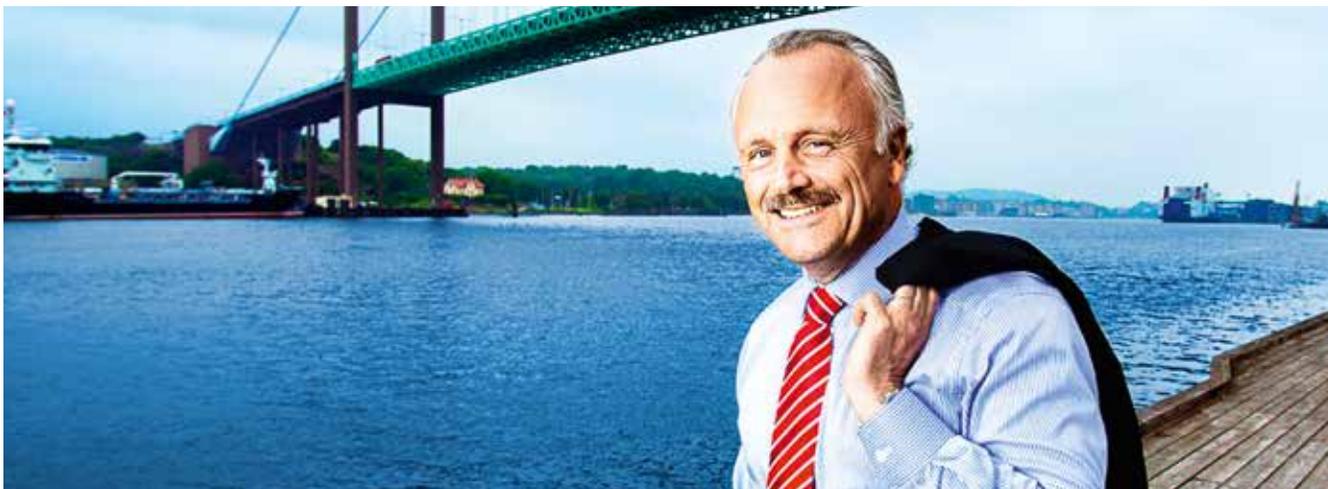
- Total income, Q4: SEK 217.6 (125.7) million
Full year 2015: SEK 810.0 (531.2) million
- Result before tax, Q4: SEK 49.8 (–12.7) million
Full year 2015: SEK 174.3 (16.5) million
- EBITDA, Q4: SEK 117.3 (42.9) million
Full year 2015: SEK 423.8 (214.7) million
- Result per share after tax, Q4: SEK 1.03 (–0.35)
Full year 2015: SEK 3.64(0.18)
- Delivery of IMOII MAX vessel *Stena Important*.
- P-MAX vessel *Stena Primorsk* chartered out. The contract is for two years and runs from late January/early February 2016.
- IMO2/3 class MR tanker (ECO-design) chartered in. The contract is for two years and runs from November 2015. Concordia Maritime's share is 50 percent.
- The Board will propose to the AGM a dividend of SEK 0.50 per share.

AFTER THE END OF THE REPORTING PERIOD

- Another P-MAX tanker chartered out over a longer period. The contract runs from February 2016, and is for one year with an option for a further year.

Key ratios

	Q4 (Oct–Dec)		Full year	
	2015	2014	2015	2014
Total income, SEK million	217.6	125.7	810.0	531.2
EBITDA, SEK million	117.3	42.9	423.8	214.7
EBITDA, USD million	13.9	5.6	50.3	31.3
Operating result, SEK million	57.6	2.2	209.6	56.4
Result after tax, SEK million	49.4	–16.6	173.9	8.7
Equity ratio, %	43	42	43	42
Return on equity, %	10	1	10	1
Available liquid funds, including unutilised credit facilities, SEK million	367.1	233.5	367.1	233.5
Result per share after tax, SEK	1.03	–0.35	3.64	0.18
Equity per share, SEK	39.15	32.99	39.15	32.99



PRESIDENT'S OVERVIEW

Best year since 2001

The combination of a strong market, increased earning capacity and a successful chartering strategy contributed to making 2015 the best year for Concordia Maritime since 2001, if we exclude years with ship sales.

Overall, we are able to report a profit before tax of SEK 174.3 (16.5) million for the year. EBITDA was SEK 423.8 (214.7) million, corresponding to USD 50.3 (31.3) million. Result after tax for the fourth quarter amounted to SEK 49.8 (-12.7) million. EBITDA was SEK 117.3 (42.9) million, corresponding to USD 13.9 (5.6) million.

With hindsight, we can say that the year turned out as we expected – even rather better. Looking at the year as a whole, income in the MR and Suez-max segments was about 50 percent higher than in the previous year. The main driving forces included strong underlying demand for oil and petroleum products, driven in turn by low oil prices, and changes in the global refinery infrastructure. A contributing factor to the strong market for crude oil transportation is the overproduction of crude oil of 1.5–2.0 million barrels per day. In the crude oil segment, modest growth in the fleet also contributed to a good balance between supply and demand. Total seaborne transportation of oil products increased by just over 6 percent during the year, the strongest increase since 2006.

The fact that, for our part, we increased both EBITDA and result before tax is a direct consequence of both the strong market and proactive work on our fleet deployment. The strategy of employing the vessels on the open market proved absolutely right and this – together with an increased focus on niche trades – has contributed significantly to the positive trend.

The strong spot market in the latter part of 2014 and virtually the whole of 2015 has resulted in the time charter market also now strengthening. We chartered out a P-MAX tanker for two years at the end of the year and at the beginning of 2016, we chartered out another vessel for a year. Both contracts are fully in line with our chartering strategy. We ensure a good level of income for the vessels, while balancing the exposure to the spot market in a well-judged way.

Another factor behind these developments is an increased earning capacity – as a result of more vessels in the fleet. Overall growth in the fleet during the year, including vessels chartered in, was about 20 percent. The two new IMOIMAX tankers, *Stena Image* and

Stena Important, have been very well received by the market and have performed above expectations. The transaction is a good example of ordering the right type of vessel at the right time and the right price. Trade in vessels, both purchases and sales, is an essential part of every shipping company's business model – and the ability to use the right timing cannot be emphasised enough.

During the fourth quarter discussions were initiated in order to start a settlement process regarding the dispute that arose from the grounding of *Stena Primorsk* in the Hudson River in December 2012. This will continue in the first quarter in 2016. More information can be found on page 6 of this interim report.

As we look back on the year, it should also be said that 2015 was another year in which we were spared from any serious incidents and accidents. Shipping is associated with risks for both people and the environment, but we do our utmost to minimise or eliminate them. Safe vessels, competent crews and well-developed procedures are the backbone of these efforts.

Market outlook 2016

The market has continued to be strong in the early part of 2016 and our basic view of the year is positive. We expect the price of oil to remain low and continuing changes in the global refinery infrastructure to result in stable demand for transportation of oil and refined petroleum products. Relatively large numbers of new ships are expected to be delivered during the year, particularly crude oil tankers at the end of the year, but it is too early to speculate the extent to which these will affect the market.

Kim Ullman, CEO



Business activities

Overall, 2015 was a strong year for both Concordia Maritime and the market as a whole. After a short seasonal decline in late summer and autumn, the market strengthened again in the fourth quarter.

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 expires at the end of January 2016.

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.

In November, a contract was signed for the charter of an IMO2/3 class MR tanker (ECO-design). The vessel will be chartered jointly with Stena Weco, and Concordia Maritime's share amounts to 50 percent. The contract, which runs from the end of November 2015, is for two years with an option for a further 1-6 months.

At the end of the year, a contract was signed to charter out the P-MAX tanker *Stena Primorsk*. The contract is for two years and runs from end January/beginning February 2016.

Average income for the entire product tanker fleet, spot and TC, during the fourth quarter was USD 20,000 (14,800) per day. For vessels employed on the spot market, average income for the quarter was USD 20,200 (16,000) for light products and USD 23,600 (13,000) for heavy products.

Looking at the full year, the average income for the entire product tanker fleet, spot and TC, was USD 20,100 (13,700) per day. For vessels employed on the spot market, average income for the year was USD 21,100 (13,400) for light products and USD 21,100 (14,100) 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 and the Angolan state oil company Sonangol. The pool is a long-time market leader in terms of suezmax tanker income.

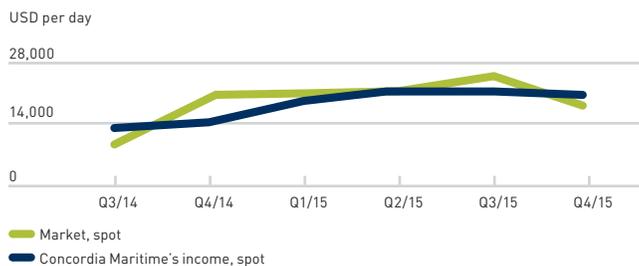
Average income for *Stena Supreme* was USD 40,100 (27,600) per day for the quarter and USD 40,900 (25,600) per day for the full year 2015.

In addition to *Stena Supreme*, Concordia Maritime also had positions in Stena Bulk's suezmax fleet, corresponding to 50 percent charters of two tankers, during the quarter. These vessels are also employed on the global open market through the Stena Sonangol Suezmax Pool. One of the contracts expired in December 2015, while the other runs until June 2016.

Repairs and drydock

Stena Penguin went into drydock during the quarter. *Stena Paris* also entered drydock during the quarter (completed in the first quarter of 2016).

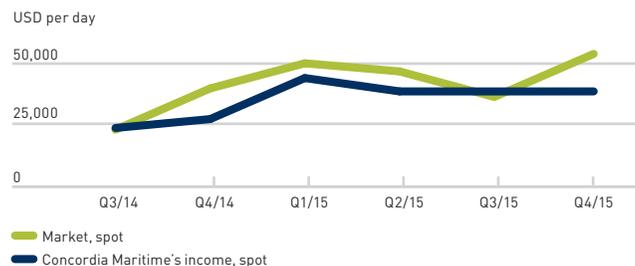
Product tanker fleet's average income (spot)



Source: Clarksons Average MR Clean Earnings

Concordia Maritime's product tanker fleet achieved a higher income than the Clarksons theoretical index in the fourth quarter of 2015. Real income and the index may differ slightly from quarter to quarter during the year, but Concordia Maritime's actual income for the full year is in line with the Clarksons theoretical index.

Suezmaxfleet's average income (spot)



Source: Clarksons Average Suezmax Long Run Historical Earnings

Concordia Maritime's income in the suezmax segment for both the fourth quarter and full year 2015 is lower than the Clarksons theoretical index. However, in this comparison, it should be noted that the Clarksons index does not include waiting time or demurrage, i.e. the charge for time spent in port in excess of the contracted period, which pulls down income in a good market. When compared with other charter pools, the Stena Sonangol Pool is one of the industry's leaders.

Income, spot

USD per day	Number of vessels	Average income, Concordia Maritime				Average income, market			
		Q4 2015	Q4 2014	Full year 2015	Full year 2014	Q4 2015	Q4 2014	Full year 2015	Full year 2014
Product tankers	10	20,800	14,800	21,100	13,700	18,200	20,700	21,400	12,600
Suezmax	2	39,000	27,600	39,500	25,600	52,300	40,850	46,700	27,800

EBITDA per quarter

USD millions	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014
Product tankers, time charter	1.3	1.2	1.1	1.5	0.5	0.5	1.7	2.7 ¹⁾
Product tankers, spot	10.3	9.4	9.3	6.5	4.6	2.6	0.8	4.0
Panamax	0.0	0.0	0.0	0.0	0.0	0.0	11.9 ²⁾	1.1
Suezmax	3.7	3.6	3.2	3.7	2.0	1.4	0.7	2.2
Admin. and other	-1.4	-0.9	-1.1	-1.1	-1.4	-1.1	-1.4	-1.5
Total	13.9	13.3	12.5	10.6	5.7	3.4	13.7	8.5

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

2) 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 December, 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 38 million. This is about 10 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 63 million.

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

Source: Clarkson



Financial summary

Result and cash flow

Result after tax for 2015 was SEK 173.9 (8.7) million, which represents a strong improvement compared with 2014. The improvement is due to high demand for transportation of crude oil and petroleum products, resulting in significantly higher market rates in 2015. In addition, the company has taken delivery of two new IMOIIIMAX vessels and this has also contributed to the improvement.

The improved result also generated a higher cash flow for 2015, which was SEK 129.3 (7.8) million.

Equity

Equity per share was SEK 39.15 (32.99).

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. 12% 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 406.2 (289.2) million. The changes are recognised in equity through OCI.

Investments

Investments during the quarter amounted to SEK 193.2 (54.0) million and for the full year 2015 the investments amounted to 459.3 (87.9) million. The investments were mainly related to payments for the two IMOIIIMAX vessels delivered during 2015.

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 the asset values at 31 December 2015 did not indicate any impairment.

Seasonal variations

Two vessels from our fleet of 14.0 vessels (13 owned and two on 50% charters) were out on time charters at the end of the quarter. The time charters for these two vessels expire in January 2016 and a new time charter for another vessel begins at the end of January/beginning of February 2016. Other vessels 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 31 December 2015 was 6 (6). The Group employed 464 (404) temporary seagoing employees through Stena Sphere's manning company.

Parent company

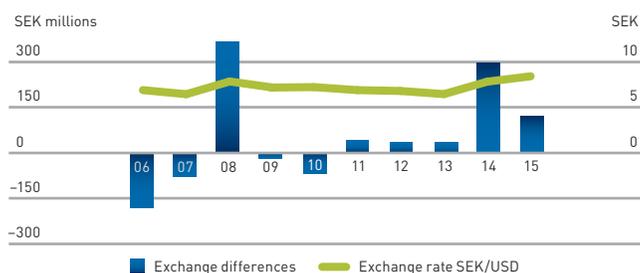
The parent company's sales for the fourth quarter amounted to SEK 10.6 (1.5) million, with intragroup invoicing accounting for SEK 2.7 (0.6) million of this amount. The parent company's investments during 2015 amounted to SEK 24.8 (2.0) million. Result before tax was SEK 69.8 (-67.1) million. The parent company's available liquid funds at 31 December 2015 amounted to SEK 1,581.8 (1,615.9) million, which includes receivables from Group companies in the cash pool and unutilised credit facilities.

Demand for damages

In July 2013, the company owning the vessel 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. During the fourth quarter discussions were initiated in order to start a settlement process. This will continue during the first quarter of 2016. If settlement is not reached, the process will be handled through arbitration, starting in the second quarter 2016, with a ruling likely at the end of the year or in the first quarter of 2017. 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 OCI)



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	31 Dec 2015	31 Dec 2014
Available liquid funds ¹⁾	367.1	233.5
Interest-bearing liabilities	2,387.2	2,038.9
Equity	1,868.7	1,574.7
Equity ratio, %	42.9	42.0

1) Includes unutilised available credit facilities.

The Group's total income and earnings

SEK millions	Quarter 4		Full year	
	2015	2014	2015	2014
Total income	217.6	125.7	810.0	531.2
Operating result	57.6	2.2	209.6	56.4
Result before tax	49.8	-12.7	174.3	16.5
Result per share after tax, SEK	1.03	-0.35	3.64	0.18

Other information

Related party transactions

Concordia Maritime has a small internal organisation, and purchases services from related-party companies in Stena Sphere, which include Stena Bulk. The latter company conducts tanker business that 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, specialising 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 construction 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 take place on commercial terms and at market-related prices.

GROUP

Income statement, other comprehensive income and per-share data

SEK millions	Quarter 4 2015	Quarter 4 2014	Full year 2015	Full year 2014
Consolidated income statement				
Average exchange rate SEK/USD	8.49	7.42	8.44	6.86
Time charter income	24.9	15.7	101.2	119.4
Spot charter income	192.6	107.0	708.7	351.2
Result from sale of investments in jointly-controlled entities	0	0	0	57.4
Other external income	0	3.1	0	3.2
Total income	217.6	125.7	810.0	531.2
Operating costs, ships	-36.5	-28.8	-142.8	-123.3
Personnel costs, temporary seagoing	-46.1	-37.3	-179.3	-138.0
Personnel costs, land-based	-6.8	-4.9	-21.5	-17.0
Other external expenses	-10.8	-11.7	-42.5	-38.0
Depreciation	-59.7	-40.9	-214.2	-158.4
Total operating costs	-159.9	-123.6	-600.3	-474.8
Operating result	57.6	2.2	209.6	56.4
Interest and similar income	2.4	0.1	3.1	5.6
Interest and similar expense	-10.2	-15.0	-38.4	-45.4
Financial net	-7.8	-14.9	-35.3	-39.8
Result before tax	49.8	-12.7	174.3	16.5
Tax	-0.5	-3.9	-0.5	-7.8
Result after tax	49.4	-16.6	173.9	8.7
Other comprehensive income				
Items that have been/can be transferred to result for the period				
Translation differences	-6.3	116.0	116.9	259.8
Available-for-sale financial assets	0	0	3.2	-3.2
Cash flow hedges, interest-related	0	4.6	0	17.1
Tax attributable to items that have been, or can be, transferred to result for the period	0.0	2.2	0.0	0.0
Comprehensive income for the period	43.1	106.2	294.0	282.4
Per-share data, SEK				
Number of shares	47,729,798	47,729,798	47,729,798	47,729,798
Result per share, before/after dilution	1.03	-0.35	3.64	0.18
Equity per share, SEK	39.15	32.99	39.15	32.99

GROUP

Condensed balance sheet

SEK millions	31 Dec 2015	31 Dec 2014
Closing exchange rate SEK/USD	8.35	7.81
Assets		
Ships and equipment	3,809.0	3,129.7
Ships under construction	0.0	205.8
Financial assets	0.5	0.8
Total non-current assets	3,809.5	3,336.3
Current receivables	271.4	242.9
Short-term investments	0.0	0.0
Cash and bank balances	273.6	136.6
Total current assets	544.9	379.5
Total assets	4,354.5	3,715.8
Equity and liabilities		
Equity	1,868.7	1,574.7
Non-current liabilities	2,129.0	2,013.9
Current liabilities	356.8	127.2
Total equity and liabilities	4,354.5	3,715.8

The Group's pledged assets and contingent liabilities

In July 2013, the company owning the vessel 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. During the fourth quarter discussions were initiated in order to start a settlement process. This will continue during the first quarter of 2016. If settlement is not reached, the process will be handled through arbitration, starting in the second quarter 2016, with a ruling likely at the end of the year or in the first quarter of 2017. The company's fees for legal and similar assistance regarding this matter are charged to the company's earnings as incurred.

Changes in equity

SEK millions	Share capital	Other paid-in capital	Translation reserve	Hedging reserve	Fair value reserve	Retained earnings	Total
Changes Jan-Dec 2015							
Opening balance 01.01.2015	381.1	61.9	289.3	-3.2	0.0	844.9	1,574.7
Comprehensive income for the period	0.0	0.0	116.9	3.2	0.0	173.9	294.0
Closing balance 31.12.2015	381.1	61.9	406.2	0.0	0.0	1,018.8	1,868.7
Changes Jan-Dec 2014							
Opening balance 01.01.2014	381.1	61.9	29.4	-20.3	3.2	836.3	1,292.3
Comprehensive income for the period			259.9	17.1	-3.2	8.6	282.4
Closing balance 31.12.2014	381.1	61.9	289.3	-3.2	0	844.9	1,574.7

GROUP

Condensed cash flow statement

SEK millions	Quarter 4 2015	Quarter 4 2014	Full year 2015	Full year 2014
Operating activities				
Result before tax	49.8	-12.7	174.3	16.5
Adjustments:				
Depreciation	59.6	33.1	214.2	150.5
Result from sale of securities	0	-0.1	0	-4.0
Result from sale of investments in jointly-controlled entities	0	-1.5	0	-58.9
Other items	-11.2	15.2	3.7	17.7
Cash flow from operating activities before changes in working capital	98.2	34.0	392.2	121.8
Changes in working capital	-18.3	-10.8	-14.8	-36.2
Cash flow from operating activities	80.0	23.2	377.5	85.6
Investing activities				
Investment in non-current assets	-193.2	-54.0	-459.3	-87.9
Sale of financial assets	0	2.4	0	90.2
Sale of investments in jointly-controlled entities	0	6.3	0	237.6
Cash flow from investing activities	-193.2	-45.3	-459.3	239.9
Financing activities				
New loans	219.8	104.3	438.6	117.2
Amortisation of loans	-118.1	-33.1	-227.5	-434.9
Dividend to shareholders	0	0	0	0.0
Cash flow from financing activities	101.7	71.2	211.2	-317.7
Cash flow for the period	-11.6	49.1	129.3	7.8
Balance at beginning of period (Note 1)	268.6	71.4	136.6	106.0
Exchange differences (Note 2)	16.6	16.1	7.7	22.8
Balance at end of period (Note 1)	273.6	136.6	273.6	136.6
Note 1. Balance consists of cash, bank balances and credit facility				
Note 2. Exchange differences attributable to:				
Cash and cash equivalents at beginning of year	8.4	0.0	8.4	0.0
Cash flow for the period	8.2	16.1	-0.7	22.8
	16.6	16.1	7.7	22.8

PARENT COMPANY

Condensed income statement

SEK millions	Full year 2015	Full year 2014
Net sales	24.8	2.0
Other external expenses	-15.4	-15.4
Personnel expenses	-16.0	-12.6
Operating result	-6.5	-26.0
Result from subsidiaries	86.4	0.0
Other interest and similar income	25.9	12.8
Interest and similar expense	-36.0	-53.9
Result before tax	69.8	-67.1
Tax	5.6	0
Result for the period	75.4	-67.1

Condensed balance sheet

SEK millions	31 Dec 2015	31 Dec 2014
Assets		
Ships and equipment	0.0	0.1
Financial assets	40.0	34.3
Investments in Group companies	745.8	745.8
Total non-current assets	785.8	780.2
Current receivables	30.5	2.8
Receivables from Group companies	1,483.4	1,399.6
Cash and bank balances	4.9	119.4
Total current assets	1,518.8	1,521.9
Total assets	2,304.6	2,302.1
Equity and liabilities		
Equity	612.1	536.7
Non-current liabilities	1,477.6	1,753.8
Current liabilities	215.0	11.5
Total equity and liabilities	2,304.6	2,302.1
Pledged assets	83.5	68.1
Contingent liabilities ¹⁾	307.3	272.5

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 prepares its interim reports in accordance with the accounting policies and calculation methods used in the 2014 annual report, unless otherwise indicated in this report.

The Group's year-end 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 year-end 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. The report has not been reviewed by the Company's auditors.

Gothenburg, 28 January 2016

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

Quarterly overview

SEK millions	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014
Profit/loss items								
Total income	217.6	209.7	204.3	178.4	125.7	104.0	166.2	135.2
Operating costs excluding impairment	-159.9	-149.0	-152.0	-139.4	-123.6	-117.9	-114.0	-119.3
Operating result (EBIT)	57.6	60.7	52.3	39.0	2.2	-13.9	52.2	15.9
of which result from sale of investments in jointly-controlled entities (vessels)	—	—	—	—	—	—	56.1	—
Financial net	-7.8	-8.3	-8.3	-10.9	-14.9	-9.2	-10.1	-5.7
Result after financial net	49.8	52.4	44.0	28.1	-12.7	-23.1	42.1	10.2
Result after tax	49.4	52.4	44.0	28.1	-16.6	-27.0	40.1	12.2
Cash flow from operating activities	80.0	145.9	55.2	87.0	34.0	23.8	21.9	42.1
EBITDA	117.3	114.0	105.2	87.3	42.7	26.7	90.2	55.1
Balance-sheet items								
Ships (number)	3,809.0 (13)	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)
Ships under construction (number)	0	133.1 (1)	124.2 (1)	243.4 (2)	205.8 (2)	142.0 (2)	130.8 (2)	102.0 (2)
Liquid funds incl. investments	273.5	268.6	137.1	201.4	136.6	71.4	94.2	211.8
Other assets	271.4	286.5	315	267.5	243.7	261.6	182.2	364.6
Interest-bearing liabilities	2 387.2	2,298.1	2,260.8	2,250.7	2,038.9	1,792.2	1,669.0	1,970.6
Other liabilities and provisions	102.2	123.3	109.3	109.2	102.2	152.7	111.3	112.0
Equity	1 868.7	1,826.5	1,734.5	1,767.6	1,574.7	1,474.9	1,396.5	1,304.4
Total assets	4 354.5	4,248.0	4,105.3	4,127.5	3,715.8	3,419.8	3,176.8	3,387.0
Key ratios, %								
Equity ratio	43	43	42	43	42	43	44	39
Return on total capital	5	4	2	2	2	1	0	2
Return on capital employed	5	3	2	2	2	1	0	2
Return on equity	10	6	2	2	1	0	0	1
Operating margin	26	29	25	22	2	-13	31	12
Share data								
Total income	4.56	4.39	4.28	3.71	2.63	2.18	3.48	2.83
Operating costs excluding impairment	-3.35	-3.12	3.18	-2.92	-2.59	-2.47	-2.39	-2.50
Operating result before impairment	1.21	1.27	1.10	0.82	0.05	-0.29	1.09	0.33
Financial net	-0.14	-0.18	-0.17	-0.23	-0.31	-0.19	-0.21	-0.12
Result after tax	1.03	1.10	0.92	0.59	-0.48	-0.57	0.84	0.26
Cash flow from operating activities	1.68	3.06	1.16	1.82	-5.76	0.50	0.46	0.88
EBITDA	2.46	2.26	2.08	1.72	0.85	0.47	1.81	1.08
Equity	39.15	38.27	36.34	37.03	32.99	30.90	29.26	27.33

Please note that there has been no dilution effect since 2002.
Definitions: see page 13

Contact



Kim Ullman,
CEO
+46 31 85 50 03
or +46 704 85 50 03
kim.ullman@
concordiamaritime.com



Ola Helgesson,
CFO
+46 31 85 50 09
or +46 704 85 50 09
ola.helgesson@
concordiamaritime.com

Calendar

AGM and	
Q1 Interim Report	26 April 2016
Q2 Interim report	28 July 2016
Q3 Interim report	9 November 2016

Distribution For environmental reasons, we are only publishing our interim reports 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 28 January 2016, at approx. 2.30 p.m.

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

Fleet at 31/12/2015

	Vessel name	Employment	Partner
PRODUCT TANKERS			
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
	IMOIIIMAX	Stena Image	Spot (light)
Stena Important		Delivered Oct 2015	Stena Weco
MR ECO	Unnamed vessel ¹	Spot	Stena Weco
CRUDE OIL TANKERS			
Suezmax	Stena Supreme	Spot	Stena Sonangol Suezmax Pool
	Unnamed vessel ²	Spot	Stena Sonangol Suezmax Pool

1) 50% charter November 2015–November 2017 (with an option for a further 1-6 months).

2) 50% charter July 2015–June 2016.

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 taxes 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.

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MARITIME