



OKEANIS
ECO TANKERS

Q2 2021
EARNINGS PRESENTATION
August 12, 2021



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Highlights

	Q2 2021	Q2 2020	H1 2021	H1 2020
Commercial Performance USD per day	VLCC Daily TCE	\$27,200	\$59,700	\$29,700
	Suezmax Daily TCE	\$22,300	\$52,900	\$22,200
	Aframax/LR2 Daily TCE	\$16,900	\$28,000	\$17,800
	Fleetwide Daily TCE	\$23,600	\$51,900	\$24,900
	Fleetwide Daily Opex	\$7,604	\$7,367	\$7,555
	Timecharter Coverage ¹	48%	43%	56%
Income Statement USDm exc. EPS	TCE Revenue	\$34.5	\$69.3	\$74.1
	Adjusted EBITDA	\$22.2	\$56.6	\$47.4
	Adjusted Profit	\$3.5	\$37.1	\$9.4
	Adjusted EPS ²	\$0.11	\$1.15	\$0.29
Balance Sheet USDm	Total Interest Bearing Debt		\$758.2	\$802.8
	Total Cash (inc. Restricted)		\$32.7	\$33.1
	Total Assets		\$1,157.5	\$1,227.0
	Total Equity		\$369.0	\$401.7
	Leverage ³		66%	66%

- OET remains profitable even in very weak market
- Adjusted EBITDA of \$22.2m
- Adjusted Profit of \$3.5m
- Returning Capital to & Generating Returns for Shareholders:
 - Returned \$24m of capital in 2Q21
 - Generated 35% total return since inception
- Optimizing VLCC Fleet & Charter Portfolio:
 - Rejuvenated VLCC fleet with sale of 2x 2019-built VLCCs (\$90m/VLCC) and acquisition of 2x 2022-built VLCCs (\$97m/VLCC) for extremely attractive 3Y age-adjusted spread
 - Increased spot market exposure by 1.2x VLCC-equivalents throughout FY22
- The Board of Directors has decided to postpone a capital distribution this quarter to preserve liquidity; distributions will resume once the sale of the two VLCCs (Nissos Antiparos, Nissos Santorini) is completed

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 2021 Actuals

	Q2 2021 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	421	63%	\$34,700	182	34%	\$29,100	91	36%	\$18,500	694	48%	\$31,100
Spot	244	37%	\$14,300	358	66%	\$18,800	161	64%	\$16,000	763	52%	\$16,800
Total	666	100%	\$27,200	540	100%	\$22,300	252	100%	\$16,900	1,458	100%	\$23,600
Calendar	728			546			254			1,528		
Operating ²	666			540			252			1,458		
Utilization	91%			99%			99%			95%		
Comments	<ul style="list-style-type: none"> Fixed longer voyages which generated higher TCEs due to eco & scrubber premium. Incurred minor off-hire to conclude light repairs. 			<ul style="list-style-type: none"> Fixed multiple front-haul voyages to the East and focused on triangulation for TCE optimization. Benefitted from positive IFRS impact carried over from Q1. 			<ul style="list-style-type: none"> Positioned to capitalize on a Med rate spike in early Q2 on Therassia and Schinoussa. Delivered Therassia and Schinoussa to new owners in June, benefitting from longer laden leg of last voyage. 			<ul style="list-style-type: none"> Lower trending market with poor sentiment and no volatility. Persistent oversupply of ships in all trading basins. 		

Commercial Performance – Q3 2021 Guidance

	Q3 2021 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	276	38%	\$30,800	184	33%	\$28,800	–	–	–	460	35%	\$30,000
Spot - Fixed	335	46%	\$15,600	210	38%	\$11,200	40	100%	\$12,900	585	44%	\$13,800
Spot - To Be Fixed	124	17%		156	28%		–	–		280	21%	
Total	734	100%		549	100%		40	100%		1,325	100%	
Calendar	736			552			48			1,336		
Operating ²	734			549			40			1,325		
Utilization	100%			100%			83%			99%		
Comments	<ul style="list-style-type: none"> 73% of spot days fixed at \$15,600/day. Continued fixing longest voyages available. Current spot market TCE of ~\$11kpd. 			<ul style="list-style-type: none"> 57% of spot days fixed at \$11,200/day. Maintained positions in East to triangulate fleet. Current spot market TCE of ~\$9kpd. 			<ul style="list-style-type: none"> 100% of spot days fixed at \$12,900/day. Anticipated delivery of Heraclea between 15-20 August. 			<ul style="list-style-type: none"> Q3 market features: <ul style="list-style-type: none"> Heavy inventory destocking due to expensive spot oil price sapping refinery seaborne import demand. From bad to worse... conditions can only improve. 		

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 12, 2021.

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

OET Fleet Overview

Fleet Attributes

- Attractive mix of crude tanker vessels • All vessels with ECO-design •
- All vessels built at first class S. Korean and Japanese yards •
- All vessels scrubber-fitted • All vessels have BWTS installed •

No.	Type	Vessel	Yard	Country	Built	Age	DWT	Employment	ECO-design?	Scrubber?	BWTS?	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	Expiry
1	Aframax/LR2	Nissos Heraclea	HHI	Korea	2015-07	6	114,322	Spot	Yes	Yes	Yes							
2		Milos	SSME	Korea	2016-10	6	157,537	Spot	Yes	Yes	Yes							
3		Poliegos	SSME	Korea	2017-01	5	157,537	Spot	Yes	Yes	Yes							
4	Suezmax	Kimolos	JMU	Japan	2018-05	4	159,159	Spot	Yes	Yes	Yes							
5		Folegandros	JMU	Japan	2018-09	4	159,159	Spot	Yes	Yes	Yes							
6		Nissos Sikinos	HSHI	Korea	2020-09	2	157,971	Time charter	Yes	Yes	Yes							Sep-23
7		Nissos Sifnos	HSHI	Korea	2020-09	2	157,971	Time charter	Yes	Yes	Yes							Sep-23
8		Nissos Rhenia	HHI	Korea	2019-05	3	318,953	Time charter	Yes	Yes	Yes							Dec-21
9		Nissos Despotiko	HHI	Korea	2019-06	3	318,953	Time charter	Yes	Yes	Yes							May-23
10		Nissos Santorini	HHI	Korea	2019-07	2	318,953	Spot	Yes	Yes	Yes							
11		Nissos Antiparos	HHI	Korea	2019-07	2	318,953	Spot	Yes	Yes	Yes							
12	VLCC	Nissos Donoussa	HHI	Korea	2019-08	3	318,953	Spot	Yes	Yes	Yes							
13		Nissos Kythnos	HHI	Korea	2019-09	3	318,953	Time charter	Yes	Yes	Yes							Dec-21
14		Nissos Keros	HHI	Korea	2019-10	3	318,953	Spot	Yes	Yes	Yes							
15		Nissos Anafi	HHI	Korea	2020-01	2	318,953	Spot	Yes	Yes	Yes							
16		Nissos Kea	HHI	Korea	2022-03	-	300,000	Spot	Yes	Yes	Yes							
17		Nissos Nikouria	HHI	Korea	2022-05	-	300,000	Spot	Yes	Yes	Yes							

Spot
 Fixed rate
 Sold
 Under construction

Financial Review – Income Statement

Income Statement					
USD Thousands, except per share amounts		Q2 2021	Q2 2020	H1 2021	H1 2020
TCE Revenue		\$34,478	\$69,293	\$74,052	\$142,726
Vessel operating expenses		(10,077)	(9,237)	(20,185)	(17,987)
Management fees		(1,541)	(819)	(2,918)	(1,637)
General and administrative expenses		(631)	(2,590)	(3,549)	(3,180)
EBITDA		\$22,229	\$56,647	\$47,400	\$119,922
Depreciation and amortization		(10,825)	(10,054)	(22,014)	(20,044)
EBIT		\$11,405	\$46,594	\$25,386	\$99,878
Net interest expense		(7,832)	(9,482)	(15,797)	(20,329)
Other expenses		–	(7)	–	(1,335)
Impairment loss		(3,933)	–	(3,933)	–
Loss on disposal of vessels		(7,619)	–	(7,619)	–
Other financial expenses		(101)	(7)	1,226	8
Reported Profit/(loss)		(\$8,079)	\$37,101	(\$737)	\$78,202
Reported EPS - basic & diluted		(\$0.25)	\$1.15	(\$0.02)	\$2.40
Adjustments		11,752	7	10,310	1,355
Adjusted Profit		\$3,672	\$37,108	\$9,572	\$79,557
Adjusted EPS - basic & diluted		\$0.11	\$1.15	\$0.29	\$2.44
Weighted average shares - basic & diluted		32,376	32,390	32,376	32,550

Comments

- Q2 2021 Fleetwide TCE of \$23,600 per operating day
 - VLCC: \$27,200 per operating day
 - Suezmax: \$22,300 per operating day
 - Aframax/LR2: \$16,900 per operating day
- Fleetwide opex of \$7,604 per calendar day (inc. mgmt. fees)
- G&A of \$413 per calendar day
- Adjusted EBITDA of \$22.2m
- Adjusted profit of \$3.5m or \$0.11 / NOK 0.9 per share¹

Financial Review – Balance Sheet

Balance Sheet		
<i>USD Thousands</i>	<i>June 30, 2021</i>	<i>June 30, 2020</i>
Assets		
Cash & cash equivalents	\$25,357	\$27,740
Restricted cash	7,357	5,376
Vessels, net	1,086,596	1,084,026
Newbuildings	–	65,951
Other assets	38,156	43,875
Total Assets	\$1,157,467	\$1,226,967
Shareholders' Equity & Liabilities		
Shareholders' equity	\$368,989	\$401,650
Interest bearing debt	758,160	802,784
Other liabilities	30,318	22,533
Total Shareholders' Equity & Liabilities	\$1,157,467	\$1,226,967

Comments

- Total cash of \$32.7m
- Total assets of \$1,157.5m
- Total interest bearing debt of \$758.2m
- Book leverage of 66%
- Total equity of \$369.0m
- Book value of equity of \$11.4 / NOK 98 per share¹

Financial Review – Cash Flow Statement

Cash Flow Statement					
USD Thousands	Q2 2021	Q2 2020	H1 2021	H1 2020	
Cash Flow from Operating Activities					
Net income	(\$8,079)	\$37,101	(\$737)	\$78,202	
Total reconciliation adjustments	30,114	19,424	47,408	40,165	
Total changes in working capital	(19,074)	(6,001)	(24,906)	(26,943)	
Net cash provided by operating activities	\$2,960	\$50,523	\$21,764	\$91,424	
Cash Flow from Investing Activities					
Investment in newbuildings	(\$747)	(\$32,146)	(\$2,606)	(\$109,141)	
Proceeds from vessels' disposal	82,176	–	82,176	–	
Other investing activities	4,305	(3,076)	4,688	(6,942)	
Net cash used in investing activities	\$85,733	(\$35,222)	\$84,257	(\$116,082)	
Cash Flow from Financing Activities					
Net changes in debt	(\$63,317)	\$8,958	(\$77,112)	\$69,920	
Net changes in equity	–	(1,359)	–	(2,058)	
Dividends	(24,282)	(16,188)	(27,502)	(16,188)	
Financing costs	–	–	–	(230)	
Other financing activities	553	(1,798)	612	(12,441)	
Net cash (used in)/provided by financing activities	(\$87,047)	(\$10,387)	(\$104,002)	\$39,003	
<i>Net change in cash & cash equivalents</i>	<i>1,647</i>	<i>4,915</i>	<i>2,019</i>	<i>14,344</i>	
Cash and cash equivalents at beginning of period	23,710	22,825	23,338	13,396	
Cash and cash equivalents at end of period	\$25,357	\$27,740	\$25,357	\$27,740	

As of June 30, 2021

- **Total capex of \$196m**
 - 2x VLCC acquisition:¹ \$194m
 - 2x Suezmax special survey: \$2m
- **Total liquidity of \$228m**
 - Cash:² \$33m
 - 2x VLCC sale equity proceeds: \$40m
 - 1x Aframax sale equity proceeds: \$15m
 - Anticipated debt financing:³ \$140m

NOTES: 1) 17.4m due by 4Q21, \$141.5m due by 2Q22 and \$35.1m due by 2Q24.

2) Includes restricted cash.

3) Based on indicative terms being discussed with lenders; for illustrative purposes only.

Debt Snapshot

Vessel	Type	Debt Outstanding ¹	Rate Type	Fixed Rate / Margin over LIBOR	FY 2022 Amortization
		USDm		%	USDm
Nissos Heraclea	Aframax/LR2	\$25.8	Floating	L+2.25%	n/a
Milos	Suezmax	42.1	Floating	L+4.22%	2.9
Poliegos	Suezmax	37.8	Floating	L+4.67%	2.1
Kimolos	Suezmax	39.8	Fixed	2.80%	2.8
Folegandros	Suezmax	37.0	Fixed	2.95%	2.4
Nissos Sikinos	Suezmax	48.7	Fixed	2.30%	3.4
Nissos Sifnos	Suezmax	48.7	Fixed	2.30%	3.4
Nissos Rhenia	VLCC	66.0	Floating	L+4.55%	5.4
Nissos Despotiko	VLCC	66.5	Floating	L+4.55%	5.4
Nissos Santorini	VLCC	66.8	Floating	L+4.55%	n/a
Nissos Antiparos	VLCC	67.0	Floating	L+4.55%	n/a
Nissos Donoussa	VLCC	50.4	Fixed	2.80%	4.3
Nissos Kythnos	VLCC	51.8	Fixed	2.58%	3.4
Nissos Keros	VLCC	52.9	Fixed	2.56%	3.2
Nissos Anafi	VLCC	53.1	Fixed	2.48%	3.6
Scrubber Financing	3x Scrubbers	3.8	Floating	L+2.00%	1.4
Total Debt		\$758.2		3.52%²	\$43.6

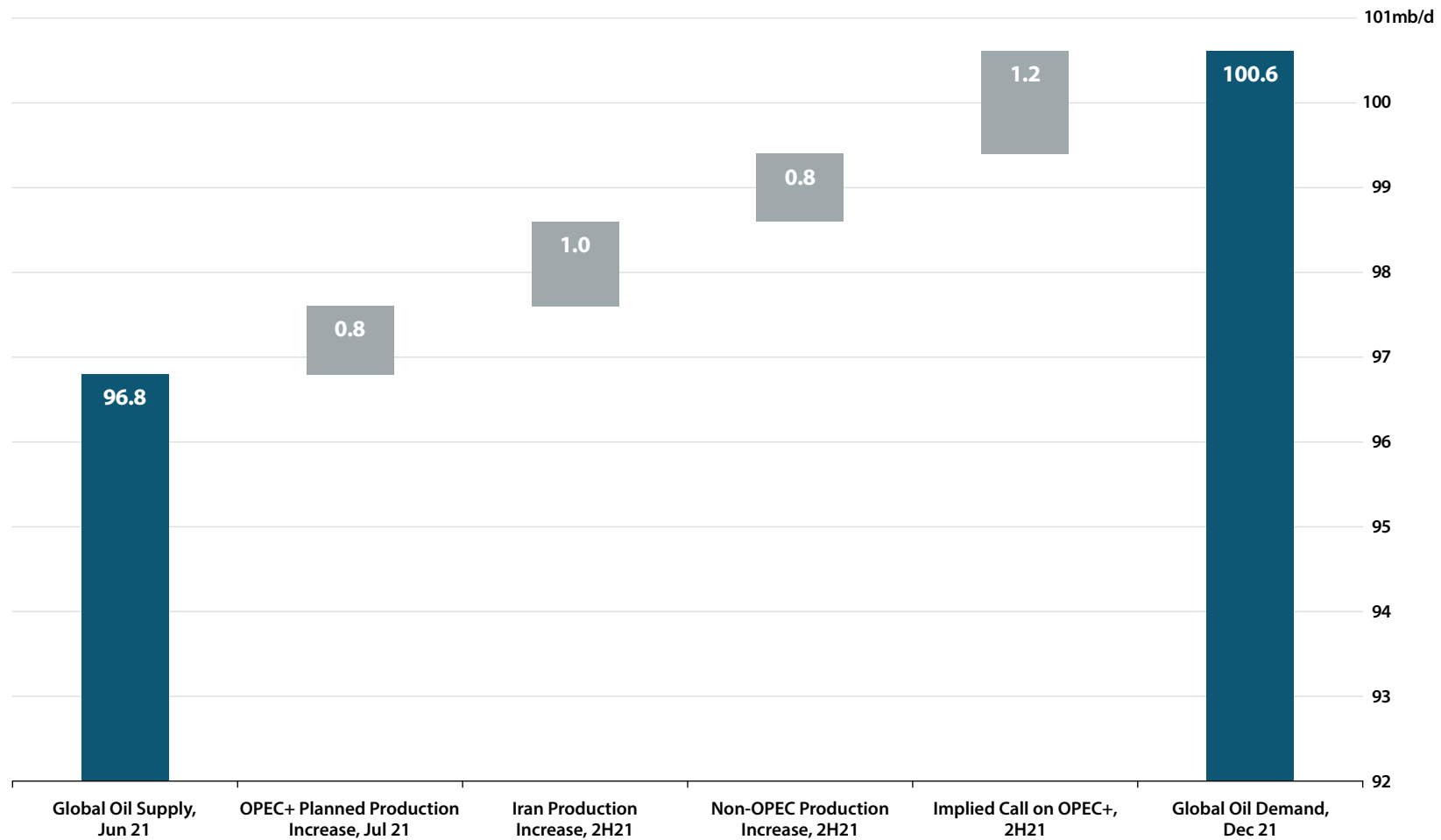
NOTES: 1) As of June 30, 2021. Net of financing fees.

2) Total value-weighted cost of debt assuming LIBOR of 30 basis points.

Additional ~4mb/d of crude production needed in 2H21

Inventory overhang has been cleared and seaborne volumes now required

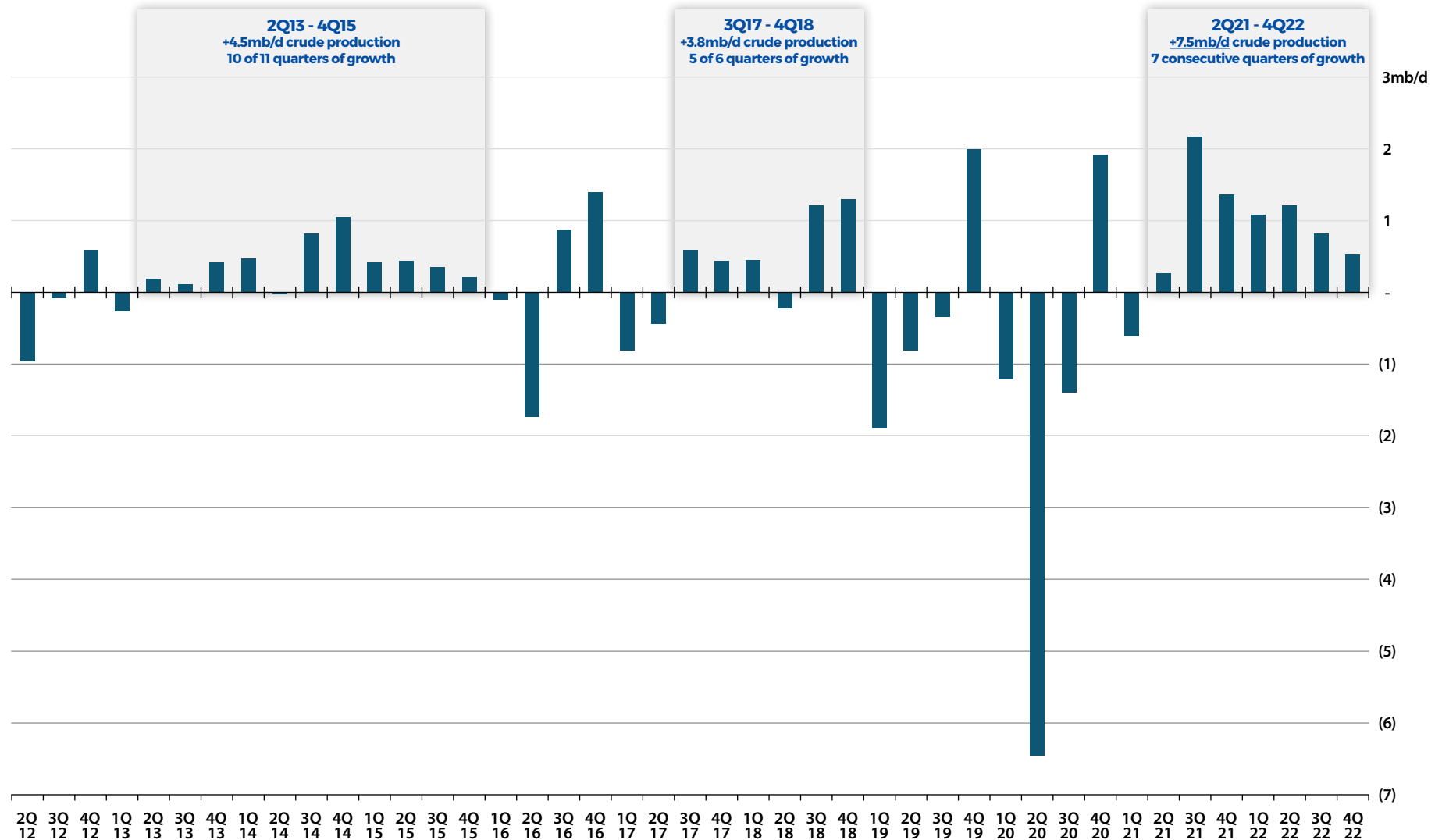
Global Crude Oil Supply / Demand Waterfall



Unprecedented crude production growth expected 2Q21-4Q22

Periods of consecutive growth lead to tanker market strength

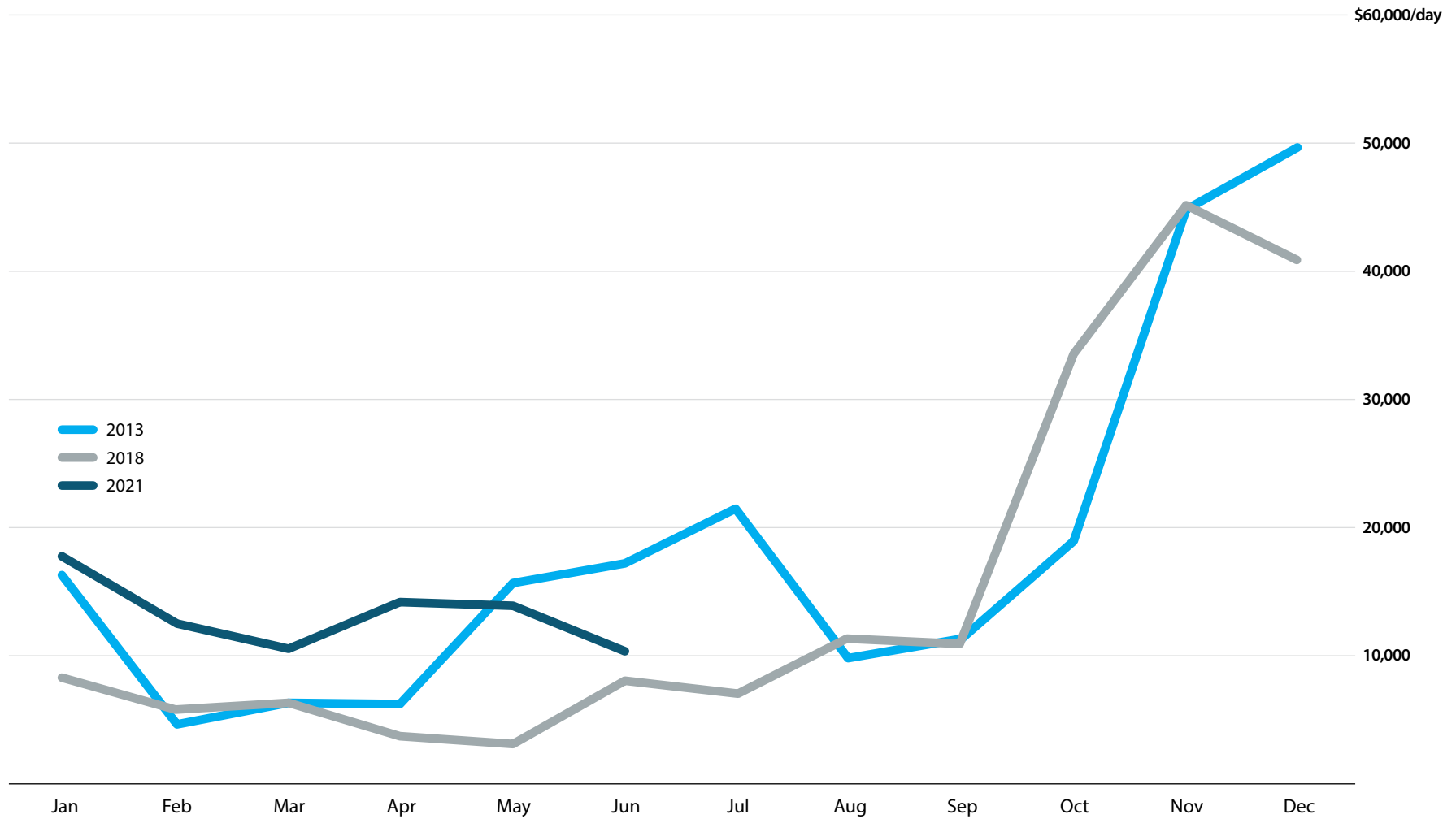
QoQ Change in Global Crude Oil Production



2H21 will follow similar trajectory to 2013 & 2018

Rise in seaborne volumes will drive VLCC rates higher

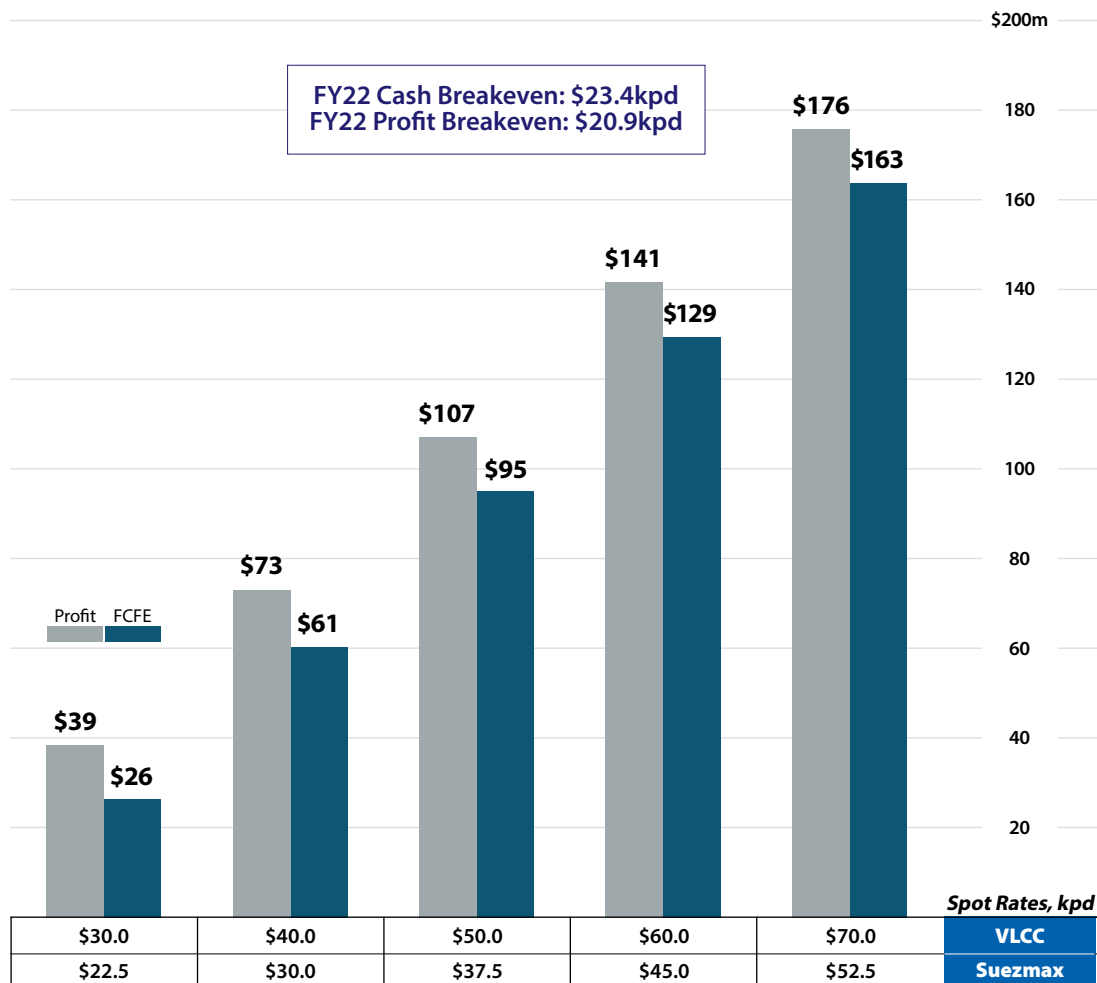
VLCC Spot Rates



Sensitivity of FY 2022 & 2023 Profit and FCFE to Spot Rates

OET can generate ~20-130% of its market cap in earnings over next two years

Illustrative FY 2022 Profit & Free Cash Flow to Equity



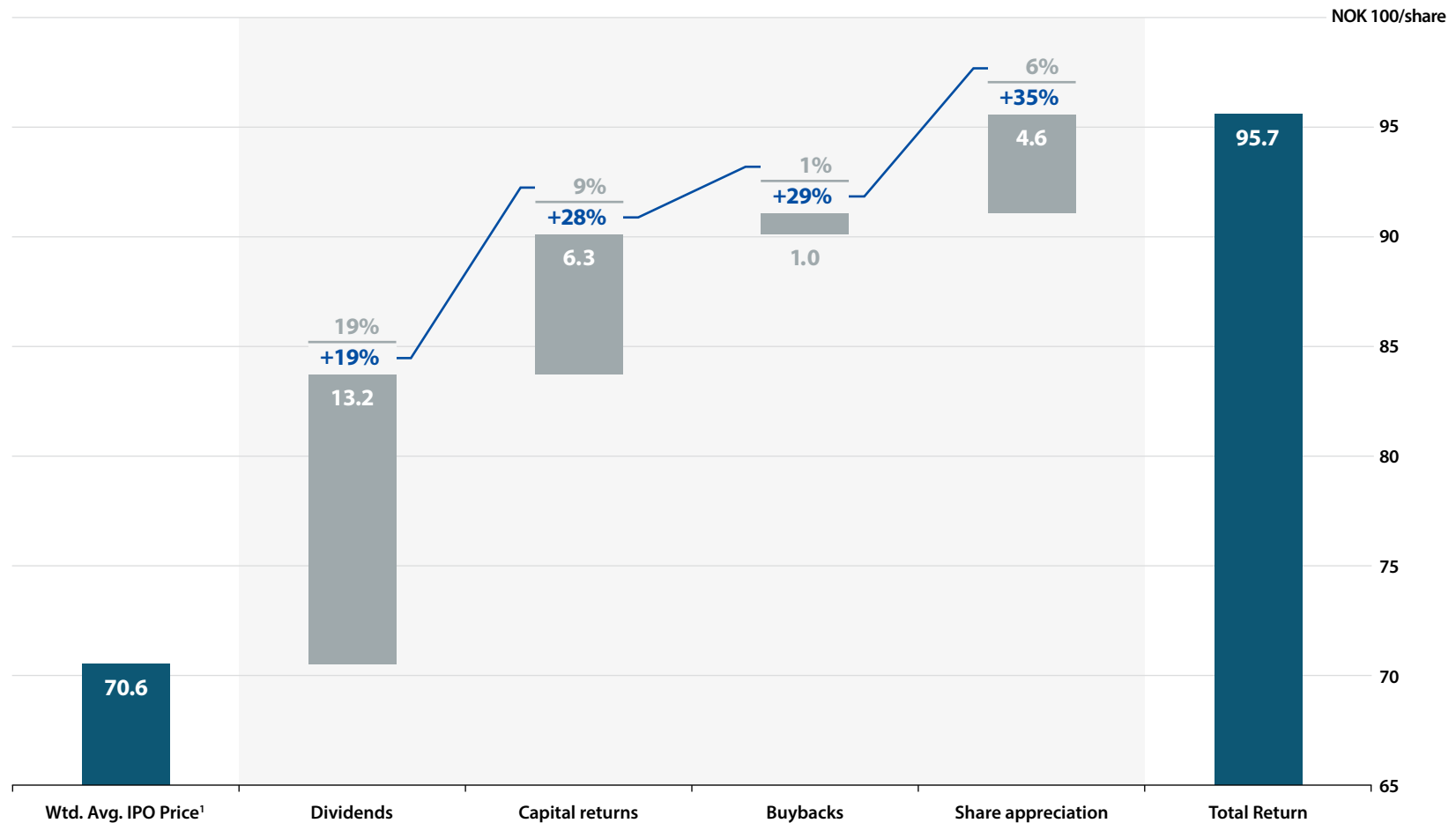
Illustrative FY 2023 Profit & Free Cash Flow to Equity



NOTE: OET internal profit & free cash flow to equity (FCFE) forecast. Analysis assumes LIBOR of 30 basis points, repayment of \$35.4m equity portion for 2022-built VLCCs Nissos Kea & Nissos Nikouria in 2024 and delivery financing of \$70m per vessel, 16 year amortization profile and margin over LIBOR of 2.25%. Suezmax spot rates assumed at constant 25% discount to VLCC spot rates. Closing price as of August 9, 2021.

OET has generated a 35% total return since inception

35% or NOK 25 per share total return



NOTE: 1) Weighted average IPO price based on initial offering of \$100m at NOK 72 per share and secondary offering of \$30m at NOK 66 per share. Closing price as of August 9, 2021.

Summary & Outlook

- OET continues returning capital to shareholders while also taking steps to optimize its fleet and charter portfolio in anticipation of a strengthening market.
- The tanker market currently remains depressed primarily due to a lack of cargoes; however, global oil inventories have normalized and seaborne trade will thus be required to meet future oil demand.
- The shipping market's corrective mechanism – scrapping – has not yet kicked in as the majority of scrap candidates are buffered from weak rates by lucrative, sanctioned trades.
- Demand uncertainty is also rising due to the Delta variant, although hospitalizations have decoupled from daily infections.
- The oil market is extremely tight and stoking inflationary pressures, signaling the need for greater oil supply.
- Positive production deltas are the main driver of tanker market strength.



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