Okeanis Eco Tankers Corp. Reports Unaudited Results for the Fourth Quarter of 2018

GREECE, 1 March 2019 – Okeanis Eco Tankers Corp. (Merkur Markets: OET-ME) today reported unaudited results for the fourth quarter and since inception 2018.

Q4 2018 Highlights

- Time charter equivalent (TCE) revenue and adjusted EBITDA of $12.4 million and $7.4 million, respectively. Net loss for the quarter of $(0.6) million or $(0.02) per share (basic & diluted).
- Fleetwide TCE rate of $20,630 per operating day; Suezmax TCE rate of $20,260 per operating day and Aframax TCE rate of $21,060 per operating day.
- Daily operating expenses (Opex) of $6,852 per calendar day, including management fees.
- 1Q19 to date, 90% of the available Suezmax spot days have been booked at an average TCE rate of $28,000 per day, while 96% of the available Aframax spot days have been booked at an average TCE rate of $27,500 per day.
- In December 2018, the Company successfully completed a private placement, raising gross proceeds of $30 million through the placement of 3,910,000 new shares at a subscription price of NOK 66 per share.
- The Company secured bank debt financing of $233 million for four VLCC newbuildings. The facilities carry a blended interest rate of LIBOR plus 2.27% and repayment profile of 17 years, and permit pre-delivery financing.
- The Company entered into a revolving credit facility agreement with an affiliate of the Company's largest shareholder, Glafki Marine Corp. ("Glafki''), whereby the Company may borrow an amount of up to USD 15 million. The facility matures in June 2020 and bears a fixed annual interest rate of 6.25% on the drawdown amount at each time, with no fixed repayment schedule.
- Subsequent to quarter end, the Company entered into a sale and lease back arrangement with Ocean Yield for the re-financing of M/T Milos. Proceeds of $49 million were used to repay $31 million of existing debt, providing the Company with additional net liquidity of $18 million.

		(Unaudited) Q4 2018	(Audited) Apr 30 - Sep 30 2018[6]	% Delta
Commercial Performance	Suezmax Daily TCE[1]	$20,260	$19,670	3%
	Aframax Daily TCE[1]	$21,060	$18,090	16%
	Fleetwide Daily TCE[1]	$20,630	$18,770	10%
	Fleetwide Daily Opex[2]	$6,852	$7,085	(3%)
	Time charter Coverage	63%	60%	
Income Statement *USDm exc. EPS*	TCE Revenue[1]	$12.4	$9.0	38%
	Adjusted EBITDA[3]	$7.4	$4.5	63%
	Net Loss	($0.6)	($2.3)	
	Loss Per Share[4]	($0.02)	($0.14)	
Balance Sheet *USDm*	Total Interest Bearing Debt	$339	$290	17%
	Total Cash	$21	$34	(39%)
	Total Assets	$668	$593	13%
	Total Equity	$317	$289	10%
	Leverage[5]	50%	47%	

[1] Time charter equivalent (TCE) revenue calculated as revenue less voyage expenses and commissions.
[1] Daily TCE rates based on operating days (calendar days less aggregate offhire days).
[2] Daily vessel operating expenses (Opex) based on calendar days and include management fees.
[3] EBITDA calculated as revenue less voyage expenses, commissions, vessel operating expenses and general and administrative expenses.
[4] Loss per share based on weighted average number of shares outstanding during the period.
[5] Leverage calculated as net debt over net debt plus equity.
[6] OET established on 30 April 2018. Vessels contributed to OET's trading fleet and began operations under OET's ownership on 28 June 2018.

FINANCIAL & OPERATIONAL REVIEW

As OET is a newly established company, no comparative financial figures are available for 2017.

Revenues for Q4 2018 of $16.2 million, up from $12.9 million in Q3 2018. The 26% increase was attributable to the increase in spot rates and an enlarged fleet owing to the delivery of one vessel (Folegandros).

Voyage expenses for Q4 2018 of $3.6 million, down from $3.7 million in Q3 2018. The 2% decrease was mainly attributable to lower bunker prices quarter on quarter.

Vessel operating expenses for Q4 2018 of $4.0 million, up from $3.6 million in Q3 2018. The 11% increase was attributable to an enlarged fleet owing to the delivery of one vessel (Folegandros).

Depreciation for Q4 2018 of $3.9 million, up from $3.4 million in Q3 2018. The 15% increase was attributable to an enlarged fleet owing to the delivery of one vessel (Folegandros) and an uptick in amortized dry docking costs.

General and administrative expenses for Q4 2018 of $0.6 million, up from $0.5 million in Q3 2018. The 29% increase was attributable to a rise in professional and legal fees incurred in relation to the private placement and the up-listing to the Oslo Axess exchange, and a one-person increase in shore-based staff at OET Chartering Inc.

Financial expenses for Q4 2018 of $4.1 million, up from $3.6 million in Q3 2018. The 13% increase was primarily attributable to an increase in interest bearing debt in connection with an enlarged fleet. Total indebtedness for Q4 2018 of $339.3 million, up from $290.2 million in Q3 2018.

The company recorded a **loss** in Q4 2018 of $(0.6) million, or $(0.02) per basic and diluted share, compared to a loss in Q3 2018 of $(2.3) million, or $(0.14) per basic and diluted share.

Net cash provided by **operating activities** for Q4 2018 was $2.9 million.

Net cash used in **investing activities** for Q4 2018 was $91.7 million.

Net cash provided by **financing activities** for Q4 2018 was $75.5 million.

As of 31 December 2018, the Company's cash balance (including restricted cash) was $21,082,979.

As of 1 March 2019, the Company had 31,310,000 total shares outstanding.

Presentation

OET will not be hosting a presentation or webcast to discuss the company's results for the period ended 31 December 2018. Investors and analysts are urged to contact the company directly with any queries or feedback, or to organize a telephonic meeting with management.

Please contact:

Aristidis Alafouzos, COO
Tel: +30 210 480 4245
Email: aia@okeanisecotankers.com

John Papaioannou, CFO
Tel: +30 210 480 4099
Email: jvp@okeanisecotankers.com

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION		(Unaudited)	(Audited)
		Q4 2018	Q3 2018
USD Thousands	Note	31 December 2018	30 September 2018
ASSETS			
Current assets			
Cash & cash equivalents		$18,083	$31,335
Inventories		2,768	2,724
Trade and other receivables		2,533	4,179
Claims receivable		5,156	2,416
Prepaid expenses		1,514	426
Current accounts due from related parties		396	1,094
Total current assets		**$30,450**	**$42,173**
Non-current assets			
Net vessels	3	$396,374	$399,371
Vessels under construction	4	238,212	148,192
Restricted cash		3,000	3,000
Other non-current assets		47	40
Total non-current assets		**$637,633**	**$550,604**
TOTAL ASSETS		**$668,083**	**$592,776**
LIABILITIES & SHAREHOLDERS' EQUITY			
Current liabilities			
Current portion of long-term borrowings	5	$22,085	$22,963
Trade payables		7,881	6,481
Accrued expenses		2,922	3,751
Current accounts due to related parties	6	1,443	3,769
Total current liabilities		**$34,331**	**$36,964**
Non-current liabilities			
Long-term borrowings, net of current portion	5	$317,251	$267,279
Total non-current liabilities		**$317,251**	**$267,279**
TOTAL LIABILITIES		**$351,581**	**$304,243**
Shareholders' equity			
Share capital	7	$31	$27
Additional paid-in capital	7	319,357	290,787
Accumulated losses		(2,887)	(2,282)
Total shareholders' equity		**$316,502**	**$288,533**
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		**$668,083**	**$592,776**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *USD Thousands, except per share amounts*	Note	(Unaudited) Q4 2018 Oct 1 - Dec 31 2018	(Audited) Inception to 3Q18 Apr 30 - Sep 30 2018	(Unaudited) Inception to 4Q18 Apr 30 - Dec 31 2018
Revenue		**$16,171**	**$12,870**	**$29,042**
Operating expenses				
Commissions		(165)	(169)	(333)
Voyage expenses		(3,644)	(3,734)	(7,377)
Vessel operating expenses		(4,026)	(3,640)	(7,666)
Management fees		(387)	(349)	(736)
General and administrative expenses		(592)	(460)	(1,052)
Depreciation and amortization	3	(3,921)	(3,404)	(7,325)
Total operating expenses		**($12,733)**	**($11,755)**	**($24,488)**
Operating profit		**$3,438**	**$1,116**	**$4,554**
Other income / (expenses)				
Interest income		74	218	292
Interest and other finance costs		(4,063)	(3,599)	(7,662)
Foreign exchange loss		(55)	(16)	(71)
Total other expenses		**($4,043)**	**($3,398)**	**($7,440)**
Loss before tax		**($605)**	**($2,282)**	**($2,887)**
Other comprehensive income		-	-	-
Total comprehensive loss for the period		**($605)**	**($2,282)**	**($2,887)**
Attributable to the owners of the Group		*($605)*	*($2,282)*	*($2,887)*
Net loss per share - basic & diluted	9	(0.02)	(0.14)	(0.14)
Weighted average no. of shares - basic & diluted		28,590,000	16,837,843	21,250,898

CONSOLIDATED STATEMENT OF CASH FLOW

CONSOLIDATED STATEMENT OF CASH FLOW *USD Thousands*	(Unaudited) Q4 2018 Oct 1 - Dec 31 2018	(Audited) Inception to 3Q18 Apr 30 - Sep 30 2018	(Unaudited) Inception to 4Q18 Apr 30 - Dec 31 2018
CASH FLOW FROM OPERATING ACTIVITIES			
Total comprehensive loss for the period	**($605)**	**($2,282)**	**($2,887)**
Adjustments to reconcile loss to net cash:			
Depreciation	3,921	3,404	7,325
Interest expense	3,530	3,409	6,940
Interest income	(74)	(218)	(292)
Amortization of loan financing fees	322	150	472
Total reconciliation adjustments	**$7,698**	**$6,746**	**$14,444**
Adjusted income	**$7,093**	**$4,464**	**$11,557**
Changes in working capital:			
Trade and other receivables	1,363	(2,191)	(828)
Prepaid expenses	(730)	674	(56)
Inventories	(45)	(355)	(399)
Trade and other payables	1,399	1,452	2,851
Accrued expenses	(365)	503	139
Claims	(2,740)	(2,399)	(5,139)
Interest paid	(3,067)	(3,651)	(6,718)
Total changes in working capital	**($4,184)**	**($5,966)**	**($10,150)**
Net cash provided by / (used in) operating activities	**$2,910**	**($1,503)**	**$1,407**
CASH FLOW FROM INVESTING ACTIVITIES			
Investment in vessels under construction	(89,677)	(102,309)	(191,987)
Investment in other fixed assets	(7)	(20)	(27)
Dry-docking costs	(2,830)	-	(2,830)
Due from related parties	697	(697)	-
Changes in restricted cash	-	1,450	1,450
Interest received	133	143	276
Net cash used in investing activities	**($91,684)**	**($101,434)**	**($193,118)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from long term borrowings	57,750	42,000	99,750
Repayments of long term borrowings	(7,761)	(7,784)	(15,544)
Proceeds from equity issuance	29,126	96,508	125,634
Debt issuance costs	(1,212)	(915)	(2,127)
Equity issuance costs	(54)	(462)	(517)
Due to related parties	(2,327)	(742)	(3,069)
Acquisition of cash of contributed companies	-	5,667	5,667
Net cash provided by financing activities	**$75,522**	**$134,271**	**$209,794**
Net change in cash and cash equivalents	*(13,252)*	*31,335*	*18,083*
Cash and cash equivalents at beginning of period	31,335	-	-
Cash and cash equivalents at end of period	**$18,083**	**$31,335**	**$18,083**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY *USD Thousands, except share amounts*	Number of shares	Share capital	Additional paid-in capital	Accumulated losses	Total
Balance at inception - 30 April 2018	**-**	**-**	**-**	**-**	**-**
Issuance of shares on incorporation	10,000	0.01	-	-	0
Issuance of shares in exchange for acquisition of ownership interest in contributed companies	15,990,000	15.99	194,753	-	194,769
Issuance of shares in initial offering	11,400,000	11.40	96,034	-	96,046
Loss for the period	-	-	-	(2,282)	(2,282)
Balance - 30 September 2018 (Audited)	**27,400,000**	**27.40**	**290,787**	**(2,282)**	**288,533**
Issuance of shares	3,910,000	3.91	28,570	-	28,574
Loss for the period	-	-	-	(605)	(605)
Balance - 31 December 2018 (Unaudited)	**31,310,000**	**31.31**	**319,357**	**(2,887)**	**316,502**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2018

These notes form an integral part of and should be read in conjunction with the accompanying consolidated financial information. The tanker market is typically stronger in the winter months of the northern hemisphere due to increased oil consumption, but weaker in the summer months of the northern hemisphere as a result of lower oil consumption and refinery maintenance. In addition, unpredictable weather patterns during the winter months tend to disrupt vessel scheduling. Crude oil price volatility arising from these factors has historically led to increased oil trading activity in the winter months. Consequently, revenues generated by our vessels have historically been weaker during April to September and stronger during October to March.

1) General Information

OKEANIS ECO TANKERS CORP. ("OET" or the "Company"), was founded on April 30, 2018 as a private limited corporation under the laws of the Republic of the Marshall Islands. OET is majority controlled by Glafki Marine Corporation 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.). The principal activity of the subsidiaries is to own, charter out and operate tanker vessels.

The table below sets forth an overview of the Contributed Companies noted above, as well as their function:

Company name	Date of contribution to OET	Incorporated	Function	Interest held by OET
Therassia Marine Corp.	28-Jun-18	Liberia	"Nissos Therassia" ownership and operation	100%
Milos Marine Corp.	28-Jun-18	Liberia	"Nissos Heraclea" ownership and operation	100%
Ios Maritime Corp.	28-Jun-18	Liberia	"Nissos Schinoussa" ownership and operation	100%
Omega One Marine Corp.	28-Jun-18	Marshall Islands	"Milos" ownership and operation	100%
Omega Two Marine Corp.	28-Jun-18	Marshall Islands	"Poliegos" lease and operation	100%
Omega Three Marine Corp.	28-Jun-18	Marshall Islands	"Kimolos" ownership and operation	100%
Omega Four Marine Corp.	28-Jun-18	Marshall Islands	"Folegandros" ownership and operation	100%
Omega Five Marine Corp.	28-Jun-18	Marshall Islands	Vessel under construction (Hull 3012)	100%
Omega Seven Marine Corp.	28-Jun-18	Marshall Islands	Vessel under construction (Hull 3013)	100%
Omega Nine Marine Corp.	28-Jun-18	Marshall Islands	Vessel under construction (Hull 3014)	100%
Omega Eleven Marine Corp.	28-Jun-18	Marshall Islands	Vessel under construction (Hull 3015)	100%
Nellmare Marine Ltd	28-Jun-18	Marshall Islands	Vessel under construction (Hull 3050)	100%
Anassa Navigation S.A.	28-Jun-18	Marshall Islands	Vessel under construction (Hull 3051)	100%
Arethusa Shipping Ltd.	28-Jun-18	Marshall Islands	Vessel under construction (Hull 3089)	100%
Moonsprite Shipping Corp.	28-Jun-18	Marshall Islands	Vessel under construction (Hull 3090)	100%
OET Chartering Inc.	28-Jun-18	Marshall Islands	Commercial management company	100%

On 28 June 2018, all of the shares in the fifteen single purpose companies (the "SPVs") and OET Chartering Inc. (as presented above), were transferred to the Company from Okeanis Marine Holding ("OMH"), a holding company controlled by the Alafouzos family. The eco fleet of OMH was contributed to the Company as a payment-in-kind transaction whereby OMH received shares in the Company in exchange for its SPVs. The Alafouzos family fully owned OMH and currently holds a stake of 54.75% in the Company. The Company was admitted for trading on the Merkur Market on 3 July 2018.

2) General Accounting Principles

Basis of preparation and consolidation

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 audited consolidated financial statements as of and for the period from 30 April 2018 (incorporation) to 30 September 2018. Our 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 audited consolidated financial statements for the period ended 30 September 2018 have been used in these consolidated interim financial statements.

The interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB"). The interim consolidated financial statements 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.

The interim consolidated financial statements have been prepared based on the control that OET exercises over the Contributed Companies. The results of operations of the Contributed Companies are included in these consolidated financial statements from the date of their acquisition by OET, which took place on 28 June 2018. Control is achieved since OET has the power to govern the financial and operating policies of the Contributed Companies, so as to obtain benefits from their activities. All inter-company balances and transactions are eliminated in full on consolidation. OET and the Contributed Companies were entities under common control before and after the acquisition, and therefore the acquisition was not accounted for in accordance with the provisions of *IFRS 3 Business Combinations*, but as a transaction between entities under common control. Accordingly, on acquisition, the Contributed Companies' assets and liabilities were recorded at their book values. The following major classes of assets and liabilities of the Contributed Companies were acquired by OET on 28 June 2018:

Description	USD Amount
Vessels, net and advances for vessels under construction	448,479,181
Cash and cash equivalents	5,666,630
Restricted cash	4,450,000
Inventories	2,368,764
Trade and other receivables	1,293,969
Other assets	2,308,259
Long-term borrowings	(256,785,107)
Other liabilities	(13,012,730)
Total	**$194,768,966**

Vessel revenue recognition

Revenues are generated from time charter and voyage charter agreements.

Under a time charter agreement, the vessel is hired by the charterer for a specified period of time in exchange for consideration which is usually based on a daily hire rate. The charterer has the full discretion over the ports visited, shipping routes and vessel speed. The contract/charter party generally provides typical warranties regarding the speed and performance of the vessel. The charter party generally has some owner protective restrictions such that the vessel is sent only to safe ports by the charterer, subject always to compliance with applicable sanction laws, and carry only lawful or non-hazardous cargo. In a time charter contract, the Company is responsible for all the costs incurred for running the vessel such as crew costs, vessel insurance, repairs and maintenance and lubricants. The charterer bears the voyage related costs such as bunker expenses, port charges, canal tolls during the hire period. The performance obligations in a time charter contract are satisfied over the term of the contract, beginning when the vessel is delivered to the charterer until it is redelivered back to the Company. The charterer generally pays the charter hire in advance of the upcoming contract period. The time charter contracts are considered operating leases and therefore do not fall under the scope of IFRS 15 because (i) the vessel is an identifiable asset (ii) the Company does not have substantive substitution rights and (iii) the charterer has the right to control the use of the vessel during the term of the contract and derives the economic benefits from such use. In case of a time charter agreement with contractual changes in rates throughout the term of the agreement, any differences between the actual and the straight-line revenue in a reporting period is recognized as a straight-line asset or liability and reflected under current assets or current liabilities, respectively, in the consolidated statement of financial position.

Under a voyage charter agreement, the charterer hires the vessel to transport a specific agreed-upon cargo for a single voyage which may include more than one load ports and discharge ports. The consideration is determined on the basis of a freight rate per metric ton of cargo carried, or on a lump sum basis. The charter party generally has a minimum amount of cargo. The charterer is liable for any short loading of cargo or "dead" freight. The voyage contract generally has standard payment terms, where freight is paid within certain days after the completion of discharge. The voyage charter party generally has a "demurrage" or "dispatch" clause. As per this clause, the charterer reimburses the Company for any potential delays exceeding the allowed laytime as per the charter party clause at the ports visited that is recorded as demurrage revenue. Conversely, the charterer is given credit if the loading/discharging activities happen within the allowed laytime known as dispatch resulting in a reduction in revenue. In a voyage charter contract, the performance obligations begin to be satisfied once the vessel begins loading the cargo. The Company determined that its voyage charter contracts consist of a single performance obligation of transporting the cargo within a specified time period. Therefore, the performance obligation is met evenly as the voyage progresses, and, as a result, revenue is recognized on a straight-line basis over the voyage days from the commencement of the loading of cargo to completion of discharge.

New and revised IFRS standards in issue but not yet in effect

At the date of authorization of these consolidated financial statements, the following standards relevant to the Company were in issue but not yet effective:

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, i.e. the customer ("lessee") and the supplier ("lessor"). IFRS 16 eliminates the classification of leases by lessees as either operating leases or finance leases and, instead, introduces a single lessee accounting model. Applying that model, a lessee is required to recognise: (a) assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value; and (b) depreciation of lease assets separately from interest on lease liabilities in the statement of profit or loss. Lessors continue to classify their leases as operating leases or finance leases, and to account for those two types of leases differently. IFRS 16 supersedes the previous leases Standard, IAS 17 Leases, and related Interpretations. The standard is effective from January 1, 2019, with early adoption permitted only with concurrent adoption of IFRS 15 Revenue from Contracts with Customers. Management has made a preliminary assessment showing no material effects at implementation of the standard, and has thus elected not to adopt early.

3) Vessels, Net

USD Thousands	Vessels' cost	Dry-docking and special survey costs	Total
Cost			
Balance at inception - 30 April 2018	-	-	-
Transfer of vessels at cost on acquisition of contributed companies	355,161	4,800	359,961
Transfer of vessels under construction	67,289	800	68,089
Balance - 30 September 2018 (Audited)	**422,450**	**5,600**	**428,050**
Additions	923	-	923
Balance - 31 December 2018 (Unaudited)	**423,373**	**5,600**	**428,973**
Accumulated Depreciation			
Balance - 31 December 2018 (Unaudited)	-	-	-
Transfer of vessels accumulated depreciation on acquisition of contributed companies	(23,278)	(1,998)	(25,275)
Depreciation charge for the period	(3,155)	(249)	(3,404)
Balance - 30 September 2018 (Audited)	**(26,432)**	**(2,247)**	**(28,679)**
Depreciation charge for the period	(3,632)	(289)	(3,921)
Balance - 31 December 2018 (Unaudited)	**(30,064)**	**(2,536)**	**(32,600)**
Net Book Value			
Net Book Value - 30 September 2018 (Audited)	**396,018**	**3,353**	**399,371**
Net Book Value - 31 December 2018 (Unaudited)	**393,309**	**3,064**	**396,373**

4) Advances for Vessels Under Construction

USD Thousands	
Balance at inception - 30 April 2018	**-**
Transfer of advances for vessels under construction cost on acquisition	113,793
Capitalized interest	247
Payments during the period	102,241
Transfer to vessels, net	(68,089)
Balance - 30 September 2018 (Audited)	**148,192**
Capitalized interest	1,017
Payments during the period	89,002
Balance - 31 December 2018 (Unaudited)	**238,212**

5) Long-Term Borrowings

The SPVs had entered into loan agreements prior to their contribution to the Company, presented below as at 31 December 2018:

Company	Vessel / Hull	Total loan amount	Outstanding loan balance as of 31 Dec. 2018	Quarterly instalment	Remaining quarterly instalments	Balloon payment	Interest rate
Therassia Marine Corp.	Nissos Therassia	$36,500,000	$27,860,000	$540,000	12	$21,380,000	L + 2.60%
Milos Marine Corp.	Nissos Heraclea	$40,000,000	$31,740,000	$590,000	14	$23,480,000	L + 2.25%
Ios Maritime Corp.	Nissos Schinoussa	$36,500,000	$29,480,000	$540,000	15	$21,380,000	L + 2.60%
Omega One Marine Corp.	Milos	$36,600,000	$31,279,500	$601,500	16	$21,655,500	L + 2.50%
Omega Three Marine Corp.	Kimolos	$47,000,000	$46,000,000	$500,000	6		
				$616,750	24	$28,198,000	L + 3.10%
Omega Four Marine Corp.	Folegandros	$42,000,000	$41,500,000	$500,000	7		
				$600,000	24	$23,600,000	L + 3.10%
Omega Five Marine Corp.	Hull 3012	$33,000,000	$33,000,000	-	-	-	7.00%
Omega Seven Marine Corp.	Hull 3013	$33,000,000	$33,000,000	-	-	-	7.00%
Omega Nine Marine Corp.	Hull 3014	$33,000,000	$16,500,000	-	-	-	7.00%
Omega Eleven Marine Corp.	Hull 3015	$33,000,000	$8,250,000	-	-	-	7.00%

Therassia Marine Corp. and Ios Maritime Corp. have entered into bank loan facilities with HSH Nordbank for the partial financing of the acquired vessels.

Milos Marine Corp. has entered into a bank loan facility with BNP Paribas for the partial financing of the acquired vessel.

Omega One Marine Corp. has entered into a bank loan facility with ABN Amro for the partial financing of the acquired vessel.

Omega Three Marine Corp. and Omega Four Marine Corp. have entered into bank loan facilities with Alpha Bank for the partial financing of the acquired vessels.

Omega Five Marine Corp., Omega Seven Marine Corp., Omega Nine Marine Corp. and Omega Eleven Marine Corp. have entered into loan agreements with Ocean Yield ASA for the purposes of financing a portion of the hulls' pre-delivery instalments.

On 28 June 2018, the date the shares in the SPVs were transferred to the Company, the Company assumed the responsibility of Corporate Guarantor of the existing bank loan facility of each SPV. Kyklades Maritime Corporation ("Kyklades" or "Management Company") continues to serve as co-Guarantor of the bank loan facilities of Omega Three Marine Corp. and Omega Four Marine Corp. with Alpha Bank.

On 20 April 2018, Omega Four Marine Corp. entered into a loan agreement with Bigal Shipping Corporation ("Bigal"), a related party, for the provision of $6.7 million of working capital. The loan carried an annual fixed interest rate of 3.00%. On 8 September 2018, the Company repaid $2.2 million of the loan. On 7 December 2018, the $4.5 million outstanding balance of the loan and interest incurred were fully repaid.

Financing arrangements with OCY Poliegos Limited

Omega Two Marine Corp. has entered into a debt financing transaction with OCY Knight AS. On 8 June 2017, the company transferred the M/T Poliegos to OCY Knight AS (the "Buyer") for $54.0 million, and, as part of the agreement, bareboat-chartered the vessel back for a period of 14 years, with purchase options at the end of the seventh, tenth and twelfth year. The Company continues to technically manage, commercially charter, and operate the M/T Poliegos. The Company received $47.0 million in cash as part of the transaction, with $7.0 million retained by the buyer as a deposit that can be used towards the repurchase of the vessel pursuant to the purchase options. This transaction is treated as a financing transaction and the M/T Poliegos continues to be recorded as an asset on the statement of financial position, as the risks and rewards of ownership have effectively remained with the Company, and it is probable that the company will exercise the purchase option by the end of year twelve. The outstanding balance as of 31 December 2018 was $43.8 million.

Financing arrangements with OCY Knight AS

Omega Five Marine Corp., Omega Seven Marine Corp., Omega Nine Marine Corp. and Omega Eleven Marine Corp. have entered into a debt financing transaction with OCY Knight AS. On 10 February 2018, each Company agreed to sell its vessel to OCY Knight AS for $75.26 million and bareboat-chartered the vessel back for a period of 14 years upon delivery. There are purchase options at the end of the seventh, tenth and twelfth year. The relevant Bareboat Charters provide that the charterers shall not sell or otherwise dispose of all or any material part of its assets or operations, if such sale or disposal is reasonably likely to have a material adverse effect on the ability of the Bareboat Charterers to perform their obligations under the relevant Bareboat Charter. Each Bareboat Charter also provides an option to purchase the relevant VLCC for the following prices:

- at the end of year 7, $49,830,000;
- at the end of year 10, $36,300,000;
- at the end of year 12, $25,860,000; or
- at the end of year 14, $14,170,000.

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

USD Thousands	Long-term borrowings, net of current portion	Current portion of long-term borrowings
Outstanding loan balance	319,228	23,210
Loan arrangement fees	(1,978)	(1,124)
Total	**317,251**	**22,085**

The loans are repayable as follows:

USD Thousands	31 December 2018
No later than one year	23,210
Later than one year and not later than five years	222,404
Thereafter	96,824
Total	**342,438**
Less: Amounts due for settlement within 12 months	(23,210)
Long-term borrowings	**319,228**

6) Transactions and Balances with Related Parties

The Company has entered into management agreements with (a) OET Chartering Inc. as commercial manager and (b) Kyklades Maritime Corporation 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 day, which is reflected under management fees in the consolidated statement of profit or loss and other comprehensive income. For the period ended 31 December 2018, total commercial and technical management fees amounted to $0.7 million.

During the transfer of the SPVs from the predecessor company, Okeanis Marine Holdings, to the Company, working capital provisions and loans extended between SPVs during their vessels' normal course of operations and trading prior to the Company's inception were carried over (please refer to Note 2 for further details). As the Company has transitioned from being private to publicly owned, outstanding amounts due between the private, vessel owning companies (comprising individual SPVs owning the Alafouzos family's privately owned, non-eco tanker fleet) and the Company have been and will continue to be settled in full (please refer to Note 5 and the settlement of the Bigal loan for reference). Below we present and analyze the few outstanding amounts due to private, related-party vessel owning companies from the Company:

USD Thousands	31 December 2018
Amounts due to Management Company	1,367
Amounts due to vessel owning companies	75
Total	**1,443**

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

Amounts due to related party vessel owning companies, which are owned by members of the Alafouzos family, represent amounts provided by privately-owned, non-eco vessel owning companies to the Company for working capital purposes.

Current accounts due from related parties, which are owned by members of the Alafouzos family and amounting to $0.4 million as at 31 December 2018, represent amounts provided to related party vessel owning companies 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 29 June 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 3 July 2018. The common shares trade on the Merkur Market under the ticker 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 28 June 2018, the balances of the net assets of the Contributed Companies amounting to $194.8 million were recognized at their carrying historical costs upon the acquisition of their ownership interest by OET, in exchange for the issuance of 15,990,000 of the OET common shares to the holders of the ownership interest of the Contributed Companies.

On 28 June 2018, OET completed an initial offering of its common shares, whereby 11,400,000 common shares were issued in exchange for net proceeds of approximately $96.5 million.

Under the Company's constitutional documents, the number of authorized shares is 100,000,000, each with a par value of $0.001.

Neither the Company nor any of its subsidiaries have issued any restricted shares, share options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any shares in the Company or its subsidiaries. Neither the Company nor any of its subsidiaries have issued subordinated debt or transferable securities other than the shares in the Company and the shares in the Company's subsidiaries that are held directly or indirectly by the Company.

On 3 December 2018, the Company announced that it had issued 3,910,000 new ordinary shares in a second private placement, raising gross proceeds of approximately $30 million of new equity. The number of shares in issue at the date of this report is 31,310,000. The Company does not currently hold any treasury shares.

Date	Type of change	Change in issued share capital	New issued share capital (USD)	No. of issued shares	Par value per share
30 April 2018	Incorporation	10	10	10,000	0.001
28 June 2018	In-kind issue	15,990	16,000	16,000	0.001
28 June 2018	Private placement	11,400	27,400	27,400,000	0.001
3 December 2018	Private placement	3,910	31,310	31,310,000	0.001

8) Commitments and Contingencies

The Company has commitments under eight shipbuilding contracts for the acquisition of eight VLCC newbuildings. The Company expects to settle these commitments as follows:

USD Thousands	31 December 2018
Less than one year	409,913
One to three years	53,700
Total	**463,613**

On 5 October 2018, the Company entered into [a] an agreement with Ecospray Technologies S.R.L. (the "Supplier") for the supply of six scrubber systems and [b] an agreement that grants the Company the option to order up to two additional scrubber systems. The total contract price of the scrubber systems is EUR 6.1 million. Under the firm agreement, all scrubbers are to be delivered by the end of August 2019.

On 19 December 2018, Anassa Navigation S.A. entered into a loan agreement with Credit Suisse for the financing of Hull 3051. The total proceeds of the loan will be the lower of $58,125,000 and 62.5% of the firm market value of the vessel at delivery. The loan agreement permits pre-delivery financing. The facility bears annual interest of LIBOR plus a margin of 2.25%.

On 3 December 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 $15.0 million. 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 is up to 30 June 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 down on this facility.

9) Earnings / (Loss) per Share

Basic and diluted losses per share are presented below:

Basic loss per share

USD per share	Q4 2018 Oct 1 - Dec 31 2018	Inception to 4Q18 Apr 30 - Dec 31 2018
From continuing operations	(0.02)	(0.14)
Total basic loss per share	**(0.02)**	**(0.14)**

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

USD, except share and per share amounts	Q4 2018 Oct 1 - Dec 31 2018	Inception to 4Q18 Apr 30 - Dec 31 2018
Loss for the period attributable to the owners of the Group	(604,974)	(2,886,938)
Weighted average number of common shares outstanding in the period	28,590,000	21,250,898
Total basic loss per share	**(0.02)**	**(0.14)**

10) Subsequent Events

On 19 January 2019, the Company entered into a sale and lease back arrangement with Ocean Yield Malta Limited for the re-financing of M/T Milos. The net proceeds of $49,000,000 were used to repay the outstanding amount under the vessel's existing ABN Amro loan facility, providing the Company with additional net liquidity of $17,830,000.

On 24 January 2019, Arethusa Shipping Corp. entered into a loan agreement with BNP Paribas for the financing of Hull 3089. The total proceeds of the loan will be the lower of the 65% of the acquisition price of the vessel, 65% of the firm market value of the vessel and $58,175,000. The loan agreement permits pre-delivery financing. The facility bears annual interest of LIBOR plus a margin of 2.25%.

On 14 February 2019, Nellmare Marine Ltd. entered into a loan agreement with ABN Amro for the financing of Hull 3050. The total proceeds of the loan will be the lower of the 60% of the firm market value of the vessel and $59,000,000. The loan agreement permits pre-delivery financing. The facility bears annual interest of LIBOR plus a margin of 2.50%.

On 27 February 2019, Moonsprite Shipping Corp. entered into a loan agreement with Credit Agricole Corporate and Investment Bank for the financing of Hull 3090. The total proceeds of the loan will be the lower of the 65% of the firm market value of the vessel and $58,000,000. The loan agreement permits pre-delivery financing, includes export credit with Korean Export Import Bank ("KEXIM") and bears annual interest of LIBOR plus a weighted-average margin of 2.09%.