

Q2 2020 Presentation

August 14, 2020



OKEANIS

ECO TANKERS

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Highlights

	Q2 2020	Q2 2019	H1 2020	H1 2019	
Commercial Performance USD per day	VLCC Daily TCE	\$59,700	\$31,800	\$59,500	\$31,800
	Suezmax Daily TCE	\$52,900	\$19,400	\$58,300	\$20,700
	Aframax/LR2 Daily TCE	\$28,000	\$18,000	\$31,400	\$21,900
	Fleetwide Daily TCE	\$51,900	\$20,300	\$54,000	\$21,900
	Fleetwide Daily Opex	\$7,367	\$7,660	\$7,196	\$7,427
	Timecharter Coverage ¹	43%	41%	42%	46%
Income Statement USDm exc. EPS	TCE Revenue	\$69.3	\$14.4	\$142.7	\$29.3
	Adjusted EBITDA	\$56.6	\$8.3	\$119.9	\$17.4
	Net Income/(Loss)	\$37.1	(\$3.6)	\$78.2	(\$3.1)
	Earnings Per Share ²	\$1.15	(\$0.11)	\$2.40	(\$0.10)
Balance Sheet USDm	Total Interest Bearing Debt	\$802.8	\$516.2		
	Total Cash (inc. Restricted)	\$33.1	\$19.3		
	Total Assets	\$1,227.0	\$860.3		
	Total Equity	\$401.7	\$328.2		
	Leverage ³	66%	61%		

- The Board has declared a cash dividend of \$0.75 per share, amounting to \$24.3m
- Adjusted EBITDA of \$56.6m
- Net Income of \$37.1m
- Returning Capital to Shareholders:
 - Returned 19% of current market cap to shareholders since inception
 - Returned 54% of YTD 2020 profits to shareholders
- Capturing Market Strength:
 - Secured 3Y TCs for two Suezmax NBs
 - Performed in top quartile in the spot market; best in VLCCs
- Optimizing Debt Stack to Maximize Returns:
 - Received commitment for 80% LtV loan for two Suezmax NBs
 - Refinanced two Suezmaxes and reduced their daily CBES

NOTES: 1) Timecharter Coverage calculated as time charter days divided by total operating days.
 2) Earnings per share based on weighted average number of shares outstanding during the period.
 3) Leverage calculated as net debt over net debt plus book equity.

Commercial Performance – Q2 2020 Actuals

	Q2 2020 Actuals											
	VLCC			SUEZMAX			AFRAMAX/LR2			FLEETWIDE		
	Days	% of Total	TCE Rate ¹	Days	% of Total	TCE Rate ¹	Days	% of Total	TCE Rate ¹	Days	% of Total	TCE Rate ¹
Timecharter	489	67%	\$41,200	91	25%	\$48,100	–	–	–	580	43%	\$42,300
Spot	237	33%	\$97,800	267	75%	\$54,500	252	100%	\$28,000	756	57%	\$59,200
Total	726	100%	\$59,700	358	100%	\$52,900	252	100%	\$28,000	1,336	100%	\$51,900
Calendar	728			364			273			1,365		
Operating ²	726			358			252			1,336		
Utilization	100%			98%			92%			98%		
Comments	<ul style="list-style-type: none"> • Focused on shorter AG-East runs at start of Q2 to capture rising market through April. • Concluded multiple longer WAF-China voyages later in Q2 to lock in prevailing strong rates. 			<ul style="list-style-type: none"> • Concluded multiple long Med-East voyages throughout quarter to lock in prevailing strong rates; Poliegos and Folegandros traded this route exclusively. • Benefitted from strong profit share on Milos. 			<ul style="list-style-type: none"> • Structured multiple longer voyages as short TCs to lock in strong rates. • Maintained presence in clean LR2 market with Nissos Heraclea in WAF. 			<ul style="list-style-type: none"> • Shifted between shorter and longer voyages to capitalize on market volatility. • Maximized scrubber benefit as we went “overweight” long runs towards end of Q2. 		

NOTES: 1) Daily TCE rates based on operating days and net of commissions and voyage expenses.
2) Operating days calculated as calendar days less aggregate technical off-hire days.

Commercial Performance – Q3 2020 Guidance

	Q3 2020 Guidance											
	VLCC			SUEZMAX			AFRAMAX/LR2			FLEETWIDE		
	Days	% of Total	TCE Rate ¹	Days	% of Total	TCE Rate ¹	Days	% of Total	TCE Rate ¹	Days	% of Total	TCE Rate ¹
Timecharter	552	75%	\$43,100	41	11%	\$24,900	–	–	–	593	44%	\$41,800
Spot - Fixed	122	17%	\$54,200	223	59%	\$39,600	202	89%	\$19,700	547	41%	\$35,500
Spot - To Be Fixed	60	8%		114	30%		25	11%		199	15%	
Total	733	100%		378	100%		227	100%		1,339	100%	
Calendar	736			388			276			1,400		
Operating ²	733			378			227			1,339		
Utilization	100%			97%			82%			96%		
Comments	<ul style="list-style-type: none"> 67% of spot days fixed at \$54,200/day. Focus on WAF-China trade. Nissos Donoussa & Anafi opening in spot market in August & September. 			<ul style="list-style-type: none"> 66% of spot days fixed at \$39,600/day. Focus on Med-East trade. Kimolos (most recent spot fixture) concluded at ~\$24kpd TCE. 			<ul style="list-style-type: none"> 89% of spot days fixed at \$19,700/day. Nissos Therassia positioned out of weaker Med market on longer USC run, while Nissos Heraclea trading clean. Nissos Schinoussa positioned for first special survey & scrubber retrofit in Med. 			<ul style="list-style-type: none"> Q3 market features: <ul style="list-style-type: none"> China delays and demurrage. Volatility seen at beginning of quarter giving way to sideways sentiment. 		

NOTES: 1) Daily TCE rates based on operating days and net of commissions and voyage expenses. Includes only confirmed fixtures up to and including August 13, 2020.

2) Operating days calculated as calendar days less aggregate technical off-hire days.

Financial Review – Income Statement

Income Statement				
<i>USD Thousands, except per share amounts</i>	Q2 2020	Q2 2019	H1 2020	H1 2019
TCE Revenue	\$69,293	\$14,415	\$142,726	\$29,277
Vessel operating expenses	(9,237)	(5,054)	(17,987)	(9,188)
Management fees	(819)	(430)	(1,637)	(808)
General and administrative expenses	(2,590)	(597)	(3,180)	(1,899)
EBITDA	\$56,647	\$8,334	\$119,922	\$17,382
Depreciation and amortization	(10,054)	(4,507)	(20,044)	(8,310)
EBIT	\$46,594	\$3,827	\$99,878	\$9,071
Net interest expense	(9,482)	(7,453)	(20,329)	(12,217)
Other financial income/(expenses)	(10)	9	(1,347)	14
Net Income/(loss)	\$37,101	(\$3,618)	\$78,202	(\$3,132)
Earnings per share - basic & diluted	\$1.15	(\$0.11)	\$2.40	(\$0.10)
Weighted average shares - basic & diluted	32,390	32,100	32,550	31,705

Comments

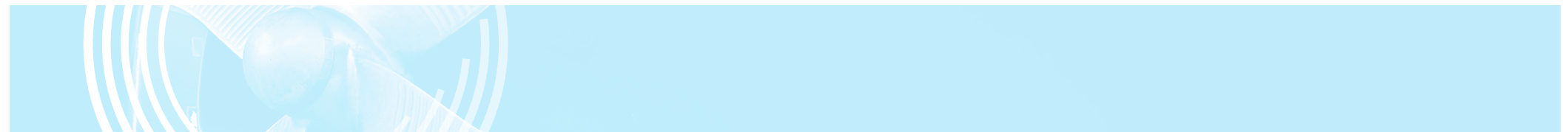
- Q2 2020 Fleetwide TCE of **\$51,900** per operating day
 - VLCC: \$59,700 per operating day
 - Suezmax: \$52,900 per operating day
 - Aframax/LR2: \$28,000 per operating day
- Fleetwide opex of **\$7,367** per calendar day (inc. mgmt. fees)
- TTM G&A of **\$918** per calendar day
- Adjusted EBITDA of **\$56.6m**
- Profit of **\$37.1m** or **\$1.15 / NOK 11.2** per share¹

Financial Review – Balance Sheet

Balance Sheet		
<i>USD Thousands</i>	June 30, 2020	June 30, 2019
Assets		
Cash & cash equivalents	\$27,740	\$16,993
Restricted cash	5,376	2,260
Vessels, net	1,084,026	570,474
Newbuildings	65,951	253,748
Other assets	43,875	16,822
Total Assets	\$1,226,967	\$860,298
Shareholders' Equity & Liabilities		
Shareholders' equity	\$401,650	\$328,238
Interest bearing debt	802,784	516,222
Other liabilities	22,533	15,837
Total Shareholders' Equity & Liabilities	\$1,226,967	\$860,298

Comments

- Total cash of \$33.1m
- Total assets of \$1,227.0m
- Total interest bearing debt of \$802.8m
- Book leverage of 66%
- Total equity of \$401.7m
- Book value of equity of \$12.4 / NOK 121 per share¹



Financial Review – Cash Flow Statement

Cash Flow Statement				
<i>USD Thousands</i>	Q2 2020	Q2 2019	H1 2020	H1 2019
Cash Flow from Operating Activities				
Net income	\$37,101	(\$3,618)	\$78,202	(\$3,132)
Total reconciliation adjustments	19,424	9,941	40,165	18,354
Total changes in working capital	(6,001)	(2,323)	(26,943)	(6,280)
Net cash provided by operating activities	\$50,523	\$4,000	\$91,424	\$8,942
Cash Flow from Investing Activities				
Investment in newbuildings	(\$31,592)	(\$127,839)	(\$108,505)	(\$194,239)
Other investing activities	(3,630)	(1,231)	(7,577)	(246)
Net cash used in investing activities	(\$35,222)	(\$129,070)	(\$116,082)	(\$194,485)
Cash Flow from Financing Activities				
Net changes in debt	\$8,958	\$108,596	\$69,920	\$177,221
Net changes in equity	(1,359)	15,000	(2,058)	15,000
Dividends	(16,188)	–	(16,188)	–
Financing costs	–	(2,949)	(230)	(5,290)
Other financing activities	(1,798)	(578)	(12,441)	(2,478)
Net cash provided by/(used in) financing activities	(\$10,387)	\$120,068	\$39,003	\$184,453
<i>Net change in cash & cash equivalents</i>	<i>4,915</i>	<i>(5,000)</i>	<i>14,344</i>	<i>(1,089)</i>
Cash and cash equivalents at beginning of period	22,825	21,995	13,396	18,083
Cash and cash equivalents at end of period	\$27,740	\$16,993	\$27,740	\$16,993

As of June 30, 2020

- Remaining capex of \$68.3m
 - 2x Suezmax NBs: \$64.5m
 - 2x Aframax/LR2 Scrubbers¹: \$2.9m
 - 2x Aframax/LR2 Special Surveys: \$0.9m
- Total liquidity of \$105.4m
 - Cash² & Undrawn RCF: \$48.1m
 - 2x Suezmax Delivery Finance (net of pre-delivery repayment): \$57.3m

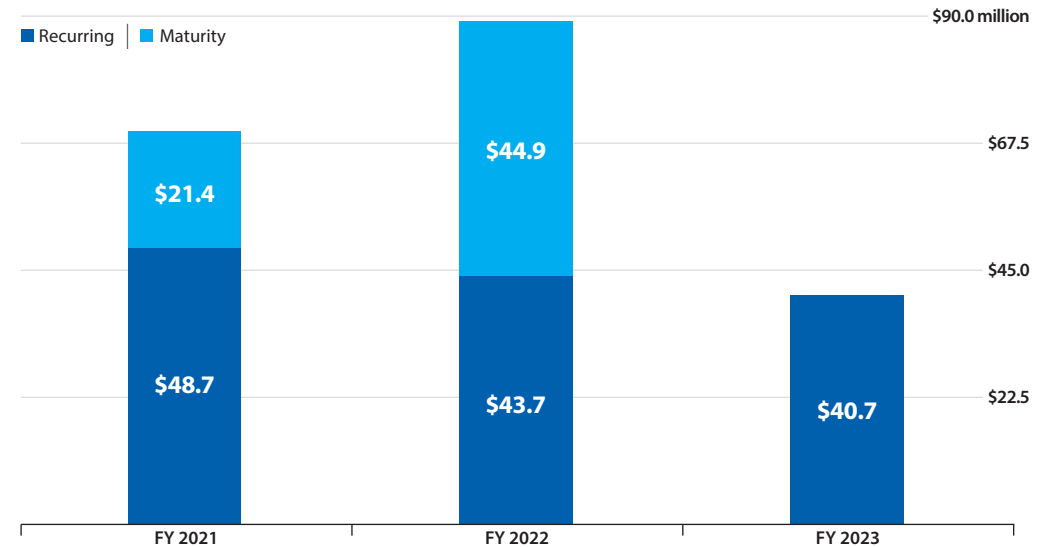
NOTES: 1) Includes both hardware and anticipated installation costs.
2) Includes restricted cash.

Financing & Remaining Capex Overview

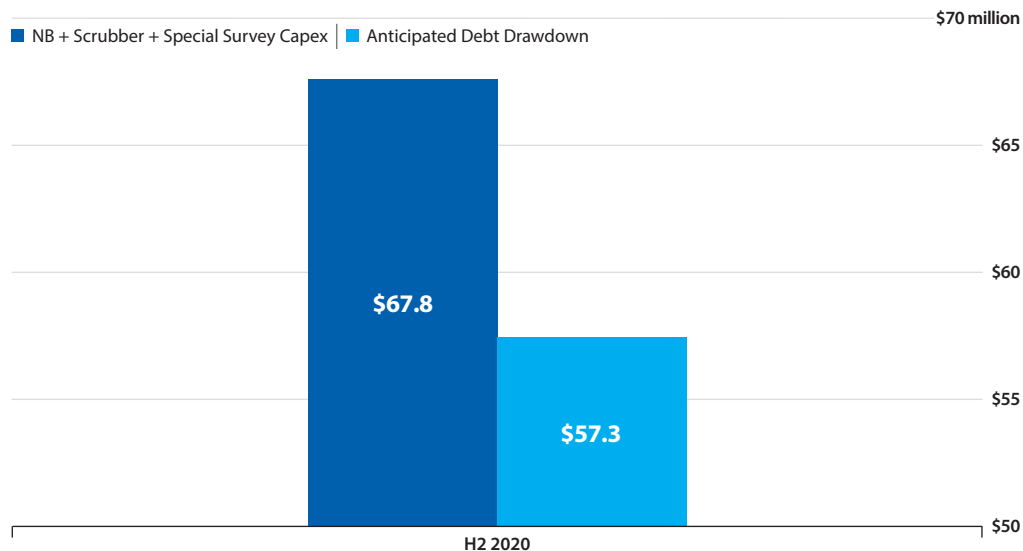
Debt Snapshot (as of June 30, 2020)

Lender & Vessel	Outstanding USDm	Available USDm	Margin %	Profile Years
BNP Paribas (Nissos Heraclea)	\$28.1	-	2.25%	17
HCOB (Nissos Therassia & Nissos Schinoussa)	50.8	-	2.60%	17
Bank Debt (Kimolos & Folegandros)	80.9	-	3.10%	20
Ocean Yield (Poliegos & Milos)	85.0	-	4.45%	17
Ocean Yield (4x VLCCs)	279.2	-	4.55%	17
Bank Debt (4x VLCCs)	222.8	-	2.27%	17
Pre-Delivery Financing (2x Suez NBs)	45.8	-	3.50%	1
Scrubber Financing	10.3	-	2.00%	4
Shareholder Loan	-	15.0	6.25%	-
Total Debt, net of financing fees	\$802.8	\$15.0	3.47%	16

Repayment Profile (as of June 30, 2020)



Capex & Debt Draw Schedule (as of June 30, 2020)



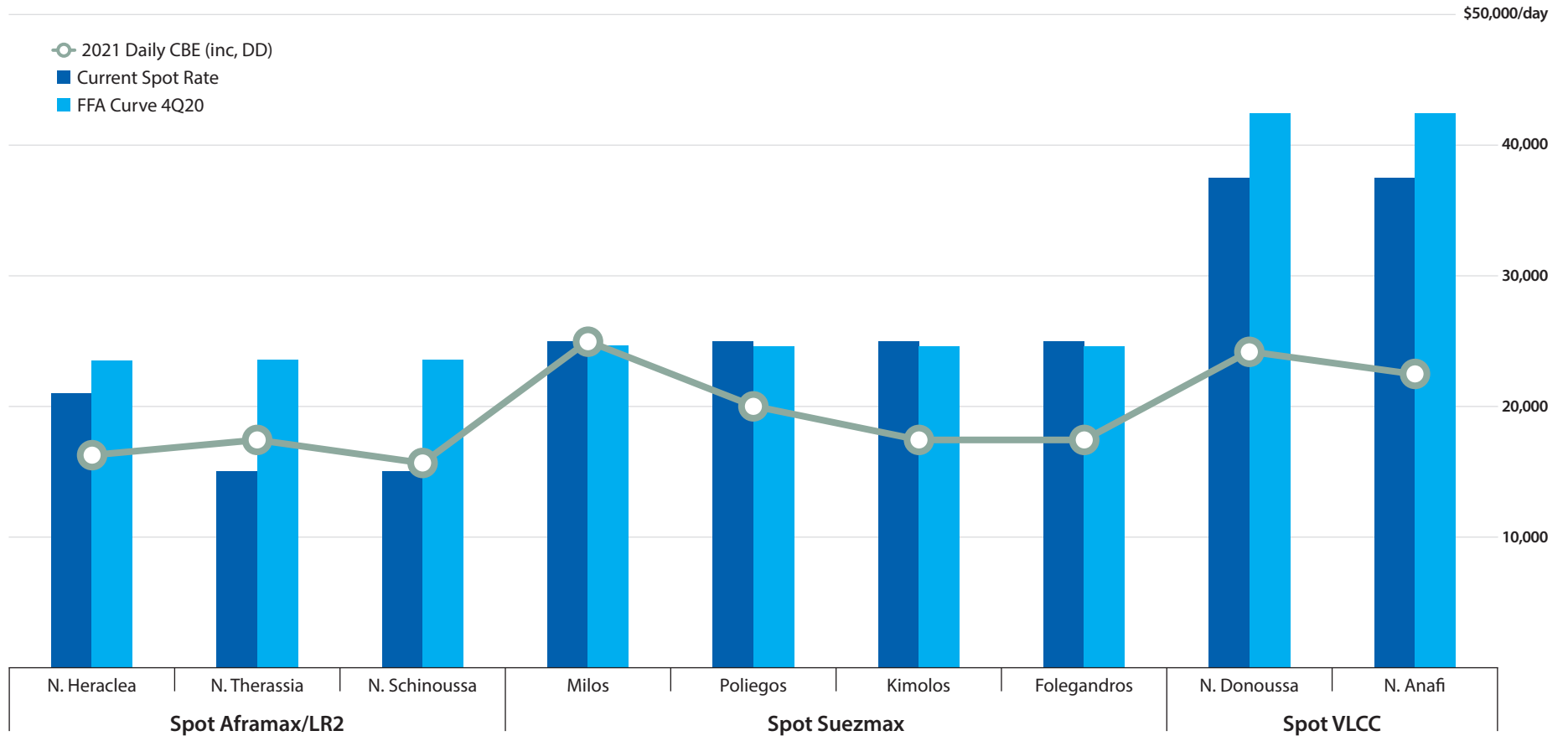
Scrubber/Special Survey Schedule

Vessel	Type	Off-hire start	Off-hire days
• Nissos Schinoussa	Aframax/LR2	Sep-20	45
• Nissos Heraclea	Aframax/LR2	Oct-20	45

Due to Covid-19 delays at the yard we postponed the remaining dry docks until Q3-Q4 2020.

Vast Majority of OET Spot Ships are Cash Generative

Robust charter coverage expected to generate further \$10m of FCF in 4Q20

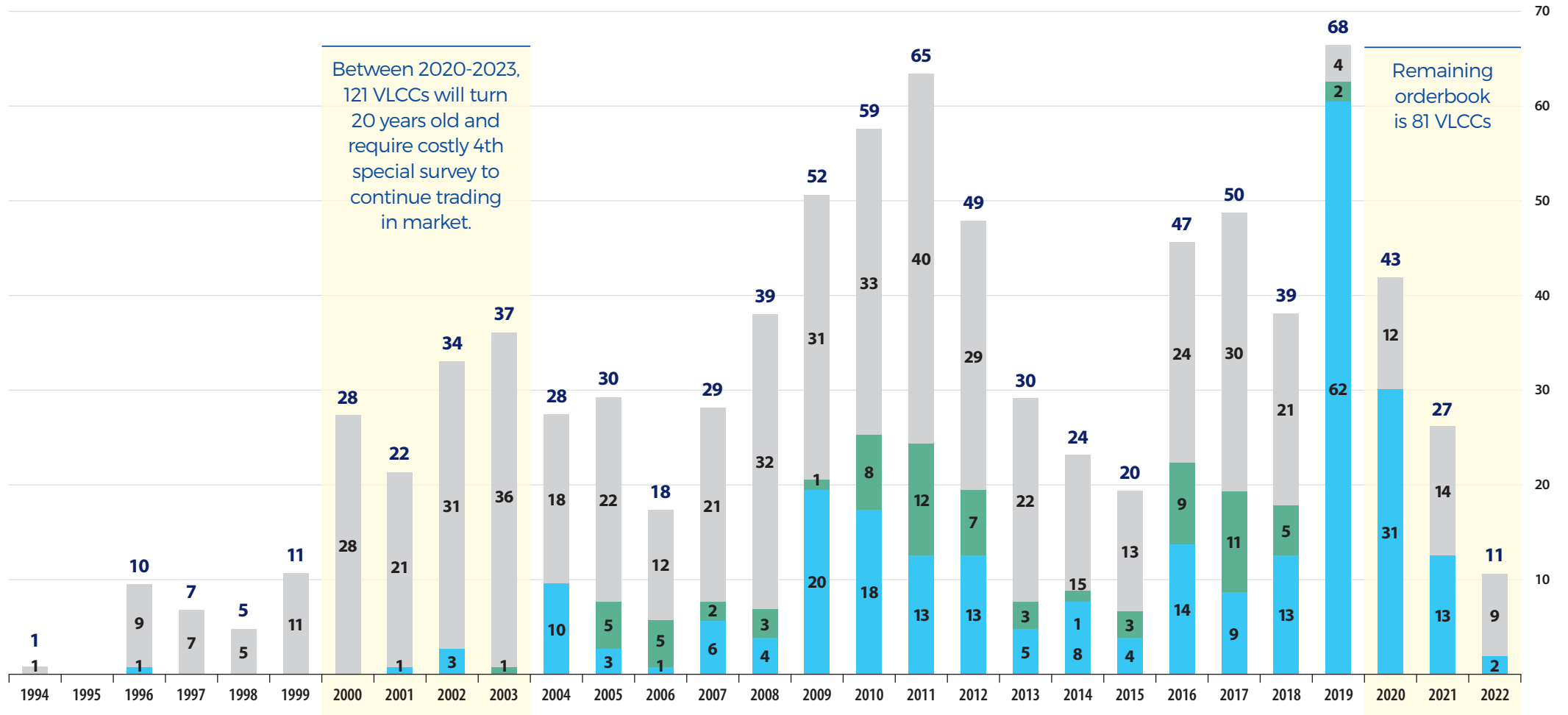


Tanker Fleet Profile is Major Tailwind

Off-hire & scrapping will remain elevated through 2023

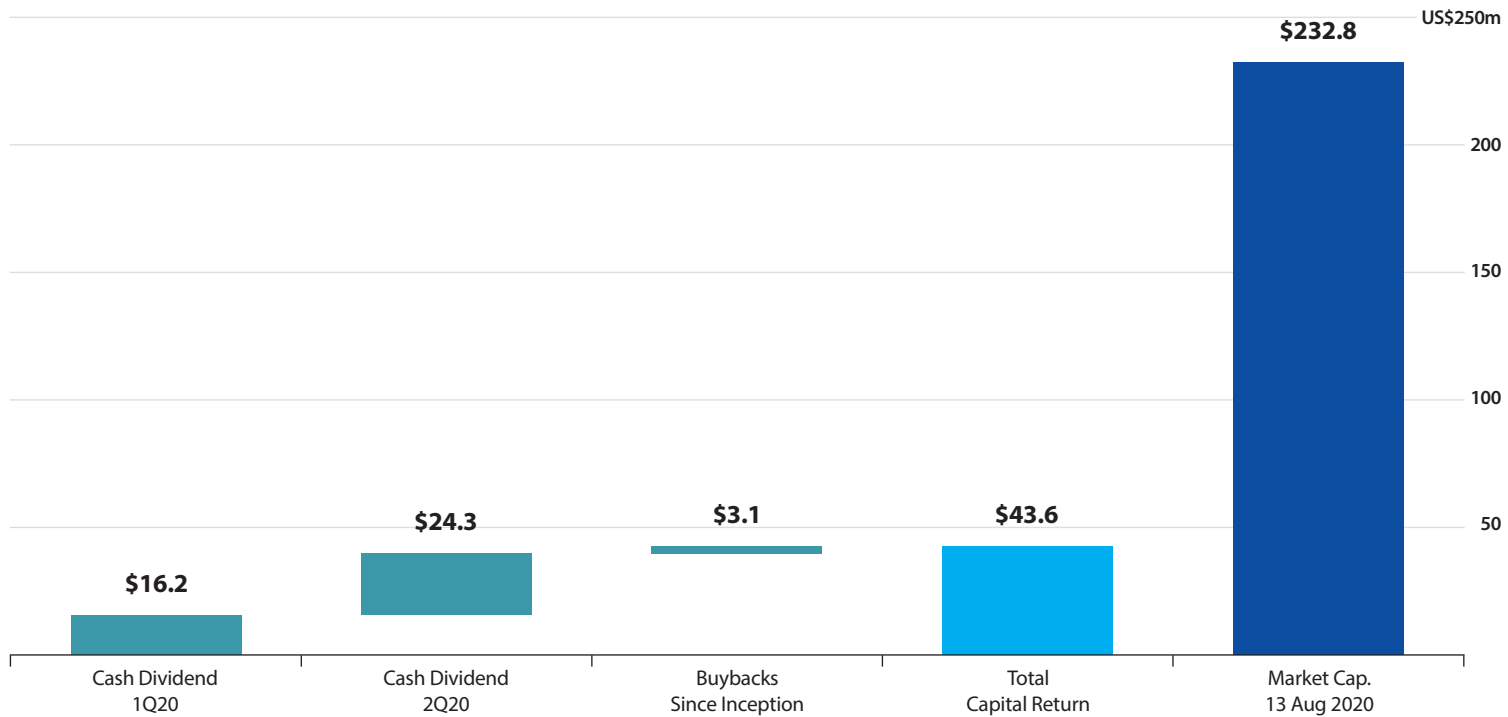
80 VLCCs

- Non-Scrubber
- Scrubber Pending
- Scrubber Fitted



Capital Return Track Record

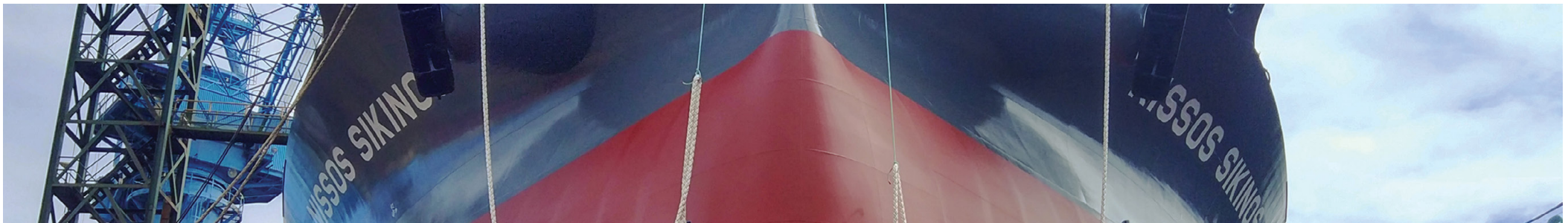
OET has returned 19% of its market cap and 54% of YTD 2020 profits



We are committed to our Discount Control Mechanism starting in Jan. 2021, though our strategic objective remains to monetize all or portions of our fleet at the right point in the tanker cycle.

Summary & Outlook

- OET continues to aggressively return capital to shareholders; dividends & operational outperformance are what we want to be known for.
- The vast majority of our ships trading in the spot market are cash generative, with robust time charter coverage providing further support.
- The tanker market has held up very well despite reduced cargoes and weaker refining margins.
- Our fleet is optimally positioned to capture market strength, and our consistent operational outperformance ensures best in class financial results.





Appendix

OET Fleet Overview

Fleet Attributes

- Attractive mix of crude tanker vessels • Future-proof specifications • All vessels with eco design •
- All vessels built at first class S. Korean and Japanese yards •
- Entire fleet to be scrubber fitted • All vessels have BWTS installed •

No.	Type	Vessel	Yard	Country	Built	Age	DWT	Employment	Eco-Design?	Scrubber?	BWTS?
1		Nissos Heraclea	HHI	Korea	2015-07	5	114,322	Spot	Yes	4Q20	Yes
2	Aframax/LR2	Nissos Therassia	HHI	Korea	2015-01	5	114,322	Spot	Yes	Yes	Yes
3		Nissos Schinoussa	HHI	Korea	2015-09	5	114,322	Spot	Yes	3Q20	Yes
4		Milos	SSME	Korea	2016-10	4	157,537	Spot	Yes	Yes	Yes
5		Poliegos	SSME	Korea	2017-01	3	157,537	Spot	Yes	Yes	Yes
6	Suezmax	Kimolos	JMU	Japan	2018-05	2	159,159	Spot	Yes	Yes	Yes
7		Folegandros	JMU	Japan	2018-09	2	159,159	Spot	Yes	Yes	Yes
8		Nissos Sifnos	HSHI	Korea	2020-09	0	157,971	Under construction; TC upon dely	Yes	Yes	Yes
9		Nissos Sikinos	HSHI	Korea	2020-09	0	157,971	Under construction; TC upon dely	Yes	Yes	Yes
10		Nissos Rhenia	HHI	Korea	2019-05	1	318,953	Time charter	Yes	Yes	Yes
11		Nissos Despotiko	HHI	Korea	2019-06	1	318,953	Time charter	Yes	Yes	Yes
12		Nissos Santorini	HHI	Korea	2019-07	1	318,953	Time charter	Yes	Yes	Yes
13		Nissos Antiparos	HHI	Korea	2019-07	1	318,953	Time charter	Yes	Yes	Yes
14	VLCC	Nissos Donoussa	HHI	Korea	2019-08	1	318,953	Spot	Yes	Yes	Yes
15		Nissos Kythnos	HHI	Korea	2019-09	1	318,953	Time charter	Yes	Yes	Yes
16		Nissos Keros	HHI	Korea	2019-10	1	318,953	Time charter	Yes	Yes	Yes
17		Nissos Anafi	HHI	Korea	2020-01	0	318,953	Spot	Yes	Yes	Yes



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