

PRESS RELEASE

12 July 2021

Actions in order to strengthen Concordia Maritime's financial position and liquidity

Concordia Maritime AB (publ) ("Concordia" or the "Company") has agreed upon a conditional agreement with Stena Bulk AB ("Stena Bulk"), or a nominated company within the group of companies, on time charter of all of the Company's ten P-MAX product tankers (the "Time Charter"). The Company and some of the Company's lending banks (the "Banks") have also agreed upon a conditional term sheet concerning new terms and conditions for the loan that will apply until the current loan, originally amounting to MUSD 114, matures in the fourth quarter of 2024 (the "Term Sheet"). In addition, the Company has agreed upon a conditional guarantee contract whereby Stena Sessan AB ("Stena Sessan") guarantees to pay up to MUSD 10 to the Banks on behalf of Concordia under certain circumstances (the "Guarantee"). The Time Charter and the Guarantee are required in order to enter into a binding agreement with the Banks.

The weak tanker market during the past six years has entailed financial challenges for Concordia, as stated in the interim report for the first quarter of 2021. The Term Sheet, the Time Charter and the Guarantee mean that Concordia's imminent lack of liquidity is handled. The Time Charter ensures a stable income for the coming five years. Furthermore it gives Concordia a possibility to profit from an, as previously stated, expected improved market through the profit sharing mechanism under the Time Charter. In addition, Concordia has the right during the charter period to divest the entire fleet or parts thereof, without any fees, which ensures the Company's ability to take advantage of a stronger market. It is the aim of the Company to divest vessels once the market has improved in order to improve the liquidity and the freedom of action for the Company.

In connection with the Term Sheet, the Company has received new waivers from the Banks for covenants in the financing agreements and deferment on parts of the amortisations to the lending banks that are valid until the new terms and conditions for the loans are in place or until 30 September 2021. Until the end of 2024 the Company will focus on amortising its' debt to the Banks in accordance with the Term Sheet. Any possible payment of dividends during this time is therefore conditional upon the consent of the Banks. The new residual debt will be slightly higher than under the original loan agreement, but will equal the expected scrap value of the vessels. Failure to divest tankers in combination with a continued weak market may lead to that Concordia will need further credit.

The Term Sheet

The Term Sheet with the Banks concerns new terms and conditions of the Company's current financing, originally amounting to MUSD 114, of eight of the Company's P-MAX product tankers. The new terms and conditions entail a lower rate of amortisation and new levels for the covenants. Amortisation according to the new plan is ensured with the cash flow from the Time Charter and, if necessary in order for Concordia to amortise according to the new plan, a prepayment of the charter hire from Stena Bulk of up to MUSD 10 and a payment from Stena Sessan of up to MUSD 10 according to the Guarantee. The Term Sheet is conditional upon, among other things, the approval of the Banks' credit committees and that the Time Charter and the Guarantee are entered into, which require approval by the General Meeting of Concordia. Furthermore, the Term Sheet requires that agreements on corresponding terms and conditions are agreed upon with the lender to the Company's other two P-MAX product tankers.

Given the current market and the Company's financial position, and the related uncertainties, the Board of Directors and the management deem the Term Sheet together with the Time Charter and the Guarantee to be vital in order to strengthen Concordia's financial position and liquidity. Other solutions have been considered but the Board of Directors currently deem that the Term Sheet is the best solution to improve the Company's financial position.

Concordia and the Banks are expected to enter into binding agreements on the new terms and conditions of the financing in August 2021.

The Time Charter

The five year Time Charter with Stena Bulk ensures a guaranteed monthly base hire of USD 15,500 per day and tanker (USD 155,000 per day in total) to Concordia and a possible advance on the remaining base hire up to MUSD 10 if necessary in order for Concordia to be able to amortise according to the new plan. In addition to the guaranteed income, the Time Charter includes a profit sharing-mechanism implying that Concordia and Stena Bulk will share equally any possible surplus of income exceeding the base hire that the tankers generate on average during pre-determined periods of six months of the time charter period. The Company's right to divest the vessels can be utilised without any compensation to Stena Bulk. The agreement is conditional upon final approval of Stena AB (publ).

According to the Term Sheet, the guaranteed income from the Time Charter, and any possible proceeds from a divestment of the tankers covered by the Term Sheet, may only be used to cover operational costs, provisions for periodical drydocking and interest as well as amortisation to the Banks. The same conditions apply to any income under the profit sharing mechanism.

The Guarantee with Stena Sessan

As a prerequisite for the Term Sheet, the Company, the Banks and Stena Sessan have agreed upon the Guarantee, whereby Stena Sessan guarantees to pay up to MUSD 10 to the Banks, to cover amortisation on behalf of Concordia. The Guarantee can only be drawn by the Banks if necessary in order for Concordia to amortise according to the new plan. The guarantee cannot be utilised to a higher amount than what is required in order for Concordia to amortise according to the new plan. Any utilised amount under the Guarantee will be seen as a loan from Stena Sessan to Concordia and the Company will be required to repay any such amount. The utilised amount will carry an interest of LIBOR (or equivalent reference rate) plus 3 per cent per annum for Concordia and shall be repaid to Stena Sessan within two years.

Extraordinary General Meeting

Since the Time Charter and the Guarantee are considered significant related-party transactions, an Extraordinary General Meeting ("**EGM**") is expected to be held on 12 August 2021. For further information on the EGM, please refer to the notice in a separate press release. The notice contains further information on the Term Sheet, the Time Charter and the Guarantee.

As the agreements are considered significant related-party transactions, any shares and votes held directly or indirectly by the Sten A. Olsson family may not be considered, meaning that Concordia's major shareholder Stena Sessan, holding 52.16 per cent of the total amount of shares and 72.73 per cent of the votes, cannot vote on approval of the transactions at the EGM.

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About Concordia Maritime

Concordia Maritime is an international tanker shipping company. Our focus is on cost-effective and safe transportation of refined petroleum products and vegetable oils. The Company's B shares were first listed on Nasdaq Stockholm in 1984. www.concordiamaritime.com

This information is information that Concordia Maritime AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 18.50 CEST on 12 July 2021.