



OKEANIS

ECO TANKERS

CONDENSED
CONSOLIDATED
INTERIM
FINANCIAL
INFORMATION



FOURTH QUARTER 2019

Okeanis Eco Tankers Corp. reports Unaudited Interim Condensed Results for the Fourth Quarter and Twelve Month Period of 2019

GREECE, February 28, 2020 – Okeanis Eco Tankers Corp. ("OET" or the "Company") today reported unaudited interim condensed results for the three month and twelve month period ended December 31, 2019.

HIGHLIGHTS - Q4 2019

- Time charter equivalent ("TCE", a non-IFRS measure) revenue and Adjusted EBITDA (a non-IFRS measure) of \$49.5 million and \$38.9 million, respectively. Profit for the period of \$17.7 million or \$0.54 per share (basic & diluted).
- Fleetwide Daily TCE rate of \$41,700 per operating day; VLCC, Suezmax and Aframax TCE rates of \$38,400, \$49,500 and \$41,200 per operating day, respectively.
- Daily vessel operating expenses ("opex", a non-IFRS measure) of \$7,540 per calendar day, including management fees.
- In Q1 2020 to date, 77% of the available VLCC spot days have been booked at an average TCE rate of \$100,200 per day, 83% of the available Suezmax spot days have been booked at an average TCE rate of \$76,500 per day and 92% of the available Aframax/LR2 spot days have been booked at an average TCE rate of \$46,500 per day.
- In October 2019, the Company took delivery of the seventh VLCC of its newbuilding program with Hyundai Heavy Industries, Nissos Keros (Hull 3089).
- Also 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 September 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. The Company also secured a \$45.9 million loan facility from Alpha Bank S.A. at LIBOR plus 3.50% to finance 88.95% of the total pre-delivery yard instalments.
- In January 2020, the Company took delivery of the eighth and final VLCC of its newbuilding program with Hyundai Heavy Industries, Nissos Anafi (Hull 3090).
- Also in January 2020, the Company completed its scrubber retrofit program on its Suezmax fleet. The Company expects to conclude its scrubber retrofit program on its Aframax/LR2 fleet within Q2 2020.
- In February 2020, the Company lost its arbitration claim against Ocean Yield; the four VLCCs will remain on bareboat charter.
- The Board of Directors has decided to postpone the implementation of a dividend policy. For further details, please refer to the presentation accompanying this report.

SELECTED KEY FINANCIAL FIGURES

	Q4 2019	Q4 2018	FY 2019	FY 2018
Commercial Performance USD per day				
VLCC Daily TCE*	\$38,400	n/a	\$35,700	n/a
Suezmax Daily TCE*	\$49,500	\$20,260	\$27,300	\$20,000
Aframax Daily TCE*	\$41,200	\$21,060	\$25,300	\$19,600
Fleetwide Daily TCE*	\$41,700	\$20,630	\$29,300	\$19,800
Fleetwide Daily Opex*	\$7,540	\$6,850	\$7,300	\$6,900
Time Charter Coverage*	57%	63%	52%	62%

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



	Q4 2019	Q4 2018	FY 2019	FY 2018
Income Statement <i>USDm exc. EPS</i>				
TCE Revenue*	\$49.5	\$12.3	\$100.3	\$21.2
Adjusted EBITDA*	\$38.9	\$7.1	\$70.4	\$11.7
Net Profit/(Loss)	\$17.7	(\$0.7)	\$11.4	(\$3.0)
Earnings/(Loss) Per Share*	0.54	(0.03)	0.35	(0.14)
	DECEMBER 31, 2019	DECEMBER 31, 2018	YoY Change	
Balance Sheet <i>USDm</i>				
Total Interest Bearing Debt	\$732.7	\$339.9	116%	
Total Cash (incl. Restricted Cash)	\$16.8	\$21.1	(20%)	
Total Assets	\$1,110.8	\$668.5	66%	
Total Equity	\$341.7	\$316.4	8%	
Leverage*	68%	50%		

FINANCIAL & OPERATIONAL REVIEW

Revenues for Q4 2019 of \$59.5 million, up from \$29.4 million in Q3 2019. The 102% increase was due to higher tanker freight rates during the quarter and an increase in revenue days from the addition of a newly delivered VLCC (Nissos Keros), offset by 84 scheduled off-hire days in connection with the scrubber retrofits of two Suezmaxes (Kimolos, Folegandros).

Voyage expenses for Q4 2019 of \$9.2 million, up from \$7.5 million in Q3 2019. The 23% increase was due to increased bunker fuel consumption resulting from an increase in VLCC operating days and their greater bunker fuel consumption relative to other vessel types in our fleet, offset by lower average bunker fuel prices. Port expenses remained flat during the quarter, as the additional VLCC operating days were largely offset by the decrease in Suezmax revenue days.

Vessel operating expenses for Q4 2019 of \$8.8 million, up from \$6.4 million in Q3 2019. The 38% increase was due to an increase in operating days and spare part expenses during the quarter.

Depreciation and amortization for Q4 2019 of \$9.3 million, up from \$7.0 million in Q3 2019. The 33% increase was due to an increase in operating days and the higher depreciable asset base of our VLCC fleet.

General and administrative expenses for Q4 2019 of \$1.0 million, up from \$0.4 million in Q3 2019. The 150% increase was mainly due to the disbursement of annual cash bonuses to shore-based staff.

Other income and expenses, net of \$0.5 million incurred in Q4 2019 in connection with one-off legal fees of \$0.9 million (please see Section 10 – Subsequent Events), partially offset by claims received during the quarter of \$0.2 million.

Interest and finance costs for Q4 2019 of \$11.5 million, up from \$10.2 million in Q3 2019. The 13% increase is attributable to an increase in interest bearing debt as a result of two VLCC newbuilding delivery debt drawdowns, partially offset by a decrease in LIBOR rates. Total indebtedness as of December 31, 2019 of \$732.7 million, a 116% increase from \$339.9 million as of December 31, 2018.

The Company generated **profit** in Q4 2019 of \$17.7 million, or \$0.54 per basic and diluted share, compared to a loss incurred in Q3 2019 of \$3.2 million, or \$0.10 per basic and diluted share. The profit is due to the lucrative spot market rates that prevailed during the quarter and the addition of a new VLCC (Nissos Keros), partially offset by higher depreciation expense and finance costs.

Net cash **provided by operating activities** in Q4 2019 of \$21.6 million comprising operating cash flows of \$38.0 million and negative changes in operating assets and liabilities of \$16.3 million.

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

Net cash **used in investing activities** in Q4 2019 of \$70.5 million primarily concern the payment of the delivery instalment for the VLCC Nissos Keros, progress payments for two Suezmax vessels under construction, as well as progress payments for scrubber installations.

Net cash **provided by financing activities** in Q4 2019 of \$50.5 million primarily comprising debt issuance of \$60.2 million, partially offset by repayment of long term borrowings of \$10.0 million.

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

As of February 28, 2020, the Company had 32,739,851 shares outstanding (net of 150,149 treasury shares).

FLEET

As of February 28, 2020, the Company's fleet comprised 17 vessels with an average age of 2 years and aggregate capacity of approximately 3.8 million deadweight tons:

- Three Aframax/LR2 vessels with an average age of 5 years.
- Four Suezmax vessels with an average age of 3 year.
- Eight VLCC vessels with an average age of 1 years.
- Two Suezmax newbuildings under construction at Hyundai Samho Heavy Industries with expected delivery in September 2020.

PRESENTATION

OET will host a webcast at 14:00 CET on March 3, 2020 to discuss the Company's results for the period ended December 31, 2019. Details will be made available on the Company's website prior to the webcast.

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

	NOTE	FOR THE THREE MONTHS ENDED DECEMBER 31,		FOR THE TWELVE MONTHS ENDED DECEMBER 31,	
		2019	2018	2019	2018 ¹
Revenue		\$59,543,348	\$16,336,868	\$127,733,607	\$29,207,291
Operating expenses					
Commissions		(880,483)	(166,466)	(1,665,407)	(335,003)
Voyage expenses		(9,185,530)	(3,924,244)	(25,738,665)	(7,657,943)
Vessel operating expenses		(8,826,523)	(4,120,095)	(24,451,931)	(7,760,285)
Management fees		(763,800)	(387,000)	(2,186,400)	(735,600)
Depreciation and amortization		(9,256,328)	(3,920,696)	(24,585,920)	(7,324,727)
General and administrative expenses		(1,011,388)	(608,146)	(3,329,028)	(1,067,961)
Total operating expenses		(\$29,924,052)	(\$13,126,647)	(\$81,957,351)	(\$24,881,519)
Operating profit		\$29,619,296	\$3,210,221	\$45,776,256	\$4,325,772
Other income/(expenses)					
Interest income		15,766	74,419	130,020	292,412
Other income/(expenses), net		(496,274)	—	(496,274)	—
Interest and other finance costs		(11,468,772)	(3,966,704)	(34,010,460)	(7,565,865)
Foreign exchange gain/(loss)		32,802	(54,727)	(15,186)	(71,074)
Total other expenses		(\$11,916,478)	(\$3,947,012)	(\$34,391,900)	(\$7,344,527)
Profit/(loss) for the period		\$17,702,818	(\$736,791)	\$11,384,356	(\$3,018,755)
Other comprehensive income					
Items that will not be reclassified to profit or loss:					
Re-measurement of post-employment benefit obligations		(22,896)	—	(22,896)	—
Total comprehensive income/(loss) for the period		\$17,679,922	(\$736,791)	\$11,361,460	(\$3,018,755)
<i>Profit/(loss) attributable to the owners of the Group</i>		<i>\$17,702,818</i>	<i>(\$736,791)</i>	<i>\$11,384,356</i>	<i>(\$3,018,755)</i>
<i>Total comprehensive income/(loss) attributable to the owners of the Group</i>		<i>\$17,679,922</i>	<i>(\$736,791)</i>	<i>\$11,361,460</i>	<i>(\$3,018,755)</i>
Earnings/(loss) per share - basic & diluted	9	0.54	(0.03)	0.35	(0.14)
Weighted average no. of shares - basic & diluted		32,739,851	28,590,000	32,263,264	21,250,898

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

¹ The amounts presented in the unaudited interim condensed consolidated statements of profit or loss and other comprehensive income for the twelve month period ended December 31, 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 DECEMBER 31, 2019	(AUDITED) AS OF DECEMBER 31, 2018
ASSETS			
<i>Non-current assets</i>			
Vessels, net	3	\$1,007,992,914	\$396,373,905
Vessels under construction	4	56,266,949	238,211,812
Other fixed assets		40,000	47,059
Deferred financing fees	5	751,505	552,188
Restricted cash		3,410,000	3,000,000
Total non-current assets		\$1,068,461,368	\$638,184,964
<i>Current assets</i>			
Inventories		\$6,552,457	\$2,687,170
Trade and other receivables		18,230,962	3,319,348
Claims receivable		92,608	4,925,568
Prepaid expenses and other current assets		2,263,662	902,853
Current accounts due from related parties	6	1,837,052	396,291
Cash & cash equivalents		13,395,723	18,082,979
Total current assets		\$42,372,464	\$30,314,209
TOTAL ASSETS		\$1,110,833,832	\$668,499,173
SHAREHOLDERS' EQUITY & LIABILITIES			
<i>Shareholders' equity</i>			
Share capital		\$32,890	\$31,310
Additional paid-in capital		334,328,863	319,357,218
Treasury shares		(1,010,155)	—
Other reserves		(22,896)	—
Retained earnings/(Accumulated losses)		8,365,601	(3,018,755)
Total shareholders' equity		\$341,694,303	\$316,369,773
<i>Non-current liabilities</i>			
Long-term borrowings, net of current portion	5	\$683,676,384	\$317,802,753
Retirement benefit obligations		53,066	—
Total non-current liabilities		\$683,729,450	\$317,802,753
<i>Current liabilities</i>			
Trade payables		\$13,953,070	\$6,835,666
Accrued expenses		4,384,815	1,728,163
Deferred revenue		4,919,126	1,064,850
Current accounts due to related parties	6	13,123,755	2,612,524
Current portion of long-term borrowings	5	49,029,313	22,085,444
Total current liabilities		\$85,410,079	\$34,326,647
TOTAL LIABILITIES		\$769,139,529	\$352,129,400
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		\$1,110,833,832	\$668,499,173

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	OTHER RESERVES	ACCUMULATED LOSSES / RETAINED EARNINGS	TOTAL
Balance - April 30, 2018 (inception date)	—	—	—	—	—	—	—
Issuance of shares on incorporation	10,000	10	—	—	—	—	10
Issuance of shares in exchange for acquisition of ownership interest in contributed companies	15,990,000	15,990	194,752,976	—	—	—	194,768,966
Issuance of shares in initial offering at NOK 72 per share	11,400,000	11,400	96,034,319	—	—	—	96,045,719
Issuance of shares in second offering at NOK 66 per share	3,910,000	3,910	28,569,923	—	—	—	28,573,833
Loss for the period	—	—	—	—	—	(3,018,755)	(3,018,755)
Balance - December 31, 2018	31,310,000	31,310	319,357,218	—	—	(3,018,755)	316,369,773
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)
Acquisition of ownership interest in two companies (Note 6)	—	—	(26,775)	—	—	—	(26,775)
Profit for the period	—	—	—	—	—	11,384,356	11,384,356
Other comprehensive loss for the year	—	—	—	—	(22,896)	—	(22,896)
Balance - December 31, 2019	32,739,851	32,890	334,328,863	(1,010,155)	(22,896)	8,365,601	341,694,303

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 DECEMBER 31,		FOR THE TWELVE MONTHS ENDED DECEMBER 31,	
	2019	2018	2019	2018 ¹
Cash Flows from Operating Activities				
Profit/(loss) for the period	\$17,702,818	(\$736,791)	\$11,384,356	(\$3,018,755)
<i>Adjustments to reconcile profit/(loss) to net cash provided by/(used in) operating activities:</i>				
Depreciation	9,256,328	3,920,696	24,585,920	7,324,727
Interest expense	10,678,070	3,530,487	28,237,030	6,939,757
Amortization of loan financing fees	338,044	321,543	1,932,574	471,838
Interest income	(15,766)	(74,419)	(130,020)	(292,412)
Other non-cash items	30,170	—	30,170	—
Foreign exchange differences	(32,802)	—	15,186	—
Total reconciliation adjustments	\$20,254,044	\$7,698,307	\$54,670,860	\$14,443,910
Changes in working capital:				
Trade and other receivables	(10,273,669)	165,315	(14,911,614)	(2,025,379)
Prepaid expenses and other current assets	(436,313)	(102,583)	(1,360,808)	571,507
Inventories	(2,123,113)	36,387	(3,865,287)	(318,406)
Trade payables	(3,202,046)	(1,177,112)	7,741,363	274,845
Accrued expenses	9,372,791	(2,185,927)	3,042,353	(1,682,603)
Deferred revenue	315,726	1,064,850	3,854,276	1,064,850
Claims receivable	218,655	(2,509,914)	4,832,960	(4,909,070)
Interest paid	(10,215,130)	(3,160,146)	(26,844,255)	(6,811,125)
Total changes in working capital	(\$16,343,099)	(\$7,869,130)	(\$27,511,012)	(\$13,835,381)
Net cash provided by/(used in) operating activities	\$21,613,763	(\$907,614)	\$38,544,204	(\$2,410,226)
Cash Flows From Investing Activities				
Current accounts due from related parties	1,123,359	1,134,832	(1,440,761)	437,610
Payments for other fixed assets	—	(6,773)	(21,897)	(27,059)
(Increase)/decrease in restricted cash	1,500,000	—	(410,000)	1,450,000
Dry-dock expenses	(159,579)	—	(282,943)	—
Payments for vessels and vessels under construction	(72,997,805)	(89,832,199)	(443,353,283)	(192,141,628)
Interest received	15,766	133,007	130,020	275,912
Net cash used in investing activities	(\$70,518,259)	(\$88,571,133)	(\$445,378,864)	(\$190,005,165)
Cash Flows From Financing Activities				
Proceeds from long-term borrowings	60,150,500	57,750,000	456,390,500	99,750,000
Repayments of long-term borrowings	(9,996,930)	(7,760,248)	(56,045,958)	(15,543,748)
Proceeds from private placement	—	29,126,070	15,000,000	125,634,195
Payments for offering expenses	—	(54,277)	(623,959)	(516,683)
Current accounts due to related parties	535,255	(1,622,481)	(1,889,769)	(2,364,836)
Payment of loan financing fees	(229,505)	(1,212,188)	(9,673,255)	(2,127,188)
Acquisition of treasury stock	—	—	(1,010,155)	—
Acquisition of cash and cash equivalents of the Contributed Companies	—	—	—	5,666,630
Net cash provided by financing activities	\$50,459,320	\$76,226,876	\$402,147,404	\$210,498,370
<i>Net change in cash and cash equivalents</i>	<i>1,554,824</i>	<i>(13,251,871)</i>	<i>(4,687,256)</i>	<i>18,082,979</i>
Cash and cash equivalents at beginning of period	11,840,899	31,334,850	18,082,979	—
Cash and cash equivalents at end of period	\$13,395,723	\$18,082,979	\$13,395,723	\$18,082,979

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 DECEMBER 31, 2019

1 General Information

Okeanis Eco Tankers Corp. (the "Company", or "we", or "us") 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 February 27, 2020.

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 consolidated financial statements as at and for the period ended at 31 December 2018. There have been no significant changes in any risk management policies since prior year end.

3 Vessels, Net

USD	VESSELS' COST	DRY-DOCKING AND SPECIAL SURVEY COSTS	TOTAL
Cost			
Balance - April 30, 2018 (inception date)	—	—	—
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
Balance - December 31, 2018	423,373,970	5,600,000	428,973,970
Transfers from Vessels under construction	619,403,197	7,000,000	626,403,197
Additions	9,471,975	300,505	9,772,480
Balance - December 31, 2019	1,052,249,142	12,900,505	1,065,149,647
Accumulated Depreciation			
Balance - April 30, 2018 (inception date)	—	—	—
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)
Balance - December 31, 2018	(30,064,297)	(2,535,768)	(32,600,065)
Depreciation charge for the period	(22,839,957)	(1,716,711)	(24,556,668)
Balance - December 31, 2019	(52,904,254)	(4,252,479)	(57,156,733)
Net Book Value - December 31, 2018	393,309,673	3,064,232	396,373,905
Net Book Value - December 31, 2019	999,344,888	8,648,026	1,007,992,914

4 Advances for Vessels Under Construction

USD

Balance - April 30, 2018 (inception date)	—
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)
Balance - December 31, 2018	238,211,812
Transfer of advances for vessels under construction at cost on acquisition	12,901,000
Capitalized Interest	4,800,760
Additions during the period	426,756,574
Transfers during the period to vessels, net	(626,403,197)
Balance - December 31, 2019	56,266,949

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
As of December 31, 2019			
Outstanding loan balance	692,472,920	50,309,859	742,782,779
Loan financing fees	(8,796,536)	(1,280,546)	(10,077,082)
Total	683,676,384	49,029,313	732,705,697

The loans are repayable as follows:

USD	AS OF DECEMBER 31, 2019
No later than one year	50,309,859
Later than one year and not later than five years	225,457,881
Thereafter	467,015,039
Total	742,782,779
Less: Amounts due for settlement within 12 months	(50,309,859)
Long-term borrowings	692,472,920

As at December 31, 2019, the Group was in compliance with its loan covenants.

Debt obligations

VESSEL/HULL NUMBER	OUTSTANDING LOAN BALANCE AS OF DECEMBER 31, 2019	OUTSTANDING LOAN FINANCING FEES AS OF DECEMBER 31, 2019	OUTSTANDING NET OF LOAN FINANCING FEES AS OF DECEMBER 31, 2019	INTEREST RATE (LIBOR(L)+ MARGIN)
Nissos Therassia	25,700,000	18,070	25,681,930	L+2.60%
Nissos Schinoussa	27,320,000	25,134	27,294,866	L+2.60%
Nissos Heraclea	29,380,000	112,247	29,267,753	L+2.25%
Milos	46,677,617	440,775	46,236,842	Financial lease
Poliegos	41,595,510	412,203	41,183,307	Financial lease
Kimolos	44,000,000	367,749	43,632,251	L+3.10%
Folegandros	39,500,000	346,200	39,153,800	L+3.10%
Nissos Rhenia	72,962,790	1,640,562	71,322,228	Financial lease
Nissos Despotiko	73,322,022	1,658,527	71,663,495	Financial lease
Nissos Santorini	73,558,362	1,670,044	71,888,318	Financial lease
Nissos Antiparos	73,737,979	1,674,650	72,063,329	Financial lease
Nissos Donoussa	57,833,000	578,108	57,254,892	L+2.50%
Nissos Kythnos	57,270,000	522,715	56,747,285	L+2.25%
Nissos Keros	58,175,000	561,089	57,613,911	L+2.25%
Hull 3090 (Nissos Anafi)	4,300,000	522,000	3,778,000	L+2.25%
Hull 8045	3,225,250	114,753	3,110,497	L+3.50%
Hull 8046	3,225,250	114,753	3,110,497	L+3.50%
Scrubber Financing	11,000,000	49,009	10,950,991	L+2.00%
Total	742,782,779	10,828,587	731,954,192	
Plus: Deferred financing fees included in non-current assets			751,505	
Total			732,705,697	

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, 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 twelve months ended December 31, 2019, total technical management fees amounted to \$2,186,400.

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 DECEMBER 31, 2019	AS OF DECEMBER 31, 2018
Amounts due to Management Company	443,502	372,184
Amounts due to FRPEs, net	—	2,127,840
Amounts payable to Shareholders	12,401,000	—
Amounts payable to Board of Directors' members	279,253	112,500
Total	13,123,755	2,612,524

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.

"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.

Amounts payable to shareholders concern payments made from Mr. Ioannis Alafouzou, a significant shareholder through his ownership interest at Glafki, Chairman and CEO, in respect of the two scrubber-fitted 158,000 DWT Suezmax tankers under construction. The Company exercised its option to acquire the two Suezmaxes, thus having currently the liability to repay its shareholder. The transaction was consummated by OET acquiring a 100% ownership interest in two companies, each of which being a party to the respective shipbuilding contract with the shipyard.

Current accounts due from related parties as at December 31, 2019 amounting to \$1,837,052 compared to an amount of \$396,291 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, interest-free 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 December 31, 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 December 31, 2019, the Group had commitments under three shipbuilding contracts for the acquisition of a VLCC and two Suezmax newbuildings that amounted to \$163,358,500.

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 December 31, 2019:

Less than one year	45,603,726
One to three years	21,740,099
Total	67,343,825

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 December 31, 2019 amounted to \$5,546,240 due up to September 30, 2020.

9 Earnings/(Loss) per Share

Basic and diluted earnings/(loss) per share for the three and twelve month periods ended December 31, 2019 and for the period from inception to December 31, 2018 and for the three month period ended December 31, 2018 are presented below:

Earnings/(Loss) per Share, Basic

USD PER SHARE	FOR THE THREE MONTHS ENDED DECEMBER 31,		FOR THE TWELVE MONTHS ENDED DECEMBER 31,	
	2019	2018	2019	2018 ¹
From continuing operations	0.54	(0.03)	0.35	(0.14)
Earnings/(loss) per share, basic and diluted	0.54	(0.03)	0.35	(0.14)

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

USD PER SHARE	FOR THE THREE MONTHS ENDED DECEMBER 31,		FOR THE TWELVE MONTHS ENDED DECEMBER 31,	
	2019	2018	2019	2018 ¹
Profit/(loss) for the period attributable to the Owners of the Group	17,702,818	(736,791)	11,384,356	(3,018,755)
Weighted average number of common shares outstanding in the period	32,739,851	28,590,000	32,263,264	21,250,898
Earnings/(loss) per share, basic and diluted	0.54	(0.03)	0.35	(0.14)

10 Subsequent Events

In January 2020, the Company took delivery of the eighth VLCC of its newbuilding program with Hyundai Heavy Industries, Nissos Anafi (Hull 3090).

Also in January 2020, the Company completed its scrubber retrofit program on its Suezmax fleet. The Company expects to conclude its scrubber retrofit program on its Aframax/LR2 fleet within Q2 2020.

In October 2019, four single-purpose companies (the "Charter Guarantors") wholly owned by the Company that each operate one VLCC on long-term bareboat charter from Ocean Yield ASA ("Ocean Yield") gave notice to Ocean Yield requiring the sale of those four VLCCs (the "Vessels") back to the Charter Guarantors for 103% of the Vessels' cumulative outstanding lease amount, plus certain breakage fees. Ocean Yield disputed the Charter Guarantors' right to require such sales under the bareboat charters. The matter was subsequently referred to four arbitrations that were heard on a concurrent and expedited basis.

In February 2020, the arbitration Tribunal (the "Tribunal") decided against OET and its right to require Ocean Yield to sell the Vessels to the Charter Guarantors. The arbitration awards are subject to very limited grounds of appeal under English law and OET is considering its options in this regard with its legal advisors. An update will be provided in due course should OET decide to take steps to appeal the awards.

The Tribunal dealt only with issues of liability (i.e. questions relevant to determining the Charter Guarantors' right to require such sales and the terms) and did not decide issues relating to legal costs.

¹ The amounts presented in the unaudited interim condensed consolidated statements of profit or loss and other comprehensive income for the twelve month period ended December 31, 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.

Those issues are to be decided in a later quantum stage (for which a timetable has not yet been agreed/determined). In the meantime, the effect of the awards is that the Vessels remain on their existing long-term bareboat charters from Ocean Yield.

The financial impact of the arbitrations will be limited to the legal costs incurred by OET (the majority of which were settled in Q4 2019) and to any legal costs that it must pay to Ocean Yield arising from the adverse arbitration decisions. Ocean Yield has not yet indicated what their legal costs of the arbitration are but we expect them to do so shortly. The Company expects the portion of legal costs it must reimburse Ocean Yield not to be material in terms of financial reporting. We will provide an update on legal costs as and when appropriate at that time.

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 DECEMBER 31,		FOR THE TWELVE MONTHS ENDED DECEMBER 31,	
	2019	2018	2019	2018 ¹
Revenue	\$59,543,348	\$16,336,868	\$127,733,607	\$29,207,291
Voyage expenses	(9,185,530)	(3,924,244)	(25,738,665)	(7,657,943)
Commissions	(880,483)	(166,466)	(1,665,407)	(335,003)
Time charter equivalent revenue	\$49,477,335	\$12,246,158	\$100,329,535	\$21,214,345
Calendar days	1,272	644	3,640	1,225
Technical off-hire days	86	45	203	130
Operating days	1,186	599	3,437	1,095
Daily TCE	\$41,718	\$20,444	\$29,191	\$19,374

¹ The amounts presented in the unaudited interim condensed consolidated statements of profit or loss and other comprehensive income for the twelve month period ended December 31, 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/(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 Thousands, except per share amounts	FOR THE THREE MONTHS ENDED DECEMBER 31,		FOR THE TWELVE MONTHS ENDED DECEMBER 31,	
	2019	2018	2019	2018 ¹
Profit/(loss) for the period	\$17,702,818	(\$736,791)	\$11,384,356	(\$3,018,755)
Depreciation and amortization	9,256,328	3,920,696	24,585,920	7,324,727
Interest and finance costs	11,468,772	3,966,704	34,010,460	7,565,865
Other (income)/expenses, net	496,274	—	496,274	—
Interest income	(15,766)	(74,419)	(130,020)	(292,412)
EBITDA	\$38,908,426	\$7,076,190	\$70,346,990	\$11,579,425
(Gain)/loss on foreign exchange	(32,802)	54,727	15,186	71,074
Adjusted EBITDA	\$38,875,624	\$7,130,917	\$70,362,176	\$11,650,499

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 DECEMBER 31,		FOR THE TWELVE MONTHS ENDED DECEMBER 31,	
	2019	2018	2019	2018 ¹
Vessel operating expenses	\$8,826,523	\$4,120,095	\$24,451,931	\$7,760,285
Management fees	763,800	387,000	2,186,400	735,600
Total vessel operating expenses	\$9,590,323	\$4,507,095	\$26,638,331	\$8,495,885
Calendar days	1,272	644	3,640	1,225
Daily Opex	\$7,540	\$6,999	\$7,318	\$6,935
Daily Opex excluding management fees	\$6,939	\$6,398	\$6,718	\$6,335

¹ The amounts presented in the unaudited interim condensed consolidated statements of profit or loss and other comprehensive income for the twelve month period ended December 31, 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.

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.

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