OKEANIS

ECO TANKERS

ANNUAL REPORT 2018

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LETTER FROM THE CHAIRMAN

Okeanis Eco Tankers Corp. was established in April 2018 with the goal of offering investors the best combination of IMO 2020 exposure and shareholder alignment in the crude tanker segment. There are three key pillars underpinning this ambition:

We own the right fleet, delivering at the right time

All of the vessels in our fleet are or will be eco-design, scrubber-fitted and built at premium yards in South Korea or Japan. Moreover, all vessels will be delivered to us before January 1 2020, and will have an average age of just 1.7 years on a fully-delivered basis. Consequently, we believe that the combination of these three factors – eco-design, scrubber-fitted, delivering before January 1 2020 – positions OET as the optimal vehicle for those investors wishing to capitalize on a strengthening tanker market and an unprecedented disruption in bunker fuel regulations that will benefit our fleet greatly.

We have best-in-class corporate governance and novel shareholder alignment provisions

Our Board of Directors will act in shareholders' best interests, because it consists predominantly of investors owning approximately 71% of the company. Three of our Board members are principals of investment funds with holdings in OET and extensive experience in shipping markets. We are also proud to boast a one share, one vote structure with no anti-takeover provisions and no staggered election schedule, and are committed to crystallizing value for our shareholders via a clear monetization strategy: selling vessels at an opportune time in the cycle and implementing a full dividend payout policy upon delivery of our newbuildings. To deter non-accretive transactions, we have also established a subcommittee of the Board that will be responsible for handling all incoming M&A interest and approving all new share issuances and new vessel acquisitions.

We have a demonstrable track record of commercial and technical outperformance

We look forward to life as a publicly listed firm, but promise to retain the same sense of ownership over controlling our operational expenses and maximizing our commercial performance as would a tightly run family company. We are committed to maintaining at least 70% spot market exposure in 2020, while procuring the highest quality technical management services at the most competitive cost.

The rapid improvement in tanker spot rates in the fourth quarter of 2018 revealed the underlying tight fundamentals of the market. Since then, rates have retreated, and we expect the market to continue to move sideways in the first half of 2019 due to the continued adverse impact of OPEC+ production cuts, a front-loaded newbuilding delivery schedule and above-trend refinery maintenance in the spring as refiners gear up for IMO 2020. However, starting in Q3 2019, we believe that the effects of IMO 2020 will begin to be felt across the crude tanker industry, signaling the start of a tanker upcycle. OET is incredibly well-positioned to capitalize on this once-in-a-generation opportunity, and we look forward to demonstrating our capabilities in the public arena.

Ioannis A. Alafouzos
Chairman

HISTORY

APRIL 2013
Ordered 3 x LR2 Aframaxes at HHI

MAY 2014
Ordered 2 x Suezmaxes at SSME

FY 2015
Took delivery of Aframaxes and ordered 2 x Suezmaxes at JMU

DECEMBER 2017
Ordered 4 x scrubber-fitted VLCCs at HHI

FEBRUARY 2018
Ordered 2 x scrubber-fitted VLCCs at HHI

APRIL 2018
Ordered 2 x scrubber-fitted VLCCs at HHI
Established Okeanis Eco Tankers Corp. (OET)

JUNE 2018
Contributed Alafouzos family's eco tanker fleet to OET in exchange for shares

JULY 2018
Listing of OET on Merkur Market

MARCH 2019
Uplisting of OET to Oslo Axess

FLEET

CHARTER COVERAGE THROUGH YE 2020

Type	Name	Yard	Country	Built	DWT	Eco-Design?	Scrubber?	BWTS?	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	Charterer	Expiry
AFRAMAX/LR2	Nissos Heraclea	HHI	Korea	2015-07	114,322	Yes	Upon redely	Yes			$19,450						Total	Mar-20
	Nissos Therassia	HHI	Korea	2015-01	114,322	Yes	3Q19	Yes										
	Nissos Schinoussa	HHI	Korea	2015-09	114,322	Yes	3Q19	Yes										
SUEZMAX	Milos	SSME	Korea	2016-10	157,537	Yes	2Q19	Yes			$19,000 + 50% Profit share[1]						Vitol	Mar-20
	Poliegos	SSME	Korea	2017-01	157,537	Yes	3Q19	Yes										
	Kimolos	JMU	Japan	2018-05	159,159	Yes	3Q19	Yes	$18,500								Trafigura	Apr-19
	Folegandros	JMU	Japan	2018-09	159,159	Yes	3Q19	Yes										
VLCC	Nissos Rhenia	HHI	Korea	2019-05	318,953	Yes	Yes	Yes					$35,315[2]				Koch	May-24
	Nissos Despotiko	HHI	Korea	2019-06	318,953	Yes	Yes	Yes					$35,315[2]				Koch	Jun-24
	Nissos Santorini	HHI	Korea	2019-06	318,953	Yes	Yes	Yes					$35,315[2]				Koch	Jun-24
	Nissos Antiparos	HHI	Korea	2019-07	318,953	Yes	Yes	Yes					$35,315[2]				Koch	Jul-24
	Nissos Donoussa	HHI	Korea	2019-08	318,953	Yes	Yes	Yes										
	Nissos Kythnos	HHI	Korea	2019-09	318,953	Yes	Yes	Yes										
	Nissos Keros	HHI	Korea	2019-10	318,953	Yes	Yes	Yes										
	Nissos Anafi	HHI	Korea	2019-12	318,953	Yes	Yes	Yes										

Time charter fixed period

Time charter fixed period with profit share

NOTES
1) $19,000/day base rate with 50% profit share thereafter.
2) · Average time charter ("TC") rate for 5 year duration.
· The TC rate will be adjusted upwards to $37,115/day (vs $32,615/day) per vessel for years three, four and five.
· OET will have the option to cancel the TC at its discretion from the end of year three until the expiry of the charter without any penalty or premium payable to Koch.

PRESENTATION OF THE BOARD OF DIRECTORS

Ioannis A. Alafouzos, *Chairman*

Mr. Ioannis Alafouzos began his career in shipping in 1981 and has over 40 years of experience in all facets of the industry. Mr. Alafouzos founded Kyklades Maritime Corporation's tanker arm and has been the key strategist for the company's cyclical asset plays. Throughout his career with Kyklades, he has held and holds various positions in single purpose vehicle companies used mainly for the acquisition of vessels. Mr. Alafouzos holds an MA from Oxford University in History of Economics. He was a member of the ABS Technical Committee from 2005-2009, a board member of Ionian and Popular Bank in the 1990's, and a board member of the Hellenic Chamber of Shipping in the 1980s. Mr. Ioannis Alafouzos has attended two of two board meetings in 2018.

Robert Knapp, *Director*

Robert Knapp is the CIO of Ironsides Partners, an investment manager based in Boston which he founded in 2007. Ironsides is an asset value investor with an emphasis on market dislocations or disruptions. Mr. Knapp serves as a director for several investment companies including MVC Capital listed on the NYSE and was a director of MPC Container Ships AS when it was founded. He is a graduate of Princeton University in the US and Oxford University in the UK. Mr. Robert Knapp has attended two of two board meetings in 2018.

Daniel Gold, *Director*

Daniel Gold is the CEO, managing partner and founder of QVT Financial LP, an asset management company with offices including New York, London, Singapore, and New Delhi. QVT Financial, through its managed funds, is an experienced global investor in the shipping and offshore industries. Mr. Gold holds an AB in Physics from Harvard College. Mr. Gold is an American citizen. Mr. Daniel Gold has attended two of two board meetings in 2018.

Joshua Nemser, *Director*

Joshua Nemser is a New York-based portfolio manager at VR Capital Group. Mr. Nemser holds a J.D. from the New York University School of Law, where he graduated magna cum laude, and a B.S. in business administration from the University of Southern California. He is a licensed airline transport pilot with over 2,000 flight hours. Mr. Joshua Nemser has attended two of two board meetings in 2018.

PRESENTATION OF THE BOARD OF DIRECTORS

(CONTINUED)

Charlotte Stratos, *Independent Director*

Charlotte Stratos is a Senior Advisor to Morgan Stanley's Investment Banking Division-Global Transportation team, where she has been since May 2008. From 1987 to 2007, Ms. Stratos served as managing director and head of Global Greek Shipping for Calyon Corporate and Investment Bank of the Credit Agricole Group. From 1976 to 1987, Ms. Stratos served in various roles with Bankers Trust Company, including advisor to the Shipping Department and vice president of Greek shipping finance. Currently serves as an independent director for Costamare Inc., a containership company listed on the NY Stock Exchange, and as director of Gyroscopic Fund (a fund of hedge funds). She was an independent director on the board of Hellenic Carriers Limited, a shipping company listed on London's AIM from 2007 until 2016 when the company delisted from AIM and a board member of Emporiki Bank, the fourth largest Greek bank, from 2006 – 2008. Ms. Stratos holds a BA in Economics. Mrs. Charlotte Stratos has attended two of two board meetings in 2018.

John Kittmer, *Independent Director*

John Kittmer has held senior positions across the UK public sector. From 2013 to 2016, he was British Ambassador to Greece and responsible among other things for British commercial relations in Greece, including with the maritime sector. He has served other senior roles in the UK Foreign and Commonwealth Office, the Department for Environment, Food and Rural Affairs, and the Cabinet Office. He holds a BA from the University of Cambridge, an MA from the University of London, and has just submitted a PhD thesis at King's College London. He is Chairman of The Anglo-Hellenic League, a UK-registered charity working on educational and social issues in Greece and the UK. Mr. John Kittmer has attended two of two board meetings in 2018.

BOARD OF DIRECTORS' REPORT

Business Overview and Corporate Development

Okeanis Eco Tankers Corp. (the "Company") was incorporated on April 30, 2018 under the laws of the Republic of the Marshall Islands. On June 28, 2018, all of the shares in fifteen single-purpose companies (the "SPV's") and OET Chartering Inc., were transferred to the Company from Okeanis Marine Holding ("OMH"), a holding company controlled by the Alafouzos family. Control was established from the time the Company had the power to govern the financial and operating policies of the contributed SPVs, so as to accrue benefits from their activities. The Company was admitted to trading on Merkur Market on July 3, 2018. The ECO fleet of OMH was contributed to the Company as a payment in-kind transaction where OMH received shares in the Company in return. The Alafouzos family fully owned OMH and, as of the date of this Annual Report, holds a stake of 54.75% in the Company.

The Company is a newly-established international tanker company in the crude oil shipping industry, with the ambition to own, charter out and operate tanker vessels. The Company owns, through its vessel-owning subsidiaries, the SPVs, a fleet of seven tanker vessels and has eight tanker vessels on order. The sailing fleet consists of three modern LR2 Aframax tankers and four modern Suezmax tankers, while the newbuilding fleet consists of eight VLCC tankers. Among the factors that are believed to separate the Company from other tanker owners are: a) its focus on "future proof" vessels built to ECO standards that consume less bunker fuel than conventional tanker vessels; b) being equipped with (or to be retrofitted prior to January 2020 with) exhaust gas cleaning systems ("scrubbers"); c) being built to comply with regulations for ballast water treatment and; d) the view that new maritime regulations, in particular the IMO 2020 Sulphur Cap regulations, will have a strong impact on the maritime industry and will favour the companies that are equipped to meet these regulations.

The following significant events occurred in 2018:

- In April, the Company was incorporated in the Republic of the Marshall Islands.
- In June, the Company successfully conducted a private placement, raising gross proceeds of USD 100 million through the placement of 11,400,000 new shares at a subscription price of NOK 72 per share.
- In July, the shares of the Company were admitted for trading on Merkur Market, a marketplace operated by Oslo Børs.
- In September, the Company took delivery of the Suezmax vessel M/T Folegandros from Japan Marine United.
- In December, the Company successfully conducted a second private placement, raising gross proceeds of USD 30 million through the placement of 3,910,000 new shares at a subscription price of NOK 66 per share.

- Also in December, 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 $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.
- Lastly in December, the Company's subsidiary, 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%.
- As of December 31, 2018, the Company's share capital is $31,310 divided into 31,310,000 shares, each with a nominal value of $0.001 per share.

The following significant events occurred after the Statement of Financial Position date:

- In January 2019, Omega One entered into a sale and lease back arrangement with Ocean Yield Malta Limited 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.
- In January 2019, the Company's subsidiary, 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 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%.
- In February 2019, the Company's subsidiary, 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 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%.
- In February 2019, the Company's subsidiary, Moonsprite Shipping Corp. entered into a loan agreement with Credit Agricole Corporate Investment Bank for the financing of Hull 3090. The total proceeds of the loan will be the lower of 65% of the firm market value of the vessel and $58,000,000. The loan agreement permits pre-delivery financing, includes export credit from KEXIM and bears annual interest of LIBOR plus a weighted-average margin of 2.09%.
- In March 2019, the Company uplisted to Oslo Axess.
- In April 2019, the Company was granted, at no cost, an option to acquire two Suezmax newbuildings under construction at HHI Ulsan with delivery in Q3 2020 from the Alafouzos family.

Consolidated Financial Statements

Income Statement

For the year ended December 31, 2018, the Company had revenues of $29.2 million. Operating expenses inclusive of technical manager fees amounted to $8.5 million. Commissions and voyage expenses for 2018 were $8.0 million.

General and administrative expenses amounted to $1.1 million while depreciation and amortisation expense was $7.3 million.

Interest and other finance costs for the period ended December 31, 2018 was $7.6 million, while interest income net of foreign exchange loss amounted to $0.2 million.

The Company had a loss for the period of $3.0 million equating to a basic and diluted loss of $0.14 per share.

Statement of Financial Position

The Company's total assets as at December 31, 2018 were $668.5 million and total equity was $316.4 million. Total liabilities amounted to $352.1 million.

The Company's cash and cash equivalents (including restricted cash) at December 31, 2018 was $21.1 million.

Cash Flow

For the period ended December 31, 2018 cash flows used in operating activities were $2.4 million. Negative operating cash flows were mainly a result of negative movements in working capital accounts, notably receivable claims, which were largely collected in 2019. Cash flows used in investing activities were $190.0 million, resulting mainly from delivery instalments to JMU for M/T Folegandros, and from progress payments to HHI for the VLCC newbuilding program. Cash flows provided by financing activities were $210.5 million attributable to debt drawdowns from Alpha Bank for M/T Folegandros, pre-delivery financing from Ocean Yield for the first four VLCCs, and net proceeds of $125.6 million from two private placements.

Going Concern

The consolidated financial statements of the Company have been prepared on a going-concern basis and in accordance with the IFRS. Based on the Company's cash position and the signed loan agreements for the upcoming newbuilding vessels, the Board of Directors confirm the going concern assumption.

Principal Risks

Interest Rate Risk
The Company's vessels are financed by long term financing facilities at a margin over LIBOR. Any increase or decrease in LIBOR will correspond to a change in the interest expense. No hedging mechanisms are in place.

Currency Risk
USD is the functional currency of the Company. Some expenses are incurred in other currencies, mainly EUR. The Company is exposed to currency exchange rate fluctuations, which affect its costs in other currencies.

Market Risk
The Company is exposed to tanker market conditions. Part of the fleet is employed under time charter contracts. However, the intention of the Company is to increase its spot market exposure to 70% in 2020, from 52% in 2019. Any adverse market conditions will negatively affect the financial condition of the Company.

Macroeconomic Conditions Risk
Any changes in macroeconomic factors will affect the demand for tanker vessels. Such factors include international economic conditions and inflation levels on the demand side, as well as OPEC decisions on the supply side. Any adverse change on either the demand for or supply of crude oil will affect the service required from tanker vessels, thus affecting their earnings.

Organisation and Personnel

The Company's registered office is in the Republic of the Marshall Islands and its corporate and commercial management is performed by its wholly owned subsidiary, OET Chartering Inc., that is based in Piraeus, Greece. Technical management is outsourced to Kyklades Maritime Corporation.

All of the Company's personnel are employed under OET Chartering Inc. There are nine employees, four of whom are women and five are men. The Company's Board of Directors is comprised of one woman and five men. The Company's policy prohibits unlawful discrimination against employees on account of ethnic or national origin, age, sex, religion or sexual orientation.

Outlook

Total seaborne crude tanker trade contracted by 0.2% in 2018, to 38.0 million barrels per day from 38.1 million barrels per day in 2017. Exports from the Arabian Gulf region, accounting for approximately 53% of the total crude tanker trade, were flat year on year, while large gains in North American exports (9% of the 2018 crude tanker trade) were offset by declines in exports from Latin America and the Caribbean, West Africa and Europe (collectively 38% of the 2018 crude tanker trade).

2018 was also a year of moderate crude tanker fleet growth, with the VLCC and Suezmax sectors growing by a net 0.7% and 1.4%, respectively. The Aframax sector contracted by 1.8% in 2018 on the back of elevated scrapping activity.

Given this relatively balanced fundamental backdrop, freight rates in 2018 followed a similar trajectory to those in 2017 for much of the year. However, 2018 saw the return of seasonality in the fourth quarter, with the (short-lived) reversal of OPEC+ production cuts sparking a rally in spot rates for crude tankers. As such, VLCC, Suezmax and Aframax spot rates averaged $23,500/day (+24% yoy), $18,000/day (+13% yoy) and $14,000/day (+3% yoy) in 2018, respectively. Despite currently being marginally below cash breakeven levels, crude tanker spot rates through Q1 2019 have averaged approximately double what they did for the same period in 2018, buoyed by rising U.S. Gulf exports that have partially offset the adverse impact of the swift re-instatement of OPEC+ production cuts.

In preparation for the implementation of IMO 2020 aimed at reducing sulfur emissions from the shipping industry, refiners globally have been front-loading planned maintenance in the 2019 spring season to maximize production of compliant middle distillates in the second half of the year. Given the current ramp in refinery maintenance and anticipation of a spike in middle distillate prices in the second half of 2019, European and American refiners are expected to take approximately 50-60% less refining capacity offline for maintenance this fall relative to 2018.

OET expects the resultant increase in refinery throughput in the second half of 2019 through full year 2020 to drive seaborne crude trade and materially strengthen the crude tanker market. These positive developments will be further compounded by rising crude export capacity in the U.S. Gulf, with the majority of incremental U.S. production anticipated to be exported to Asian refiners that are capable of processing light, sweet crude grades, further supporting ton-mile demand growth.

In this context, OET's strategy will be to trade our vessels primarily in the spot market in the coming years. Our strategy is driven both by our view of a strong tanker market, as well as a desire to capture the full benefit of lower fuel oil costs afforded to us by our eco, scrubber-equipped fleet. For 2019, we anticipate that 52% of our available vessel capacity will trade in the spot market, with this figure increasing to 70% in 2020. Our focus will thus be on executing our chartering strategy and fully capturing the fuel savings we expect our fleet to generate.

RESPONSIBILITY STATEMENT

We confirm that, to the best of our knowledge, the consolidated financial statements for the year ended 31 December 2018 have been prepared in accordance with the International Financial Reporting Standards published by the International Accounting Standards Board and give a true and fair view of the assets, liabilities, financial position and profit or loss of Okeanis Eco Tankers and its subsidiaries as a whole.

We also confirm that, to the best of our knowledge, the Board of Directors' Report includes a fair review of the development and performance of the business and the position of the Company taken as a whole, together with a description of the principal risks and uncertainties the Company faces.

Ioannis Alafouzos Chairman/CEO	**Robert Knapp** Director	**Daniel Gold** Director
Joshua Nemser Director	**Charlotte Stratos** Director	**John Kittmer** Director

CORPORATE GOVERNANCE STATEMENT

Introduction

In order to be a trustworthy business partner and service provider, Okeanis Eco Tankers Corp. has made a commitment to ensure trust in the Company and to enhance shareholder value through efficient decision-making and smooth communication between management, the board of directors (the "Board") and shareholders. The Company's corporate governance policy is intended to decrease business risk, facilitate transparency, maximise value, and utilise the Company's resources in an efficient, sustainable manner, to the benefit of relevant stakeholders.

The Company will seek to comply with the Norwegian Code of Practice for Corporate Governance (the "Corporate Governance Code"), last revised on 17 October 2018 (www.nues.no). The principal purpose of the Corporate Governance Code is to ensure (i) that listed companies implement corporate governance that clarifies the respective roles of shareholders, the Board and executive management more comprehensively than what is required by legislation, and (ii) effective management and control over activities with the aim of securing the greatest possible value creation over time in the best interest of companies, shareholders, employees and other parties concerned. Deviations from the Corporate Governance Code are discussed under the relevant item in question.

The Company's corporate governance policy was first adopted by the Board on 26 February 2019.

Implementation and Reporting on Corporate Governance

The Company's corporate governance principles are determined by the Board and are set forth in the Company's management documents. The purpose of the Company's corporate governance policy is to ensure an appropriate separation of roles and responsibilities among the Company's shareholders, its Board of Directors, and its management and to make certain that the Company's business activities are subject to satisfactory control.

The Company's key values are: integrity, accountability, innovation, reliability, quality consciousness and dedication. These values characterise the behaviour of the Company and the Company's employees, and form the basis for the Company's ethical guidelines.

Business

The Company is a newly-established international crude tanker business within the shipping industry, with the ambition of owning, chartering out and operating modern shipping assets. The Company has offices in Athens, Greece.

The Company's objectives and principal strategies are further described in the Company's annual reports and on the Company's website: www.okeanisecotankers.com.

Deviation: Marshall Islands law does not require the business activities of the Company to be narrowly defined in the Company's bylaws (the "Bylaws") and the Company's articles of incorporation (the "Articles of Incorporation"). The Company may be organised for any lawful purpose. It is customary for Marshall Island companies to have general and expansive descriptions of permitted activities, but – as reflected in other documents issued by the Company – the Company has clear objectives and strategies for its business.

Equity and Dividends

Equity

As of 31 December 2018, the Company's consolidated equity was approximately $316.4 million, equivalent to approximately 47% of total assets. The Company's equity level and financial strength shall be considered in light of its objectives, strategy and risk profile.

Dividend Policy - value creation for shareholders

The Company has yet to produce stable cash flow. Having existed only since April 2018, the Company has not yet paid any dividends. It is the intention of the Company that its shares shall offer a competitive yield and be reflective of the cash flows generated by the Company. Upon having taken delivery of the vessels constituting its current newbuilding program, the Company aims to distribute quarterly dividends close to its ordinary net income adjusted for non-recurring items, working capital needs or other discretionary items as from time to time will be decided by the Board. The dividend payment frequency will be considered over time. The timing and amount of dividends is at the discretion of the Board, who will also take into account any applicable contractual and/or legal restrictions on such payments.

The Company will be aligned with and committed to creating value for its shareholders. As part hereof,

- the Board has adopted a policy effective as from January 2021 to calculate the Company's NAV per share and consider asset sales and dividend distributions if there is a large discrepancy to its equity market capitalization (the "Discount Control Mechanism").
- a special sub-committee will handle inbound M&A interest and consider issuance of new shares and/or new vessel acquisitions, and
- the Company will capitalize on an expected strengthening tanker market and pursue an opportunistic asset play policy.

Share capital increases and issuance of shares

The Company may issue in the aggregate, over the course of its lifetime, without the consent of any shareholders, up to the 100,000,000 authorized shares as set forth in the Articles of Incorporation. To the extent the Company wishes to issue any number of shares that are in excess of such number of authorized shares (taking into account the number of shares that are issued and outstanding), the Articles of Incorporation must be amended by shareholder vote.

Purchase of own shares

The Company may purchase its own shares out of surplus except if the Company is insolvent or would thereby be made insolvent. Accordingly and further, the Company may purchase its own shares out of stated capital, if the purchase is made for the purpose of: (a) eliminating fractions of shares; (b) collecting or compromising indebtedness to the corporation; or (c) paying dissenting shareholders entitled to receive payment for their shares. Shares that have been issued and have been purchased or otherwise redeemed by the Company shall be cancelled if they are redeemed out of stated capital, or if the Articles of Incorporation require that such shares be cancelled upon redemption. Any shares reacquired by the corporation and not required to be cancelled may be either retained as treasury shares or cancelled by the Board at the time of redemption or at any time thereafter. Shares cancelled after repurchase shall be restored to the status of authorized but unissued shares, except that if the Articles of Incorporation prohibit the reissue of any shares required or permitted to be cancelled.

Deviation: According to Marshall Islands law, the Board is authorised to issue additional shares at any time, up to the limits set by the Company's authorised share capital. This authorization is not limited to specific purposes or limited in time and can be increased only upon the authorisation of the shareholders.

Equal Treatment of Shareholders and Transactions with Related Parties

Class of shares

The Company has one class of shares. All shares are vested with equal rights in the Company, and neither the Articles of Incorporation nor the Bylaws contain any provisions restricting the exercise of voting rights.

Pre-emption rights to subscribe

As permitted under Marshall Islands company law, the Company's Articles of Incorporation provide that its shareholders do not have pre-emptive rights to subscribe for new shares.

Trading in own shares

In the event of a future share buy-back program, the Board will aim to ensure that all transactions pursuant to such program will be carried out through the trading system at Oslo Børs.

Transactions with close associates

No contract or transaction between the Company and one or more of the Company's directors or officers will be void or voidable solely because the director or officer is present at or participates in the meeting of the Board or committee thereof which authorizes the contract or transaction, or solely because his or her or their votes are counted for such purpose, if (1) the material facts as to such director's interest in such contract or transaction and as to any such common directorship, officership or financial interest are disclosed in good faith or known to the Board or committee, and the Board or committee approves such contract or transaction by a vote sufficient for such purpose without counting the vote of such interested director, or, if the votes of the disinterested directors are insufficient to constitute an act of the Board, by unanimous vote of the disinterested directors; or (2) the material facts as to such director's interest in such contract or transaction and as to any such common directorship, officership or financial interest are disclosed in good faith or known to the shareholders entitled to vote thereon, and such contract or transaction is approved by vote of such shareholders.

The Board has adopted rules of procedures for the Board which, inter alia, includes guidelines for notification by members of the Board and executive management if they have any material direct or indirect interest in any transaction entered into by the Company.

Deviation: According to the Articles of Incorporation, the shareholders do not have any pre-emptive rights to subscribe for new shares. This is in line with Marshall Islands law and practice.

Guidelines for directors and executive management

Pursuant to Marshall Islands law, the Board is not required to obtain independent third party evaluations in the event that the Company enters into transactions with close associates. The Board may engage independent third parties to evaluate future transactions.

Shares and Negotiability

The shares of the Company are freely transferable. There are no restrictions on transferability of shares pursuant to the Articles of Incorporation or Bylaws. Pursuant to Article VI of the Bylaws, the Board shall have power and authority to make such rules and regulations as it may deem appropriate concerning the issuance, registration and transfer of certificates representing shares of the Company's stock in uncertified form, and expects to issue all of its stock for the foreseeable future in uncertified form.

Shareholder Meetings

General

The Board will make its best efforts with respect to the timing and facilitation of annual and special meetings of the shareholders to ensure that as many shareholders as possible may exercise their rights by participating in shareholder meetings, thereby making the shareholder meeting an effective forum for the views of shareholders and the Board.

Special meetings of the shareholders may be called by the Board or by such person or persons as may be authorized by the Articles of Incorporation or the Bylaws.

Notification

The notice for a general meeting, with reference to or attached support information on the resolutions to be considered at the general meeting, shall as a principal rule be sent to shareholders no later than 15 and no more than 60 days prior to the date of the general meeting. The Board will seek to ensure that the resolutions and supporting information are sufficiently detailed and comprehensive to allow shareholders to form a view on all matters to be considered at the meeting. The notice and support information, as well as a proxy voting form, will normally be made available on the company's website, www.okeanisecotankers.com, no later than 15 and no more than 60 days prior to the date of the general meeting.

Participation and execution

The Board shall, as a general rule, be present at general meetings. The auditor will attend the annual shareholder meeting and any special shareholder meetings to the extent required by the agenda items or other relevant circumstances. The chairman of the Board or an individual appointed by the Chairman of the Board will chair shareholders' meetings

The Company will aim to prepare and facilitate the use of proxy forms which allows separate voting instructions to be given for each item on the agenda, and nominate a person who will be available to vote on behalf of shareholders as their proxy. The Board may decide that shareholders may submit their votes in writing, including by use of electronic communication, in a period prior to the relevant shareholders meeting. The Board should seek to facilitate such advance voting.

To the extent deemed appropriate or necessary by the Board, the Board will seek to arrange for the shareholder meeting to vote separately on each candidate nominated for election to the company's corporate offices.

Deviation: The Corporate Governance Code stipulates that that at least 21 days' notice must be given to call a general meeting. The procedures for notification (as set out above) are in line with Marshall Islands law and practice and believed to capture the intent thereof, and secure shareholders' rights.

The Corporate Governance Code stipulates that the Board shall ensure that the shareholder's meeting is able to elect an independent chairman. However, having the chairman of the Board or a person appointed by him chairing the annual shareholder meeting simplifies the preparations for the annual shareholder meeting significantly.

Nomination Committee

Being a newly established company, Okeanis does not currently have a nomination committee, but intends to elect such a committee during 2020. The Company's Bylaws allow for the establishment of the nomination committee.

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Board of Directors: Composition and Independence

Pursuant to Section B of the Articles of Incorporation, the Company's Board shall consist of at least one director. The Board currently has six directors.

As a listed company, the composition of the Board should ensure that it can attend to the common interests of all shareholders and meet the Company's need for expertise, capacity and diversity. Attention should be paid to ensuring that the Board can function effectively as a collaborative body. The composition of the Board should ensure that it can operate independently of any special interests. At least two of the members of the Board should be elected by shareholders and should also be independent of the Company's main shareholder(s).

Other than as discussed herein, the Board should not include executive personnel. If the Board does include executive personnel, the Company should provide an explanation for this and implement consequential adjustments to the organisation of the work of the Board, including the use of board committees to help ensure more independent preparation of matters for discussion by the Board.

The chairman of the Board should be elected at the general meeting.

Each Director, including the chairman of the Board, shall be elected to serve for a term of a maximum of two years. The annual report should provide information to illustrate the expertise of the members of the Board, and information on their record of attendance at board meetings. In addition, the annual report should identify which members are considered to be independent.

<u>Deviation:</u> The Company's CEO is currently also the Chairman of the Board. In light of Mr. Alafouzos's unique experience and majority stake in the Company, it is the view of the Board that he is naturally aligned with shareholders and that it is advantageous that he maintains the dual roles. The Company's current shareholders and financiers share a similar view.

The Work of the Board of Directors

The rules of procedure for the Board of Directors

The Board is responsible for the overall management of the Company, and shall supervise the Company's business and the Company's activities in general.

The Board has adopted rules of procedures, which provide regulation on, inter alia, the duties of the Board and the CEO, the annual plan for the Board, notices of Board proceedings, administrative procedures, minutes, Board committees, transactions between the Company and the shareholders and matters of confidentiality.

The Board shall produce an annual plan for its work, with particular emphasis on objectives, strategy and implementation. The CEO shall at least once a month, by attendance or in writing, inform the Board about the Company's activities, position and profit trend.

The Board's consideration of material matters in which the chairman of the Board is, or has been, personally involved, shall be chaired by some other member of the Board.

The Board shall evaluate its performance and expertise annually, and make the evaluation available to the nomination committee once established.

Audit Committee

The Company's audit committee is governed by an instruction adopted by the Board. A majority of the members shall be independent of the Company's operations, and at least one member who is independent of the Company shall have qualifications in accounting or auditing. Board members who are also members of the executive management cannot be members of the audit committee. The principal tasks of the audit committee are to:

(a) prepare the Board's supervision of the Company's financial reporting process;
(b) monitor the systems for internal control and risk management;
(c) have continuous contact with the Company's auditor regarding the audit of the annual accounts; and
(d) review and monitor the independence of the Company's auditor, including in particular the extent to which the auditing services provided by the auditor or the audit firm represent a threat to the independence of the auditor.

The Audit Committee consists of Charlotte Stratos and John Kittmer.

Remuneration Committee

The members of the remuneration committee shall be independent of the Company's executive management. The principal tasks of the remuneration committee are to prepare:

(a) the Board's declaration on determination of salaries and other remuneration for executive management;
(b) other matters relating to remuneration and other material employment issues in respect of the executive management;

The Remuneration Committee consists of Charlotte Stratos and John Kittmer.

Risk Management and Internal Control

Risk management and internal control are given high priority by the Board to ensure that adequate systems are in place. The control system consists of interdependent areas, which include risk management, control environment, control activities, information and communication and monitoring.

The Company's management is responsible for establishing and maintaining sufficient internal control over financial reporting. The CEO and CFO supervise and oversee the external reporting and the internal reporting processes. This includes assessing financial reporting risks and internal controls over financial reporting within the Group. The consolidated external financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and International Accounting Standards as adopted by the EU.

The Board shall ensure that the Company has sound internal control and systems for risk management. If employees experience situations or matters that may be contrary to rules and regulations, they are urged to raise their concern with their immediate superior or another manager in the Company. The Company expects to establish a whistle-blowing function that will enable employees to alert the Company's governing bodies about possible breaches of rules and regulations.

The Board shall conduct an annual organisational risk review in order to identify real and potential risks, and remedy any incidents that have occurred. The Board should analyze the most important areas of exposure to risk and its internal control arrangements, and evaluate the Company's performance and expertise. The Board shall undertake a complete annual review of the risk situation, to be carried out together with the review of the annual accounts. The Board shall present an in-depth report of the Company's financial statements in the annual report.

Remuneration of the Board of Directors

The Company intends to establish a nomination committee within 2020, which will, upon establishment, inter alia, make proposals and supervise directorship fees. Pursuant to the Company's Bylaws, the remuneration of the Board will be decided at the Company's general meeting, and should reflect the Board's responsibility, expertise, time commitment and the complexity of the Company's activities. The remuneration should not be linked to the Company's performance.

Share options have not been granted to Board members.

The annual report shall provide details of all elements of the remuneration and benefits of each member of the Board, which includes a specification of any remuneration in addition to normal fees to the members of the Board.

If and to the extent members of the Board and/or companies with which they are associated are requested to take on specific assignments for the Company in addition to their appointment as a member of the Board, the appointment should be disclosed to the Board. The remuneration for such additional duties should also be approved by the Board.

Remuneration of the Executive Management

The Board will prepare separate guidelines for the stipulation of salary and other remuneration to key management personnel. The guidelines shall include the main principles applied in determining the salary and other remuneration of the executive management, and shall ensure alignment between executive management and shareholders. It should be clear which aspects of the guidelines that are advisory and which, if any, are binding, thereby enabling the general meeting to vote separately on each of these aspects of the guidelines.

The Board aims to ensure that performance-related remuneration of the executive management in the form of share options, annual bonus programs or the like, if used, are linked to value creation for shareholders or the Company's earnings performance over time. Performance-related remuneration should be subject to an absolute limit. Furthermore, the Company aims to ensure that such arrangements are based on quantifiable factors that the employee in question can influence.

In addition, the Company has appointed a remuneration committee in order to help ensure thorough and independent preparation of matters relating to compensation paid to the executive management.

Information and Communications

The Board will seek to ensure that market participants receive correct, clear, relevant and up-to-date information in a timely manner, taking into account the requirement for equal treatment of all participants in the securities market.

The Company will each year publish a financial calendar, providing an overview of the dates for major events such as its ordinary general meeting and publication of interim reports.

Takeovers

In the event the Company becomes the subject of a takeover bid, the Board shall seek to ensure that the Company's shareholders are treated equally and that the Company's activities are not unnecessarily interrupted. The Board shall also ensure that the shareholders have sufficient information and time to assess the offer. With a view to secure a shareholder-friendly policy, the Board has appointed a special sub-committee, with solid shareholder representation, which will handle any inbound M&A interest and/or take-over initiatives.

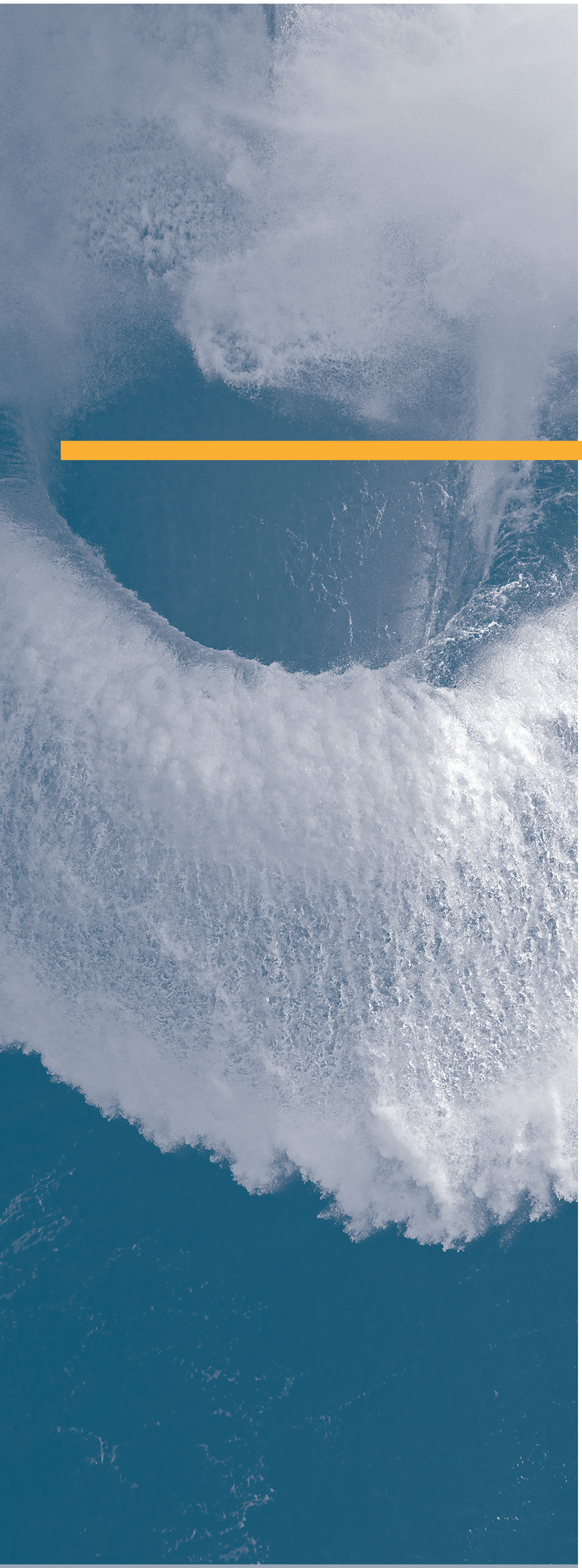
There are no defence mechanisms against takeover bids in the Company's Articles of Incorporation or Bylaws, nor have other measures been implemented to specifically hinder acquisitions of shares in the Company. The Board has not established written guiding principles for how it will act in the event of a takeover bid, as such situations are normally characterized by concrete and one-off situations which make a guideline challenging to prepare. In the event of a proposed takeover, the Board will consider relevant, specific recommendations in the Corporate Governance Code.

Auditor

The Board will require the Company's auditor to annually present to the Company a review of the Company's internal control procedures, including identified weaknesses and proposals for improvement, as well as the main features of the plan for the audit of the Company. Furthermore, the Board will require the auditor to participate in meetings of the Board that deal with the annual accounts. A Board meeting with the auditor in which no member of the executive management is present shall be held at the request of the auditor.

The Board shall review and monitor the independence of the Company's auditor, including in particular the extent to which services other than auditing provided by the auditor or the audit firm represents a threat to the independence of the auditor.

The remuneration to the auditor for statutory audit will be approved by the ordinary general meeting. The Board should report to the general meeting on details of fees for audit work and any fees for other specific assignments.



CONSOLIDATED FINANCIAL STATEMENTS

OKEANIS ECO TANKERS CORP.
(Incorporated under the laws of the Republic of the Marshall Islands with registration number 96382)

Consolidated Financial Statements for the Period Ended December 31, 2018 and Independent Auditor's Report.

Index to financial statements

Deloitte Certified Public
Accountants S.A.
3a Fragoklisias &
Granikou str.
Marousi Athens GR 151-25
Greece

Tel: +30 210 6781 100
Fax: +30 210 6776 221-2
www.deloitte.gr

Independent Auditor's Report

To the Shareholders
of Okeanis Eco Tankers Corp.

Opinion

We have audited the consolidated financial statements of Okeanis Eco Tankers Corp. and its subsidiaries (the "Group), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period from April 30, 2018 (inception) to December 31, 2018, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2018 and its consolidated financial performance and its consolidated cash flows for the period from April 30, 2018 (inception) to December 31, 2018 in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (*IESBA Code*), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

During the period ended December 31, 2018, the following present matters where we have focused our attention:

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The key audit matter	How our audit addressed the Key Audit Matter
1. Impairment of vessels: Refer to note 4 (Significant accounting policies), and note 5 (Critical accounting judgements and key sources of estimation uncertainty). The Group had 7 operating tanker vessels as of and for the period ended December 31, 2018, which transport oil cargoes globally. The vessels have a combined carrying amount of USD 396.4 million. Impairment indicators were considered present at December 31, 2018 as tanker earnings were not very strong in 2018, with average earnings under-performing the ones seen in the 3-year period 2015-2017. This adversely affected the Group's operating revenue. In addition the estimated fair value of the vessels continued to decline in 2018 compared to 2017, in line with aging and the market capitalization of the Group was lower than the net book value of the Group at December 31, 2018. As a result of the above factors, an impairment test was performed by management. Management considers each vessel to be a cash generating unit ("CGU" or "vessel") and calculated the recoverable amount of each CGU as the higher of the value in use and fair value less costs to sell. We focused on this area due to the significant carrying value of the vessels and the judgement inherent in the impairment review. Management made judgements in calculating the discounted future cash flow forecasts for the value in use model regarding certain key inputs, the most important of which being the assumed discount rate and assumed future freight rates for non-contracted periods, through the end of each vessel's useful economic life. The fair value less costs of disposal is estimated by management based on external broker valuations. The result of Management's impairment exercise was that there was no need to record an impairment charge, given each vessel's recoverable amount was higher than its respective carrying amount. The cushions between the carrying amounts and the recoverable amounts ranged from $9.5 million - $15.5 million.	We evaluated and challenged managements' impairment assessment and the process by which this was performed. We assessed managements accounting policy against IFRSs and obtained explanations from management as to how the specific requirements of the standards, in particular IAS 36 – Impairment of assets, were met. We also benchmarked the Company's accounting policy to the ones used by peer shipping companies reporting under IFRS. In order to assess each of the significant assumptions in management's value in use model, we interviewed management and challenged their assessments. For the assumptions which required most of our attention, being (a) management's assumption on future freight earnings for non-contracted periods and (b) the discount rate used, we performed the following: <u>Discount rate</u>: We looked at external market data, as obtained from our financial advisory valuation specialists, and assessed the discount rate used by management, including the components used to build it (such as, the risk-free rate, equity risk premium, and debt/equity ratio). We concluded that the discount rate used was within an appropriate range. We checked the consistency of the use of the discount rate against all vessels and ensured the mathematical accuracy of its application in the value in use calculation of each vessel. <u>Future freight earnings for non-contracted periods</u>: For non-contracted periods and until the end of each vessel's useful economic life, management uses the simple average of the historical 5-year time charter rates, for each of the aframax and suezmax class, which amounted to $23,114 and $26,638 for each of the aframax and supramax class, respectively. We corroborated the accuracy of both these rates used by management, by obtaining reports from external and independent maritime sources. We challenged management by looking also at different periods representing potential shipping cycles, such as the 7, 10 and 15-yr simple historical averages. We also assessed whether the 5-year average used by Management fairly depicts a shipping cycle, capturing both historical highs and lows within a period.

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2. Implementation of new revenue standard (IFRS 15): Refer to note 4 (Significant accounting policies). In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers which applies to all contracts with customers and the standard is effective for annual periods beginning on or after January 1, 2018. The Group applied the new revenue standard which requires revenue to be recognized from "load" to "discharge" as opposed to from "discharge" to "discharge". The Group assessed its charter agreements in effect during the period ended December 31, 2018 and concluded that only the voyage charter agreements in effect during the period ended fall under the scope of the new revenue standard since voyage charters do not contain a lease. How and for what purpose the vessel is used is predetermined in the contract — namely, the delivery of specific cargo to a specified location within a certain period and the charterer has no other decision-making rights about how and for what purpose the vessel is used over the contract period. Further based on the guidance in IFRS 15 regarding costs associated with a contract with a customer, the Group has expensed all costs relating to obtaining the contract as these costs would have been incurred irrespective of whether the contract was obtained and are recognised as an expense when incurred, unless those costs are explicitly chargeable to the customer irrespectively of whether the contract is obtained. Costs for fulfilling the contract are capitalised as an asset if they: a) relate directly to a contract or to an anticipated contract that the entity can specifically identify; b) the costs generate or enhance resources of the entity that will be used in satisfying performance obligations in the future; c) the costs are expected to be recovered. Based on the above criteria, the costs are directly related to the contract since the vessel incurs costs -after the inception of the contract- to position the vessel at a loading port and thus to start satisfying performance obligations arising from that specific contract. Further the relocation of the vessel, after the inception of the contract, enhances the entity's resources (i.e., the vessel) since it puts the vessel in a location that allows the entity to satisfy its performance obligations under the contract. Lastly the Group estimates a positive voyage result. We focused on this area as it is the first year of adoption of this standard.	We also discussed with management and reviewed the sensitivity disclosures provided around Management's impairment model, by re-computing the percentages (%) by which the future freight rates would need to be reduced, or by which the discount rate would need to be increased, before impairment losses would need to be recorded. We reviewed the Group's implementation of IFRS 15. We reviewed and discussed the group accounting policy and disclosures with Management, including the key accounting estimates and judgements made my Management. We tested the design and implementation of the relevant control used to ensure the completeness, accuracy and timing of revenue recognised. We performed tests of detail for all vessels that as of December 31, 2018 were operating under freight agreements. We recalculated freight revenue for all freight voyages in progress at year end to ensure the Company has correctly applied IFRS 15. We performed inquiries of Management to obtain an understanding of the process for the revenue recognition due to adoption of IFRS 15. We analysed the existing contracts with customers and considered revenue recognition policy in the current period in respect of those revenue streams, as well as completeness and accuracy of relevant disclosures. We reviewed supporting documentation in respect of the acquisition transaction to obtain the proper understanding of the transaction and also reviewed management's procedures for determining the carrying value of the acquired companies. We reviewed management's assessment that the acquisition of the vessel owning companies listed in Note 1 to the consolidated financial statements is out of scope of IFRS 3 and may be accounted for as a transaction between entities under common control. We performed procedures on the opening balances on the date of the transaction, to ensure that there was no material misstatement when accounting for this transaction. We also held discussions with management to understand the basis for selecting this method of computation, and discussed what other accounting frameworks provide for, such as US and UK GAAP.

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3. Acquisition of entities under common control: Refer to Notes 1 and 3 in the consolidated financial statements. On June 28, 2018, the Company acquired the companies included in Note 1 to the consolidated financial statements, in exchange for the issuance of 15,990,000 of the Company's common shares. Common control transactions are not specifically addressed in IFRS, as these transactions fall outside the scope of IFRS 3 and accordingly, management applied judgment in developing a policy to account for this transaction, taking into consideration other accounting frameworks, such as US and UK GAAP. As a result of this evaluation, the Company applied the accounting guidance included in US GAAP, and recorded the transferred assets and liabilities at the carrying amounts existing in the books of the companies acquired. The recognition of the balances of assets and liabilities transferred at their carrying amounts resulted in a corresponding credit to equity amounting to $194.8 million. Our audit work focused on the accounting treatment of this transaction. Particularly, we considered whether this method could be applicable for this particular transaction and whether it was properly applied in the consolidated financial statements. In addition, we performed audit work on the opening balances transferred to OET on acquisition date as presented in Note 3 to the financial statements.	

Other information

Management is responsible for other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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Auditor's Responsibility for the Audit of the Consolidated Financial Statements - Continued

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Deloitte Certified Public Accountants S.A.

April 25, 2019
Athens, Greece

Okeanis Eco Tankers Corp.
Consolidated statement of profit or loss and other comprehensive income
For the period from April 30, 2018 (inception) to December 31, 2018
(All amounts expressed in U.S. Dollars)

	NOTES	APRIL 30, 2018 (INCEPTION) TO DECEMBER 31, 2018
Revenue		29,207,291
Expenses		
Commissions		(335,003)
Voyage expenses	11	(7,657,943)
Vessel operating expenses	10	(7,760,285)
Management fees	14	(735,600)
Depreciation and amortisation	7	(7,324,727)
General and administrative expenses	12	(1,067,961)
Total expenses		(24,881,519)
Operating profit		4,325,772
Other income/(expenses)		
Interest income		292,412
Interest and other finance costs	13	(7,565,865)
Foreign exchange loss		(71,074)
Other expenses		(7,344,527)
Loss for the period		(3,018,755)
Other comprehensive income		—
Total comprehensive loss for the period		(3,018,755)
Total comprehensive loss attributable to the owners of the Group		(3,018,755)
Loss per share from continuing operations, basic and diluted	18	(0.14)

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

OKEANIS

Okeanis Eco Tankers Corp.
Consolidated statement of financial position
As at December 31, 2018
(All amounts expressed in U.S. Dollars)

	NOTES	AS AT DECEMBER 31, 2018
Assets		
Non-current assets		
Vessels, net	7	396,373,905
Vessels under construction	8	238,211,812
Other fixed assets		47,059
Deferred financing fees		552,188
Restricted cash		3,000,000
Total non-current assets		638,184,964
Current assets		
Inventories	6	2,687,170
Trade and other receivables		3,319,348
Claims receivable	19	4,925,568
Prepaid expenses and other current assets		902,853
Current accounts due from related parties	14	396,291
Cash & cash equivalents		18,082,979
Total current assets		30,314,209
Total assets		668,499,173
Shareholders' equity and liabilities		
Shareholders' equity		
Share capital		31,310
Additional paid-in capital	15	319,357,218
Accumulated losses		(3,018,755)
Total shareholders' equity		316,369,773
Non-current liabilities		
Long-term borrowings, net of current portion	13	317,802,753
Total non-current liabilities		317,802,753
Current Liabilities		
Trade payables		6,835,666
Accrued expenses	9	1,728,163
Deferred revenue		1,064,850
Current accounts due to related parties	14	2,612,524
Current portion of long-term borrowings	13	22,085,444
Total current liabilities		34,326,647
Total liabilities		352,129,400
Total shareholders' equity and liabilities		668,499,173

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

Okeanis Eco Tankers Corp.
Consolidated statement of changes in equity
For the period from April 30, 2018 (inception) to December 31, 2018
(All amounts, expressed in U.S. Dollars, except for number of shares)

	NUMBER OF SHARES	SHARE CAPITAL	ADDITIONAL PAID IN CAPITAL (NOTE 14)	ACCUMULATED LOSSES	TOTAL
Balances, April 30, 2018 (inception)	—	—	—	—	—
Issuance of shares on incorporation	10,000	10	—	—	10
Issuance of shares in exchange for acquisition of ownership interest in contributed companies (note 3)	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)
Balances, December 31, 2018	31,310,000	31,310	319,357,218	(3,018,755)	316,369,773

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

Okeanis Eco Tankers Corp.
Consolidated statement of cash flows
For the period from April 30, 2018 (inception) to December 31, 2018
(All amounts expressed in U.S. Dollars)

	APRIL 30, 2018 (INCEPTION) TO DECEMBER 31, 2018
Cash flows from operating activities:	
Loss for the period	(3,018,755)
Adjustments to reconcile loss to net cash used in operating activities:	
Depreciation	7,324,727
Interest expense	6,939,757
Interest income	(292,412)
Amortization of loan financing fees	471,838
Changes in working capital:	
Trade and other receivables	(2,025,379)
Prepaid expenses and other current assets	571,507
Inventories	(318,406)
Trade and other payables	274,845
Deferred revenue	1,064,850
Accrued expenses	(1,682,603)
Claims receivable	(4,909,070)
Interest paid	(6,811,125)
Net cash used in operating activities	(2,410,226)
Cash flows from investing activities:	
Payments for vessels and vessels under construction	(192,141,628)
Payments for other fixed assets	(27,059)
Current account due from related parties	437,610
Decrease in restricted cash	1,450,000
Interest received	275,912
Net cash used in investing activities	(190,005,165)
Cash flows from financing activities:	
Proceeds from long term borrowings	99,750,000
Acquisition of cash and cash equivalents of the contributed companies	5,666,630
Proceeds from private placement	125,634,195
Payments for offering expenses	(516,683)
Current account due to related parties	(2,364,836)
Payment of loan financing fees	(2,127,188)
Repayments of long-term borrowings	(15,543,748)
Net cash provided by financing activities	210,498,370
Net change in cash and cash equivalents	18,082,979
Cash and cash equivalents at beginning of the period	—
Cash and cash equivalents at the end of the period	18,082,979
Supplemental cash flow information	
Capital expenditures included in trade payables	*1,033,404*
Offering expenses included in trade payables	*497,950*

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

Okeanis Eco Tankers Corp.
Notes to the consolidated financial statements
For the period from April 30, 2018 (inception) to December 31, 2018
(All amounts expressed in U.S. Dollars, except for number of shares)

1. Incorporation and 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 ultimately controlled by Glafki Marine Corp. ("Glafki") through voting interest. Glafki is owned by Ioannis Alafouzos and Themistoklis Alafouzos. The Company was founded for the purpose of acquiring an 100% ownership interest in sixteen companies (the "Contributed Companies"), fifteen of which owned a vessel on the water or a new building vessel under construction. The principal activity of the fifteen single purpose companies is to own, charter out and operate tanker vessels. The sixteenth company is a commercial management company (OET Chartering Inc.), engaged in the provision of commercial shipping services.

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.	June 28, 2018	Liberia	"Nissos Therassia" ownership and operation	100%
Milos Marine Corp.	June 28, 2018	Liberia	"Nissos Heraclea" ownership and operation	100%
Ios Maritime Corp.	June 28, 2018	Liberia	"Nissos Schinoussa" ownership and operation	100%
Omega One Marine Corp.	June 28, 2018	Marshall Islands	"Milos" ownership and operation	100%
Omega Two Marine Corp.	June 28, 2018	Marshall Islands	"Poliegos" operation	100%
Omega Three Marine Corp.	June 28, 2018	Marshall Islands	"Kimolos" ownership and operation	100%
Omega Four Marine Corp.	June 28, 2018	Marshall Islands	"Folegandros" ownership and operation	100%
Omega Five Marine Corp.	June 28, 2018	Marshall Islands	Vessel under construction (Hull 3012)	100%
Omega Seven Marine Corp.	June 28, 2018	Marshall Islands	Vessel under construction (Hull 3013)	100%
Omega Nine Marine Corp.	June 28, 2018	Marshall Islands	Vessel under construction (Hull 3014)	100%
Omega Eleven Marine Corp.	June 28, 2018	Marshall Islands	Vessel under construction (Hull 3015)	100%
Nellmare Marine Ltd	June 28, 2018	Marshall Islands	Vessel under construction (Hull 3050)	100%
Anassa Navigation S.A.	June 28, 2018	Marshall Islands	Vessel under construction (Hull 3051)	100%
Arethusa Shipping Ltd.	June 28, 2018	Marshall Islands	Vessel under construction (Hull 3089)	100%
Moonsprite Shipping Corp.	June 28, 2018	Marshall Islands	Vessel under construction (Hull 3090)	100%
OET Chartering Inc.	June 28, 2018	Marshall Islands	Commercial management company	100%

The consolidated financial statements comprise the financial statements of OET and its wholly owned subsidiaries (collectively the "Group").

On June 28, 2018, all of the shares of the Contributed Companies 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 the Contributed Companies. The Alafouzos family fully owned OMH and through it currently holds a stake of 54.75% in the Company. The Company was admitted for trading on the Merkur Market on July 3, 2018.

2. Basis of Preparation and Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (the "IASB"). The consolidated financial statements are expressed in United States Dollars ($) since this is the currency in which the majority of the Group's transactions are denominated. The consolidated financial statements have been prepared on the historical cost basis. These are the first IFRS financial statements of the Group as defined under IFRS 1: First-time Adoption of International Financial Reporting Standards ("IFRS 1"). The subsidiaries indirectly controlled by the Company had previously issued stand-alone financial statements in accordance with IFRS, and, as a result, for the purpose of the Group's first IFRS financial statements, there was no need to perform reconciliations from previous generally accepted accounting principles, in accordance with paragraph 28 of IFRS 1. As required by IFRS 1, the Group has applied all IFRS standards and interpretations that are effective for the first IFRS consolidated financial statements for the period ended December 31, 2018.

The consolidated financial statements have been prepared on a going concern basis.

3. Basis of Consolidation

The 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 June 28, 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 June 28, 2018:

DESCRIPTION	AMOUNT IN U.S. DOLLARS
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**

4. Summary of Significant Accounting Policies

Use of estimates

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and the stated amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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. In addition, certain of our time charter arrangements may, from time to time include profit sharing clauses, arising from the sharing of earnings together with third parties and the allocation to the Group of such earnings based on a predefined methodology. 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 Group 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 Group. 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 Group 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 multiple load 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 "despatch" clause. As per this clause, the charterer reimburses the Group for any potential delays exceeding the allowed laytime as per the charter party clause at the ports visited which is recorded as demurrage revenue. Conversely, the charterer is given credit if the loading/discharging activities happen within the allowed laytime known as despatch 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.

The voyage contracts are considered service contracts which fall under the provisions of IFRS 15, because the Group as shipowner retains control over the operations of the vessel, such as directing the routes taken or the vessel's speed.

Under a voyage charter agreement, the Company bears all voyage related costs such as fuel costs, port charges and canal tolls, as applicable. These costs are considered contract fulfilment costs because the costs are direct costs related to the performance of the contract and are expected to be recovered. The costs incurred during the period prior to commencement of loading the cargo, primarily bunkers, are deferred as they represent setup costs and recorded as a current asset and are amortized on a straight-line basis as the related performance obligations to which they relate are satisfied.

Address commissions are discounts provided to charterers under time and voyage charter agreements. Brokerage commissions are commissions payable to third-party chartering brokers for commercial services rendered. Both address and brokerage commissions are recognized on a straight-line basis over the duration of the voyage or the time charter period, and are reflected under Revenue and Commissions, respectively, in the consolidated statement of profit or loss and other comprehensive income.

Deferred revenue represents revenue collected in advance of being earned. The portion of the deferred revenue, which is recognized in the next twelve months from the consolidated statement of financial position date, is classified under current liabilities in the consolidated statement of financial position.

Vessel voyage expenses

Vessel voyage expenses mainly relate to voyage charter agreements and consist of port, canal and bunker costs that are unique to a particular voyage, and are recognized as incurred. Under time charter arrangements, voyage expenses are paid by charterers.

Vessel operating expenses

Vessel operating expenses comprise all expenses relating to the operation of the vessel, including crewing, insurance, repairs and maintenance, stores, lubricants, spares and consumables and miscellaneous expenses. Vessel operating expenses are recognized as incurred; payments in advance of services or use are recorded as prepaid expenses.

Trade and other receivables

Trade receivables include estimated recoveries from hire and freight billings to charterers, net of any provision for doubtful accounts, as well as interest receivable from time deposits. At each statement of financial position date, all potentially uncollectible accounts are assessed individually for purposes of determining the appropriate provision. As of December 31, 2018, the provision for doubtful accounts amounted to nil.

Deferred financing costs

Fees incurred for obtaining new loans or refinancing existing facilities such as arrangement, structuring, legal and agency fees are deferred and classified against long-term debt in the consolidated statement of financial position. Any fees incurred for loan facilities not yet advanced are deferred and classified under non-current assets in the consolidated statement of financial position. These fees are classified against long-term debt on the loan drawdown date.

Deferred financing costs are deferred and amortized over the term of the relevant loan using the effective interest method, with the amortization expense reflected under interest and finance costs in the consolidated statement of profit or loss and other comprehensive income. Any unamortized deferred financing costs related to loans which are either fully repaid before their scheduled maturities or related to loans extinguished are written-off in the consolidated statement of profit or loss and other comprehensive income.

Vessels and depreciation

Vessels are stated at cost, which comprises vessels' contract price, major improvements, and direct delivery and acquisition expenses less accumulated depreciation and any impairment. Depreciation is calculated on a straight line basis over the estimated useful life of the vessels, after considering their estimated residual value. Each vessel's residual value is equal to the product of its lightweight tonnage and its estimated scrap rate. The scrap value is estimated to be approximately $400 per ton of lightweight steel. The Group currently estimates the useful life of each vessel to be 25 years from the date of original construction.

Special survey and dry-docking costs

Special survey and dry-docking costs are capitalized as a separate component of vessel cost. These costs are capitalized when incurred and amortized over the estimated period to the next scheduled dry-docking/special survey. The Group's vessels are required to undergo dry-docking approximately every 5 years, until a vessel reaches 10 years of age, after which a vessel is required to be dry-docked approximately every 2.5 years. If a special survey or dry-docking is performed prior to the scheduled date, any remaining unamortized balances are written-off and reflected in depreciation in the statement of profit or loss and other comprehensive income.

Impairment of vessels

The Group assesses at each reporting date whether there are any indications that the vessels' carrying amounts may not be recoverable. If such an indication exists, and where the carrying amount exceeds the estimated recoverable amount, the vessels are written down to their recoverable amount. The recoverable amount is the greater of fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of a vessel in an arm's length transaction, less any associated costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the vessels. During the period ended December 31, 2018 no impairment charges were deemed necessary.

Advances for vessels under construction

Advances for vessels under construction comprise the cumulative amount of instalments paid to shipyards for vessels under construction, other pre-delivery expenses directly related to the construction of the vessel and capitalised interest at the statement of financial position date. On delivery of a vessel, the balance is transferred to vessels, net, in the consolidated statement of financial position.

Foreign currency translation

The functional currency of the Company and its subsidiaries is the U.S. dollar because the vessels operate in international shipping markets, which primarily transact business in U.S. dollars. Transactions denominated in foreign currencies are converted into U.S. Dollars and are recorded at the exchange rate in effect at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to U.S. Dollars at the rate of exchange prevailing at the consolidated statement of financial position date. Any resulting foreign exchange differences are reflected under foreign exchange gains/(losses) in the consolidated statement of profit or loss and other comprehensive income.

Interest bearing loans and borrowings

Loans and borrowings are initially recognised at fair value, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method.

Cash and cash equivalents

The Group considers highly liquid investments such as time deposits and certificates of deposit with original maturities of three months or less to be cash equivalents. For the purposes of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

Segment Information

The Group's chief operating decision maker (the "CODM"), being the Chief Executive Officer, evaluates the performance of the Group on a consolidated basis. Financial information for different types of vessels or different employment contracts is available, however, the performance is measured for a single reportable segment, being the "Crude Oil Transportation".

Employment of vessels varies every period between spot and time charter with no specific strategy. Furthermore, when the Group charters a vessel to a charterer, the charterer is free to trade the vessel worldwide, so, the vessels of the fleet are calling at various ports across the globe, over many trade routes. This makes the segment information on a geographical basis not practicable or meaningful.

Restricted cash

Restricted cash represents pledged cash deposits or minimum liquidity to be maintained with certain banks under the Group's borrowing arrangements. In the event that the obligation relating to such deposits is expected to be terminated within the next twelve months from the statement of financial position date, they are classified under current assets otherwise they are classified as non-current assets on the statement of financial position. The Group classifies restricted cash separately from cash and cash equivalents in the consolidated statement of financial position. Restricted cash does not include general minimum liquidity requirements with no obligation to retain such funds in retention accounts.

Inventories

Inventories consist of bunkers, lubricants and provisions on board the vessels at each statement of financial position date and are stated at the lower of cost or net realisable value. It is the Group's policy to value inventories using the FIFO method.

Pension and retirement benefit obligations – crew

The crew on board the Group's vessels is employed under short- term contracts (usually up to nine months) and, accordingly, the Group is not liable for any pension or other retirement benefits.

Cash flow statement policy

The Group uses the indirect method to report cash flows from operating activities.

Earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing (loss)/income attributable to equity holders of OET by the weighted average number of common shares outstanding. Diluted (loss)/earnings per share is calculated by adjusting (loss)/income attributable to equity holders of OET and the weighted average number of common shares used for calculating basic per share for the effects of all potentially dilutive shares. Such dilutive common shares are excluded when the effect would be to reduce a loss per share or increase earnings per share. The Group applies the if-converted method when determining diluted (loss)/earnings per share. This requires the assumption that all potential ordinary shares have been converted into ordinary shares at the beginning of the period or, if not in existence at the beginning of the period, the date of the issue of the financial instrument or the granting of the rights by which they are granted. Under this method, once potential ordinary shares are converted into ordinary shares during the period, the dividends, interest and other expense associated with those potential ordinary shares will no longer be incurred. The effect of conversion, therefore, is to increase income (or reduce losses) attributable to ordinary equity holders as well as the number of shares in issue. Conversion will not be assumed for purposes of computing diluted earnings per share if the effect would be anti-dilutive.

During the period ended December 31, 2018, there were no potentially dilutive items.

Employee compensation - personnel

Employee compensation is recognized as an expense, unless the cost qualifies to be capitalized as an asset. Defined contribution plans are post-employment benefit plan under which the Group pays fixed contributions into separate entities on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group's contributions are recognized as employee compensation expenses when they are due.

Employee entitlement to annual leave is recognized when it accrues to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the statement of financial position date.

Termination benefits are those benefits which are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the statement of financial position date are discounted to present value.

Taxation

All companies comprising the Group are not subject to tax on international shipping income since their countries of incorporation do not impose such taxes. The Group's vessels are subject to registration and tonnage taxes, which are included under vessel operating expenses in the consolidated statement of profit or loss and other comprehensive income.

Provisions and contingencies

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle this obligation and a reliable estimate of the amount of the obligation can be made.

Provisions are reviewed at each statement of financial position date and adjusted to reflect the present value of the expenditure expected to be required to settle the obligation. Contingent liabilities are not recognized in the consolidated financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

Fair value of financial assets and liabilities

The definitions of the levels, provided by IFRS 7 Financial Instruments Disclosure, are based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that

include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash and cash equivalents and restricted cash are considered Level 1 financial instruments. There are no financial instruments in Levels 2 or 3 and no transfers between fair value hierarchy levels during the period presented.

The carrying amounts reflected in the consolidated statement of financial position for cash and cash equivalents, restricted cash, trade and other receivables, receivable claims, and other current liabilities, approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

Sale and leaseback transactions

In case a vessel is sold and subsequently leased back by the Group, pursuant to a memorandum of agreement (MOA) and a bareboat charter agreement, the Group evaluates the terms of the transaction in accordance with IAS 17 "Leases" to determine whether it falls within the scope of IAS 17 "Leases". In the case the leaseback is determined to be a finance leaseback, all the risks and rewards of ownership of the subject vessel remain with the Group-lessee, and hence the transaction is recognized as a debt financing transaction, with the subject vessel continuing to be recorded at her carrying amount on the consolidated statement of financial position. In the case the leaseback is determined to be an operating leaseback, any related gains or losses (being the difference between the carrying amount of the vessel on the sale date, and the proceeds from her sale), are accounted for as follows:

- If the transaction is at fair value, gains or losses are recognized immediately;
- If the sale price is below fair value, any profit or loss is recognized immediately except if the loss is compensated for by future lease payments at below market price, in which case it is deferred and amortized in proportion to the lease payments over the period for which the asset is expected to be used; or
- If the sale price is above fair value, the excess over the fair value is deferred and amortized over the period for which the asset is expected to be used.

New and revised IFRSs in issue not yet effective

At the date of authorization of these consolidated financial statements, the following standards relevant to the Group 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 12 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 elected not to adopt early, and anticipates that the implementation of this standard will not have a material impact on the Group's consolidated financial statements, since the changes for lessors are fairly minor and the Group's obligations as a lessee are not significant.

5. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and the stated amounts of revenues and expenses during the reporting period. Management evaluates whether estimates should be in use on an ongoing basis, by utilizing historical experience, consulting with experts and other methods it considers reasonable in the particular circumstances. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in the future.

The key sources of estimation uncertainty are as follows:

Vessel lives and residual values

The carrying value of the vessels represents their original cost at the time of purchase, less accumulated depreciation and any impairment. Vessels are depreciated to their residual values on a straight-line basis over their estimated useful lives. The estimated useful life of 25 years is management's best estimate and is also consistent with industry practice for similar types of vessels. The residual value is estimated as the lightweight tonnage of the vessel multiplied by a forecast scrap value per ton. The scrap value per ton is estimated using the current scrap prices assuming a vessel is already of age and condition as expected at the end of its useful life at the statement of financial position date. The scrap rate is estimated to be approximately $400 per ton of lightweight steel.

An increase in the estimated useful life of a vessel or in its scrap value would have the effect of decreasing the annual depreciation charge and extending it into later periods. A decrease in the useful life of a vessel or in its scrap value would have the effect of increasing the annual depreciation charge.

When regulations place significant limitations over the ability of a vessel to trade on a worldwide basis, the vessel's useful life is adjusted to end at the date such regulations become effective. The estimated salvage value of the vessel may not represent the fair market value at any one time since market prices of scrap values tend to fluctuate.

Impairment of vessels

The carrying amount of each vessel is evaluated at each statement of financial position date to determine whether there is any indication that this vessel has suffered an impairment loss. If any such indication exists, the recoverable amount of the vessel is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a discount rate of 6.6% that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. The projection of cash flows related to the vessel is complex and requires management to make various estimates including future vessel earnings, operating expenses, dry-docking costs, management fees, commissions and discount rates. These items have been historically volatile. The vessels' future cash flows from revenue are estimated based on a combination of the current contracted charter rates until their expiration and thereafter, until the end of the vessels' useful life, the estimated daily hire rate is based on the simple average of the historical 5-year time charter rates, for each of the Aframax and Suezmax class, which amounted to $23,114 and $26,638, respectively. As part of the process of assessing the fair value less cost to sell for a vessel, the Group obtains valuations from independent ship brokers on a quarterly basis or when there is an indication that an asset or assets may be impaired. If an indication of impairment is identified, the need for recognizing an impairment loss is assessed by comparing the carrying amount of the vessel to the higher of the fair value less cost to sell and the value in use.

Further, as of December 31, 2018, the carrying amounts of the remaining vessels owned by the Group were higher than their respective fair values, as determined taking into consideration independent broker valuations, which served as an indication for impairment. As a result, the Group performed an impairment test, by comparing each vessel's carrying amount to its respective recoverable amount. The vessels' recoverable amounts were higher than their respective carrying amounts and consequently, no impairment loss was recognized for these vessels in the period ended December 31, 2018.

The impairment test is most sensitive to variances in the discount rate and in future tanker daily earnings. The Group's sensitivity analysis performed allowed for reductions in daily tanker earnings of up to 13% for both Aframax and Suezmax vessels, and for increases in the discount rate of up to 2.3% for Aframax vessels and 2.4% for Suezmax vessels, before impairment losses would be triggered.

Deferred dry-docking costs

The Group recognizes dry-docking costs as a separate component from the vessels' carrying amounts and amortizes them on a straight-line basis over the estimated period until the next dry-docking of the vessels. If a vessel is disposed of before the next scheduled dry-docking, the remaining unamortized balance is written-off and forms part of the gain or loss recognized upon disposal of vessels in the period when contracted. Vessels are estimated to undergo dry-docking every 5 years after their initial delivery from the shipyard, until a vessel reaches 10 years of age, and thereafter every 2.5 years to undergo special or intermediate surveys, for major repairs and maintenance that cannot be performed while in operation. However, this estimate might be revised in the future. Management estimates costs capitalized as part of the dry-docking component as costs to be incurred during the first dry-docking at the dry-dock yard for a special survey and parts and supplies used in making such repairs that meet the recognition criteria, based on historical experience with similar types of vessels.

Classification of lease contracts

The classification of the leaseback part in a sale and leaseback transaction as either an operating or a finance leaseback, requires judgment. The Group follows a formalized process for leaseback classification, mainly in determining the present value of the minimum lease payments and assessing the incitative nature of any repurchase options. The outcome of the transaction (at option exercise's dates in particular) may differ from the original assessment made at inception of the lease contract.

6. Inventories

Inventories are analysed as follows:

	AS OF DECEMBER 31, 2018
Bunkers	1,724,626
Lubricants	869,959
Provisions	92,585
Total	**2,687,170**

7. Vessels, Net

Vessels, net are analysed as follows:

	VESSELS' COST	DRY-DOCKING AND SPECIAL SURVEY COSTS	TOTAL
Cost			
Balance, April 30, 2018 (inception)	—	—	—
Transfer of vessels at cost on acquisition of contributed companies	355,161,165	4,800,000	359,961,165
Additions	923,769	—	923,769
Transfer from vessels under construction	67,289,036	800,000	68,089,036
Balance, December 31, 2018	**423,373,970**	**5,600,000**	**428,973,970**

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Accumulated depreciation			
Balance, April 30, 2018 (inception)	—	—	—
Transfer of vessels accumulated depreciation on acquisition of contributed companies	(23,277,682)	(1,997,656)	(25,275,338)
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)**
Net book value, April 30, 2018 (inception)	—	—	—
Net book value, December 31, 2018	**393,309,673**	**3,064,232**	**396,373,905**

The Group has pledged the above vessels to secure the loan facilities granted to the Contributed Companies (see Note 12).

8. Advances for Vessels Under Construction

Balance, April 30, 2018	—
Transfer of advances for vessels under construction at cost on acquisition	113,793,354
Interest capitalized	1,264,441
Additions during the period	191,243,053
Transfer to vessels, net	(68,089,036)
Balance at December 31, 2018	**238,211,812**

Borrowing costs included in the cost of vessels under construction during the year are calculated by applying a capitalization rate of 7% to expenditure on such assets.

9. Accrued Expenses

Accrued expenses are analysed as follows:

	AS OF DECEMBER 31, 2018
Accrued payroll related taxes	119,617
Accrued voyage expenses	45,684
Accrued loan interest	1,396,366
Accrued social insurance contributions	88,045
Accrued administrative expenses	13,553
Accrued operating expenses	64,898
Total	**1,728,163**

10. Vessel Operating Expenses

Vessel operating expenses are analysed as follows:

	FOR THE PERIOD ENDED DECEMBER 31, 2018
Crew wages and other crew costs	5,442,883
Insurances	450,408
Stores	437,587
Spares	517,506
Repairs and surveys	310,205
Flag expenses	71,210
Lubricants	281,251
Telecommunication expenses	127,137
Miscellaneous expenses	122,098
Total	**7,760,285**

11. Voyage Expenses

Voyage expenses are analysed as follows:

	FOR THE PERIOD ENDED DECEMBER 31, 2018
Port expenses	3,516,731
Bunkers	4,080,527
Other voyage expenses	60,685
Total	**7,657,943**

12. General & Administrative Expenses

General and administrative expenses are analysed as follows:

	FOR THE PERIOD ENDED DECEMBER 31, 2018
Employee costs	813,193
Directors' fees and expenses	199,663
Professional fees	15,618
Other expenses	39,487
Total	**1,067,961**

13. Long-Term Borrowings

The Contributed Companies have entered into loan agreements which are analysed as follows:

COMPANY	VESSEL/HULL	TOTAL LOAN AMOUNT IN USD	QUARTERLY INSTALLMENT AMOUNT	REMAINING NUMBER OF QUARTERLY INSTALLMENTS	OUTSTANDING LOAN BALANCE AS OF DECEMBER. 31, 2018	BALLOON PAYMENT	INTEREST RATE: LIBOR ("L") + MARGIN
1. Therassia Marine Corp.	M/T Nissos Therassia	36,500,000	540,000	12	27,860,000	21,380,000	L+2.60%
2. Milos Marine Corp.	M/T Nissos Heraclea	40,000,000	590,000	14	31,740,000	23,480,000	L+2.25%
3. Ios Maritime Corp.	M/T Nissos Schinoussa	36,500,000	540,000	15	29,480,000	21,380,000	L+2.60%
4. Omega One Marine Corp.	M/T Milos	36,600,000	601,500	16	31,279,500	21,655,500	L+2.50%
5. Omega Three Marine Corp.	M/T Kimolos	47,000,000	500,000	6			
			616,750	24	46,000,000	28,198,000	L+3.10%
6. Omega Four Marine Corp.	M/T Folegandros	42,000,000	500,000	7			
			600,000	24	41,500,000	23,600,000	L+3.10%
7. Omega Five Marine Corp.	Hull 3012	33,000,000	—	—	33,000,000	—	7.00%
8. Omega Seven Marine Corp.	Hull 3013	33,000,000	—	—	33,000,000	—	7.00%
9. Omega Nine Marine Corp.	Hull 3014	33,000,000	—	—	16,500,000	—	7.00%
10. 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. As at December 31, 2018 the Corporate Guarantor of the respective bank loan facilities was Kyklades Maritime Corporation ("Kyklades" or "Management Company").

Milos Marine Corp. has entered into a bank loan facility with BNP Paribas for the partial financing of the acquired vessel. As at December 31, 2018 the Corporate Guarantor of the respective bank loan facility was OET.

Omega One Marine Corp. has entered into a bank loan facility with ABN Amro for the partial financing of the acquired vessel. As at December 31, 2018 the Corporate Guarantor of the respective bank loan facility was OET.

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. As at December 31, 2018 the Corporate Guarantor of the bank loan facility with the above mentioned companies were Kyklades and Okeanis Eco Tankers Corporation. Furthermore, Omega Four Marine Corp., entered on April 20, 2018 into a loan agreement with Bigal Shipping Corporation ("Bigal"), a related party for the provision of $6,730,000 of working capital. The loan carried an annual fixed interest rate of 3.00%. On 8 September 2018, the Company repaid $2,250,000 of the loan. On 7 December 2018, the $4,584,348 outstanding balance of the loan and interest incurred were fully repaid.

Omega Five Marine Corp., Omega Seven Marine Corp., Omega Nine Marine Corp. and Omega Eleven Marine Corp. have entered into a loan agreement with Ocean Yield ASA for the purposes of financing part of the hulls' predelivery instalments. As at December 31, 2018 the Corporate Guarantor of the respective bank loan facility was OET.

Financing arrangements with OCY Poliegos Limited

Omega Two Marine Corp (the "Omega Two") has entered into a debt financing transaction with OCY Knight AS. On June 8, 2017, Omega transferred the M/T Poliegos to OCY Knight AS (the "original buyer") for $54,000,000, and, as part of the agreement, bareboat chartered the vessel back for a period of 14 years, with penalty-free purchase options at the end of the seventh, tenth and twelfth year. Omega Two received $47,000,000 in cash as part of the transaction, with $7,000,000 to be retained by the original buyer as a deposit which 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 consolidated statement of financial position, since the risks and rewards of ownership have effectively remained with Omega Two, and it is probable that Omega Two will exercise the purchase option by the end of year 12. Pursuant to a memorandum of agreement dated on August 23, 2018 the original buyer sold M/T Poliegos to OCY Poliegos Limited (the "new buyer") for an amount of $48,032,540. As a result, on the same date, both aforementioned parties and the company accordingly novated the bareboat charter so that the new buyer could substitute the original buyer. Omega Two continues to technically manage, commercially charter, and operate the M/T Poliegos. Pursuant to this financing arrangement, Omega Two will pay a daily bareboat charter rate of $11,550, plus interest pursuant to USD Libor adjustment. The outstanding balance as of December 31, 2018 was $43,828,758.

Financing arrangements with Ocean Yield ASA

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 Ocean Yield ASA. On February 10, 2018 each of the above mentioned companies agreed to sell the owned vessels to Ocean Yield ASA for $75,260,000 each, and bareboat chartered the respective vessel back for a period of 15 years upon her delivery. 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. There are purchase options, penalty-free, at the end of the seventh, tenth and twelfth year. Each bareboat charter 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.

None of the above mentioned companies have drawn any amounts pursuant to the debt financing transaction with Ocean Yield ASA as of December 31, 2018, hence there are no amounts of such debt outstanding on the consolidated statement of financial position, as of December 31, 2018. The proceeds from this debt financing transaction will be used to partially settle the final instalments due for these vessels under construction and repay the pre-delivery instalments due for the loan facility signed with Ocean Yield ASA.

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 or 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%. As of 31 December, 2018, the Company has not drawn down any amounts from this facility.

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

	LONG-TERM BORROWINGS, NET OF CURRENT PORTION	CURRENT PORTION OF LONG-TERM BORROWINGS	TOTAL
Outstanding loan balance	319,263,527	23,174,710	**342,438,237**
Loan arrangement fees	(1,460,773)	(1,089,266)	**(2,550,039)**
Total	**317,802,754**	**22,085,444**	**339,888,198**

The loans are repayable as follows:

	AS OF DECEMBER 31, 2018
No later than one year	23,174,710
Later than one year and not later than five years	222,439,616
Thereafter	96,823,911
Total	**342,438,237**
Less: Amounts due for settlement within 12 months	(23,174,710)
Long term borrowings	**319,263,527**

Interest expense amounting to $6,939,757 for the period ended December 31, 2018, is included under "Interest and other finance costs" in the consolidated statement of profit or loss and other comprehensive income.

All loans are secured by a first preferred mortgages of the Contributed Companies' vessels and assignment of earnings and insurances.

The loan agreements include several ship finance covenants, amongst which are restrictions as to changes in management and ownership of the vessels, declaration of dividends; further indebtedness; mortgaging of vessels without the bank's prior consent and a hull cover ratio as well as several financial covenants. These mainly consist of:

- A hull cover ratio, being the ratio of a mortgaged vessel's fair market value over its respective outstanding debt, of no less than percentages ranging from 120% to 130%.
- Minimum corporate liquidity of no less than $10,000,000 in the form of free and unencumbered cash and cash equivalents.
- A ratio of total debt to total equity of no more than ratios ranging from 75% to 80%.

As at December 31, 2018, the Group was in compliance with its loan covenants.

Unused sources of liquidity

On December 3, 2018, the Company entered into a revolving credit facility agreement with 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 is up to June 30, 2020, which is also the final maturity date of the facility when all outstanding principal and accrued interest is due for repayment. As of December 31, 2018, no amounts have been drawn from this facility.

14. Transactions and Balances with Related Parties

The Group has entered into management agreements with Kyklades, as technical manager. Kyklades provide the vessels with shipping services such as technical support and maintenance, insurance, and consulting, in exchange for a daily fee of $600 per managed vessel, which is reflected under Management fees in the consolidated statement of profit or loss and other comprehensive income. For the period ended December 31, 2018, management fees amounted to $735,600.

Current accounts due to related parties:

	AS OF DECEMBER 31, 2018
[A] Amounts due to Management Company	372,184
[B] Amounts due to FRPEs	2,127,840
Amounts payable to Board of Directors' members	112,500
Total	**2,612,524**

[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 Alafouzos family. In the period prior to the contribution of the Contributed Companies from 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.

When OMH contributed the Contributed Companies to the Company in exchange for shares, all assets and liabilities of the Contributed Company were carried over, including the above-mentioned amounts payable due to FRPEs. Consequently, in the period following the Contribution, the Company began (and has mostly completed) repaying the outstanding amounts and will continue to do so until they are repaid in full.

Current accounts due from related parties:

	AS OF DECEMBER 31, 2018
Amounts due from FRPEs	396,291
Total	**396,291**

Current accounts due from FRPEs represent amounts provided to a non-eco vessel owning company, privately owned by members of the Alafouzos family, for working capital purposes.

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

Key management and Directors' remuneration

Each of the Company's directors, except for the Chairman of the Board of Directors, is entitled to an annual fee of $75,000. Directors' fees for the period ended December 31, 2018 amounted to $187,500, of which $112,500 are payable as of December 31, 2018. In addition, each director is entitled to a reimbursement for travelling and other minor out-of-pocket expenses.

Furthermore, OET Chartering Inc. and OET provide compensation to members of its key management personnel, which comprise its CEO, CFO and COO. The remuneration structure comprises salaries, bonuses, insurance cover (covering also the members of the Board of Directors), telecommunications and other benefits which are minor in nature. For the period ended December 31, 2018, key management personnel remuneration, covering all the above, amounted to $392,724. There was no amount payable related to key management remuneration as of December 31, 2018.

None of the members of the administrative, management or supervisory bodies' of the Company have any service contracts with the Company or any of its subsidiaries in the Group providing for benefits upon termination of employment.

The table below sets forth the number of shares beneficially owned by each of the Company's members of the Board of Directors and key management, as at December 31, 2018:

NAME	POSITION	NUMBER OF SHARES HELD	SHAREHOLDING % (DIRECT AND INDIRECT)
Ioannis A. Alafouzos	Chairman and CEO	17,141,500	54.75%
John Kittmer	Director	0	0.00%
Charlotte Stratos	Director	0	0.00%
Joshua Nemser	Director	1,698,033	5.42%
Daniel Gold	Director	1,508,500	4.82%
Robert Knapp	Director	1,830,000	5.84%
John Papaioannou	CFO	6,000	0.02%
Aristidis Alafouzos	COO	12,800	0.04%

15. 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 Merkur Market was on July 3, 2018. The common shares are trading on Merkur Market under the ticker symbol, "OET-ME". Fearnley Securities AS acted as Merkur Advisor to the Company.

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 June 28, 2018, the balances of the net assets of the Contributed Companies amounting to $194,768,966 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 (refer Notes 1 and 3).

On June 28, 2018, OET completed an initial offering of its common shares, whereby 11,400,000 common shares were issued, in exchange for net proceeds of $96,045,719.

On December 3, 2018, the Company completed a private placement in Merkur Market of 3,910,000 common shares at a price of NOK 66 per common share. The total amount collected, after deducting selling expenses, amounted to $28,573,833. The Company does not currently hold any treasury shares.

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 which are held directly or indirectly by the Company.

The table below shows the development in the Company's issued share capital for the period from incorporation to the date hereof:

DATE	TYPE OF CHANGE	CHANGE IN ISSUED SHARE CAPITAL (US)	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	16,000,000	0,001
28 June 2018	Private placement at NOK 72 per share	11,400	27,400	27,400,000	0,001
3 December 2018	Private placement at NOK 66 per share	3,910	31,310	31,310,000	0,001

16. Financial Risk Management

The Group's principal financial instruments comprise debt, cash and cash equivalents and restricted cash. The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as trade receivables, current accounts with related parties and payables which arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk, foreign currency risk, cash flow interest rate risk and liquidity risk. The Group's policies for addressing these risks are set out below:

- *Credit risk*
  The Group only trades with charterers who have been subject to satisfactory credit screening procedures. Furthermore, outstanding balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.
  With respect to the credit risk arising from the Group's cash and cash equivalents and restricted cash, the Group's exposure arises from default by the counterparties, with a maximum exposure equivalent to the carrying amount of these instruments. The Group mitigates such risks by dealing only with high credit quality financial institutions.

- *Foreign currency risk*
  The Group's vessels operate in international shipping markets, which utilize the U.S. Dollar as the functional currency. Although certain operating expenses are incurred in foreign currencies, the Group does not consider the risk to be significant and takes no other steps to manage its currency exposure.

- *Interest rate risk*
  The Group's exposure to interest rate risk arises from its long-term floating rate debt. The Group has not entered into any hedging transactions to cover its exposure to changes in interest rates on this debt. As an indication of the sensitivity from changes in interest rates, an increase by 50 basis points in interest rates would increase interest expense for the period ended December 31, 2018 by $605,449 assuming all other variables held constant.

- *Liquidity risk*
  Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Group minimizes liquidity risk by maintaining sufficient cash and cash equivalents.
  The following table details the Group's expected cash outflows for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Variable future interest payments were determined based on the one month LIBOR as of December 31, 2018 of 2.50% plus the margin applicable to the Group's loan at the end of the period presented.

	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE	LESS THAN 1 MONTH	1-3 MONTHS	3-12 MONTHS	1-5 YEARS	5+ YEARS	TOTAL
December 31, 2018							
Trade payables		—	—	6,835,666	—	—	6,835,666
Accrued expenses		—	—	1,728,163	—	—	1,728,163
Current accounts due to related parties		—	—	2,612,524	—	—	2,612,524
Variable interest loans	5.20%	1,481,300	4,429,601	17,732,704	158,245,723	72,787,014	254,676,342
Fixed interest loans		264,688	529,375	93,132,188	—	—	93,926,251
Variable interest for debt financing	7.12%	434,678	677,357	4,171,591	20,563,346	43,657,996	69,504,968
Total		**2,180,666**	**5,636,333**	**126,212,836**	**178,809,069**	**116,445,010**	**429,283,914**

17. Commitments and Contingencies

Commitments under shipbuilding contracts

The Group had commitments under eight shipbuilding contracts for the acquisition of eight newbuildings (refer Note 1). The Group expects to settle these commitments as follows, as of December 31, 2018:

Less than one year	409,912,800
One to three years	53,700,000
Total	**463,612,800**

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, 2018:

Less than one year	17,095,401
One to three years	3,109,995
Total	**20,205,396**

Operating Leases

On August 1, 2018 OET Chartering Inc. entered into a three year lease agreement for office space with Anonymos Techniki Etairia Ergwn, a related company owned by members of the Alafouzos family. The lease agreement provided for a monthly rental of €890 (approximately $1,019, using the exchange rate as of December 31, 2018, which was $1.145 per euro). Operating lease rent expense was as follows, as of December 31, 2018:

Less than one year	12,228
One to three years	19,361
Total	**31,589**

On October 5, 2018 the Group entered into a series of supply contracts for the provision of exhaust gas cleaning systems ("EGCS ", or "Scrubbers") for vessels Nissos Therassia, Nissos Schinoussa, Milos, Poliegos, Kimolos and Folegandros. The contractual commitment for these Scrubbers, including hardware and installation costs, as at December 31, 2018 amounted to $12,684,000.

The scheduled delivery dates of the Scrubbers are the following:

VESSEL	DATE OF DELIVERY
Mt Milos	June 2019
Mt Poliegos	July 2019
Mt Nissos Therassia	August 2019
Mt Nissos Schinoussa	August 2019
Mt Kimolos	September 2019
Mt Folegandros	September 2019

18. Earnings / (Loss) per Share

Basic and diluted losses per share for the period ended December 31, 2018, are presented below:

Basic loss per share

	PERIOD ENDED DECEMBER 31, 2018 (AMOUNTS IN USD)
From continuing operations	(0.14)
Total basic loss per share	**(0.14)**

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

	PERIOD ENDED DECEMBER 31, 2018 (AMOUNTS IN USD)
Loss for the period attributable to the owners of the Group	(3,018,755)
Weighted average number of common shares outstanding in the period	21,250,898
Total basic loss per share	**(0.14)**

During the period ended December 31, 2018, there were no potentially anti-dilutive instruments affecting weighted average number of shares, and hence diluted loss per share equals basic loss per share for the period presented.

19. Claims Receivable

As of December 31, 2018, the Group has recognized and presented under "Claims receivable" in the consolidated statement of financial position, receivable amounts from vessel insurers totalling $4,925,568 relating to hull and machinery and protection & indemnity claims for certain vessels in the Group's fleet, relating to expenses incurred and paid during the period. The recognition in the consolidated statement of financial position was made since realization of the claimable amounts from the insurers in the short-term is deemed highly probable.

20. Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholders value.

The Group monitors capital using gearing ratio, which is total debt divided by total equity plus total debt, and its calculation is presented below:

	AS OF DECEMBER 31, 2018
Total amount of long-term borrowings	342,438,237
Total equity	316,369,773
Gearing ratio	52%

21. Subsequent Events

On January 19, 2019, Omega One Marine Corp. entered into a debt financing transaction with Ocean Yield Malta. On January 19, 2019, Milos Marine Corp. transferred the M/T Milos to Ocean Yield Malta (the "original buyer") for an agreed consideration of $56,000,000, and, as part of the agreement, bareboat chartered the vessel back for a period of 13 years, with purchase options at the end of the fifth, seventh, tenth and twelfth year. Omega One Marine Corp. is expected to receive $49,000,000 in cash as part of the transaction, with $7,000,000 to be retained by the original buyer as a deposit which can be used towards the repurchase of the vessel pursuant to the purchase options.

On January 24, 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 February 14, 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 February 27, 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%.

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 will 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 trading symbol "OET".

On April 4, 2019, the Company was granted an option by the Alafouzos family to acquire two Suezmax newbuilding vessels to be constructed at Hyundai Heavy Industries, with expected delivery dates in the third fiscal quarter of 2020. The option secures a right for the Company, at no cost, to acquire the vessels at the Alafouzos family's acquisition price.

PARENT COMPANY FINANCIAL STATEMENTS

OKEANIS ECO TANKERS CORP.
(Incorporated under the laws of the Republic of the Marshall Islands with registration number 96382)

Parent Company Financial Statements for the Period Ended December 31, 2018 and Independent Auditor's Report.

Index to Parent Company Financial Statements

Deloitte.

Deloitte Certified Public
Accountants S.A.
3a Fragoklisias &
Granikou str.
Marousi Athens GR 151-25
Greece

Tel: +30 210 6781 100
Fax: +30 210 6776 221-2
www.deloitte.gr

Independent Auditor's Report

To the Shareholders
of Okeanis Eco Tankers Corp.

Opinion

We have audited the financial statements of Okeanis Eco Tankers Corp. (the "Company"), which comprise the statement of financial position as at December 31, 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period from April 30, 2018 (inception) to December 31, 2018, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018 and its financial performance and its cash flows for the period from April 30, 2018 (inception) to December 31, 2018 in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (*IESBA Code*), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Deloitte.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Deloitte.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte Certified Public Accountants S.A.

April 25, 2019
Athens, Greece

Okeanis Eco Tankers Corp.
Statement of profit or loss and other comprehensive income
For the period from April 30, 2018 (inception) to Deceember 31, 2018
(All amounts expressed in U.S. Dollars)

	NOTES	APRIL 30, 2018 (INCEPTION) TO DECEMBER 31, 2018
Expenses		
General and administrative expenses	5	(376,175)
Total expenses		**(376,175)**
Operating loss		**(376,175)**
Interest income		176,025
Other finance costs		(28,084)
Foreign exchange loss		(95)
Other income, net		**147,846**
Loss for the period		**(228,329)**
Other comprehensive income		—
Total comprehensive loss for the period		**(228,329)**
Loss per share from continuing operations, basic and diluted	10	(0.01)

The accompanying notes are an integral part of these financial statements.

Okeanis Eco Tankers Corp.
Statement of financial position
As at December 31, 2018
(All amounts expressed in U.S. Dollars)

	NOTES	AS AT DECEMBER 31, 2018
Assets		
Non-current assets		
Investment in subsidiaries	4	296,016,970
Total non-current assets		**296,016,970**
Current assets		
Current accounts due from related parties	6	18,677,400
Cash & cash equivalents		5,133,865
Total current assets		**23,811,265**
Total assets		**319,828,235**
Shareholders' equity and liabilities		
Shareholders' equity		
Share capital		31,310
Additional paid-in capital	7	319,357,218
Accumulated loss		(228,329)
Total shareholders' equity		**319,160,199**
Current Liabilities		
Trade and other payables	6	668,036
Total current liabilities		**668,036**
Total liabilities		**668,036**
Total shareholders' equity and liabilities		**319,828,235**

The accompanying notes are an integral part of these financial statements.

Okeanis Eco Tankers Corp.
Parent Company statement of changes in equity
For the period from April 30, 2018 (inception) to December 31, 2018
(All amounts, expressed in U.S. Dollars, except for number of shares)

	NUMBER OF SHARES	SHARE CAPITAL	ADDITIONAL PAID IN CAPITAL	ACCUMULATED LOSSES	TOTAL
Balances April 30, 2018, (inception)	—	—	—	—	—
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	11,400,000	11,400	96,034,319	—	**96,045,719**
Issuance of shares in secondary offering	3,910,000	3,910	28,569,923	—	**28,573,833**
Loss for the period	—	—	—	(228,329)	**(228,329)**
Balances, December 31, 2018	**31,310,000**	**31,310**	**319,357,218**	**(228,329)**	**319,160,199**

The accompanying notes are an integral part of these financial statements.

Okeanis Eco Tankers Corp.
Statement of cash flows
For the period from April 30, 2018 (inception) to December 31, 2018
(All amounts expressed in U.S. Dollars)

	APRIL 30, 2018 (INCEPTION) TO DECEMBER 31, 2018
Cash flows from operating activities:	
Loss for the period	(228,329)
Adjustments to reconcile loss to net cash used in operating activities:	
Interest income	(176,025)
Changes in working capital:	
Trade and other payables	170,087
Net cash used in operating activities	**(234,266)**
Cash flows from investing activities:	
Current account due from related parties	(18,677,400)
Investment in subsidiaries	(101,248,005)
Interest received	176,025
Net cash used in investing activities	**(119,749,380)**
Cash flows from financing activities:	
Proceeds from private placement	125,634,195
Payments for offering expenses	(516,683)
Net cash provided by financing activities	**125,117,512**
Net change in cash and cash equivalents	5,133,865
Cash and cash equivalents at beginning of the period	—
Cash and cash equivalents at the end of the period	**5,133,865**
Supplemental cash flow information	
Offering expenses included in trade payables	*497,950*

The accompanying notes are an integral part of these financial statements.

Okeanis Eco Tankers Corp.
Notes to the financial statements
For the period from April 30, 2018 (inception) to December 31, 2018
(All amounts expressed in U.S. Dollars, except for number of shares)

1. Incorporation and 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 ultimately controlled by Glafki Marine Corporation ("Glafki") through voting interest. Glafki is owned by Ioannis Alafouzos and Themistoklis Alafouzos. The Company was founded for the purpose of acquiring an 100% 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.). OET is through its subsidiaries engaged in the operation of and investment in tanker vessels. The Company's shares are traded on the Oslo Axess Market under the symbol "OET".

The table below sets forth an overview of the Company's wholly owned subsidiaries (the "Contributed Companies"), as well as their function:

COMPANY NAME	DATE OF CONTRIBUTION FROM OKEANIS	INCORPORATED	FUNCTION	INTEREST HELD BY OET
Therassia Marine Corp.	June 28, 2018	Liberia	"Nissos Therassia" ownership and operation	100%
Milos Marine Corp.	June 28, 2018	Liberia	"Nissos Heraclea" ownership and operation	100%
Ios Maritime Corp.	June 28, 2018	Liberia	"Nissos Schinoussa" ownership and operation	100%
Omega One Marine Corp.	June 28, 2018	Marshall Islands	"Milos" ownership and operation	100%
Omega Two Marine Corp.	June 28, 2018	Marshall Islands	"Poliegos" operation	100%
Omega Three Marine Corp.	June 28, 2018	Marshall Islands	"Kimolos" ownership and operation	100%
Omega Four Marine Corp.	June 28, 2018	Marshall Islands	"Folegandros" ownership and operation	100%
Omega Five Marine Corp.	June 28, 2018	Marshall Islands	Vessel under construction (Hull 3012)	100%
Omega Seven Marine Corp.	June 28, 2018	Marshall Islands	Vessel under construction (Hull 3013)	100%
Omega Nine Marine Corp.	June 28, 2018	Marshall Islands	Vessel under construction (Hull 3014)	100%
Omega Eleven Marine Corp.	June 28, 2018	Marshall Islands	Vessel under construction (Hull 3015)	100%
Nellmare Marine Ltd	June 28, 2018	Marshall Islands	Vessel under construction (Hull 3050)	100%
Anassa Navigation S.A.	June 28, 2018	Marshall Islands	Vessel under construction (Hull 3051)	100%
Arethusa Shipping Ltd.	June 28, 2018	Marshall Islands	Vessel under construction (Hull 3089)	100%
Moonsprite Shipping Corp.	June 28, 2018	Marshall Islands	Vessel under construction (Hull 3090)	100%
OET Chartering Inc.	June 28, 2018	Marshall Islands	Commercial management company	100%

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 June 28, 2018:

DESCRIPTION	AMOUNT IN U.S. DOLLARS
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

2. Basis of Preparation and Statement of Compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (the "IASB"). The 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 financial statements have been prepared on the historical cost basis. These are the first IFRS financial statements of the Company as defined under IFRS 1: First-time Adoption of International Financial Reporting Standards ("IFRS 1"). As required by IFRS 1, the Company has applied all IFRS standards and interpretations that are effective for the first IFRS financial statements for the period ended December 31, 2018.

The financial statements have been prepared on a going concern basis.

3. Summary of Significant Accounting Policies

Use of estimates

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements, and the stated amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

The Company considers highly liquid investments such as time deposits and certificates of deposit with original maturities of three months or less to be cash equivalents. For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

Interest income

The Company's interest income comprises interest earned from short-term time deposits.

Investment in subsidiaries

The Company's investments in the wholly owned subsidiaries are recorded at cost. When necessary, the carrying amount of each of the Company's investments separately, is tested for impairment in accordance with IAS 36 Impairment of Assets, by comparing the investment's recoverable amount with its carrying amount. During the period ended December 31, 2018 no impairment charges were deemed necessary regarding the Company's investments.

Foreign currency translation

The functional currency of the Company is the U.S. dollar because the majority of the Company's transactions are denominated in U.S. dollars. Transactions denominated in foreign currencies are converted into U.S. Dollars and are recorded at the exchange rate in effect at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to U.S. Dollars at the rate of exchange prevailing at the consolidated statement of financial position date. Any resulting foreign exchange differences are reflected under foreign exchange gains/ (losses) in the statement of profit or loss and other comprehensive income.

Cash flow statement policy

The Company uses the indirect method to report cash flows from operating activities.

Earnings / (loss) per share

Basic earnings/ (loss) per share is calculated by dividing (loss)/income attributable to equity holders of OET by the weighted average number of common shares outstanding. Diluted (loss)/earnings per share is calculated by adjusting (loss)/income attributable to equity holders of OET and the weighted average number of common shares used for calculating basic per share for the effects of all potentially dilutive shares. Such dilutive common shares are excluded when the effect would be to reduce a loss per share or increase earnings per share. The Company applies the if-converted method when determining diluted (loss)/ earnings per share. This requires the assumption that all potential ordinary shares have been converted into ordinary shares at the beginning of the period or, if not in existence at the beginning of the period, the date of the issue of the financial instrument or the granting of the rights by which they are granted. Under this method, once potential ordinary shares are converted into ordinary shares during the period, the dividends, interest and other expense associated with those potential ordinary shares will no longer be incurred. The effect of conversion, therefore, is to increase income (or reduce losses) attributable to ordinary equity holders as well as the number of shares in issue. Conversion will not be assumed for purposes of computing diluted earnings per share if the effect would be anti-dilutive.

During the period ended December 31, 2018, there were no potentially dilutive items.

Taxation

The Company is not subject to tax on international shipping income since its country of incorporation do not impose such taxes.

Provisions and contingencies

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle this obligation and a reliable estimate of the amount of the obligation can be made.

Provisions are reviewed at each statement of financial position date and adjusted to reflect the present value of the expenditure expected to be required to settle the obligation. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.

Fair value of financial assets and liabilities

The definitions of the levels, provided by IFRS 7 Financial Instruments Disclosure, are based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

OKEANIS ECO TANKERS

Cash and cash equivalents are considered Level 1 financial instruments. There are no financial instruments in Levels 2 or 3 and no transfers between fair value hierarchy levels during the period presented.

The carrying amounts reflected in the statement of financial position for cash and cash equivalents, other receivables and other current liabilities, approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

New and revised IFRSs in issue not yet effective

There are no new or revised standards and amendments and interpretations to existing standards which are effective in accounting periods beginning on or after January 1, 2019 or later periods that will have a material impact on the Company's financial statements.

4. Investment in Subsidiaries

As of 31 December 2018, the Parent Company had the following investment in subsidiaries:

	AS OF DECEMBER 31, 2018
CONTRIBUTED COMPANIES	194,768,966
OMEGA FOUR MARINE CORP.	7,706,206
OMEGA FIVE MARINE CORP.	1,890,818
OMEGA SEVEN MARINE CORP.	9,861,862
OMEGA NINE MARINE CORP.	716,862
OMEGA ELEVEN MARINE CORP.	715,162
MOONSPRITE SHIPPING CORP.	17,900,000
ARETHUSA SHIPPING CORP.	26,850,000
ANASSA NAVIGATION SA	18,079,094
NELLMARE MARINE LTD	17,528,000
Total	**296,016,970**

5. General and Administrative Expenses

General and administrative expenses are analysed as follows:

	FOR THE PERIOD ENDED DECEMBER 31, 2018
Personnel insurances	96,850
Directors' fees and expenses	199,663
Other expenses	79,662
Total	**376,175**

6. Transactions and Balances with Related Parties

Current accounts due from related parties are analysed as follows:

	AS OF DECEMBER 31,2018
Amounts due from vessel-owning subsidiaries	8,572,400
Amounts due from OET Chartering Inc.	10,105,000
Total	**18,677,400**

Current accounts due from subsidiaries companies, which are fully owned by OET, amounting to $8,572,400 as at December 31, 2018, represent amounts provided to vessel owning companies for working capital purposes. All these balances are unsecured and with no fixed terms of payment.

Current accounts due from OET Chartering Inc., which is fully owned by OET, amounting to $10,105,000 as at December 31, 2018, represent amount transferred to a subsidiary Company for depository purposes. More specifically, the Company has transferred funds to a wholly owned subsidiary, where these are placed on time deposits to optimize capital management. These deposits are of a short-term nature and reset on a frequent basis, bearing market interest rates.

Key management and Directors' remuneration

Each of the Company's directors, except for the Chairman of the Board of Directors, is entitled to an annual fee of $75,000. Directors' fees for the period ended December 31, 2018 amounted to $187,500, of which $112,500 are payable as of December 31, 2018, and are included in trade and other payables in the statement of financial position. In addition, each director is entitled to a reimbursement for travelling and other minor out-of-pocket expenses. Furthermore, the Company provides compensation to a member of its key management personnel, pursuant to a remuneration agreement. For the period ended December 31, 2018, such remuneration amounted to $67,000. There was no amount payable related to this remuneration as of December 31, 2018.

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 Merkur Market was on July 3, 2018. The common shares are trading on Merkur Market under the ticker symbol, "OET-ME". Fearnley Securities AS acted as Merkur Advisor to the Company.

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 June 28, 2018, the balances of the net assets of the Contributed Companies amounting to $194,768,966 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 June 28, 2018, OET completed an initial offering of its common shares, whereby 11,400,000 common shares were issued, in exchange for net proceeds of $96,045,719.

On December 3, 2018, the Company completed a private placement in Merkur Market of 3,910,000 common shares at a price of NOK 66 per common share. The total amount collected, after deducting selling expenses, amounted to $28,573,833. The Company does not currently hold any treasury shares.

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 which are held directly or indirectly by the Company.

The table below shows the development in the Company's issued share capital for the period from incorporation to the date hereof:

DATE	TYPE OF CHANGE	CHANGE IN ISSUED SHARE CAPITAL (US)	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	16,000,000	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. Financial Risk Management

The Company's principal financial instruments comprise cash and cash equivalents and amounts due from related parties. The Company has other financial liabilities such as trade payables, which arise directly from its operations.

The main risks arising from the Company's financial instruments are credit risk and foreign currency risk. The Company's policies for addressing these risks are set out below:

- *Credit risk*
  With respect to the credit risk arising from the Company's cash and cash equivalents and, the Company's exposure arises from default by the counterparties, with a maximum exposure equivalent to the carrying amount of these instruments. The Company mitigates such risk by dealing only with high credit quality financial institutions. With respect to the credit risk arising from the amounts due from related parties, the Company's exposure arises form default of the respective related parties, with a maximum exposure equivalent to the carrying amount of these instruments. The Company mitigates such risk by performing ongoing credit evaluations of the respective related parties from which the amounts are due.

- *Foreign currency risk*
  Certain of the Company's operating expenses are incurred in currencies other than the U.S. Dollar. The Company does not consider the risk to be significant and takes no other steps to manage its currency exposure.

- *Interest rate risk*
  Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company minimizes liquidity risk by maintaining sufficient cash and cash equivalents.

The following table details the Company's expected cash outflows for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company will be required to settle the respective financial liabilities:

	LESS THAN 1 MONTH	1-3 MONTHS	3-12 MONTHS	1-5 YEARS	5+ YEARS	TOTAL
December 31, 2018						
Trade payables	—	—	668,036	—	—	668,036
Total	**—**	**—**	**668,036**	**—**	**—**	**668,036**

9. Commitments and Contingencies

The Company has joint and several liability over the below subsidiary loan agreements, through the guarantees provided over the respective subsidiaries loans:

- Milos Marine Corp.: loan agreement with BNP Paribas dated June, 26 2015, with an outstanding balance as of December 31, 2018 (inclusive of accrued interest) of $31,740,000.

- Omega One Marine Corp.: loan agreement with ABN AMRO dated October, 24 2016, with an outstanding balance as of December 31, 2018 (inclusive of accrued interest) of $31,296,899.

- Omega Two Marine Corp.: lease agreement with Ocean Yield Malta Limited dated June 8, 2017, with an outstanding balance as of December 31, 2018 (inclusive of accrued interest) of $ 43,356,397.
- Omega Three Marine Corp.: loan agreement with Alpha Bank SA dated November 24, 2017, with an outstanding balance as of December 31, 2018 (inclusive of accrued interest) of $46,147,233.
- Omega Four Marine Corp.: loan agreement with Alpha Bank SA dated September 7, 2018, with an outstanding balance as of December 31, 2018 (inclusive of accrued interest) of $41,608,419.
- Omega Five Marine Corp.: loan agreement with Ocean Yield Malta Limited dated February 10, 2018, with an outstanding balance as of December 31, 2018 (inclusive of accrued interest) of $33,415,515.
- Omega Seven Marine Corp.: loan agreement with Ocean Yield Malta Limited dated February 10, 2018, with an outstanding balance as of December 31, 2018 (inclusive of accrued interest) of $33,301,979.
- Omega Nine Marine Corp.: loan agreement with Ocean Yield Malta Limited dated February 10, 2018, with an outstanding balance as of December 31, 2018 (inclusive of accrued interest) of $16,690,932.
- Omega Eleven Marine Corp.: loan agreement with Ocean Yield Malta Limited dated February 10, 2018, with an outstanding balance as of December 31, 2018 (inclusive of accrued interest) of $8,399,223.

The extent to which an outflow of funds will be required is dependent on the subsidiaries' performance and compliance with the relevant terms included in the respective debt arrangements.

10. Earnings / (Loss) per Share

Basic and diluted losses per share for the period ended December 31, 2018, are presented below:

	PERIOD ENDED DECEMBER 31, 2018 (AMOUNTS IN USD)
Basic loss per share	
From continuing operations	(0.01)
Total basic loss per share	**(0.01)**

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

	PERIOD ENDED DECEMBER 31, 2018 (AMOUNTS IN USD)
Loss for the period	(228,329)
Weighted average number of common shares outstanding in the period	21,250,898
Total basic loss per share	**(0.01)**

During the period ended December 31, 2018, there were no potentially antidilutive instruments affecting weighted average number of shares, and hence diluted loss per share equals basic loss per share for the period presented.

11. Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholders value.

12. Subsequent Events

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 will 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 trading symbol "OET".

On April 4, 2019, the Company was granted an option by the Alafouzos family to acquire two Suezmax newbuilding vessels to be constructed at Hyundai Heavy Industries, with expected delivery dates in the third fiscal quarter of 2020. The option secures a right for the Company, at no cost, to acquire the vessels at the Alafouzos family's acquisition price.

Contact
John Papaioannou, CFO
+30 210 480 4099 | jvp@okeanisecotankers.com

Okeanis Eco Tankers Corp.

Ethnarchou Makariou av, & 2 D. Falireos str.
185 47, N. Faliro
Greece

Tel: +30 210480 4200

info@okeanisecotankers.com

www.okeanisecotankers.com