



**OKEANIS**

ECO TANKERS

CONDENSED  
CONSOLIDATED  
INTERIM  
FINANCIAL  
INFORMATION

THIRD QUARTER 2019



### Okeanis Eco Tankers Corp. Reports Unaudited Interim Condensed Results for the Third Quarter and Nine Month Period of 2019

GREECE, November 15, 2019 – Okeanis Eco Tankers Corp. ("OET" or the "Company") today reported unaudited interim condensed results for the three month and nine month period ended September 30, 2019.

#### HIGHLIGHTS - Q3 2019

- Time charter equivalent ("TCE", a non-IFRS measure) revenue and Adjusted EBITDA (a non-IFRS measure) of \$21.6 million and \$14.1 million, respectively. Loss for the period of \$3.2 million or \$0.10 per share (basic & diluted).
- Fleetwide Daily TCE rate of \$23,200 per operating day; VLCC, Suezmax and Aframax TCE rates of \$29,700, \$21,100 and \$16,300 per operating day, respectively.
- Daily vessel operating expenses ("opex", a non-IFRS measure) of \$6,900 per calendar day, including management fees.
- In Q4 2019 to date, 69% of the available VLCC spot days have been booked at an average TCE rate of \$63,400 per day, 74% of the available Suezmax spot days have been booked at an average TCE rate of \$59,100 per day and 57% of the available Aframax spot days have been booked at an average TCE rate of \$44,300 per day.
- In July 2019, the Company took delivery of the third and fourth VLCCs of its newbuilding program with Hyundai Heavy Industries, Nissos Santorini (Hull 3014) and Nissos Antiparos (Hull 3015).
- In August 2019, the Company took delivery of the fifth VLCC of its newbuilding program with Hyundai Heavy Industries, Nissos Donoussa (Hull 3050).
- Also in August 2019, the Company purchased 150,149 of its own shares at an average price of NOK 61 per share.
- In September 2019, the Company took delivery of the sixth VLCC of its newbuilding program with Hyundai Heavy Industries, Nissos Kythnos (Hull 3051).
- The Company fit scrubbers on two Suezmax vessels during Q3 2019, the M/T Milos and M/T Poliegos, and incurred 89 off-hire days.

#### SELECTED KEY FINANCIAL FIGURES

	Q3 2019	Q2 2019	QoQ Change
<b>Commercial Performance USD per day</b>			
VLCC Daily TCE*	\$29,700	\$31,800	(7%)
Suezmax Daily TCE*	\$21,100	\$19,400	9%
Aframax Daily TCE*	\$16,300	\$18,000	(10%)
Fleetwide Daily TCE*	\$23,200	\$20,700	12%
Fleetwide Daily Opex*	\$6,900	\$7,660	(10%)
Time Charter Coverage*	55%	41%	
	Q3 2019	Q2 2019	QoQ Change
<b>Income Statement USDm exc. EPS</b>			
TCE Revenue*	\$21.6	\$14.4	50%
Adjusted EBITDA*	\$14.1	\$8.3	70%
Net Loss	(\$3.2)	(\$3.6)	
Loss Per Share	(\$0.10)	(\$0.11)	

\* Definitions in section Use and Reconciliation of Alternative Performance Measures at the end of this report



	SEPTEMBER 30, 2019	DECEMBER 31, 2018	YTD Change
<b>Balance Sheet USDm</b>			
Total Interest Bearing Debt	\$682.8	\$339.9	101%
Total Cash (incl. Restricted Cash)	\$16.8	\$21.1	(20%)
Total Assets	\$1,033.3	\$668.5	55%
Total Equity	\$324.0	\$316.4	2%
Leverage*	67%	50%	

#### FINANCIAL & OPERATIONAL REVIEW

**Revenues** for Q3 2019 of \$29.4 million, up from \$19.6 million in Q2 2019. The 50% increase was mainly due to the delivery of four VLCC newbuildings (Nissos Santorini, Nissos Antiparos, Nissos Donoussa and Nissos Kythnos) and higher Suezmax spot rates, partially offset by lower Aframax spot rates for the period.

**Voyage expenses** for Q3 2019 of \$7.5 million, up from \$4.9 million in Q2 2019. The 53% increase was due to increased port expenses and cumulative bunker fuel consumption, partially offset by lower bunker prices for the period.

**Vessel operating expenses** for Q3 2019 of \$6.4 million, up from \$5.1 million in Q2 2019. The 26% increase was due to the delivery of four VLCC newbuildings, partially offset by lower daily VLCC newbuilding opex.

**Depreciation and amortization** for Q3 2019 of \$7.0 million, up from \$4.5 million in Q2 2019. The 56% increase was due to an enlarged fleet and increased depreciation related to exhaust gas cleaning systems ("scrubbers").

**General and administrative expenses** for Q3 2019 of \$0.4 million, down from \$0.6 million in Q2 2019. The 33% decrease was mainly due to a reduction in staff remuneration.

**Interest and finance costs** for Q3 2019 of \$10.2 million, up from \$7.5 million in Q2 2019. The 36% increase is attributable to an increase in interest bearing debt in connection with delivery yard instalments for four VLCC newbuildings, partially offset by a decrease in the effective interest rate. Total indebtedness as of September 30, 2019 of \$682.8 million, up from \$339.9 million as of December 31, 2018.

The Company incurred a **loss** in Q3 2019 of \$3.2 million, or \$0.10 per basic and diluted share, compared to a loss in Q2 2019 of \$3.6 million, or \$0.11 per basic and diluted share. The loss is due to an increase in financial expenses in connection with the increase in indebtedness of the Company and its wholly owned subsidiaries ("the Group"), a decrease in Suezmax revenue days as a result of scheduled off-hire days for scrubber retrofits and lower Aframax daily spot rates, partially offset by an increase in VLCC TCE revenue and Suezmax daily spot rates.

Net cash **provided by operating activities** in Q3 2019 of \$8.0 million comprising operating cash flows of \$12.9 million and negative changes in operating assets and liabilities of \$4.9 million.

Net cash **used in investing activities** in Q3 2019 of \$180.4 million primarily related to the payment of delivery instalments for four VLCC newbuildings and progress payments for scrubbers.

Net cash **provided by financing activities** in Q3 2019 of \$167.2 million primarily comprising debt issuance of \$179.5 million, partially offset by repayment of long term borrowings of \$6.5 million.

As of September 30, 2019, the Group's cash balance (including restricted cash) was \$16.8 million, compared to \$21.1 million as of December 31, 2018.

As of November 15, 2019, the Company had 32,739,851 shares outstanding (net of 150,149 treasury shares).

\* Definitions in section Use and Reconciliation of Alternative Performance Measures at the end of this report





## FLEET

As of November 15, 2019, the Company's fleet comprised 17 vessels with an average age of 1 year and aggregate capacity of approximately 3.8 million deadweight tons:

- Three Aframax/LR2 vessels with an average age of 4 years.
- Four Suezmax vessels with an average age of 2 years.
- Seven VLCC vessels with an average age of 0 years.
- One VLCC newbuilding under construction at Hyundai Heavy Industries with expected delivery in January 2020.
- Two Suezmax newbuildings under construction at Hyundai Samho Heavy Industries with expected delivery in August 2020.

## PRESENTATION

OET will be hosting a conference call and webcast at 14:00 CET / 8:00 a.m. EST on Friday November 15, 2019 to discuss third quarter 2019 results. Please refer to the Investor Relations section of the Company's website – [www.okeanisecotankers.com](http://www.okeanisecotankers.com) – for further details.

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## Report on Review of Interim Financial Information

To the Shareholders  
of Okeanis Eco Tankers Corp.

### Introduction

We have reviewed the accompanying condensed consolidated balance sheet of Okeanis Eco Tankers Corp. and its subsidiaries (the "Group") as of September 30, 2019 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows for the nine-month period then ended, and selected explanatory notes, as set out on pages 6 to 16 (the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34). Our responsibility is to express a conclusion on this interim financial information based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information 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 International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

*Deloitte Certified Public Accountants S.A.*

November 14, 2019  
Athens, Greece

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**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME**

	NOTE	FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019	2018	FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019	2018 <sup>1</sup>
<b>Revenue</b>		<b>\$29,380,957</b>	<b>\$12,491,556</b>	<b>\$68,190,259</b>	<b>\$12,870,423</b>
<b>Operating expenses</b>					
Commissions		(356,972)	(159,646)	(784,924)	(168,537)
Voyage expenses		(7,448,298)	(3,695,214)	(16,553,135)	(3,733,699)
Vessel operating expenses		(6,437,518)	(3,523,460)	(15,625,408)	(3,640,190)
Management fees		(614,400)	(337,800)	(1,422,600)	(348,600)
Depreciation and amortization		(7,019,108)	(3,297,523)	(15,329,592)	(3,404,031)
General and administrative expenses		(418,796)	(445,708)	(2,317,640)	(459,815)
<b>Total operating expenses</b>		<b>(\$22,295,092)</b>	<b>(\$11,459,351)</b>	<b>(\$52,033,299)</b>	<b>(\$11,754,872)</b>
<b>Operating profit</b>		<b>\$7,085,865</b>	<b>\$1,032,205</b>	<b>\$16,156,960</b>	<b>\$1,115,551</b>
<b>Other income / (expenses)</b>					
Interest income		30,504	217,872	114,254	217,993
Interest and other finance costs		(10,241,164)	(3,478,441)	(22,541,688)	(3,599,161)
Foreign exchange loss		(62,044)	(16,347)	(47,988)	(16,347)
<b>Total other expenses</b>		<b>(\$10,272,704)</b>	<b>(\$3,276,916)</b>	<b>(\$22,475,422)</b>	<b>(\$3,397,515)</b>
<b>Loss for the period</b>		<b>(\$3,186,839)</b>	<b>(\$2,244,711)</b>	<b>(\$6,318,462)</b>	<b>(\$2,281,964)</b>
Other comprehensive income		—	—	—	—
<b>Total comprehensive loss for the period</b>		<b>(\$3,186,839)</b>	<b>(\$2,244,711)</b>	<b>(\$6,318,462)</b>	<b>(\$2,281,964)</b>
<i>Attributable to the owners of the Group</i>		<i>(\$3,186,839)</i>	<i>(\$2,244,711)</i>	<i>(\$6,318,462)</i>	<i>(\$2,281,964)</i>
Loss per share - basic & diluted	9	(0.10)	(0.08)	(0.20)	(0.14)
Weighted average no. of shares - basic & diluted		32,837,774	27,400,000	32,102,657	16,837,843

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

<sup>1</sup> The amounts presented in the unaudited interim condensed consolidated statements of profit or loss and other comprehensive income for the nine month period ended September 30, 2019 are not comparable to those of the prior fiscal period due to the fact that the Company was incorporated on April 30, 2018 and began its operations on June 28, 2018.


**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	NOTE	(UNAUDITED) AS OF SEPTEMBER 30, 2019	(AUDITED) AS OF DECEMBER 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Vessels, net	3	\$925,094,151	\$396,373,905
Vessels under construction	4	72,754,500	238,211,812
Other fixed assets		66,156	47,059
Deferred financing fees	5	1,103,750	552,188
Restricted cash		4,910,000	3,000,000
<b>Total non-current assets</b>		<b>\$1,003,928,557</b>	<b>\$638,184,964</b>
<b>Current assets</b>			
Inventories		\$4,429,344	\$2,687,170
Trade and other receivables		7,957,293	3,319,348
Claims receivable		311,263	4,925,568
Prepaid expenses and other current assets		1,827,348	902,853
Current accounts due from related parties	6	2,960,411	396,291
Cash & cash equivalents		11,840,899	18,082,979
<b>Total current assets</b>		<b>\$29,326,558</b>	<b>\$30,314,209</b>
<b>TOTAL ASSETS</b>		<b>\$1,033,255,115</b>	<b>\$668,499,173</b>
<b>SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' equity</b>			
Share capital		\$32,890	\$31,310
Additional paid-in capital		334,355,638	319,357,218
Treasury shares		(1,010,155)	—
Accumulated losses		(9,337,217)	(3,018,755)
<b>Total shareholders' equity</b>		<b>\$324,041,156</b>	<b>\$316,369,773</b>
<b>Non-current liabilities</b>			
Long-term borrowings, net of current portion	5	\$643,777,302	\$317,802,753
<b>Total non-current liabilities</b>		<b>\$643,777,302</b>	<b>\$317,802,753</b>
<b>Current liabilities</b>			
Trade payables		\$17,779,075	\$6,835,666
Accrued expenses		3,848,151	1,728,163
Deferred revenue		4,603,402	1,064,850
Current accounts due to related parties	6	187,500	2,612,524
Current portion of long-term borrowings	5	39,018,529	22,085,444
<b>Total current liabilities</b>		<b>\$65,436,657</b>	<b>\$34,326,647</b>
<b>TOTAL LIABILITIES</b>		<b>\$709,213,959</b>	<b>\$352,129,400</b>
<b>TOTAL SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>		<b>\$1,033,255,115</b>	<b>\$668,499,173</b>

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.



## UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

USD, EXCEPT SHARE AMOUNTS	NUMBER OF SHARES	SHARE CAPITAL	ADDITIONAL PAID IN CAPITAL	TREASURY SHARES	ACCUMULATED LOSSES	TOTAL
<b>Balance - April 30, 2018 (inception date)</b>	—	—	—	—	—	—
Issuance of shares on incorporation	10,000	10	—	—	—	10
Issuance of shares in exchange for acquisition of ownership in contributed companies	15,990,000	15,990	194,752,976	—	—	194,768,966
Issuance of shares in initial offering	11,400,000	11,400	96,034,319	—	—	96,045,719
Loss for the period	—	—	—	—	(2,281,964)	(2,281,964)
<b>Balance - September 30, 2018</b>	<b>27,400,000</b>	<b>27,400</b>	<b>290,787,295</b>	<b>—</b>	<b>(2,281,964)</b>	<b>288,532,731</b>
<b>Balance - January 1, 2019</b>	<b>31,310,000</b>	<b>31,310</b>	<b>319,357,218</b>	<b>—</b>	<b>(3,018,755)</b>	<b>316,369,773</b>
Issuance of shares in third offering at NOK 83 per share	1,580,000	1,580	14,998,420	—	—	15,000,000
Acquisition of equity shares at NOK 61 per share	(150,149)	—	—	(1,010,155)	—	(1,010,155)
Loss for the period	—	—	—	—	(6,318,462)	(6,318,462)
<b>Balance - September 30, 2019</b>	<b>32,739,851</b>	<b>32,890</b>	<b>334,355,638</b>	<b>(1,010,155)</b>	<b>(9,337,217)</b>	<b>324,041,156</b>

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.



## UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

USD	FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019	2018	FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019	2018 <sup>1</sup>
<b>Cash Flows from Operating Activities</b>				
Loss for the period	(\$3,186,839)	(\$2,244,711)	(\$6,318,462)	(\$2,281,964)
<i>Adjustments to reconcile loss for the period to net cash provided by / (used in) operating activities</i>				
Depreciation	7,019,108	3,297,523	15,329,592	3,404,031
Interest expense	8,699,937	3,290,854	17,558,960	3,409,270
Amortization of loan financing fees	312,549	148,330	1,594,530	150,295
Interest income	(30,504)	(217,872)	(114,254)	(217,993)
Foreign exchange differences	62,044	—	47,988	—
<b>Total reconciliation adjustments</b>	<b>\$16,063,134</b>	<b>\$6,518,835</b>	<b>\$34,416,816</b>	<b>6,745,603</b>
<i>Changes in working capital:</i>				
Trade and other receivables	(2,624,910)	(2,591,610)	(4,637,945)	(2,190,694)
Prepaid expenses and other current assets	(47,878)	207,919	(924,495)	674,090
Inventories	(619,668)	(381,833)	(1,742,174)	(354,793)
Trade payables	(352,197)	1,102,527	3,422,814	1,451,957
Accrued expenses	1,507,840	2,574,752	1,190,156	503,324
Deferred revenue	2,581,254	(491,350)	3,538,550	—
Claims receivable	2,412,218	(2,399,156)	4,614,305	(2,399,156)
Interest paid	(7,744,889)	(2,702,936)	(16,629,125)	(3,650,979)
<b>Total changes in working capital</b>	<b>(\$4,888,230)</b>	<b>(\$4,681,687)</b>	<b>(\$11,167,914)</b>	<b>(\$5,966,251)</b>
<b>Net cash provided by / (used in) operating activities</b>	<b>\$7,988,065</b>	<b>(\$407,563)</b>	<b>\$16,930,440</b>	<b>(\$1,502,612)</b>
<b>Cash Flows From Investing Activities</b>				
Current accounts due from related parties	(1,637,620)	(1,134,832)	(2,564,120)	(697,222)
Payments for other fixed assets	—	(20,286)	(21,897)	(20,286)
(Increase) / decrease in restricted cash	(2,650,000)	1,450,000	(1,910,000)	1,450,000
Dry-dock expenses	(2,107)	—	(123,364)	—
Payments for vessels and vessels under construction	(176,116,203)	(102,309,429)	(370,355,477)	(102,309,429)
Interest received	30,504	142,784	114,254	142,905
<b>Net cash used in investing activities</b>	<b>(\$180,375,426)</b>	<b>(\$101,871,763)</b>	<b>(\$374,860,604)</b>	<b>(\$101,434,032)</b>
<b>Cash Flows From Financing Activities</b>				
Proceeds from long-term borrowings	179,511,250	42,000,000	396,240,000	42,000,000
Repayments of long-term borrowings	(6,541,747)	(4,493,500)	(46,049,028)	(7,783,500)
Proceeds from private placement	—	96,508,125	15,000,000	96,508,125
Payments for offering expenses	—	(462,406)	(623,959)	(462,406)
Current accounts due to related parties	52,868	(1,409,459)	(2,425,024)	(742,355)
Payment of loan financing fees	(4,777,250)	(915,000)	(9,443,750)	(915,000)
Acquisition of treasury stock	(1,010,155)	—	(1,010,155)	—
Acquisition of cash and cash equivalents of the Contributed Companies	—	—	—	5,666,630
<b>Net cash provided by financing activities</b>	<b>\$167,234,966</b>	<b>\$131,227,760</b>	<b>\$351,688,084</b>	<b>\$134,271,494</b>
<i>Net change in cash and cash equivalents</i>	<i>(5,152,395)</i>	<i>28,948,434</i>	<i>(6,242,080)</i>	<i>31,334,850</i>
Cash and cash equivalents at beginning of period	16,993,294	2,386,416	18,082,979	—
<b>Cash and cash equivalents at end of period</b>	<b>\$11,840,899</b>	<b>\$31,334,850</b>	<b>\$11,840,899</b>	<b>\$31,334,850</b>

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.





## NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2019

### 1 General Information

Okeanis Eco Tankers Corp. was founded on April 30, 2018 as a private limited corporation under the laws of the Republic of the Marshall Islands whose shares are listed on Oslo Axess. OET is majority controlled by Glafki Marine Corp. ("Glafki") through voting interest. The Company was founded for the purpose of acquiring an ownership interest in sixteen companies, fifteen of which owned a vessel on the water or a newbuilding under construction and a commercial management company (OET Chartering Inc.), collectively the "Contributed Companies". The principal activity of the subsidiaries is to own, charter out and operate tanker vessels.

These unaudited interim condensed consolidated financial statements were approved and authorized for issue by the Company's Board of Directors (the "Board") on November 14, 2019.

### 2 General Accounting Principles

#### Basis of preparation and consolidation

The consolidated financial statements comprise the financial statements of the Group.

The consolidated interim financial statements do not include all information and disclosures required in the annual financial statements and should be read in conjunction with OET's audited consolidated financial statements included in its 2018 Annual Report and prior period unaudited interim condensed consolidated financial statements filed with the Norwegian Financial Supervisory Authority. Interim results are not necessarily indicative of our results for the entire year or for any future period. The same accounting policies and methods of computation used in the 2018 audited consolidated financial statements have been used in these unaudited interim condensed consolidated financial statements, except for the application of IFRS 16 "Leases" which became effective from January 1, 2019. Please refer further below for more information with regards to the adoption of IFRS 16.

The unaudited interim condensed consolidated financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as issued by the IASB, and are expressed in United States Dollars (\$) since this is the currency in which the majority of the Company's transactions are denominated. The interim consolidated financial statements have been prepared on the historical cost basis.

#### Application of new and revised International Financial Reporting Standards

##### Adoption of IFRS 16 Leases

In January 2016, the IASB issued IFRS 16 "Leases", which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract. IFRS 16 supersedes the previous leases standard, IAS 17 "Leases", and related interpretations. The standard is effective from January 1, 2019, and affects all leasing contracts in place at the time of adoption, either as a lessee or as a lessor. The Company, as a lessor, time charters its vessels to third parties under leasing arrangements. As a lessee, the Company is not a party to any material contracts.

The Company adopted IFRS 16 effective from January 1, 2019, and its implementation did not have a material impact on the consolidated financial statements, since changes for lessors are fairly minor and OET's obligations as a lessee, as noted above, are not significant.

The accounting policies applicable to the Company as a lessor are not different from those under IAS 17, and as a result time charter revenue continues to be accounted for as an operating lease under IFRS 16 and is recognized on a straight-line basis over the term of the time charter contract.

There are no other IFRS standards and amendments issued but not yet adopted that are expected to have a material effect on the interim consolidated financial statements.

#### Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, currency risk, interest risk and liquidity risk. Since the interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Company's annual financial statements as at 31 December 2018. There have been no significant changes in any risk management policies since year end.

### 3 Vessels, Net

USD	VESSELS' COST	DRY-DOCKING AND SPECIAL SURVEY COSTS	TOTAL
<b>Cost</b>			
<b>Balance - April 30, 2018 (inception date)</b>	—	—	—
Transfer of vessels at cost on acquisition of contributed companies	355,161,165	4,800,000	359,961,165
Transfers from Vessels under construction	67,289,036	800,000	68,089,036
Additions	923,769	—	923,769
<b>Balance - December 31, 2018</b>	<b>423,373,970</b>	<b>5,600,000</b>	<b>428,973,970</b>
Transfers from Vessels under construction	529,574,181	6,000,000	535,574,181
Additions	8,203,560	269,297	8,472,857
<b>Balance - September 30, 2019</b>	<b>961,151,711</b>	<b>11,869,297</b>	<b>973,021,008</b>
<b>Accumulated Depreciation</b>			
<b>Balance - April 30, 2018 (inception date)</b>	—	—	—
Transfer of vessels at cost on acquisition of contributed companies	(23,277,682)	(1,997,656)	(25,275,338)
Depreciation charge for the period	(6,786,615)	(538,112)	(7,324,727)
<b>Balance - December 31, 2018</b>	<b>(30,064,297)</b>	<b>(2,535,768)</b>	<b>(32,600,065)</b>
Depreciation charge for the period	(14,240,052)	(1,086,740)	(15,326,792)
<b>Balance - September 30, 2019</b>	<b>(44,304,349)</b>	<b>(3,622,508)</b>	<b>(47,926,857)</b>
<b>Net Book Value - December 31, 2018</b>	<b>393,309,673</b>	<b>3,064,232</b>	<b>396,373,905</b>
<b>Net Book Value - September 30, 2019</b>	<b>916,847,362</b>	<b>8,246,789</b>	<b>925,094,151</b>

#### 4 Advances for Vessels Under Construction

USD

<b>Balance - April 30, 2018 (inception date)</b>	—
Transfer of advances for vessels under construction at cost on acquisition	113,793,354
Capitalized Interest	1,264,441
Additions during the period	191,243,053
Transfers during the period to vessels, net	(68,089,036)
<b>Balance - December 31, 2018</b>	<b>238,211,812</b>
Capitalized Interest	4,668,586
Additions during the period	365,448,283
Transfers during the period to vessels, net	(535,574,181)
<b>Balance - September 30, 2019</b>	<b>72,754,500</b>

#### 5 Long-Term Borrowings

Long-term borrowings, net of current portion and current portion of long-term borrowings are analyzed as follows:

USD	LONG-TERM BORROWINGS, NET OF CURRENT PORTION	CURRENT PORTION OF LONG-TERM BORROWINGS	TOTAL
<b>As of September 30, 2019</b>			
Outstanding loan balance	652,409,101	40,220,108	692,629,209
Loan financing fees	(8,631,799)	(1,201,579)	(9,833,378)
<b>Total</b>	<b>643,777,302</b>	<b>39,018,529</b>	<b>682,795,831</b>

The loans are repayable as follows:

USD	AS OF SEPTEMBER 30, 2019
No later than one year	40,220,108
Later than one year and not later than five years	215,994,472
Thereafter	436,414,629
<b>Total</b>	<b>692,629,209</b>
Less: Amounts due for settlement within 12 months	(40,220,108)
<b>Long-term borrowings</b>	<b>652,409,101</b>

As at September 30, 2019, the Group was in compliance with its loan covenants.

#### Debt obligations

VESSEL/HULL NUMBER	OUTSTANDING LOAN BALANCE AS OF SEPTEMBER 30, 2019	OUTSTANDING LOAN FINANCING FEES AS OF SEPTEMBER 30, 2019	OUTSTANDING NET OF LOAN FINANCING FEES AS OF SEPTEMBER 30, 2019	INTEREST RATE (LIBOR(L)+ MARGIN)
Nissos Therassia	26,240,000	20,511	26,219,489	L + 2.60%
Nissos Schinoussa	27,860,000	27,635	27,832,365	L + 2.60%
Nissos Heraclea	30,560,000	124,615	30,435,385	L + 2.25%
Milos	47,343,042	454,852	46,888,190	Financial lease
Poliegos	42,166,111	424,588	41,741,523	Financial lease
Kimolos	44,500,000	383,431	44,116,569	L + 3.10%
Folegandros	40,000,000	360,464	39,639,536	L + 3.10%
Nissos Rhenia	73,832,514	1,690,609	72,141,905	Financial lease
Nissos Despotiko	74,191,749	1,704,741	72,487,008	Financial lease
Nissos Santorini	74,428,088	1,712,423	72,715,665	Financial lease
Nissos Antiparos	74,607,705	1,717,030	72,890,675	Financial lease
Nissos Donoussa	59,000,000	608,940	58,391,060	L + 2.50%
Nissos Kythnos	58,125,000	548,539	57,576,461	L + 2.25%
Hull 3089 (Nissos Keros)	4,475,000	581,750	3,893,250	L + 2.25%
Hull 3090 (Nissos Anafi)	4,300,000	522,000	3,778,000	L + 2.10%
Scrubber Financing	11,000,000	55,000	10,945,000	L + 2.00%
<b>Total</b>	<b>692,629,209</b>	<b>10,937,128</b>	<b>681,692,081</b>	
Plus: Deferred financing fees included in non current assets			1,103,750	
<b>Total</b>			<b>682,795,831</b>	

#### Unused sources of liquidity

On December 3, 2018, the Company entered into a revolving credit facility agreement with an affiliate of the Company's largest shareholder, Glafki, whereby the Company may borrow an amount of up to \$15,000,000. The facility may be used to partially finance the Company's newbuilding program or for other general corporate purposes. The facility bears a fixed annual interest rate of 6.25% on the drawdown amount at each time, with no fixed repayment schedule. The availability period, as amended (refer to Note 10), is up to December 31, 2020, which is also the final maturity date of the facility when all outstanding principal and accrued interest is due for repayment. As of today, the Company has not drawn on this facility.

#### 6 Transactions and Balances with Related Parties

The Company has entered into management agreements with OET Chartering Inc. (a fully owned subsidiary) as commercial manager and Kyklades Maritime Corporation ("Kyklades" or the "Management Company") as technical manager. Kyklades provides the vessels with a wide range of shipping services such as technical support, maintenance and insurance consulting in exchange for a daily fee of \$600 per vessel, which is reflected under management fees in the consolidated statement of profit or loss and other comprehensive income. For the nine months ended September 30, 2019, total technical management fees amounted to \$1,422,600.

The table below presents and analyzes the outstanding amounts due to the Management Company, to private, related-party vessel owning companies from the Company, as well as amounts due to members of the Company's Board:

	AS OF SEPTEMBER 30, 2019	AS OF DECEMBER 31, 2018
[A] Amounts due to Management Company	—	372,184
[B] Amounts due to FRPEs, net	—	2,127,840
Amounts payable to Board of Directors' members	187,500	112,500
<b>Total</b>	<b>187,500</b>	<b>2,612,524</b>

[A] Amounts due to Management Company represent expenses paid by the Management Company on behalf of the Group and for management services rendered, net of payments made to the Management Company, per the terms of the respective vessel technical management agreements.

[B] "FRPEs" are "Family Related Party Entities" – principally non-eco vessel owning companies privately owned by the Alafouzou family. In the period prior to the contribution of the Contributed Companies from Okeanis Marine Holdings SA ("OMH") to the Company (i.e., when they were beneficially owned 100% by OMH), for the sake of operational convenience various expenses or other liabilities of the Contributed Companies were paid by the FRPEs and recorded as unsecured amounts payable, with no fixed terms of payment, from the Contributed Companies to the FRPEs. Examples of the types of expenses and liabilities giving rise to such payables due to the FRPEs include, without limitation: (i) bunker fuel (ii) port expenses; and, (iii) canal fees.

The table below presents and analyzes the outstanding amounts due from the Management Company, as well as outstanding amounts due from private, related-party vessel owning companies of the Company:

USD	AS OF SEPTEMBER 30, 2019	AS OF DECEMBER 31, 2018
[A] Amounts due from Management Company	195,795	—
[B] Amounts due from FRPEs, net	2,764,616	396,291
<b>Total</b>	<b>2,960,411</b>	<b>396,291</b>

[A] Amounts due from the Management Company represent fees paid to the Management Company for management services per the terms of the respective vessel technical management agreements.

[B] Current accounts due from FRPEs represent amounts provided to non-eco vessel owning companies, privately owned by members of the Alafouzou family, for working capital purposes.

All balances noted above are unsecured and with no fixed terms of payment.

## 7 Share Capital and Additional Paid-in Capital

OET common shares have been registered under the laws of the Republic of the Marshall Islands. Pursuant to an agreement with DNB Bank ASA, DNB Bank ASA is recorded as the sole shareholder in the records of the Company and maintains, in its role as VPS registrar, a sub-register of shareholders in the VPS where the ownership of the shares is registered in book-entry form under their ISIN MHY641771016. On June 29, 2018, the administration of Oslo Børs ASA resolved to admit OET's common shares for listing on the Merkur Market. The first day of trading of the common shares on the Merkur Market was on July 3, 2018. The common shares traded on the Merkur Market under the trading symbol, "OET-ME".



The Company has one class of shares. All the shares rank in parity with one another. Each share carries the right to one vote in a meeting of the shareholders and all shares are otherwise equal in all respects.

On March 5, 2019, the board of directors of the Oslo Stock Exchange approved the Company's listing application to trading on Oslo Axess. All the shares rank in parity with one another and carry one vote per share. Trading in the shares on Oslo Axess commenced on March 8, 2019, under the trading symbol "OET".

On May 14, 2019, the Company successfully conducted a private placement, raising gross proceeds of \$15,000,000 through the placement of 1,580,000 new common shares at a subscription price of NOK 83 per share.

On August 30, 2019 the Company purchased 150,149 of its own shares for an aggregate consideration of \$1,010,155 at an average price of NOK 61 per share.

As of September 30, 2019, the Company had 32,739,851 shares outstanding (net of 150,149 treasury shares).

## 8 Commitments and Contingencies

### Commitments under shipbuilding contracts

As of September 30, 2019, the Group had commitments under two shipbuilding contracts for the acquisition of two VLCC newbuildings that amounted to \$107,400,000 comprising the delivery instalments for the vessels Nissos Keros and Nissos Anafi.

### Commitments under time charter agreements

Future minimum contractual charter receivable revenue, based on vessels' committed non-cancellable, long-term time charter agreements, net of address commissions, were as follows, as of September 30, 2019:

Less than one year	51,497,126
One to three years	33,611,805
<b>Total</b>	<b>85,108,931</b>

### Commitments under scrubber agreements

On October 5, 2018, the Company entered into a series of supply contracts with Ecospray Technologies S.R.L. for the supply of six scrubbers for vessels Nissos Therassia, Nissos Schinoussa, Milos, Poliegos, Kimolos and Folegandros. The contractual commitment for these scrubbers, including hardware, installation and yard costs, as at September 30, 2019 amounted to \$8,173,613 due up to September 30, 2020.





## 9 Earnings / (Loss) per Share

Basic and diluted loss per share for the three and nine month periods ended September 30, 2019, and for the period from inception to September 30, 2018 are presented below:

### Loss per Share, Basic

USD PER SHARE	FOR THE THREE MONTHS ENDED SEPTEMBER 30,		FOR THE NINE MONTHS ENDED SEPTEMBER 30,	
	2019	2018	2019	2018 <sup>1</sup>
From continuing operations	(0.10)	(0.08)	(0.20)	(0.14)
<b>Loss per share, basic and diluted</b>	<b>(0.10)</b>	<b>(0.08)</b>	<b>(0.20)</b>	<b>(0.14)</b>

The loss and weighted average number of common shares used in the calculation of basic and diluted loss per share are as follows:

USD PER SHARE	FOR THE THREE MONTHS ENDED SEPTEMBER 30,		FOR THE NINE MONTHS ENDED SEPTEMBER 30,	
	2019	2018	2019	2018 <sup>1</sup>
Loss for the period attributable to the Owners of the Group	(3,186,839)	(2,244,711)	(6,318,462)	(2,281,964)
Weighted average number of common shares outstanding in the period	32,837,774	27,400,000	32,102,657	16,837,843
<b>Loss per share, basic and diluted</b>	<b>(0.10)</b>	<b>(0.08)</b>	<b>(0.20)</b>	<b>(0.14)</b>

## 10 Subsequent Events

In October 2019, the Company docked the Suezmax M/T Folegandros for its scrubber installation that was completed in November 2019.

Also in October 2019, the Company took delivery of the seventh VLCC of its newbuilding program with Hyundai Heavy Industries, Nissos Keros (Hull 3089).

Furthermore, in October 2019, the Company exercised its free option to acquire two ECO design, scrubber-fitted 158,000 DWT Suezmax tankers under construction at Hyundai Samho Heavy Industries to be delivered in August 2020 at a cost of \$64,505,000 per vessel. The transaction was consummated by OET acquiring a 100% ownership interest in two Special Purpose Companies, each of which being a party to the respective shipbuilding contract with the shipyard.

In connection with the option exercise, OET and Glafki have agreed to extend the maturity of the \$15 million revolving credit facility (which remains undrawn at the date hereof) by six months, to December 2020 (please see note 5 – Long-Term Borrowings, Unused Sources of Liquidity). The Company also entered into a \$45.9 million loan facility with Alpha Bank to finance 88.95% of the total pre-delivery instalments of its Suezmax newbuildings.

<sup>1</sup> The amounts presented in the unaudited interim condensed consolidated statements of profit or loss and other comprehensive income for the nine month period ended September 30, 2019 are not comparable to those of the prior fiscal period due to the fact that the Company was incorporated on April 30, 2018 and began its operations on June 28, 2018.

## USE AND RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

The Company's unaudited interim condensed consolidated financial statements are prepared in accordance with IAS 34 "Interim Financial Reporting", as issued by the International Accounting Standards Board (IASB). Alternative performance measures are used in this report to supplement the Company's financial statements.

### Daily TCE

Time charter equivalent rate, or TCE rate, is an alternative performance measure of the average daily revenue performance of a vessel. TCE rate is a shipping industry performance measure used primarily to compare period to period changes in a shipping company's performance despite changes in the mix of charter types (such as time charters, voyage charters) under which the vessels may be employed between the periods. TCE rate is calculated by dividing revenue, less voyage expenses and commissions, ("TCE Revenue") by the number of operating days (calendar days less aggregate technical off-hire days) for the relevant time period. Our method of calculating the TCE rate may not be the same method as the one used by other shipping companies.

Under IFRS 15, in a voyage charter (or spot) agreement the revenue recognition and performance obligations begin to be satisfied from the commencement of the loading of cargo to completion of discharge of the cargo. This methodology is termed the load-to-discharge method of accounting.

The following table sets forth our computation of the TCE rates, including a reconciliation of revenues to the TCE rates (unaudited) for the periods presented:

USD	FOR THE THREE MONTHS ENDED SEPTEMBER 30,		FOR THE NINE MONTHS ENDED SEPTEMBER 30,	
	2019	2018	2019	2018 <sup>1</sup>
Revenue	\$29,380,957	\$12,491,556	\$68,190,259	\$12,870,423
Voyage expenses	(7,448,298)	(3,695,214)	(16,553,135)	(3,733,699)
Commissions	(356,972)	(159,646)	(784,924)	(168,537)
<b>Time charter equivalent revenue</b>	<b>\$21,575,687</b>	<b>\$8,636,696</b>	<b>\$50,852,200</b>	<b>\$8,968,187</b>
Calendar days	1,022	563	2,368	581
Technical off-hire days	91	85	110	85
<b>Operating days</b>	<b>931</b>	<b>478</b>	<b>2,258</b>	<b>496</b>
<b>Daily TCE</b>	<b>\$23,175</b>	<b>\$18,068</b>	<b>\$22,521</b>	<b>\$18,081</b>

<sup>1</sup> The amounts presented in the unaudited interim condensed consolidated statements of profit or loss and other comprehensive income for the nine month period ended September 30, 2019 are not comparable to those of the prior fiscal period due to the fact that the Company was incorporated on April 30, 2018 and began its operations on June 28, 2018.

EBITDA and Adjusted EBITDA

Earnings before interest, tax, depreciation and amortization (EBITDA) is an alternative performance measure, derived directly from the statement of profit or loss and other comprehensive income by adding back to profit or loss depreciation, amortization, interest and finance costs and subtracting interest and other income. Adjusted EBITDA is defined as EBITDA before non-recurring items and foreign exchange gains/(losses). Furthermore, EBITDA and adjusted EBITDA have certain limitations in use and should not be considered alternatives to profit/(loss), operating profit, cash flows from operations or any other measure of financial performance presented in accordance with International Financial Reporting Standards ("IFRS"). EBITDA and adjusted EBITDA exclude some, but not all, items that affect profit/(loss). Our method of computing EBITDA and adjusted EBITDA may not be consistent with similarly titled measures of other companies and, therefore, might not be comparable with other companies.

The following table sets forth a reconciliation of profit to EBITDA and adjusted EBITDA for the periods presented:

USD	FOR THE THREE MONTHS ENDED SEPTEMBER 30,		FOR THE NINE MONTHS ENDED SEPTEMBER 30,	
	2019	2018	2019	2018 <sup>1</sup>
Loss for the period	(3,186,839)	(2,244,711)	(6,318,462)	(2,281,964)
Depreciation and amortization	7,019,108	3,297,523	15,329,592	3,404,031
Interest and finance costs	10,241,164	3,478,441	22,541,688	3,599,161
Interest income	(30,504)	(217,872)	(114,254)	(217,993)
<b>EBITDA</b>	<b>\$14,042,929</b>	<b>\$4,313,381</b>	<b>\$31,438,564</b>	<b>\$4,503,235</b>
Loss on foreign exchange	62,044	16,347	47,988	16,347
<b>Adjusted EBITDA</b>	<b>\$14,104,973</b>	<b>\$4,329,728</b>	<b>\$31,486,552</b>	<b>\$4,519,582</b>

Daily Opex

Daily opex are calculated as vessel operating expenses and technical management fees divided by calendar days, for the relevant periods.

The following table sets forth our computation of daily opex (unaudited) for the period presented:

USD	FOR THE THREE MONTHS ENDED SEPTEMBER 30,		FOR THE NINE MONTHS ENDED SEPTEMBER 30,	
	2019	2018	2019	2018 <sup>1</sup>
Vessel operating expenses	\$6,437,518	\$3,523,460	\$15,625,408	\$3,640,190
Management fees	614,400	337,800	1,422,600	348,600
<b>Total vessel operating expenses</b>	<b>\$7,051,918</b>	<b>\$3,861,260</b>	<b>\$17,048,008</b>	<b>\$3,988,790</b>
Calendar days	1,022	563	2,368	581
<b>Daily Opex</b>	<b>\$6,900</b>	<b>\$6,858</b>	<b>\$7,199</b>	<b>\$6,865</b>
<b>Daily Opex excluding management fees</b>	<b>\$6,299</b>	<b>\$6,258</b>	<b>\$6,599</b>	<b>\$6,265</b>

Time Charter Coverage

Time Charter Coverage represents the percentage of days the fleet was on time charter and is calculated as time charter days divided by total operating days.

Leverage

Leverage is calculated as net debt divided by net debt plus book equity.

<sup>1</sup> The amounts presented in the unaudited interim condensed consolidated statements of profit or loss and other comprehensive income for the nine month period ended September 30, 2019 are not comparable to those of the prior fiscal period due to the fact that the Company was incorporated on April 30, 2018 and began its operations on June 28, 2018.



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