E-MARKET SDIR CERTIFIED

d'Amico International Shipping S.A.

Annual Report
d'Amico International Shipping S.A.
2020

E-MARKET SDIR CERTIFIED

d'Amico International Shipping S.A.

2020 Annual Report

CONSOLIDATED AND STATUTORY FINANCIAL STATEMENTS

Year ended 31 December 2020

d'Amico International Shipping S.A.
Registered office at 25C Boulevard Royal, Luxembourg
RCS B124790
Share capital US$ 62,052,650.30 as at 31 December 2020

This document is available on www.damicointernationalshipping.com

Contents

LETTER TO SHAREHOLDERS

Dear Shareholders,

I am pleased to present d'Amico International Shipping's Annual Report. In 2020, DIS posted a Net profit of US$ 16.6 million compared with a Net loss of US$ (27.5) million recorded in 2019. Excluding some non-recurring effects from both years, DIS' Adjusted net result would have amounted to US$ 22.5 million in 2020 compared with US$ (7.7) million in 2019, corresponding to an increase of US$ 30.2 million year-on-year.

I am particularly proud of the profitable result achieved by DIS in 2020, despite the very challenging market conditions, especially in the second-half of the year. These results were achieved thanks to a strong team effort and personal sacrifices by many of our employees, in particular our Seafarers, which I would like to laud and thank, due to their usual invaluable contribution, despite the crew change crisis confronted by our industry.

Counterintuitively, the onset of COVID-19 had an initial positive effect on freight rates, which rose to record highs as the sharp drop in oil demand which ensued, coupled with the increase in oil production especially from Saudi Arabia and Russia, moved the oil curve into a steep contango, providing a significant incentive to increase oil stocks worldwide. Land-based storage facilities quickly reached almost their full capacity and pushed large quantities of crude and petroleum products into tankers as floating storage, sharply reducing the effective supply of vessels. However, after the deep oil output cuts by OPEC+ came into effect from the beginning of May, spot tanker earnings went through a steep correction, as the market absorbed the excess product stocks, with floating storage gradually unwinding.

DIS achieved a daily spot rate of US$ 16,771 in 2020 vs. US$ 13,683 achieved in 2019 (i.e. +22.6% and +US$ 3,088/day). In the second half of this year, our long-term commercial strategy of maintaining a high portion of fixed-rate contract coverage, proved to be extremely successful. In fact, in Q2 2020 since we realized that the very strong freight market was unsustainable, we decided to take a realistic approach by increasing our time-charter coverage, at profitable levels. In detail, 61.9% of DIS' total employment days in 2020 were covered through 'time-charter' contracts at an average daily rate of US$ 16,429 (2019: 51.6% coverage at an average daily rate of US$ 14,760). Thus, we managed to achieve a total blended daily TCE (spot and time-charter) of US$ 16,560 in 2020 compared with US$ 14,239 achieved in the previous year (+16.3% year-on-year).

DIS' EBITDA amounted to US$ 127.3 million in 2020 vs. US$ 104.2 million achieved in the prior year. This was clearly reflected also in the very strong generation of Operating cash flow of US$ 84.1 million in 2020 compared with US$ 59.3 million in 2019.

During the year, we continued to pursue our goal of strengthening our financial structure, as we firmly believe this will allow us to create long-term value for our shareholders, by enabling our company to act counter-cyclically and opportunistically in the market. At the end of 2020, the ratio between DIS' Net financial position (excluding IFRS 16) and its fleet market value was of 65.9% and we could count on Cash and cash equivalents of US$ 62.1 million vs. US$ 33.6 million at the end of 2019. In 2020, DIS generated approximately US$ 43.4 million in net cash from the sale of some of its oldest vessels. As well as improving our cash balance, the sale of our oldest tonnage allows us today to operate a primarily 'Eco' fleet, which is amongst the most modern in the market.

According to Clarksons, global oil demand is estimated to have fallen by 8.8% year-on-year in 2020 to 91.4m b/d. In 2021, the IEA expects oil demand to rebound by 6.0% year-on-year, driven by the easing of COVID-19 restrictions as vaccines are rolled out across the world. However, the emergence of several new more contagious strains of the disease pose a significant risk to the oil demand recovery in 2021. Although floating storage has been mostly reabsorbed, we expect it will take a while longer still for the markets to fully recover, and a stronger rebound in demand is a prerequisite, which will stimulate the required increase in oil supply and refinery throughput. Therefore, we remain cautious about the first part of 2021.

Longer term, we remain very positive since the fundamentals of our industry continue to be strong. The expected global recovery in the post-pandemic world, fuelled by large fiscal stimulus by the top world economies, should increase oil demand and benefit the product tanker market. Also, COVID-19 put unprecedented pressure on refineries by significantly squeezing their margins. This accelerated the closure of the older and less competitive refineries, located mainly in Europe, in the US, in Australia and in New Zealand. As of today, there are approximately 1.9 million bpd of confirmed capacity closures/conversions announced since the onset of the pandemic, of which circa 60% is expected to occur in FY'21, with an additional circa 0.6 million bpd of capacity closures currently under assessment. The lost output from these refineries, will be replaced by the new more efficient units mainly in Asia and the Middle East, leading to an increase in ton-mile demand for product tankers. According to the IEA, global refinery crude distillation capacity should rise by 6.1m b/d in the '20-24 period and 76% of the planned additions are in Asia and the Middle East.

On the supply side, fleet growth is expected to be limited, over at least the next two years. In fact, the newbuilding orderbook is at historical lows, mainly thanks to capital constraints and to significant uncertainties regarding technological developments to meet the IMO 2030/2050 emission reductions targets. New environmental regulations and technological advances should also lead to an increase in demolitions of older tonnage, which have been minimal this year since demolition yards were closed most of the time.

I do believe DIS is today very well positioned to confront a near-term soft patch in the market and to fully benefit from the future market recovery, since:

i) DIS can count on a very modern and efficient product tanker fleet (the average age of DIS' owned and bareboat vessels is of 6.4 years, compared to an average in the product tankers industry of 12.0 years for MRs and of 11.6 years for LR1s, according to Clarksons). In 2019, we completed our US$ 755 million investment plan in eco newbuildings and today we have no further capital commitments (excluding maintenance Capex);

ii) DIS is today a financially solid company. In the last three years we focused on strengthening our financial structure and through asset disposals as well as equity and debt transactions, we have consistently improved our liquidity position while managing our financial gearing, with the objective of reducing it when possible;

iii) DIS has a very competitive cost structure. Through investments in technology, the renewal of our fleet, and improvements in our processes, we have managed to cut our costs, whilst always guaranteeing the same operational and technical excellence our customers expect from us, also through a constant focus on environmental, social and governance issues both onboard and onshore;

iv) DIS has a sound commercial strategy, counting on good front-end contract coverage to confront the probable near-term soft patch, while retaining significant market exposure to the longer-term anticipated recovery in freight rates.

For all these reasons, DIS has a bright future ahead and we look forward to generating substantial value for our shareholders for manwy years to come. On behalf of the Board of Directors, I would like thank our Shareholders, our Lenders and all our other Stakeholders for their continued support and trust.

Paolo d'Amico, Chairman of the Board of Directors and Chief Executive Officer

BOARD OF DIRECTORS AND AUDITORS

Board of Directors

Chairman and Chief Executive Officer
Paolo d'Amico

Directors
Antonio Carlos Balestra di Mottola, Chief Financial Officer
Cesare d'Amico
Massimo Castrogiovanni
Stas Andrzej Jozwiak
John Joseph Danilovich

Indipendent Auditors

MOORE Audit S.A.

KEY FIGURES

Financials

US$ Thousand	2020	2019
Time charter equivalent (TCE) earnings *	257,776	258,332
EBITDA *	127,268	104,226
as % of margin on TCE	*49.37%*	*40.35%*
EBIT *	55,523	15,025
as % of margin on TCE	*21.54%*	*5.82%*
Net profit / (loss)	16,556	(27,527)
as % of margin on TCE	*6.42%*	*(10.66)%*
Adjusted Net profit / (loss)**	22,491	(7,699)
Earnings / (loss) per share (US$)	0.013	(0.026)
Operating cash flow	84,128	59,274
Gross capital expenditure (CapEx)*	(12,019)	(65,231)
	As at 31 December 2020	**As at 31 December 2019**
Total assets	1,032,590	1,132,049
Net financial indebtedness*	561,543	682,810
Shareholders' equity	365,734	352,465

*see Alternative Performance Measures on page 41
** Excluding results on disposal and non-recurring financial items, as well as the asset impairment and the effects of IFRS 16 – please refer also to the summary of financial results for the fourth quarter and the full year 2020.

Other Operating Measures*

	2020	2019
Daily operating measures TCE earnings* per employment day (US$)[1]	16,560	14,239
Fleet development Total vessel equivalent	43.2	48.8
- Owned	22.2	23.4
- Chartered	9.0	8.6
- Chartered	11.9	16.8
Vessel equivalent under commercial management	0.9	2.0
Off-hire days / available vessel days[2](%)	3.9%	1.8%
Fixed rate contract / available vessel days[3](coverage %)	61.9%	51.6%

*see Alternative Performance Measures on page 41

[1] This figure represents time charter ("TC") equivalent earnings for vessels employed on the spot market and time charter contracts, net of commissions. Please refer to the Alternative Performance Measures included further on in this report. This figure excludes TCE Earnings generated by the 'vessels under commercial management', as DIS passes these earnings on to the vessels' owners, after deducting a 2% commission on all their gross revenues.

[2] This figure is equal to the ratio of the total off-hire days, inclusive of dry-docks, and the total number of available vessel days.

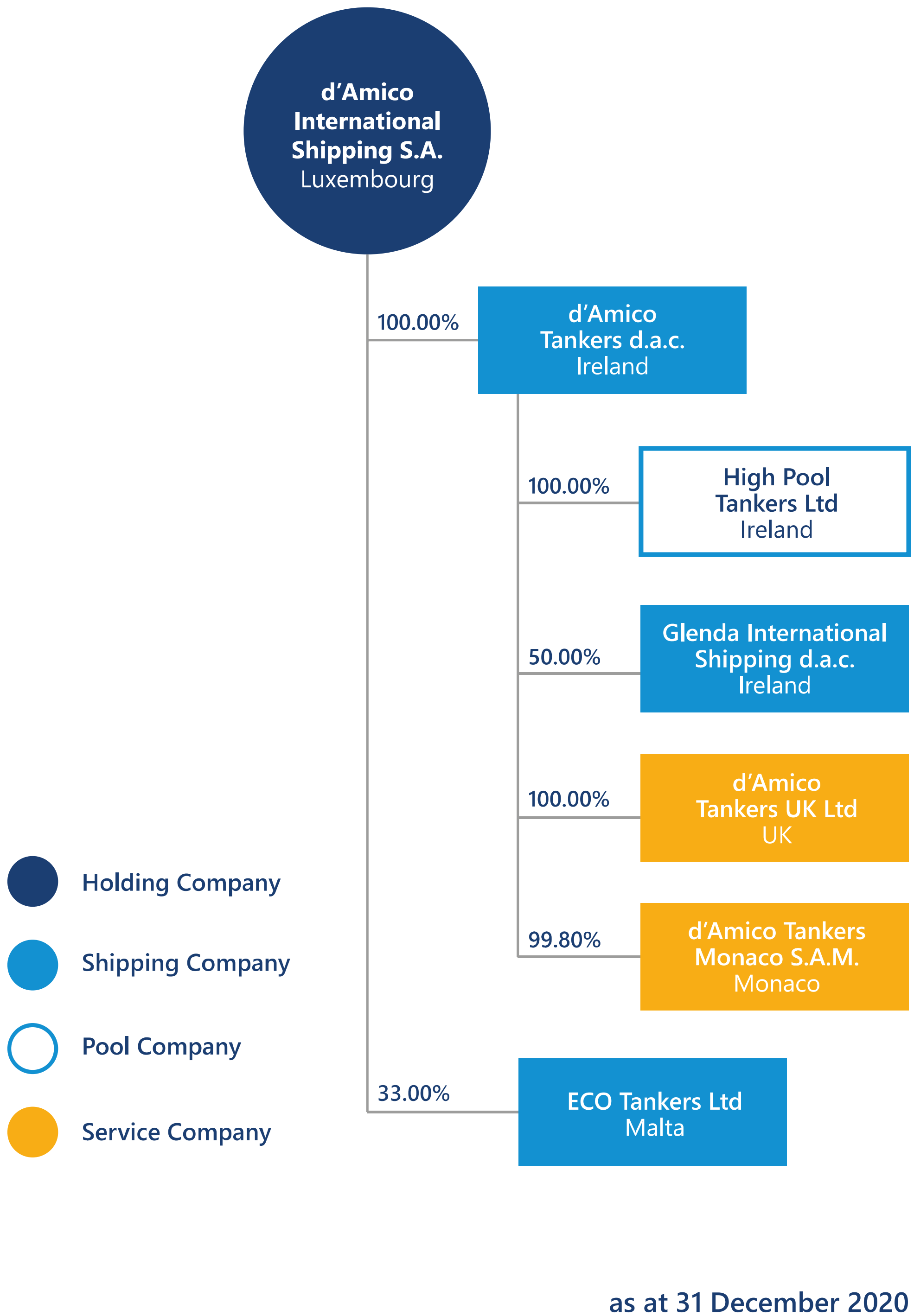
[3] Fixed rate contract days/available vessel days (coverage ratio): this figure represents how many vessel days were employed on time charter contracts, inclusive of off-hire days.

NON-FINANCIAL STATEMENTS

The Non-financial and diversity information is prepared on a mandatory basis, following the directions of the Directive 2014/95/EU and supplement (2019/C 209/01).

GROUP STRUCTURE

Set out below is d'Amico International Shipping Group's structure:



Eco Tankers Limited is going through a voluntary liquidation.

d'Amico International Shipping Group

d'Amico International Shipping S.A. (DIS, the Group, d'Amico International Shipping or the Company) is an international marine transportation company, part of the d'Amico Group (d'Amico), which traces its origins to 1936. d'Amico International Shipping operates, mainly through its fully owned subsidiary, d'Amico Tankers d.a.c. (Ireland), which as at 31 December 2020, controls a fleet of 40.0 vessels, of which 28.0 owned and bareboat vessels (with purchase obligations), with an average age of approximately 6.4 years, compared to an average in the product tankers industry of 12.0 years for MRs (25,000 – 54,999 dwt) and of 11.6 years for LR1s (55,000 - 84,999 dwt). All DIS' vessels are double-hulled and are primarily engaged in the transportation of refined oil products, providing worldwide shipping services to the major oil companies and trading houses. All the vessels are compliant with IMO (International Maritime Organization) regulations, including MARPOL (the International Convention for the Prevention of Pollution from Ships), with the requirements of oil-majors and energy-related companies and other relevant international standards. Based on MARPOL/IMO rules, cargoes such as palm oil, vegetable oil and other chemicals can only be transported by vessels that meet certain requirements (IMO Classed). As at 31 December 2020, 77.5% of DIS' controlled fleet was IMO Classed, allowing the Group to transport a large range of products.

d'Amico International Shipping's revenue is mainly generated from the employment, either directly or through its partnerships, of the vessels of its fleet under spot contracts and time charters, for the marine transportation of refined petroleum products. Vessels operating under fixed rate contracts, including time charters, usually provide more steady and predictable cash flows than vessels operating on the spot market. Spot contracts offer the opportunity to maximise DIS' revenue during periods of increasing market rates, although they may result in lower earnings than time charters during periods of decreasing rates. This employment mix varies according to prevailing and forecasted market conditions. Gains or losses can also arise from the sale of the vessels in DIS' fleet.

DIS believes that it benefits from a strong brand name and an established reputation in the international market due to its long operating history and that such a reputation is important in maintaining and strengthening its long-term relationships with its partners and existing customers and in developing relationships with new customers. Its partners and customers appreciate the transparency and accountability, which have been priorities for the Group from its early days. Accountability, transparency and a focus on quality are pillars of its operations and key to DIS' success.

The quality of its fleet is preserved through scheduled maintenance programmes, by aiming for exacting standards on owned vessels and, by chartering-in vessels from owners who meet high-quality standards.

DIS' Global Footprint

DIS has a presence in Luxembourg, Dublin (Ireland), London (U.K.), Monte Carlo (Monaco), Singapore and Stamford, CT (USA). These offices are located in the key maritime centres around the world. DIS believes that its international presence allows it to meet the needs of its international clients in different geographical areas, while the offices strengthen the Group's recognition and its brand name worldwide. In addition, through the different opening hours of offices located in several time zones, DIS can continuously monitor its operations and assist its customers.

As at 31 December 2020, the Group employed an equivalent of 600 seagoing personnel and 24 onshore personnel.

Fleet

DIS controlled as at 31 December 2020, either through ownership or charter arrangements a modern fleet of 40.0 product tankers (31 December 2019: 46.5 product tankers and 3 additional vessels in commercial management). DIS' product tanker vessels range from approximately 36,000 to 75,000 dwt.

Since 2012, DIS has ordered 22 newbuildings, the last of which was delivered in October 2019. All these newbuildings are fuel-efficient and in compliance with recent environmental legislation. They can therefore cater to the high standards required by the Group's oil major customers, in addition to being highly cost effective.

Operating a large fleet enhances the generation of earnings and operating efficiencies. A large fleet strengthens the Group's ability to advantageously position vessels and improves the fleet's availability and scheduling flexibility, providing DIS with a competitive advantage in securing spot voyages. In particular, the scale of its operations provides it with the flexibility necessary to enable it to capitalise on favourable spot market conditions to maximise earnings and negotiate favourable contracts with suppliers.

The following table sets forth information about DIS' fleet on the water as at 31 December 2020.

LR1 fleet

Name of vessel	Dwt	Year built	Builder, Country [4]	IMO classed
Owned				
Cielo di Londra	75,000	2019	Hyundai Mipo, South Korea (Vinashin, Vietnam)	-
Cielo di Cagliari	75,000	2018	Hyundai Mipo, South Korea (Vinashin, Vietnam)	-
Cielo Rosso	75,000	2018	Hyundai Mipo, South Korea (Vinashin, Vietnam)	-
Cielo di Rotterdam	75,000	2018	Hyundai Mipo, South Korea (Vinashin, Vietnam)	-
Cielo Bianco	75,000	2017	Hyundai Mipo, South Korea (Vinashin, Vietnam)	-
Bareboat with purchase options and purchase obligations				
Cielo di Houston	75,000	2019	Hyundai Mipo, South Korea (Vinashin, Vietnam)	-

MR fleet

Name of vessel	Dwt	Year built	Builder, Country	IMO classed
Owned				
High Challenge	50,000	2017	Hyundai Mipo, South Korea (Vinashin, Vietnam)	IMO II/III
High Wind	50,000	2016	Hyundai Mipo, South Korea (Vinashin, Vietnam)	IMO II/III
High Tide	51,768	2012	Hyundai Mipo, South Korea	IMO II/III
High Seas	51,678	2012	Hyundai Mipo, South Korea	IMO II/III
GLENDA Melissa [5]	47,203	2011	Hyundai Mipo, South Korea	IMO II/III
GLENDA Meryl [6]	47,251	2011	Hyundai Mipo, South Korea	IMO II/III
GLENDA Melody [7]	47,238	2011	Hyundai Mipo, South Korea	IMO II/III
GLENDA Melanie [8]	47,162	2010	Hyundai Mipo, South Korea	IMO II/III
High Venture	51,087	2006	STX, South Korea	IMO II/III
High Valor	46,975	2005	STX, South Korea	IMO II/III

[4] Hyundai Mipo, South Korea (Vinashin, Vietnam) refers to vessels ordered at Hyundai Mipo and built at their Vinashin (Vietnam) facility.

[5] Vessel owned by GLENDA International Shipping d.a.c. (in which DIS has 50% interest) and time chartered to d'Amico Tankers d.a.c.

[6] Vessel owned by GLENDA International Shipping d.a.c. (in which DIS has 50% interest).

[7] Vessel owned by GLENDA International Shipping d.a.c. (in which DIS has 50% interest).

[8] Vessel owned by GLENDA International Shipping d.a.c. (in which DIS has 50% interest) and time chartered to d'Amico Tankers d.a.c.

Name of vessel	Dwt	Year built	Builder, Country	IMO classed
Bareboat with purchase options and purchase obligations				
High Trust	49,990	2016	Hyundai Mipo, South Korea (Vinashin, Vietnam)	IMO II/III
High Trader	49,990	2015	Hyundai Mipo, South Korea (Vinashin, Vietnam)	IMO II/III
High Loyalty	49,990	2015	Hyundai Mipo, South Korea	IMO II/III
High Freedom	49,990	2014	Hyundai Mipo, South Korea	IMO II/III
High Discovery	50,036	2014	Hyundai Mipo, South Korea	IMO II/III
High Fidelity	49,990	2014	Hyundai Mipo, South Korea (Vinashin, Vietnam)	IMO II/III
High Voyager	45,999	2014	Hyundai Mipo, South Korea	IMO II/III
High Priority	46,847	2005	Nakai Zosen, Japan	-
TC-in long-term with purchase options				
High Leader	50,000	2018	Japan Marine, Japan	IMO II/III
High Navigator	50,000	2018	Japan Marine, Japan	IMO II/III
High Explorer	50,000	2018	Onomichi, Japan	IMO II/III
High Adventurer	50,000	2017	Onomichi, Japan	IMO II/III
Crimson Pearl	50,000	2017	Minaminippon Shipbuilding, Japan	IMO II/III
Crimson Jade	50,000	2017	Minaminippon Shipbuilding, Japan	IMO II/III
TC-in long-term without purchase options				
Green Planet	50,843	2014	Daesun Shipbuilding, South Korea	IMO II/III
High Prosperity	48,711	2006	Imabari, Japan	-
High SD Yihe	48,700	2005	Imabari, Japan	-
TC-in short-term				
SW Southport I	46,992	2004	STX, South Korea	IMO II/III
SW Tropez	46,992	2004	STX, South Korea	IMO II/III

Handysize fleet

Name of vessel	Dwt	Year built	Builder, Country	IMO classed
Owned				
Cielo di Salerno	39,043	2016	Hyundai Mipo, South Korea (Vinashin, Vietnam)	IMO II/III
Cielo di Hanoi	39,043	2016	Hyundai Mipo, South Korea (Vinashin, Vietnam)	IMO II/III
Cielo di Capri	39,043	2016	Hyundai Mipo, South Korea (Vinashin, Vietnam)	IMO II/III
Cielo di Ulsan	39,060	2015	Hyundai Mipo, South Korea (Vinashin, Vietnam)	IMO II/III
Cielo di New York	39,990	2014	Hyundai Mipo, South Korea	IMO II/III
Cielo di Gaeta	39,990	2014	Hyundai Mipo, South Korea	IMO II/III

Fleet Employment and Partnership

As at 31 December 2020, d'Amico International Shipping directly employed 40.0 Vessels: 6 LR1 ('Long Range 1'), 13 MRs ('Medium Range') and 4 Handy-size vessels on term contracts at a fixed rate, whilst 15 MR and 2 Handy-size vessels were at the same date employed on the spot market. Some of these DIS' vessels are employed through its joint venture *GLENDA International Shipping d.a.c.*, a jointly controlled entity with the Glencore Group, in which d'Amico Tankers d.a.c. has a 50% interest. As at 31 December 2020, the JV operator owned 4 MR vessels built between February 2010 and February 2011, of which two were time-chartered to d'Amico Tankers d.a.c. and two to the Glencore Group.

d'Amico International Shipping is part of the d'Amico Group one of the world's leading privately-owned marine transportation companies, with over 70 years of experience in the shipping business, whose ultimate parent company is d'Amico Società di Navigazione S.p.A. (Italy). As at 31 December 2020, the d'Amico Group controlled a wide fleet of owned and chartered-in vessels, of which 40.0 were part of the DIS fleet, operating in the product tanker market. d'Amico International Shipping also benefits from the expertise of the d'Amico Group, which provides technical management services, including crewing and insurance arrangements, as well as safety, quality and environmental services for DIS' vessels.

The Product Tankers Industry

Product tankers have coated tanks and primarily carry a range of refined petroleum products, typically gasoline, jet fuel, kerosene, fuel oil, and naphtha. Provided they are classified as IMO II/III they can also carry easy chemicals and edible oils. The seaborne movement of refined oil products between different world regions addresses demand and supply imbalances, mainly caused by the lack of resources or refining capacity in consuming countries. Additional 'arbitrage' also occurs, taking advantage of differences in price and specific product demand between refining centres.

Within the product tankers industry, d'Amico International Shipping operates primarily in the Medium Range size, which comprises vessels ranging from 25,000 dwt to 55,000 dwt. This specific vessel size provides the greatest flexibility in terms of trade routes and port access. In addition, DIS had as at year-end 2020 six Long Range 1 (LR1 – 75,000 dwt), vessels which have a degree of flexibility, whilst providing better economies of scale on longer voyages.

Product tanker class (dwt)	**Short range (SR) 10,000 – 25,000**	**Medium range (MR) 25,000 – 55,000**	**Long range (LR) 55,000 – 120,000**
Characteristics	Trades in specialised markets regionally	Access to more ports than larger vessels	Better economies of scale over longer haul voyages
	Focused primarily on the distribution side	Better economies of scale over medium and longer distances versus SR vessels	
Voyages	Only short	Short and long	Short and long
Flexibility	High	High	Medium (LR1) / Low (LR2)
Arbitrage Voyages	No	Yes	Yes
% world fleet[9]	18.7%	42.7%	38.7%

[9] Source: Clarksons Research, as of January 1, 2021. Percentage of total product tankers (5,522 vessels) excludes vessels with stainless steel tanks.

CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

The Company is organized and governed in compliance with the applicable Luxembourg laws and regulations on companies and is not obliged to comply with the corporate governance regime of the Luxembourg Stock Exchange. As far as possible, however, the Company complies with the recommendations of the Borsa Italiana Corporate Governance Code (available at the Borsa Italiana website www.borsaitaliana.it), being obliged, however, to adhere to some of its recommendations, so as to remain listed on the STAR segment of the Italian Stock Exchange (MTA). Furthermore, due to its incorporation in Luxembourg and listing on the Italian market, the Company is subject to the transparency obligations established by the European Regulations directly applicable from time to time, the Luxembourg Law of 11th January 2008 and subsequent amendments and to those established by the Italian laws and regulations as applicable from time to time.

In accordance with article 123-bis of Legislative Decree No. 58/98 and in line with the recommendations of the Borsa Italiana Corporate Governance Code, the Company provides a complete disclosure of its Ownership Structure and Corporate Governance system as at December 31, 2020 in the 2020 Corporate Governance and Ownership Structure Report (the "Report"). A specific paragraph of the Report is dedicated to the takeover bids' legislation as applicable to the Company including, among others, all information required by article 11 of the Luxembourg law of 19 May 2006 and subsequent amendments and/or supplements which implements the Directive 2004/25/EC of 21 April 2004 on takeover bids (the "Takeover Law") . The Report is available to everyone at the registered office of the Company and on its website (www.damicointernationalshipping.com) in the Corporate Governance section that contains other documents regarding the Company's Corporate Governance System. Moreover, the Report is filed with Borsa Italiana S.p.A. and Commissione Nazionale per le Società e la Borsa (CONSOB) through the e-Market SDIR and e-market STORAGE system, Commission de Surveillance du Secteur Financier (CSSF) and Société de la Bourse de Luxembourg S.A., in its quality as DIS' Officially Appointed Mechanism (OAM) for the central storage of regulated information.

ETHICS AND INTEGRITY MATTERS

DIS has always believed that it is important to conduct business and professional negotiations, at different organisational levels, with integrity and transparency, acting in a professional, fair and honest manner, fully aware that these qualities are evidence of a strong sense of social responsibility. The anti-corruption policy implemented by DIS seeks to prevent all forms of corruption within its entity, by promoting a "zero-tolerance" approach, including any forms of corruption arising from the behaviour of consultants, agents or contractors.

[10] The Company falls within the ambit of the Takeover Law. By application of its provisions and pursuant to article 101-ter of the TUF, the authority competent to supervise a takeover bid on the shares of the Company will be the Italian regulating authority, CONSOB. Italian law is the governing law as to (i) the price of the bid; (ii) the procedure of the bid and, in particular, the information on the offerors' decision to make a bid; (iii) the contents of the offer document and (iv) the disclosure of the bid. The Luxembourg regulating authority, the Commission de Surveillance du Secteur Financier (CSSF) will in turn be competent (and Luxembourg law will be applicable) pursuant to the Takeover Law and the CSSF Circular 06/258 in respect of matters relating to the information to be provided to the employees of the Company and in matters relating to company law, in particular the percentage of voting rights which confers control and any derogation from the obligation to launch a bid, as well as the conditions under which the Board of Directors of the Company may undertake any action which might result in the frustration of the bid.

The Company is also subject to the Luxembourg law of 21 July 2012 on the squeeze-out and sell-out of securities of companies admitted or having been admitted to trading on a regulated market or which have been subject to a public offer and the CSSF Circular 12/545 if any individual or legal entity, acting alone or in concert with another, becomes the owner directly or indirectly of a number of Shares representing at least 95% of the voting share capital and 95% of the voting rights of the Company.

The Articles of Association do not make any reference to the takeover bids' procedure, therefore, the Takeover Law is deemed directly and entirely applicable, according to which:

- the shareholders of the Company may resolve, even before a takeover bid has been made public, to impose on the Board of Directors to submit to their prior approval the adoption of any defensive action by the Board of Directors which may result in the frustration of the takeover bid. Absent such a resolution, as the case is, the Board of Directors may be free to take defensive actions without the prior approval of the shareholders (defensive actions);
- the shareholders of the Company may resolve that any transfer restrictions applicable to their securities as well as any restrictions on voting rights and/or any exceptional voting right entitlements shall cease to be enforceable upon a takeover bid (breakthrough rule).

Anti-corruption Policy

During 2019, DIS also introduced a new anti-corruption policy. DIS' long-standing commitment to doing business with integrity demonstrates a keen sense of social responsibility.

Acting professionally, in a fair, honest and ethical manner in all business dealings and relationships wherever the Company operates (or considers to operate), implementing and enforcing effective systems to counter bribery and corruption, are of outmost importance for the DIS Group. This means avoiding corruption in any form, including bribery, and complying with the anti-corruption laws of every country in which the Group operates, also by promoting a "zero tolerance" approach to acts of bribery, including by advisors, agents or contractors.

Essentially, all DIS Group employees are responsible for the prevention, detection and reporting of bribery and other forms of corruption; they are required to avoid any activity that might lead to, or suggest, a breach of the anti-corruption policy. The DIS Group ensures through the implementation of specific measures, that all cases of suspected corruption are dealt with consistently and whether or not an investigation shows it exists, there will be no retaliation against or adverse consequences for the person reporting the possible case of breach: an anti-corruption reporting system using a dedicated email address has been implemented through d'Amico Group's HR department.

Likewise, no DIS employee would suffer any retaliation or adverse consequences for refusing to adopt illegal conduct and for reporting in good faith violations of the anticorruption rules and regulations, as applicable.

Compliance with the anti-corruption Policy is verified through various methods, including but not limited to, active monitoring of the expense reimbursement and gift tracking systems, internal and external audits, and self-assessment reports of potential violations. **All reports must be submitted via the d'Amico whistleblowing platform** identified and publicised for the entire d'Amico Group.

Code of Ethics

Since 2008 the Company has approved and adopted its own Code of Ethics which includes the principal rules of good behavior which the Company, its directors, statutory auditors, employees, consultants and partners, and in general all those who act in the Company's name and on its behalf, are required to comply with in order to reduce and prevent in a material way the risk of committing different types of crimes, including fraud. The Company decided to adopt the main code of ethics of its ultimate parent company, d'Amico Società di Navigazione S.p.A. but tailored these to satisfy the applicable Luxembourg legislation. On the Supervisory Committee's (OdV) initiative, on 7 May 2014 an updated version of the Code was approved by the Board of Directors of DIS following a review performed by the Control and Risk Committee. On 26 November 2018 following the entry into force of EU Regulation 679/2016 ("GDPR") the Company issued a new version of the code adjusting the section relating to "Data Protection". The Company also encouraged its subsidiaries to adopt a code of ethics that is substantively similar to its own. The Code of Ethics was subsequently amended also on 17 December 2019 following the entry into force of Law 179/2017 regarding "provisions for the protection of those that have reported crimes or irregularities which came to light during a public or private employment relationship" adding a reference to the whistleblowing platform for addressing of reports of violations of the Code itself. Please find below a brief summary of the Code of Ethics main principles.

E-MARKET SDIR CERTIFIED

PRINCIPLES	
GENERAL ETHICAL PRINCIPLES	• compliance with the law • honesty, fairness and transparency • respect for the dignity of the person • data protection • treatment of confidential information • conflicts of interest • relations with competitors • responsibility for the community • respect for the environment • liberality • innovation
ETHICAL PRINCIPLES IN CORPORATE GOVERNANCE	• corporate bodies/social bodies • relations with shareholders • Internal Control and Risk Management System
ETHICAL PRINCIPLES IN HUMAN RESOURCES MANAGEMENT	• selection and recruitment • formalisation of the employment relationship • professional management and development • health and working conditions
ETHICAL PRINCIPLES IN RELATIONS WITH CUSTOMERS, PARTNERS, SUPPLIERS, THE PUBLIC ADMINISTRATION AND OTHER PUBLIC INSTITUTIONS	• customer relations • relations with partners and suppliers • relations with the public administration and other public institutions

Organisation, management and control model (pursuant to italian legislative decree n. 231/2001)

Since 2008 the company has adopted the organisation, management and control model ("organisation model 231" or "231 model") a compliance program that led to the implementation and development of an organic and structured system of procedures, rules and controls aimed at preventing and/or systematically reducing, during the performance of so-called sensitive activities, the risk of the offences (corruption and bribery included) cited in the Italian Legislative Decree n. 231 of 8 June 2001 (the "Decree 231") being committed.

The Decree 231 which DIS complies with, due to its listing on the STAR segment of the Italian Stock Exchange, introduced the corporate liability of legal entities, in case of crimes committed by subjects that act on behalf of the Company, such as representatives, executives, directors, subordinates, and persons who even de facto carry out management or control activities. Under the Decree 231, corporations may be held liable for a specific list of offences committed, or even attempted, in the interest and/or for the benefit of the Company.

Companies shall not be considered liable if the individual committed the crime in his own interest, or in the interest of third parties (not linked to the Company) or for its own benefit. Moreover liability of the Company could be excluded where proven that the board of directors of the Company has not only adopted but also efficiently implemented, before the offence was committed, the 231 Model and has appointed a Supervisory Committee that did not omit to exercise its control duties and the offence was committed by an individual with the fraudulent intention of avoiding the 231 Model implemented by the Company. The timely adoption and implementation of some controls and procedures as part of the 231 Model after the commission of the offence (ex post adoption) could mitigate the sanctions deriving from the ascertained liability. In this respect the Company has decided to adhere to its ultimate parent company's Integrated Management System that is constantly updated with reference to the controls required by the 231 Model relating to existing procedures, and with the introduction of new procedures where necessary and required for the effective implementation of the 231 Model.

Specifically the Company's 231 Model:

- identifies the areas of activity where there is a chance of perpetration of the crimes mentioned in the Decree 231 ("Risk Areas");
- identifies appropriate procedures aimed at preventing the crimes mentioned in the Decree 231, including the duty of each division of the Company to report violations and provide relevant information to the Supervisory Committee;
- provides for specific procedures concerning the Supervisory Committee's decision-making process and the implementation of its decisions;
- provides for appropriate financial management, to prevent the perpetration of financial crimes;
- provides for a specific duty to inform the Supervisory Committee in case a violation of the 231 Model occurs (the Supervisory Committee e-mail's account as publicized on DIS' website is a direct channel to be used by whistle-blowers);
- provides for a disciplinary sanctions system, so as to punish each violation of the procedures;
- provides for training, to be performed by all the Company's employees.

The Company's 231 Model is constantly updated in accordance with the organizational and legislative changes made over time regarding the scope of application of Italian Leg. Decree 231/2001.

On 9 May 2019, the Board of Directors approved the update to the 231 Model – in particular the General Part, the Disciplinary System and Special Part 0 (Explicated list of the predicate offences), Special Part II (Corporate crimes), Special Part IX (Offences against individuals), Special Part X (Offences related to the employment of foreigners without a residence permit) and Special Part XII (Racism and Xenophobia) –following the regulatory updates made by the regulator in 2017 with the introduction, among the crimes included in Leg. Decree no. 231/2001, of:

- an article (25-duodecies) on "procuring the illegal entry of foreigners and aiding and abetting illegal immigration" and on "aiding and abetting the illegal stay of foreigners on the State territory";
- an article (25-terdecies) "Racism and xenophobia" as well as on the regulation of "Whistleblowing", with the aim of adopting an internal system for reporting violations, for which the Company has also pledged to guarantee the report mechanism for ground staff by introducing a specific procedure clearly defining how it works, which is complementary and consistent with the one already adopted by the Company with regards to the flow of information towards the Supervisory Committee (OdV).

The above also led to an update of the Company's Code of Ethics with to which the "Whistleblowing" management system was added, with the related procedures and protocols.

In addition, at the end of the 2019 the Company decided to proceed with a new update of the Risk Plan and a general review of the 231 Model so as to account for the most recent crimes introduced by Leg. Decree no. 231/2001, and in particular tax offences, as well as to reflect a significant d'Amico group re-organization. The Risk Assessment activity slowed down due to the pandemic and to date it is still ongoing.

The Company also launched and successfully concluded, through the Group's Human Resources function and with the support of the Supervisory Committee, a training programme aimed at all the d'Amico Group's employees and top management which took into account all the amendments that have been made to the 231 Model over the years. DIS continuously improves the implementation of specific control activities (COSO Framework) to prevent the commission of the crimes mentioned in the Decree 231 and monitors the need to update the 231 Model.

With regards to fraud risk, to which the Group is exposed as a result of the significant volume and value of transactions processed, the Company to minimise and prevent the risk of occurrence of different types of fraud (eg. financial and business risks of fraud) has implemented various controls, procedures and an authority matrix, including but not limited to the following:

(i) Limits in powers and authority set for all individuals (e.g. power of attorneys restricted in object, and limit amount for transactions);

(ii) Controls over bank signatories (e.g. four eyes principle for specific transactions);

(iii) Controls over tendering processes including the due diligence of new counterparties (clients, agents, joint venture partners and key suppliers) prior to entering into a contract, to avoid any breaches of sanctions imposed by the USA, United Nations, EU or any other nation;

(iv) Risk assessment before entering a new country;

(v) Monitoring of compliance with rules on travel, meals lodging and entertainment;

(vi) Monitoring of compliance with rules on sponsorships, gifts and donations;

(vii) Continuous internal communication on compliance issues, progress and training of all the Group's employees;

(viii) Combined oversight by the Internal Audit function, the Control and Risk Committee, the Chief Control and Risk Officer, the manager in charge of preparing the Company's financial reports and the Supervisory Committee;

(ix) Management commitment at all levels.

Supervisory committee (ODV)

The Supervisory Committee, an internal supervisory body with the function of monitoring the effective implementation of the 231 Model, and its constant updating, was established in 2008 pursuant to the Decree 231. Its specific duties regard the implementation, application, adequacy and effectiveness of the 231 Model.

In greater detail, among the Committee's other duties, it must:

- supervise the effectiveness of the Organisation Model 231 by promoting the implementation of control procedures for specific actions or acts identified as being sensitive;
- periodically check its efficiency and adequacy;
- assess whether it needs to be updated;
- ensure necessary information flows with other company functions, also by promoting appropriate initiatives for raising awareness on and understanding of the Organisation Model 231 in the Company.

The OdV is collegial in form and currently consists of three members recently confirmed by decision of the Board of Directors on 7 May 2020 for a further three-year period ending on the ordinary general meeting approving the financial statements for year end 2022. The Committee's members are identified following a due assessment and consideration of the requirements established for such function by the 231 Decree which are those of autonomous initiative, independence, professionalism, continuity of action, absence of conflicts of interest and integrity.

It should be noted that during 2020 no reports of violations of the Model 231 or of the Code of Ethics were received by the Supervisory Committee neither directly nor through the whistleblowing channel.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Integrated Management System

The implementation of an Integrated Management System (IMS) is the result of a corporate choice that focuses on the quality of the services provided to customers, occupational health and safety, energy efficiency, environmental protection and corporate social responsibility, through the adoption of recognised international standards and certifications. The IMS has been developed with a business process-oriented approach. It allows the d'Amico Group, and in turn, d'Amico International Shipping, to identify maintain and improve a dynamic organisation and management model. Its unified perspective meets the needs and specificities of different shipping sectors and makes best use of available strategies, in accordance with the many national and international laws and regulations. The d'Amico Group is committed to compliance with all regulations in force – while seeking to anticipate new ones – through the adoption of appropriate operational, safety and environmental procedures.

Continuous monitoring, adequate measurement of performance indicators, strict internal inspections, detailed analysis of collected data, and prompt implementation of corrective and improvement actions, allow the Company to continuously increase its performance and that of its stakeholders, in terms of safety, environmental protection and customer satisfaction.

The IMS, already compliant with the International Safety Management Code, has been extended to the following standards certified by RINA (Italian Maritime Register): ISO 9001 (quality), ISO 14001 (environment), ISO 45001 (safety) and ISO 50001 (energy efficiency).

In 2020 d'Amico has successfully completed the transition from the old OHSAS 18001 to the new ISO 45001, the international standard relevant to the Occupational, Health and Safety Management and to the updated version of the ISO 50001 for energy Management. RINA has issued the new Certificate for both standards one year before the deadline.

The application of these standards enabled the d'Amico Group to be the first in Italy to obtain the prestigious RINA Best 4 Plus certification, which recognises compliance with the main maritime standards in force.

The d'Amico Group also received the ISO 26000 certification for the application of guidelines on correct integration of corporate social responsibility into its activities, policies, strategies, procedures and goals in its Integrated Management System.

A general overview of the d'Amico Group CSR strategy

d'Amico International Shipping's Corporate Social Responsibility ("CSR") strategy, through the d'Amico Group, has evolved considerably during the last few years. The strategy reflects the extent to which the DIS Group is committed to social and environmental matters and is monitored on an ongoing basis.

With the objective of further structuring its CSR strategy, the d'Amico Group has decided to produce each year its Sustainability Report (the Report), which highlights how its CSR is broken down into strategies, policies and commitments towards its stakeholders. The Report stems from a need for awareness of the social, environmental and governance aspects of the d'Amico Group's business. In the report the d'Amico Group identified the main themes which influence its sustainability and therefore its ability to create and preserve value (economic, social and environmental) for its stakeholders. The report was prepared according to the GRI Sustainability reporting Standards of the Global Reporting Initiative. Through specific activities, the d'Amico Group is working to reach 16 out of the 17 UN Development goals.

The Report covers the following topics:

- environmental responsibility, reporting all activities, projects, practices, processes and procedures in relation with the environment, health, quality and safety;
- social responsibility, highlighting the management of human resources (onshore and seagoing personnel) as well as all aspects related to the community, as further described in the Human Resources section of this annual report;
- economic responsibility, describing the Company's market presence and the performances achieved, as well as the economic value produced and distributed to its stakeholders (as described in this annual report).

The objectives that guided the development of the second edition and that will lead the future ones are:

- to strengthen organizational culture and internal governance on sustainability and accountability issues;
- to consolidate the reporting process and the social, environmental and economic KPI system;
- to tangibly integrate the Sustainable Development Goals of the UN 2030 Agenda not only in its reports but also in corporate strategies and policies.

ENVIRONMENTAL RESPONSIBILITY: MAIN HEALTH, SAFETY, QUALITY AND ENVIRONMENTAL (HSQE) RISKS, POLICIES AND OUTCOMES

Health, Safety, Quality and Environmental – objectives beyond compliance

d'Amico International Shipping, through the d'Amico Group, promotes safety on-board and respect for the environment, aiming to eliminate the risk of incidents such as groundings, fires, collisions, and petroleum spills. In this respect, the ultimate holding company in the d'Amico Group, d'Amico Società di Navigazione S.p.A., arranges insurance cover for the DIS fleet and operates both the Tanker Management and Self-Assessment programme (TMSA), launched in 2004 by the OCIMF (Oil Companies International Marine Forum), and the Integrated Management System for Health, Safety, Quality, Environment and Energy Efficiency (HSQE), since 2003.

Although not compulsory, the TMSA programme is recommended by major oil companies as a means of encouraging ship operators to measure, evaluate and improve their safety management systems against listed Key Performance Indicators (KPIs). In addition, the programme establishes best practices to solve problems and to optimize safety and environmental performance. Electronic tools to control and measure KPIs for different areas of the technical management system have been implemented, and the TMSA review is carried out every six months. In this respect, a new version of TMSA, TMSA 3, has been issued by OCIMF to maintain its relevance, to reflect changes in legislation and best practices, to provide clarity of interpretation, to encourage a more unified interpretation of the KPIs and best practice guidance, and to promote continuous improvement.

The TMSA updated industry legislative requirements, including the Manila Amendments to the Maritime Labour Convention 2006, the Polar Code and the Ballast Water Management Convention, it revised elements on Environmental and Energy Management (previously Environmental Management), incorporating the OCIMF Energy Efficiency and Fuel Management information paper and adding a new element on maritime security.

The assessment is also the starting point for a continuous improvement plan aimed at achieving and guaranteeing high standards in safety and respect for the environment.

Since before the introduction of the TMSA programme, DIS through the d'Amico Group has been promoting internal HSQE management procedures and operating an integrated management system on all its vessels, in conformity with the quality and environmental standards ISO 9001 and ISO 14001 established by the International Organisation for Standardization, as certified by the international classification society RINA S.p.A. (Registro Italiano Navale) in 2003. New versions of these two standards (ISO 9001:2015 and ISO 14001:2015) have been issued by ISO, with the aim of better harmonizing the various requirements included in the standards.

To promote crew safety, the Group Management System includes the certification of compliance with the international standard ISO 45001 (obtained with the new certificates at the annual RINA audit in 2020), aimed at improving health and safety on board vessels and in any work environment. Through the regular use of a detailed risk assessment and together with proper training of the seagoing and onshore personnel, any dangerous situation is properly evaluated ex-ante, and adequate preventive measures are implemented.

In 2020 to confront the Covid pandemic, the d'Amico Group issued a dedicated Contingency Plan ("the Plan") to reduce the risk of Covid infections on board. The Plan has been continuously updated with practices and preventive measures, involving also manning activities. The majority of internal inspections and audits have been performed remotely with a very strict cooperation between the audit - and the vessels' management (see further information in the Other Risks section of these non financial statements).

Environmental risks and Environmental compliance - the excellence of the DIS Fleet

The primary goal of all the aforementioned systems and procedures is the preservation of the marine environment. The Group is committed to promoting responsible behaviour towards the environment within its workforce. Protecting and respecting the environment is a mission for the d'Amico Group and part of its corporate values.

Besides previously described initiatives, the technical management department of the d'Amico Group adopted and implemented a condition-based maintenance (CBM) through the use of specific tools, techniques and Hardware and Software systems and tools, with the intention of seeking continuous improvement and of achieving higher efficiency and therefore better energy performance through higher machinery and fleet reliability, greater fleet flexibility in the management of maintenance plans, and better knowledge of machineries and of their behaviour with changing operating conditions.

The use of technologies/techniques such as the video endoscopy, thermography, vibrotechnics, tribology and digital measurements lead to an early detection of upcoming failures and component degradation, reducing the cost of asset failures and improving the workers' safety.

The implemented CBM has also enabled the Company to achieve the highest level required by the TMSA 3 (Tanker Management and Self-Assessment programme), in the field of maintenance management. During 2020 almost of DIS' new buildings delivered from 2013 have been certified PMS-CM (PMS-Condition monitoring) by RINA after positive audits conducted on board confirming that such strategy of maintenance is now approved/accepted by the Class. Since the new technology adopted enables remote checks of the health status of machineries without physical attendance on board, this was a particularly effective tool during the Pandemic.
The growing trends in digitalization and mobile applications have clearly highlighted the need to modernize our fleet management tools so as to better exploit the value of data by treating them as assets. During 2020, the whole d'Amico Group including DIS selected ABS-NS to drive the digital transformation of its fleet management. The project started in September 2020 and is expected to go live by the end of 2021.

Every year DIS' product tankers are required to undergo the following external examinations:

- Inspection and monitoring of compliance with international rules and regulations by the flag State;
- Port-state controls, which are inspections of foreign ships in national ports to verify if the condition of the ship and its equipment comply with the requirements of international conventions, and if the ship is manned and operated in compliance with these rules;
- Vetting inspections by oil major and energy-related companies, enabling them to assess the quality of the vessel and optimize its selection.

Pursuant to a ship management agreement, d'Amico Società di Navigazione S.p.A., DIS' Group ultimate parent company, in cooperation and under the supervision of d'Amico Tankers d.a.c., is responsible for the technical management of d'Amico International Shipping Group's owned and bareboat chartered vessels (please also refer to the relevant note of the consolidated financial statement "Other direct operating costs" and "Related party transactions").

The ship managers' responsibilities include those of performing general vessel maintenance, inspections/ audits, ensuring compliance with regulatory and classification society's requirement, satisfying oil majors vetting procedures, supervising the maintenance and promoting the efficiency of vessels, arranging and supervising dry-docks and repairs, purchasing supplies and spare parts, and appointing supervisors and technical consultants.

Robotics technology, such as drones with flight capabilities in confined spaces with irregular surfaces (cargo tanks), has been recently adopted by the technical management of the d'Amico Group, to conduct vessels CAP surveys, improving the safety aspects related to the structural inspections, while reducing the impact on the availability of cargo tanks for commercial purpose.

New specific environmental (MARPOL) internal audits have been introduced in 2019 along with new Company procedures, including instructions and best practices in excess of MARPOL requirements, as well as many internal plans and procedures, aiming to assure the highest environmental compliance at each operational level. Furthermore, the form used for Marpol inspections was redesigned to include a standard checklist, allowing such inspections to be carried to by the top 2 officers without the need for a superintendent to be onboard, which due to the pandemic imposed travel restrictions was very challenging in 2020.

The digitalization of the majority of the record books in 2019 (Oil record book part 1 and part 2, Garbage record book, Cargo record book, Ballast management record book), conducted by the technical management of the d'Amico Group, allows the ship manager to monitor in real time the operations performed on board for the proper handling and disposal of the bilge water, sludge and waste produced by the vessels. It also provides the technical management with an important dashboard on the production levels of bilge and sludge by geographical area, days of navigation and season.

It is not simply an electronic register, but also a tool that helps the d'Amico Group to perform operations correctly, in compliance with current environmental and MARPOL regulations, also based on the ships' specifications according to its certificates and as-built drawings.

The d'Amico Group started to digitise its record books well in advance of the guidelines established in May 2019 by the MEPC 74. This confirms the Group's great attention to MARPOL issues and its focus on innovation.. After being initially used among a limited number of vessels, at the end of 2020 DIS took the decision to extend the application to its whole fleet from the end of Q1 2021.

The *Officer Matrix* is the module to effectively manage the officers' information on all vessels; during 2019 new training activities were introduced, to carefully follow the implementation of the low sulphur fuel regulation, which entered in force on 1 January 2020. The latest project launched in 2019 concerns the Electronic Logbook (ORB), where safety and pollution prevention activities are noted.

A crew *Training matrix* was established, providing guidelines to all crew-management offices. The matrix is a dynamic tool, which is continuously kept up-to-date by the Crew department, to comply with any modification or amendment with respect to the Convention on Standards of Training, and the Certification and Watchkeeping for Seafarers; itis kept on board vessels performing international voyages. The quality of crew training is measured during the inspection of the vessels carried out by technical and marine superintendents. Furthermore, Port State Controls and Vetting Inspection reports reflect the quality and level of crew competencies, evaluating seafarer practices as well as policies for safety and environmental protection.

All managed vessels comply with the International Convention to Prevent Pollution from Ships (MARPOL), as well as any other national or international law concerning environmental protection.

Vessels are regularly inspected by a superintendent to ascertain that all procedures in-force are duly implemented and that pollution prevention tools, such as records, seals, and soundings are in place.

To ensure compliance and to strengthen seafarers' awareness, the Company adopted the STOP Working Card policy, a tool allowing any Seafarer working on board d'Amico Group managed vessels, to order to STOP any activity in case of imminent danger for the environment.

In line with d'Amico Group's commitment to promote openness in communication, an environmental reporting procedure ("Open reporting system") was adopted, to provide all personnel with a tool to report Environmental non-compliance, without the fear of retaliation: in-fact, according to the DIS Code of Ethics, no responsibility or prejudice will be expressed towards personnel in the event of reports of environmental non-compliance. Information on this reporting procedure is available on all fleet vessels; both onshore and seagoing personnel can anonymously report via a free web portal, or an independent email account or free phone numbers, any cases of non-compliance with the Company's environmental management system, marine environmental protection requirements and environmental compliance plan implemented.

Moreover, understanding and awareness of environmental matters is regularly and thoroughly measured when evaluating the performance of Officers and Engineers, in particular for the more senior ones.

Energy efficiency and reduction of emissions

In respect of ISO 50001, the international standard recognising Management Systems aimed at promoting energy efficiency, and the environmental standard ISO 14001, the d'Amico Group monitors and analyses energy consumption on its vessels, showing its commitment to protect people and the environment, seeking to promote energy efficiency while reducing emissions: increased energy efficiency is one of the most effective means of protecting the environment. The Ship Energy Efficiency Management Plan, in line with IMO guidelines on ship efficiency, has been implemented on board of the Group's vessels since the beginning of 2013, to optimize operational processes and improve profitability through the efficient use of people and assets.

Summarizing, DIS' management is committed to:

- Increasing energy efficiency;
- Reducing emissions;
- Investing in clean, energy efficient technologies where financially viable;
- Reducing environmental impacts arising from consumption of energy;
- Raising staff awareness and commitment to reduce energy consumption.

The vessels' performances are analysed within the annual Integrated Management System Review. The Paris Climate Agreement (2015) dealing with greenhouse gas emissions, sets out a global action plan to put the world on track to avoid dangerous climate change by limiting global warming to well below 2°C.

The European Union was the first major economy to submit its intended plan to reduce greenhouse gas emissions by at least 40% by 2030. In this respect, the EU issued the Regulation 2015/757 for the Monitoring Reporting and Verification (MRV) of CO2 emissions by vessels for voyages between European ports.
To comply with this regulation, the d'Amico Group has prepared a specific Monitoring and Reporting Plan for each vessel, together with the procedure to provide all data needed for the monitoring and reporting. The monitoring started in January 2018. At the end of each calendar year, all data must be verified and a report with the CO2 emissions has to be submitted to the EU Commission, which will issue a specific certificate for each vessel. All d'Amico vessels involved in EU voyages have obtained the proper certificates. Currently, all vessel data collected for the year 2020 is under review by the Performance Monitoring Department and will be transmitted pursuant to the EU Regulation 2015/757.

At the same time, the International Maritime Organization (IMO) has amended the MARPOL Annex VI (Prevention of Air Pollution from Ships), introducing through the Resolution MEPC.278(70) a data collection system for fuel oil consumption by ship. Under the amendments, ships of 5,000 gross tonnage and above, are required, starting from January 2019, to collect consumption data for each type of fuel oil used, as well as other, additional specified data including proxies for transport work. The aggregated data is reported to the ship flag State after the end of each calendar year and the flag State, having determined that the data has been reported in accordance with the requirements, issues a Statement of Compliance for the ship. Flag States are required to subsequently transfer such data to an IMO Ship Fuel Oil Consumption Database. IMO will be required to produce an annual report to the Marine Environment Protection Committee (MEPC) summarizing the data collected. The methodology used to collect and report the data must be included in a new, second part of the existing Ship Energy Efficiency Management Plan (SEEMP). d'Amico, during 2018, updated all its vessels SEEMP, obtaining the Confirmation of Compliance (CoC) by the respective Flag States. Furthermore, in 2020all of DIS' vessels have received the Statement of Compliance relating to the data submitted covering the operation of such ships in 2019. Currently all vessel data collected for the year 2020 is under review by the Performance Monitoring Department and will be transmitted to the ship flag States.

Since 2016, the technical management of the d'Amico Group has strengthened the vessel performance monitoring through a dedicated team and the adoption of specific on-board tools (sensors and data platform) integrated with software systems such as BMT and RINA Ego. This will definitively enable a more accurate vessel performance analysis to optimize vessel efficiency, leading to bunker savings and gas emission abatement.

Bunker consumption and related emissions of gas - Comparison for Owned and Bareboat Fleet, of bunker consumption and related emissions of gas, such as CO2, NOx and SOx, into the atmosphere for the year 2018 and 2019

During 2019 the DIS Group has prepared its fleet for the use of fuels with a sulphur content lower than 0.50%, as established by Regulation 14 of IMO MARPOL Annex VI, effective from 1 January 2020.

Sulphur oxides (SOx) are known to be harmful to human health, causing respiratory symptoms and lung disease. In the atmosphere, SOx can lead to acid rain, which can harm crops, forests and aquatic species, and contributes to the acidification of the oceans.

This global sulphur cap limit – which is in addition to the existing 0.10% sulphur content limit on the use of fuels in Emission Control Areas (ECAs) that is effective since 1 January 2015 – will significantly reduce the amount of sulphur oxides emanating from ships and should have major health and environmental benefits, particularly for populations living close to ports and coasts.

So as to mitigate the risks associated with the transition to the new fuels and properly manage their use, the technical management of the d'Amico Group has prepared and adopted procedures for bunker procurement, according to the producers' recommendations, as well as specific ship implementation plans.

From 2019 the method used by DIS to measure consumption improved, to better reflect the emissions per actual tons transported, rather than just measuring emissions per vessel deadweight tonnage. More specifically, calculations now take into account the Total Transport Work, representing the Total miles sailed multiplied by Total tons of cargo transported; In 2020, DIS' vessels started burning fuel oil bunker with sulphur content lower than 0.5% as per IMO regulations. This contributed to a strong reduction in the sulphur emissions of DIS' fleet.

Mix of bunkers consumed per total transport work[11]	2019	2020	Variance
Fuel Oil with Sulphur content higher than 1% **(grams x loaded tonne x miles covered)**	0.005684	0.000198	-96.5%
Fuel Oil with Sulphur content lower than 1% **(grams x loaded tonne x miles covered)**	0.000138	0.00000035	-99.7%
Fuel Oil with Sulphur content lower than 0.5% **(grams x loaded tonne x miles covered)**	-	0.005248	n.c
Marine Diesel Oil with Sulphur content higher than 0.1% **(grams x loaded tonne x miles covered)**	-	0.0000337	-
Marine Diesel Oil with Sulphur content lower than 0.1% **(grams x loaded tonne x miles covered)**	0.001290	0.0014477	12.22%

[11] Please note some considerations that make above tables merely indicative:

- Consumptions data, that are the main starting point for this kind of measures, could be generally influenced by external conditions (contractual agreements on speed and timings, marine weather conditions, etc.).
- In the second half of 2019 some bunkers used by some vessels started to change to be ready for IMO 2020 regulation. Therefore, the coefficient to calculate gas emissions must be updated. The transition period could provide results that are not entirely reliable.
- Many energy/emissions performances should be analysed at single vessel level, in order to provide more significant data.
- Due to the novelty of the matter and the subjectivity of calculation method, no industry-based KPI are available at this moment. We are investigating to find some new KPI in order to obtain a measure of performance, more objective and significant.

Emission of different types of gas per total transport work[11]	2019	2020	Variance
CO_2 **(grams x loaded tonne x miles covered)**	0.022301	0.0217	-0.27%
NO_x **(grams x loaded tonne x miles covered)**	0.00062	0.0003949	-36.3%
SO_x **(grams x loaded tonne x miles covered)**	0.000253	0.0000699	-72.4%

Ballast Water Treatment System

In September 2017, the new IMO Ballast Water Convention entered into force. Ballast water contains a variety of organisms, such as marine and coastal plants and animals from different regions of the world. If taken up in one place and released in another, some organisms may survive and prosper in their new environment. These "non-native species" can have a serious ecological, economic and public health impact on the receiving environment. To prevent the problem of invasive species from ballast water, the IMO adopted the first International Convention for the Control and Management of Ships' Ballast Water and Sediments in 2004.

d'Amico International Shipping through the d'Amico Group has prepared and is implementing plans, record books and procedures, not only to comply with the Convention's requirements, but most importantly to guarantee the prevention of this kind of pollution on behalf of its vessels. All newbuildings are fit with this equipment while the installation is planned on the remaining vessels during their next dry-docks. Furthermore, specific contingency measures are in place to prevent and respond to any failure and improper operation of these systems. During 2020 all ships scheduled for dry-docks have been retrofitted with WBTS in compliance with the USCG requirements.

Other projects sustaining the Environment

DIS through the d'Amico Group supports the preservation of the marine environment from pollution and excessive over-use, through the participation in several projects. DIS also constantly promotes responsible behaviour of its personnel towards the environment both onboard vessels and ashore.

The d'Amico Group is also partner of the "Istituto Italiano di Navigazione". Founded in 1959, the organization considers itself a link between the various institutions and businesses to *promote the technical and scientific development of navigation and shipping.*

With the aim of promoting and developing the Italian maritime heritage, including its care for the environment, the d'Amico Group supports the non-governmental "Associazione Promotore Musei del Mare e della Navigazione Onlus". The Group also supports the Oceanographic Museum of Monaco, by participating in projects aiming to protect the oceans and its biodiversity and increase the awareness of marine matters.

[11] Please note some considerations that make above tables merely indicative:

- Consumptions data, that are the main starting point for this kind of measures, could be generally influenced by external conditions (contractual agreements on speed and timings, marine weather conditions, etc.)
- In the second half of 2019 some bunkers used by some vessels started to change to be ready for IMO 2020 regulation. Therefore, the coefficient to calculate gas emissions must be updated. The transition period could provide results that are not entirely reliable.
- Many energy/emissions performances should be analysed at single vessel level, in order to provide more significant data
- Due to the novelty of the matter and the subjectivity of calculation method, no industry-based KPI are available at this moment. We are investigating to find some new KPI in order to obtain a measure of performance, more objective and significant.

SOCIAL RESPONSIBILITY, HUMAN RESOURCES AND SOCIAL MATTERS

Social and employee matters

As at 31 December 2020, the DIS Group employed a workforce of 600 seagoing personnel and 24 on-shore employees.

Throughout 2020 the HR department has been involved in following the COVID 19 emergency and activating the necessary measures to confront the pandemic. In particular, contingency plans were put in place, reducing or eliminating the presence in the offices, so as to limit the exposure to major risk factors, including that of work commuting.

To protect the health and safety of Group employees and their respective families, while guaranteeing business continuity and avoiding disruption of the activities, one of the main initiatives has been to facilitate work from home, also known as "smart working". In this respect, DIS benefited from the Smart Work Pilot Project which had been initiated already in October 2019 and which has facilitated the swift roll-out of this new way of working.

In its implementation of smart Working DIS used an integrated approach of planning, training, and communication aimed at supporting DIS' employees in this transition to a new approach to work. Smart working provides employees more flexibility in the organization their work and effort, by relying on tools and technologies capable of guaranteeing effective communication and productivity even outside of corporate offices. At the same time, it modifies significantly the relationship between the employer and employee to a dimension of trust and management by objectives.

From the start of the COVID 19 pandemic, in early February 2020, all employees were informed about the recommendations of the World Health Organization (WHO) (e.g. voyage limitations, recommendations issued by the country of destination, advice and/or directives of the respective local governments); with no delay, the d'Amico Group HR Department issued the Outbreak Management Plan for the containment of the spread of COVID-19 in the workplace; with the loosening of the local lock-down measures, a Protocol detailing safety and hygiene measures was issued to the employees to allow them to work again safely from their respective offices.

The development of DIS Group's human capital continued to represent one of the strategic priorities in 2020, with the firm belief that investing in its employees will contribute to strengthen the Group's competitive advantage.

The DIS Group continues to promote policies and practices aimed at maximizing and retaining talent, embracing the use of technology and innovation, improving employee wellbeing, while seeking to prevent of unlawful behaviour. Its goal is to create a workplace environment where every employee has the capacity to perform at higher levels, ensuring at the same time work-life balance for both genders.

The consolidation of its policy on diversity and inclusion has been one of the main achievements of 2020. This strategic priority is also confirmed by the composition of nationalities and the gender distribution of the DIS Group's workforce. In this respect, the group can count on on-shore employees from 10 nations at the end of 2020 almost in line with last year (2019: on-shore employees from 12 nations), with a proportion of women to men in the workforce of 43.5% to 56.5%, respectively (41% men and 59% women at the end of 2019).

The largest majority of on-board personnel is from India (86%). Other sea-going personnel is recruited in Ukraine (4%), Romania (2.5%) and Italy (2.4%). The number of women seafarers employed is unfortunately still very low (2).

In terms of work and pay conditions, DIS Group offers a remuneration in line with the local laws and sector standards where it operates, in full compliance with the existing law on wages and salaries, benefits and working hours, while seeking to base remuneration on objective criteria.

The commitment to prevent incidents and injuries at work is achieved through the maintenance of safe working places, in compliance with the laws; the right of access to preventive health care and the benefit of medical treatment are guaranteed under the conditions in force in each respective location.

The internal evaluation system for the Group's employees (People Performance Management), continues to play a key role in evaluating personnel performance, managing talent and establishing the incentive system, which is aligned with the latest best practices.

The d'Amico Corporate Academy, which gathers all the d'Amico Group learning and development initiatives, has launched different training initiatives involving most of the d'Amico Group's employees during the past years, creating an environment where stronger professional relationships are built. During 2020, despite the COVID-19 emergency, e-learning training initiatives were provided including language courses and formation on the compliance with new national and international regulations. Part of courses in 2020 were a continuation of initiatives launched during the previous year such as the compliance with GDPR rules.

Continuous attention is dedicated to the retention and development of staff that d'Amico International Shipping deems key for the management of its fleet, with an overall average job retention rate of 85.1 % in 2020 (2019: 83%).

In 2020 DIS also confirmed its long-term incentive system, to reinforce the alignment of interests between its employees involved in the plan (the "Beneficiaries") and its Shareholders. The management's long-term incentive plan promotes value creation in the medium to long-term, through the establishment of several goals, linked to the performance of the Company.

The seagoing personnel plays a key role in the safe and efficient operation of the fleet.

From 2017, DIS through the d'Amico Group strengthened its organization by establishing a Crew Department, managing and supervising processes and functions, with the objective of obtaining synergies and economies of scale through the application of the same policies throughout the organisation (training standards, career development, crew bargaining agreement, wage scale). All operational and administrative tasks are assigned to SIRIUS, a crew manning agent, which is part of the d'Amico Group, under the responsibility of the d'Amico Group's crew department.

The operation of the entire crewing function through a single department aims to reduce risks, since all internal procedures are continuously updated and promptly communicated to all managed vessels, with a focus on promoting safety and environmental protection.

The retention of seagoing personnel is one of the d'Amico Group's objectives and is monitored through the use of a number of KPIs, including the proportion of seafarers' contracts terminating before the contract term, for which the Group aims to stay below 10%, and the retention rate, for which the group aims to achieve at least the industry standard of 80%.

The shipping industry is highly regulated and strict with its operators when it comes to compliance with international standards on security and safety. To further reduce the risks inherent to its shipping activities, the d'Amico Group's crew department has very restrictive policies to protect the Safety of Life and, in general, the prevention of any incident which may result in serious casualties, injuries or illnesses. All crew members responsible for safety or environmental protection, are duly trained and regularly evaluated.

To manage the risks related to the seafarers' conditions of employment, all seagoing personnel is recruited through manning agents duly authorized by the local state authorities, or by recognized organizations, to ensure the principles and rules of the Maritime Labour Convention (MLC 2006) are fully met. The Crew department furthermore periodically inspects those agencies, to ensure compliance with its own procedures as well. In accordance with MLC 2006 provisions, every ship and ship management company must be periodically inspected by the flag authority, which releases a certificate of compliance for the vessel and the manager. All vessels managed by the d'Amico Group hold a valid Maritime Labour Certificate.

All DIS vessels are provided with Blue Cards, issued by the International Transport Workers' Federation (ITF). Social benefits are guaranteed to seafarers according to the applicable laws of their country of origin.

The «Home Grown Officers» philosophy is a fundamental aspect of the personnel's development strategy. In this respect, the d'Amico Group realizes specific personnel career development and manning requirements plans, which are constantly monitored and updated. The starting point is the cadet strategy, which includes a co-operation with nautical institutes for the education of its cadets, who could become the future officers of its fleet.

Respect for human rights

In 2020 the DIS Group continued strengthening its policy on diversity and inclusion with respect to individuals and more in general, with respect to the human rights of both ship and shore personnel.

One of the d'Amico Group's HR department's main goals is to make employees feel valued, respected, and involved with the Company, providing them access to equal opportunities, going well beyond legal requirements. The DIS Group encourages the promotion of an ethical conduct within the workplace as embedded in its Code of Ethics, which established that internal and external activities should be conducted in accordance with the values of fairness, honesty and transparency, in compliance with the laws and through the respect for a person's dignity.

Onboard managed vessels, work and rest hours are timely and constantly monitored to avoid any breach of applicable regulations.

Suitable assurance is taken for all seafarers to receive required medical care during their whole service tenure, and to guarantee their assistance also after contract termination in case of illness or injury. In all instances the seafarers' right to be safely repatriated is always safeguarded.

Strict procedures are followed by the Group to avoid bullying and harassment, regarding all employed personnel onboard its managed vessels. Any kind of harassment or bullying even ashore is not tolerated, and employees or third parties are encouraged to report any instances immediately, so that appropriate corrective action can be initiated. The reports may therefore concern unlawful behaviours, risks, crimes or irregularities attributable to violations of the DIS Code of Ethics and the internal control system, such as bullying and sexual harassment. The report must, however, be made in good faith. If the report concerns an event occurring onboard a vessel and/or if the whistle-blower is a crew member, he/she must send it via the following free websites https://damico-noncompliance.azurewebsites.net (for all vessels of the d'Amico fleet) or https://ishima-noncompliance.azurewebsites.net (only for vessels managed by Ishima). If the report concerns an event occurred ashore it shall be sent via the following free website https://damico-whistleblowing.azurewebsites.net. Alternatively, the reports can be sent to independent e-mail accounts and free phone numbers dedicated to on-board or ashore reports.

Humanitarian, educational and cultural matters

The DIS Group also sustains solidarity, training and cultural projects in the countries where it operates.

Through the d'Amico Group, contributions are provided to charitable activities all over the world to assist the neediest populations and territories, with a special attention dedicated to children, as well as to supporting events in favour of the protection of human life and scientific research. The d'Amico Group also supports the reconstruction of towns, villages and cities struck by natural disasters. As one of the latest examples, the d'Amico Group helped the people from the villages of the Khanh Hoa's province in Vietnam, when it was violently hit by the typhoon "Damrey" in 2017. In 2014, the d'Amico Group helped the families of Philippine seafarers and employees rebuild their homes. In 2013, following a typhoon that devastated large areas in the Philippines, the d'Amico Group made an important donation for the construction of ambulance boats for the municipality of Iloilo. This was one of the areas most affected by the disaster and is the hometown for some of our seafarers. Moreover, in 2011, the d'Amico Group assisted in the reconstruction of a small village in Japan after the Tsunami, which hit the country's north-east coast.

Since 2013, the d'Amico Group is alongside Save the Children, supporting its emergency and development projects worldwide, through specific programs for children, as well as their Christmas campaign.

Since 2018, the d'Amico Group supports the NGO "Il Porto dei Piccoli" (the children's harbour), which helps children facing illness and their families, providing support throughout treatment, regardless of the pathology, and offering a safe harbour where children and their families can find understanding and support.

For many years, the d'Amico Group is supporting the activities of the Telethon Foundation – funding research for the treatment of genetic diseases – donating regularly to the children's kidney disease foundation, which finances top researchers and research institutes in Italy and worldwide.

In addition, the d'Amico Group provides education, professional development and guidance to its employees and to students outside the Company, who are interested in the maritime industry, aiming to contribute to the development of successful career paths inside and outside the organization, by financing several projects at different educational levels and by partnering with several national and international maritime institutions.

In particular, the d'Amico Group is one of the founding members of the ITS Fondazione G. Caboto – Institute for Sustainable Mobility – a private-law institute, composed of public and private bodies, which aims to promote technical and scientific shipping culture, as well as the training of specialized technical staff, which are employed on its vessels.

The d'Amico Group has supported the National Maritime College of Ireland for over six years, offering 18 cadets the opportunity to board one of the vessels of the d'Amico fleet for 90 days each year. The new Navy officers can complete their education with a period of on-board training and receive the certificate of competency required for navigation. Through its cooperation with the National Maritime College of Ireland, the d'Amico Group is also a partner of Chiltern Maritime, a company specialising in the recruitment, training and administration of officer trainees for British Merchant Marine scholarship programmes.

The d'Amico Group also strengthened its partnership with the Royal Institution of Naval Architects – the British professional association of naval engineers founded in 1860, London – and the Naval Engineering Department of Genoa University (DITEN), to promote and foster the exchange of technical and scientific information in ship-designing and shipbuilding. In this respect, more than a decade ago the three organizations created, the "Student Naval Architect Award", which is assigned to the best thesis of one of their students.

Every year the d'Amico Group also offers a scholarship/project work to the highest-ranking student of the IPE Institute of Naples, contributing to the students' professional training.

The d'Amico Group also participates actively in the Connecticut Maritime Association (CMA), a non-profit trade association representing people from all over the shipping and trade industry. The d'Amico Group has been an active member of CMA since 2001. Since 2014, the d'Amico Group has sponsored the "Business of Shipping Competition", organized by the CMA and its education foundation. The competition rewards the best texts written by students attending US colleges and universities with programmes and/or courses specialising in shipping, international trade, marine biology and maritime engineering.

The d'Amico Group also supports the world of art and culture, aiming to introduce social, cultural, economic and environmental topics to an ever-wider public audience. Besides sponsoring several museums and exhibitions worldwide, a few years ago the d'Amico Group launched "The Owner's Cabin" project, a unique artist's residency promoting the production of artwork inspired by the international shipping environment experienced by artists while on-board one of the Group's vessels. In 2019, the Group hosted two young artists on two different vessels.

The d'Amico Group actively takes part, also by some of its executives holding top positions, in leading national and international organisations and associations, including among others INTERTANKO, International Chamber of Shipping, ECSA — European Community Shipowners' Association, CONFITARMA, BIMCO, and the European Sustainable Shipping Forum.

Paolo d'Amico, Chairman and CEO of DIS, is the Chairman of the International Association of Independent Tanker Owners (INTERTANKO) since November 2018. INTERTANKO promotes a highly competitive, transparent and sustainable tankers industry. Two other d'Amico Group employees hold a role at INTERTANKO, with an HR Manager chairing the Human Element in Shipping Committee (HEiSC), and a Technical Director participating in the Safety and Technical Committee (ISTEC) and in the Environmental Committee.

Since 2017, the d'Amico Group has also been an expert member of the ESSF — European Sustainable Shipping Forum. The Forum was created to promote structural dialogue, the exchange of technical knowledge, cooperation and coordination between parties, with the aim of encouraging sustainable, competitive and quality shipping without compromising safety. The d'Amico Group is also a member of the subgroup of "Air Emissions from Ships" and the Sub-group on Ship Energy Efficiency. d'Amico Group also cooperates from 2020 in the ECSA EU Maritime Taxonomy Group, tasked with developing a comprehensive EU strategy on sustainable finance.

OTHER RISKS

DIS is exposed to a number of operating risks, which can lead to unplanned costs and loss of income. These risks can arise from any of its operating activities, such as crewing, bunkering, dry-docks and repairs, commercial management, port agencies, towage and navigation.

d'Amico International Shipping regularly carries out a Risk Assessment of its operations. The Internal Audit function supports the process owners in their self-assessment, providing a complete map of its operating risks and the related controls.

The 2020 Risk Assessment underlined four risk categories as the most significant:

1. Natural and geopolitical events
2. Reputational risk
3. Macro-economic trends: Financial risks related to the market's volatility and cyclicality
4. Vessel failures

1. Natural and geopolitical risk, includes:

   a. *any political event, terrorism or cybercrime that can affect data centre security and availability, producing extra costs and or violation of data confidentiality* – this risk has been assessed in theory at the highest level. The Company's ICT department, however, implemented and improved a recovery procedure and a business continuity plan which reduces the risk to an acceptable level.

   b. *any political condition which can limit the Company's commercial activities* – International Sanctions regimes, mainly adopted by the EU, UN and U.S., are also targeting the shipping industry. In particular, the U.S. sanctions regime has proven to be aggressive not only towards U.S. nationals but also towards foreign persons and entities who can be subject to U.S. secondary sanctions. To avoid the risks of being subject to international sanctions, the Company implemented its own Sanctions Policy, which sets out the minimum requirements that the Company and its employees must comply with.

   c. *Piracy* – can entail security and economic risks for the vessel and/or risks to complete the vessel voyage as planned. Piracy risk is a major issue in the Gulf of Aden, in the Indian Ocean and in the Gulf of Guinea economic zone north of Latitude 3 North (including Nigeria, Togo and Benin). In this respect, DIS has taken measures to: (a) minimize the risk during transit in the Gulf of Aden, to promote safer navigation; (b) check the suitability of the insurance policies currently in force to ensure such risks are adequately covered. A detailed analysis of the situation has allowed the DIS Group, together with the d'Amico Group, to prepare guidelines to be followed by any vessel while in the risk zone. Moreover, to obtain as much information as possible and to stay updated on all issues, the d'Amico Group monitors websites dedicated to piracy issues regularly. Regarding insurance, on the basis of a risk assessment, DIS ascertained that the main piracy risks are adequately covered through: (a) loss of hire insurance, which covers the Company for the loss of income resulting from physical damages to the vessel caused by a piracy attack (*risk covered under the Hull & Machinery policy*); (b) kidnap and ransom insurance, which covers the perils of kidnap, wrongful detention, hijacking; (c) piracy loss of hire, which covers the payment of hire during the period of detention by pirates (a physical damage of the vessel is not required to be covered under this policy); (d) third parties liabilities – included in the P&I cover. In addition to the above-mentioned security measures the Company adopts armed guards to reduce the risk to an acceptable level.

d. *Pandemic: COVID-19 continues to spread globally, presenting unprecedented risks to people, businesses, and economies. The Company must be prepared to respond to and react to a range of issues affecting their employees, operations, and business as any delay could lead to significant issues later. According to this assumption, several mitigation strategies have been implemented (e.g. competence chart; insurance coverage, safety measures, succession plan) assuring the risk to Business Continuity is reduced to an acceptable level (see further comments in this section, and within the Financial review, Events of the Period).*

2. *Reputational risk* – adverse media campaigns, affecting the Company's reputation, could lead to commercial damage. External advisors and internal procedures help ensure the media are constantly monitored. A spokesperson was identified to ensure information is properly communicated.

3. *Financial risks* related to the market's volatility and cyclicality relate mainly to:

a. Freight rates. The Company is exposed to significant changes in freight rates due to changes in the supply and demand for the seaborne transportation of refined products, resulting from the cyclical nature of our sector. The Company mitigates this risk by employing part of its fleet through period contracts at fixed rates and by further hedging of some of the spot market exposure via Freight Future Agreements (please refer to TCE earnings in the Management financial review).

b. Strong corrections in freight rates can lead to losses and affect our cash balances, as well as our ability to respect contracts and could lead to defaults on our loans' financial covenants.

c. Vessel prices. The same factors that influence freight rates also impact vessel prices. Furthermore, in severe market downturns, the second-hand market liquidity for our vessels can drop significantly, affecting our ability to sell these assets. Strong corrections in vessel prices, can lead to potential defaults on our loans' financial covenants.

d. Interest rates and exchange rates, which affect respectively the Company's financing cost, and general administrative and operating costs.

For a detailed disclosure of financial risks, please refer to note 28 of the consolidated financial statements.

4. *Vessel failure risk* – it relates to the potential unavailability of the vessel to generate revenues. The Company adopts a Planned Maintenance System, to reduce vessel failure risk.

The management of dry-docks and repairs is coordinated through the d'Amico Group, providing economies of scale and a proper benchmarking for the cost and quality of such services. DIS' objective of always controlling a young fleet also helps to minimize such risks.

The d'Amico Group has established preferred yards in key trade areas on the basis of criteria such as the quality of jobs performed, ISO certifications and other volunteer or mandatory certifications, compliance with ethical principles, past experience of the d'Amico Group and a list of references.

The dry-docks are planned in advance, so as to secure the required slots and the dry-dock specification is finalized through a pre-docking inspection.

When selecting dry-docks all the costs are taken into account, including the repair cost, the cost of the deviation including that of bunkers consumed, and the time required for the repairs.

A Company representative is always onsite to monitor the quality of the job performed and the progress of the whole project, ready to promptly address any issue outstanding.

All of the above activities are performed also to reduce the risks relating to:

- the unavailability of a dock slot at the time of stoppage;
- unexpected works;
- unexpected costs and delays;
- ensure redelivery to the charterer in time.

To monitor the performance, DIS has established as a key performance indicator, the "Dry-dock planning performance", to monitor and control costs and delays.

In addition to the above-mentioned main risks (as per Risk Assessment results), *Operations* could be affected by other risks.

Risks linked to bunker management

When bunkering its vessels, the DIS Group has several objectives, including reducing direct purchase costs, minimizing vessel deviations and ensuring supplies are in line with the most recent ISO standards in force.
Bunkering is managed by DIS with the support of a d'Amico Group company, Rudder Sam, which has an in-depth knowledge of the market and uses a network of reliable suppliers with high quality standards (please refer also to the Related party transaction note to the consolidated financial statements).
A constant supervision of physical deliveries (as per planned timing and quantities) and analysis of the quality of bunker samples, ensures quality and quantity issues are kept under control.

Risks linked to voyage management

Voyage planning and control is managed by DIS to ensure good quality service to charterers, through constant attention to the fulfillment of contractual requirements, with the objective of reducing costs and minimizing delays. Port agencies and towage are managed by DIS through general agreements and are based on a reliable network of agents operating at high standards, with the aim of maximizing the efficiency of DIS' vessels turnaround during port stays, providing qualified husbandry services to owned vessels and taking advantage of economies of scale.

DIS Group's insurance plan provides coverage for a wide range of risks which may arise from ship ownership and management and which may expose the Group to financial losses. With regards to the vessels' operation and transportation of cargoes the coverage includes personal injury, environmental damage and pollution, third-party casualty and liability, hull and engine damage, total loss, war risks and piracy risks.

Geopolitical risks and Covid-19

Brexit may generate some issues on the mobility of seafarers, as also EU citizens might need a VISA to enter the UK. It is not yet clear if any nations will be exempted.

During 2020, the Novel-Coronavirus (Covid-2019) outbreak strongly affected crew rotations. Due to the travel restrictions imposed by the majority of countries, timing crew changes proved to be always challenging. Despite IMO recommendations (Res. 4204) and the several appeals of its Secretariate to consider seafarers as key workers, and to adopt a dedicated and common health safety protocol for crew changes (both on and off), almost all countries established their own rules, which were continuously changing.

One of the main consequences was that in many cases seafarers were forced to extend their on-board duty. A closer Risk Assessment evaluation was necessary when the time spent on board was close to or, in some cases, even longer then permitted by the Maritime Labour Convention. In such cases, a special exemption had to be obtained by the Flag Authority.

Some procedural tools were established to properly manage the risk of contagion for seafarers, including:

- Guidelines and behavioural rules to be observed for crew moves;
- Basic protective measures;
- Guidelines and behaviour rules to be followed during repatriation trips in case of suspicious of contagion;
- Guidelines for the recruitment office and behaviour rules to be followed by joining crew.

In addition, a vessel Contingency Plan was established that defines precautions and procedures in place to protect seafarers from respiratory illnesses, such as 2019-nCoV (Novel Coronavirus) and measures to be taken in case an infection is suspected on-board vessel. The plan includes:

- General actions to be implemented, including measures for basic protection, for personal and food hygiene, and for housekeeping/refuse management;
- Actions to be implemented in all ports placed in countries affected by Covid-2019;
- Actions to be taken when existing crew returns to ship after a shore visit;
- Actions to be taken when existing crew or security guards board a vessel;
- Actions in case of suspected infection.

Audits and sailing inspections were particularly affected by travel restrictions and investing in new technologies in pre COVID period avoided business continuity disruption. The early development and adoption of Electronic Record Books (oil record, garbage record, daily sounding log), enabled to perform remotely the documentations review avoiding on board physical attendance. Investments in Condition Based Maintenance tools allowed to monitor remotely and in real time the machineries health status. The standardization of vessel inspections forms with a specific check list and cross reference to company procedures became a smart guideline permitting us to assign the inspection to the top 2 officers onboard. Moreover, we were actively involved in the first pilot project with Rina and Liberia in how to conduct the class/annual survey remotely. Today the "remote survey" is a common practice.

Covid-19 had a material direct impact on market freight rates, as overall oil demand in 2020 dropped by around 10%, leading to sharp oil output cuts by OPEC. Covid 19 had also a material negative impact in the demand for the seaborne transportation of refined petroleum products, with some products such as Jet fuel and unleaded gasoline hit particularly hard. With the new lock downs enacted throughout the end of 2020 and beginning of 2021, demand is expected to remain subdued until the second half of 2021, after which a fairly sharp rebound is expected, although most likely not sufficient to raise consumption to pre-Covid levels before the summer of 2022.

SHAREHOLDERS INFORMATION

Investor Relations

d'Amico International Shipping's Investor Relations (IR) team runs a structured program aimed at promoting an ongoing dialogue with institutional investors, shareholders and the markets to ensure a regular dissemination of exhaustive and timely information on its activities, in accordance with legal requirements and by complying with the relevant corporate governance standards and recommendations, while respecting the limits arising from the confidential nature of certain information.

The financial results were presented on a quarterly basis through public conference calls, which can be widely accessed, including through the Group's Investor Relations website. During 2020, the IR team kept in constant contact with the financial community to discuss DIS' performance and results through meetings, conference calls, presentations at broker conferences and at the relevant events that Borsa Italiana (STAR Segment) organizes. Participation in roadshows with shareholders and investors focused on the major financial centers, and meetings were organized with investors that were deemed to have a particular interest in investing in our company, taking into account our market capitalization, equity valuation, sector of operation and the cyclical nature of our business.

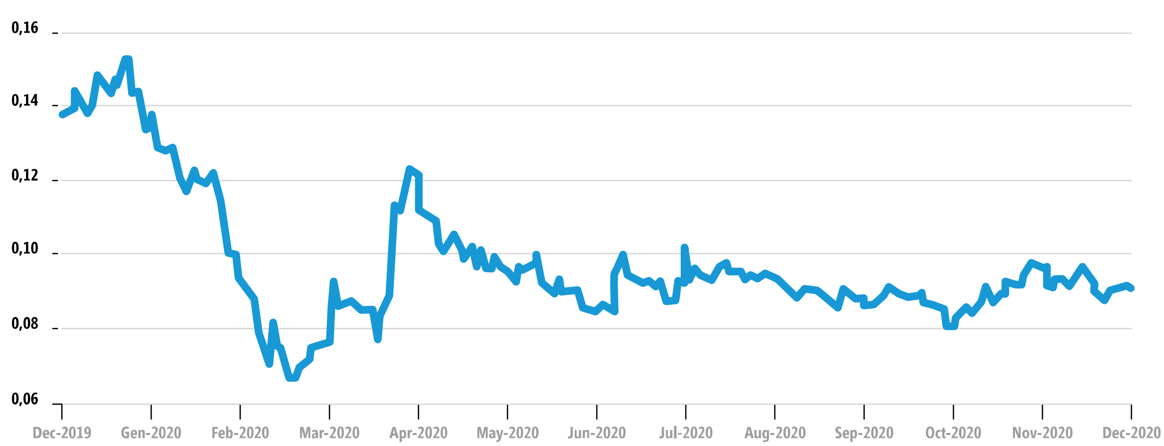
More information is available on the Group's institutional website **http://investorrelations.damicointernationalshipping.com/.** The Investor Relations' section provides share information, historical financial data, press releases, institutional presentations, periodic publications and analyst coverage. Starting from 2020, updates on DIS' investor relations activity are available also on the Company's LinkedIn page **https://www.linkedin.com/company/d-amico-international-shipping-s-a/**.

d'Amico International Shipping's shareholders may also contact: **ir@damicointernationalshipping.com.**

Share price performance

As at 31 December 2020, d'Amico International Shipping S.A.'s share capital consisted of 1,241,053,006 ordinary shares, and a market capitalization of €111,652,625.52. The Company's shares are listed on Borsa Italiana SpA, in the STAR segment.

d'Amico International shipping's share price in 2020 (Euros)



In Q1 2020, following the spread of the Covid-19 pandemic and the general repercussions on world equity markets, DIS' share price fell sharply to a year low of €0.0662 on 17 March 2020 (52.2% lower than the closing price of 2019). In Q2 2020, thanks to the general improvement of the world stock markets coupled with a strong upswing in spot market freight rates, DIS' share price bounced back to an intra-year top of €0.123 on 28 April 2020 (85.8% increase relative to the bottom hit on 17 March 2020). However, the product tanker market started losing momentum towards the end of Q2 and especially going into Q3, leading to a closing price of €0.0911 as at 31 December 2020, representing a decrease of 35% relative to the closing price of the prior year. The average daily traded volume during the year was of 3.1 million shares, 29% higher than the previous year. In addition, during the year (in January, March, November and December), n. 7,717,869 own shares (representing 0.62% of the outstanding share capital of the Company) were repurchased on the regulated market managed by Borsa Italiana S.p.A. at the average price of Euro 0.0956 and for a total consideration of Euro 737,999.24. As at 31 December 2020, d'Amico International Shipping S.A. held nr. 15,447,896 own shares, representing 1.25% of its outstanding share capital.

Financial Calendar

The Company's 2021 Financial Calendar is the following:

2020 Annual Financial Statements	March	Thursday 11
Annual General Meeting	April	Tuesday 20
2021 First Interim Management Statements	May	Thursday 06
2021 Half Year Report	July	Thursday 29
2021 Third Interim Management Statements	November	Thursday 11

Alternative Performance Measures (APM)

Along with the most directly comparable IFRS measures, DIS management is regularly using Alternative Performance Measures, as they provide helpful additional information for users of its financial statements, indicating how the business has performed over the period, filling the gaps left by the reporting standards. APMs are financial and non-financial measures of historical or future financial performance, financial position or cash-flows, other than a financial measure defined or specified in the Group's applicable financial reporting framework and standards (IFRS); for this reason they might not be comparable to similarly titled measures used by other companies and are not measurements under IFRS or GAAP and thus should not be considered substitutes for the information contained in the Group's financial statements. The following section sets out the Group's definitions of used APMs:

FINANCIAL APMs (They are based on or derived from figures of the financial statements)

Time charter equivalent earnings

A shipping industry standard allowing the comparison of period-to-period net freight revenues, which are not influenced by whether the vessels were employed on Time charters (TC), Voyage charters or Contracts of affreightment (please see Non-Financial APM definitions below). As indicated in the Profit and Loss financial statement, it is equal to revenues less voyage costs.

EBITDA and EBITDA Margin

EBITDA is defined as the result for the period before the impact of taxes, interest, the Group's share of the result of joint ventures and associates, depreciation and amortization. It is equivalent to the gross operating profit, which indicates the Group's revenues from sales less its cost of the services (transport) sold. EBITDA Margin is defined as EBITDA divided by Time charter equivalent earnings (as described above). DIS believes that EBITDA and EBITDA Margin are useful additional indicators investors can use to evaluate the Group's operating performance.

EBIT and EBIT Margin

EBIT is defined as the result for the period before the impact of tax, interest and the Group's share of the result of joint ventures and associates. It is equivalent to the net operating profit and the Group uses it to monitor its return after operating expenses and the cost of the use of its tangible assets. EBIT Margin is defined as operating profit as a percentage of Time charter equivalent earnings and represents for DIS a suitable measure to show the contribution of the Time-Charter Earnings in covering both fixed and variable costs.

ROCE

Return on Capital Employed is a profitability ratio which measures how efficiently a company is using its capital. It is calculated dividing the EBIT by the capital employed, that is, by total assets less current liabilities.

Gross CAPEX

Gross capital expenditure, that is the expenditure for the acquisition of fixed assets as well as expenditures capitalised as a result of the intermediate or special surveys of our vessels, or of investments for the improvement of DIS vessels, as indicated under Net acquisition of fixed assets within the cash-flow from investing activities; it gives an indication about the strategic planning (expansion) of the Group (capital intensive industry).

Net Indebtedness

Comprises bank loans and other financial liabilities, less cash and cash equivalents and liquid financial assets or short-term investments available to service those debt items. The Group believes net indebtedness is relevant to investors as it is a metric on the overall debt situation of a company, indicating the absolute level of non-equity funding of the business. The relevant table in the net indebtedness section within the report on operations, reconciles net debt to the pertinent balance sheet line items.

IFRS 16 impact

The standard eliminates the classification of leases as either operating leases or finance leases for a lessee; instead all leases are treated in a similar way to finance leases applying IAS 17. Leases are "capitalised" by recognising the present value of lease payments and showing them either as leased assets (right-of-use assets, RoU) or together with property, plant and equipment (PPE). Lease items of low value (under US$ 5 thousand) or for which the lease duration is shorter than one year are excluded from this treatment and are expensed as incurred. If lease payments are made over time, the company also recognises a financial liability representing its obligation to make future lease payments. The most significant effect is an increase in lease assets (or PPE) and financial liabilities, leading to changes in key financial metrics derived from balance sheet data. For companies with material off-balance sheet leases, IFRS 16 changes the nature of the expenses related to those leases: the straight-line operating lease expense (time-charter-in) are replaced with a depreciation charge for the lease asset (included within operating costs) and an interest expense on the lease liability (included within finance costs).

NON-FINANCIAL APMs (not derived from figures of the financial statements)

Available vessel days

Total theoretical number of days a vessel is available for sailing during a period. It provides an indication of the Group's fleet earnings potential during a period, which takes into account the date of delivery to and redelivery from the Group of the vessels in its fleet (please refer also to the Key figures, other operating measures).

Coverage

Ratio indicating how many available vessel days are already covered by fixed rate contracts (time charter contracts or contracts of affreightment). It provides an indication of how exposed the Group is to changes in the freight market during a certain period (please refer to Time charter equivalent earnings in the Management financial review).

Daily spot rate or daily TC rate

Daily spot rate refers to daily time-charter equivalent earnings (please refer to definition below) generated by employing DIS' vessels on the spot market (or on a voyage basis) and daily TC rate refers to daily time-charter earnings generated by employing DIS' vessels on 'time-charter' contracts (please refer to the Management financial review).

Off-hire

Means the period in which a vessel is unable to perform the services for which it is immediately required under a time charter. Off-hire periods can include days spent on repairs, dry-docking and surveys, whether or not scheduled. It can help to explain changes in time-charter equivalent earnings between different periods (please refer to Revenues, in the Management financial review).

Time charter equivalent earnings per day

A measure of the average daily revenue performance of a vessel or of DIS' fleet. DIS' method of calculating time charter equivalent earnings per day is consistent with industry standards and is determined by dividing voyage revenues (net of voyage expenses) by on-hire days for the relevant time period. Time charter equivalent earnings per day is a standard shipping industry performance measure used primarily to compare period-to-period changes in a shipping company's performance, since it is unaffected by the changes in the mix of charter contracts (i.e. spot charters, time charters and contracts of affreightment) through which the vessels are employed. It allows a comparison of the Group's performance with industry peers and market benchmarks (please refer to Key figures).

Vessels equivalent

The number of vessels equivalent in a period is equal to the sum of the products of the total available vessel days over that period for each vessel and the participation of the Group (direct or indirect) in that vessel, divided by the number of calendar days in that period. It provides an indication of the Group's fleet size and earnings potential over a period (please refer to Key figures).

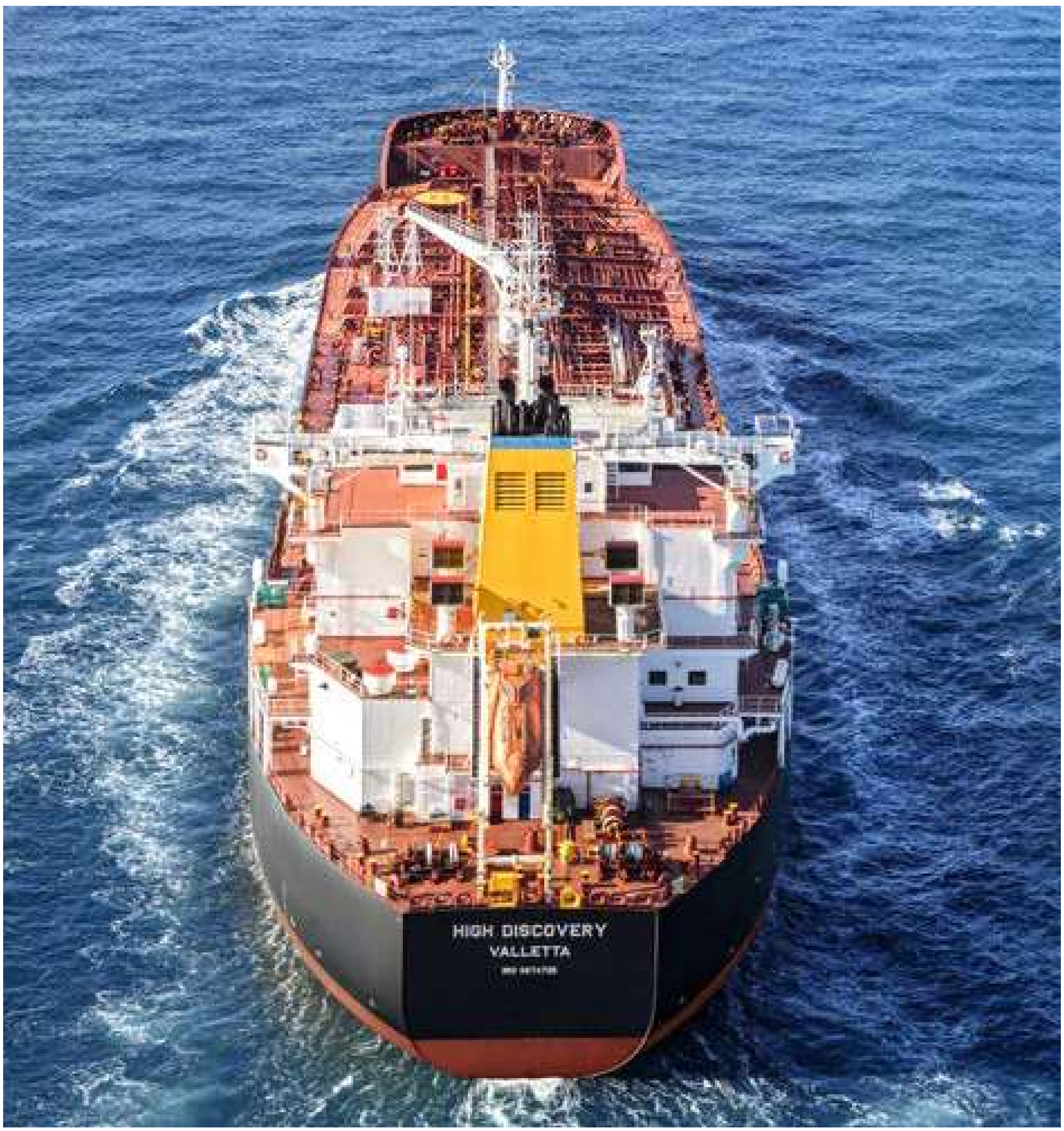
OTHER DEFINITIONS

Bareboat charter

A contract type under which the ship owner is usually paid monthly in advance charter hire at an agreed daily rate for a specified period of time, during which the charterer is responsible for the technical management of the vessel, including crewing, and therefore also for its operating expenses (please refer to note 6). A bareboat charter is also known as a "demise charter" or a "time charter by demise".

Charter

A contract for the hire of a vessel for a specified period of time or to carry cargo from a loading port to a discharging port. The contract for a charter is commonly called a charter party and there are three main types of such contracts, a bareboat charter party, a voyage charter party and time charter party (refer to definitions in this section).



SUMMARY OF THE RESULTS IN THE FOURTH QUARTER AND FY 2020

The tanker market has been exceptionally volatile in 2020. After easing back in early 2020 from a robust Q4 2019, tanker earnings soared to historically high levels in March-April 2020. The negative impacts from COVID-19 on global oil demand, coupled with the initial surge in output from Saudi Arabia and Russia, resulted in a steep contango for future oil prices, leading to a sharp increase in onshore storage which rapidly reached capacity in many locations, also resulting in a fast and pronounced increase in floating storage of both crude and products. However, after deep oil output cuts by major producers came into effect from the beginning of May, spot tanker earnings fell sharply and by the end of the year stood at a two-year low.

According to Clarksons, global oil demand is estimated to have fallen by 8.8% year-on-year in 2020 to 91.4m b/d. US and European oil demand are estimated to have registered the sharpest year-on-year declines, both falling by about 12%. In December, rapidly rising global COVID-19 cases weighed heavily on oil demand, especially in Europe and the US, as governments re-introduced or tightened 'lockdown' measures, and the deficit in global oil demand relative to the same period in 2019 is estimated to have widened month-on-month to about 6.8 million b/d from about 6.2 million b/d in November. In 2021 the IEA expects oil demand to rebound by 6.0% year-on-year, driven by the easing of COVID-19 restrictions as vaccines are rolled out across the world. However, the emergence of several new more contagious strains of the disease pose a significant risk to the oil demand recovery in 2021.

COVID-19 had a very positive effect on product tankers markets around April and May 2020 with spot freight rates reaching unprecedent levels. This surge in earnings was mainly driven by the reduction in fleet productivity as vessels were used for floating storage and as congestion in ports increased. As widely anticipated, the initial rally was followed by a steep correction and prolonged lull from around June 2020, as the market absorbed the excess product stocks and as floating storage gradually unwound.

The one-year time-charter rate is always the best indicator of spot market expectations and as at the end of February 2021 was assessed at around US$12,250 per day for a conventional MR2, with an Eco MR2 assessed at a premium of around US$1,500 per day.

In 2020, DIS recorded a Net profit of US$ 16.6 million vs. a Net loss of US$ (27.5) million posted in 2019. Excluding results on disposal and non-recurring financial items from 2020 and 2019, as well as the asset impairment and the effects of IFRS 16, DIS' Net result would have amounted to US$ 22.5 million in 2020 compared with US$ (7.7) million recorded in the previous year. Therefore, **excluding the effects of the application of IFRS 16 and such non-recurring effects, DIS' 2019 Net result would have been US$ 30.2 million higher than in the previous year.** In Q4 2020, DIS posted a Net profit of US$ 1.1 million vs. US$ 4.9 million recorded in Q4 2019.

DIS generated an EBITDA of US$ 127.3 million in 2020 vs. US$ 104.2 million achieved in 2019, representing an increase of 22.1% year-on-year. Such strong improvement relative to the previous year is mainly attributable to better market conditions experienced in the first half of 2020. This is reflected also in the **strong operating cash flow of US$ 84.1 million generated in 2020** compared with US$ 59.3 million in 2019.

In fact, in terms of spot performance, **DIS achieved a daily spot rate of US$ 16,771 for 2020**, 22.6% (i.e. US$ 3,088/day) higher than the US$ 13,683 achieved in 2019. In the fourth quarter of the year, DIS' daily spot rate was of US$ 11,699 vs. US$ 17,242 achieved in Q4 2019, due to a much weaker market relative to the same quarter of last year.

At the same time, 61.9% of DIS' total employment days in 2020, were covered through 'time-charter' contracts at an average daily rate of US$ 16,429 (2019: 51.6% coverage at an average daily rate of US$ 14,760). A good level of time charter coverage is one of the pillars of DIS' commercial strategy and allows it to mitigate the effects of the spot market volatility, securing a certain level of earnings and cash generation even throughout the negative cycles. **DIS' total daily average rate (which includes both spot and time-charter contracts) was of US$ 16,560 in 2020** compared with US$ 14,239 achieved in the previous year, representing a 16.3% increase year-on-year.

Operating performance

US$ Thousand	2020	2019
Revenue	316,314	353,534
Voyage costs	(58,538)	(95,202)
Time charter equivalent earnings*	**257,776**	**258,332**
Time charter hire costs	(13,961)	(31,750)
Other direct operating costs	(102,387)	(108,325)
General and administrative costs	(12,857)	(11,989)
Result from disposal of vessels	(1,303)	(2,042)
EBITDA*	**127,268**	**104,226**
Depreciation and impairment	(71,745)	(89,201)
EBIT*	**55,523**	**15,025**
Financial income	1,235	823
Financial (charges)	(39,865)	(44,968)
Share of profit (loss) of equity accounted investee	-	1,243
Reversal of impairment of financial assets	-	934
Loss on disposal of financial investment	(70)	-
Profit / (loss) before tax	**16,823**	**(26,943)**
Taxes	(267)	(584)
Net profit / (loss)	**16,556**	**(27,527)**

*see Alternative Performance Measures on page 41

Revenue was US$ 316.3 million in 2020 compared with US$ 353.5 million realized in the previous year. The decrease in gross revenue compared with the previous year is attributable mainly to a lower number of vessels operated on average by DIS in 2019 (2020: 43.2 vs. 2019: 48.8). In addition, the percentage of off-hire days in 2020 (3.9%) was higher than in the previous year (1.8%), mainly due to commercial off-hires and the timing of dry-docks.

Voyage costs reflect the mix of spot and time-charter employment contracts. These costs, which occur only for vessels employed on the spot market, amounted to US$ (58.5) million in 2020 compared with US$ (95.2) million in 2019. The lower costs reflect DIS' lower exposure to the spot market relative to last year.

Time charter equivalent earnings were US$ 257.8 million in 2020 vs. US$ 258.3 million in 2019. The total amount for 2020 includes US$ 6.2 million 'time charter equivalent earnings' (2019: US$ 9.1 million) generated by vessels under commercial management, which is offset by an almost equivalent amount reported under 'time-charter hire costs'.

In detail, DIS realized a **daily average spot rate of US$ 16,771 in 2020**[12] compared with US$ 13,683 achieved in 2019[13]. DIS' spot result for 2020 represents an improvement of 22.6% (i.e. US$ 3,088/day) relative to the previous year.

Following its strategy, in 2020 DIS maintained a **good level of 'coverage'** (fixed-rate contracts), securing an average of 61.9% (2019: 51.6%) of its available vessel days at a **Daily Average Fixed Rate of US$ 16,429** (2019: US$ 14,760). In addition to securing revenue and supporting the operating cash flow generation, these contracts enabled DIS to strengthen its historical relationships with the main oil majors.

DIS' total daily average TCE (Spot and Time charter)[14] was **US$ 16,560 in 2020** vs. US$ 14,239 in 2019 (**Q4 2020 US$ 15,192** vs. Q4 2019 US$ 15,965).

DIS TCE daily rates (US$)	**2019**					**2020**				
	Q1	Q2	Q3	Q4	**FY**	Q1	Q2	Q3	Q4	**FY**
Spot	13,583	13,074	11,616	17,242	**13,683**	17,354	25,118	12,866	11,699	**16,771**
Fixed	14,604	14,398	14,819	15,130	**14,760**	15,864	16,236	16,038	17,866	**16,429**
Average	14,057	13,710	13,264	15,965	**14,239**	16,391	19,555	14,864	15,192	**16,560**

Time charter hire costs IFRS 16 Leases is effective for annual periods beginning on or after 1 January 2019 and has been adopted by the Company. IFRS 16 substantially changes the Group's Consolidated Financial Statements, significantly affecting the treatment by lessees of contracts which in previous periods were treated as operating leases. With some exceptions, liabilities for payments on contracts previously classified as operating leases are now discounted at the lessee's incremental borrowing rate, leading to the recognition of a lease liability and a corresponding right of use asset (amounting to the liability plus the present value of any restoration costs and any incremental costs in entering the lease, as well as any lease payments made prior to commencement of the lease, minus any lease incentives already received). Therefore, starting from 1 January 2019, 'time-charter hire costs' includes only time-charter contracts whose residual term is shorter than 12 months as at that date or for contracts starting later, whose duration is shorter than 12 months from their commencement date. The application of IFRS16 reduced 'charter hire costs' by US$ 57.5 million in 2020 and by US$ 64.2 million in 2019, as within the Income Statement, these costs were replaced with other direct operating costs, interest and depreciation.

The total amount for 2020 includes also US$ 6.2 million (2019: US$ 9.1 million) in hire costs in relation to vessels under commercial management (0.9 average equivalent vessels in 2020 vs. 2.0 average equivalent vessels in 2019), which is offset by an almost equivalent amount reported under 'time charter equivalent earnings', after deducting a 2% commission on the gross revenue generated by these ships in the period. Excluding the cost related to the vessels under commercial management and the effect of IFRS 16, DIS' 2020 'time-charter hire costs' would have amounted to US$ (65.3) million, lower than the US$ (86.9) million of last year. In fact, DIS operated a lower number of chartered-in vessels in 2020 (11.9 equivalent ships) relative to the prior year (16.8 equivalent ships).

[12] Daily Average TCE for 2020 excludes US$ 6.2 million generated by the vessels under commercial management, as it is offset by an almost equivalent amount of time charter hire costs after deducting a 2% commission on gross revenues.

[13] Daily Average TCE of 2019 excludes US$ 9.1 million generated by the vessels under commercial management, as it is off-set by an almost equivalent amount of time charter hire costs after deducting a 2% commission on gross revenues.

[14] Daily Average TCE for 2020 and 2019 exclude the amounts generated by the vessels under commercial management, since hire revenue for these vessels for each year is offset by an almost equivalent amount of time charter hire costs, after deducting a 2% commission on gross revenues.

Other direct operating costs mainly consist of crew, technical and luboil relating to the operation of owned vessels together with insurance expenses for both owned and chartered-in vessels. The adjustment to 'other direct operating costs' arising from the application of IFRS 16 increases such expenses by US$ 26.3 million in 2020 (US$ 29.9 million increase in 2019), as within the Income Statement, time-charter hire costs are replaced by other direct operating costs, interest and depreciation. Excluding the effect of IFRS 16, DIS' 'other direct operating costs' would have amounted to US$ (76.1) million in 2020 vs. US$ (78.4) million in 2019. In 2020, the Company operated a total fleet of owned and bareboat-in vessels substantially in line with that of the previous year. DIS constantly monitors its operating costs, while focusing on crew with appropriate skills, high SQE (Safety, Quality & Environment) standards and full compliance with very stringent market regulations. Maintaining a 'high-quality' fleet represents an essential part of d'Amico's vision and strategy.

General and administrative costs were US$ (12.9) million in 2020 vs. US$ (12.0) million in 2019. These costs relate mainly to onshore personnel, together with office costs, consultancies, travel expenses and others.

Result from disposal of vessel was negative for US$ (1.3) million in 2020 vs. US$ (2.0) million in the same period of last year. The amount refers to the amortisation of the net deferred result on all vessels sold and leased back in the previous years.

EBITDA was of US$ 127.3 million in 2020 compared with US$ 104.2 million in 2019. The 22.1% improvement relative to the previous year, is mainly attributable to the stronger freight markets in the first half of 2020.

Depreciation, impairment and impairment reversal amounted to US$ (71.7) million in 2020 vs. US$ (89.2) million in 2019. The amount of 2020 includes US$ (2.2) million impairment booked on five vessels owned by d'Amico Tankers d.a.c. and one vessel owned by Glenda International Shipping (a jointly controlled entity with the Glencore Group, in which d'Amico Tankers d.a.c. has a 50% interest), which were classified as 'assets held for sale' (in accordance with IFRS 5) during the year, with the difference between their fair value less cost to sell and their book value charged to the Income Statement. Five of these vessels (M/T Cielo di Guangzhou, M/T Glenda Megan, M/T High Progress, M/T High Performance, and M/T High Courage) were sold during the year. As at 31 December 2020, the remaining vessel (M/T High Venture) was reclassified from 'assets held for sale' back to 'non-current assets' and its impairment was consequently reversed, leading to positive impact of US$ 2.8 million in the fourth quarter of the year. The amount for 2019 included US$ (15.5) million impairment booked on four vessels owned by d'Amico Tankers and on two vessels owned by Glenda International Shipping.

EBIT was **positive for US$ 55.5 million in 2020** compared to US$ 15.1 million in 2019, representing a 270% increase year-on-year.

Net financial income was of US$ 1.2 million in 2020 vs. US$ 0.8 million in 2019. The 2020 amount comprised mainly US$ 0.5 million unrealized gain in relation to the ineffective part of DIS' interest rate swap agreements, US$ 0.6 million realized gain on freight derivative instruments used for hedging purposes, as well as bank interest income on funds held with financial institutions on deposit and current accounts amounting to US$ 0.1 million. The 2019 amount included bank interest income on funds held with financial institutions on deposit and current accounts and interest on the financing provided to the DM Shipping joint venture amounting to US$ 0.4 million, as well as US$ 0.4 million foreign exchange gains on commercial transactions.

Net financial charges *amounted to US$ 39.9 million in 2020 vs. US$ (45.0) million in 2019.* The 2020 amount comprises US$ (36.7) million in interest expenses and amortized financial fees due on DIS' bank loan facilities, actual expenses on interest rate swaps and interest on lease liabilities, as well as US$ (2.6) million of unrealised losses mainly in relation to the ineffective part of DIS' interest rate swap agreements and US$ (0.5) million commercial foreign exchange losses.

Reversal of impairment of financial assets was nil in 2020 vs. positive for US$ 0.9 million in 2019 due to the partial reversal of the write-down of d'Amico Tankers d.a.c.'s shareholder loan to DM Shipping (a 51/49 jointly controlled entity with the Mitsubishi Group).

Losses on disposal of financial investments of US$ (0.07) million in 2020 refers to the write-off of the participation in DM Shipping d.a.c, struck-off from the Irish Companies' Register on 3 March 2021 (nil in 2019).

DIS recorded a **Profit before tax of US$ 16.8 million in 2020** vs. a loss of **US$ (26.9) million in 2019.**

Income taxes amounted to US$ (0.3) million in 2020 vs. US$ (0.6) million in 2019.

DIS recorded a ***Net profit of US$ 16.5 million in 2020*** vs. a loss of US$ (27.5) in 2019. Excluding results on disposals and non-recurring financial items from 2020 (US$ (2.9) million[15]) and from the same period of 2019 (US$ (2.3) million[16]), as well as the asset impairment (US$ (2.2) million in 2020 and US$ (15.5) million in 2019) and the net effects of IFRS 16 from both periods (US$ (0.8) million in 2020: US$ (2.0) million in 2019), DIS' Net result would have amounted to US$ 22.5 million in 2020 compared with US$ (7.7) million recorded in the same period of the previous year. Therefore, **excluding the effects of the application of IFRS 16 and such non-recurring effects, DIS' Net result for 2020 would have been US$ 30.2 million higher than in the previous year.**

[15] US$ (1.3) million loss on disposal, US$ (1.6) million mainly due to realized and unrealized loss on Interest rates swap agreements.

[16] US$ (2.0) million loss on disposal, US$ (1.3) million realized and unrealized loss on Interest rates swap agreements, US$ 0.2 million foreign exchange movements arising from the valuation of the DM Shipping financing, US$ 0.9 million reversal of impairment of an equity-invested asset.

Consolidated Statement of Financial Position

US$ Thousand	As at 31 December 2020	As at 31 December 2019
ASSETS		
Non-current assets	918,187	980,042
Assets held for sale	114,403	92,376
Current assets	-	59,631
Total assets	**1,032,590**	**1,132,049**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity	365,734	352,465
Non-current liabilities	539,382	590,869
Current liabilities	127,474	188,715
Total liabilities and shareholders' equity	**1,032,590**	**1,132,049**

Non-current assets mainly relate to DIS' owned vessels net book value, including right-of-use assets (there are no vessels under construction as at 31 December 2020). According to the valuation report provided by a primary broker, the estimated market value of DIS' owned and bareboat fleet as at 31 December 2020 was of US$ 705.5 million.

Gross Capital expenditures (Capex) were of US$ 12.0 million in 2020 vs. US$ 65.2 million in 2019. The 2020 amount includes only the capitalised dry-dock costs pertaining to owned and bareboat vessels. The amount of the prior year comprised mainly the instalments paid on the newbuilding vessels under construction at the time.

Current assets as at 31 December 2020 amounted to US$ 114.4 million. As at the same date, in addition to the working capital items (inventories and trade receivables amounting to US$ 8.9 million and US$ 38.7 million, respectively), current assets include 'cash and cash equivalent' of US$ 62.1 million and US$ 2.1 million relating to funds deposited by d'Amico Tankers d.a.c. with financial institutions in respect of interest rate swap contracts.

Non-current liabilities were of US$ 539.4 million as at 31 December 2020 and mainly consist of the long-term portion of debt due to banks (disclosed under the Net Indebtedness section of the report) and of lease liabilities.

Current liabilities, other than the debt due to banks and other lenders (disclosed under the Net Indebtedness section of the report), includes as at 31 December 2020, working capital items amounting to US$ 26.4 million (mainly relating to trade and other payables), US$ 43.4 million in lease liabilities, and US$ 11.1 million in other current financial liabilities.

Shareholders' equity amounted to US$ 365.7 million as at 31 December 2020 (US$ 352.5 million as at December 31, 2019). The variance relative to year-end 2019 is due to the Net profit generated in 2020, partially offset by the change in the valuation of cash-flow hedges.

Net Indebtedness*

DIS' net debt as at 31 December 2020 amounted to **US$ 561.5 million** compared to US$ 682.8 million as at 31 December 2019. These balances include an additional liability due to the application of IFRS 16, amounting to US$ 96.4 million as at the end of December 2020 vs. US$ 122.8 as at the end of 2019. The net debt (excluding IFRS16) / fleet market value ratio was of 65.9% as at 31 December 2020 vs. 64.0% as at the end of 2019 and compared with 72.9% as at the end of 2018.

E-MARKET SDIR CERTIFIED

US$ Thousand	As at 31 December 2020	As at 31 December 2019
Liquidity - *Cash and cash equivalents*	62,071	33,598
Current financial assets	2,565	2,334
Other current financial assets – related party **	2,160	4,931
Total current financial assets	**66,796**	**40,863**
Bank loans and other lenders – current	46,523	94,942
Liabilities from financial lease – current	43,411	37,736
Shareholders' financing	-	5,000
Other current financial liabilities – 3rd parties	6,824	6,465
Other current financial liabilities – related party **	4,309	6,008
Total current financial debt	**101,067**	**150,151**
Net current financial debt	**34,271**	**109,288**
Other non-current financial assets – third parties	12,110	17,347
Total non-current financial assets	**12,110**	**17,347**
Bank loans - non-current	263,089	270,169
Liabilities from financial lease - non-current	269,941	313,418
Other non-current financial liabilities – 3rd parties	6,352	7,282
Total non-current financial debt	**539,382**	**590,869**
Net non-current financial debt	**527,272**	**573,522**
Net financial indebtedness	**561,543**	**682,810**

* See Alternative Performance Measures on page 41

** Please refer to the disclosures on related parties in the notes to the consolidated Financial Statements

The balance of ***Total Current Financial Assets*** was of US$ 66.8 million as at the end of December 2020. The total amount comprises ***Cash and cash equivalents*** of US$ 62.1 million, and short-term financial receivables of US$ 2.2 million, which mainly consist of funds deposited by d'Amico Tankers d.a.c. with financial institutions, in respect of interest rate swap contracts, as well as the current portion of deferred losses on disposal on sale-leaseback transactions amounting to US$2.6 million.

Total Non-current Financial Assets comprise mainly deferred losses on disposal on sale and lease back transactions. The total outstanding bank debt ***(Bank loans)*** as at 31 December 2020 amounted to US$ 309.6 million, of which US$ 46.5 million is due within one year. In addition to some short-term credit lines, DIS' debt as at 31 December 2020 comprises mainly the following long-term facilities granted to d'Amico Tankers d.a.c. (Ireland), the key operating company of the Group:

(i) US$ 279.0 million (originally US$ 250.0 million) term-loan facility granted by a pool of nine primary financial institutions (Crédit Agricole Corporate and Investment Bank, Nordea Bank, ING Bank, Banca IMI, Commonwealth Bank of Australia, Skandinaviska Enskilda Banken (SEB), The Governor and Company of the Bank of Ireland, Credit Industriel et Commercial, DnB), to provide financing for 5 existing vessels, with an outstanding debt of US$ 110.6 million;

(ii) Crédit Agricole Corporate and Investment Bank and ING term-loan facility to refinance 1 MR vessel built in 2016 and 2 MR vessels built respectively in 2005 and 2006, with an outstanding debt of US$ 25.2 million. In addition, this facility allowed d'Amico Tankers to refinance a further MR vessel, which was leased by d'Amico Tankers as at 31 December 2020 and whose purchase option was exercised on 5 February 2021;

(iii) DnB NOR Bank 5-years term-loan facility to finance 1 MR vessel built in 2012, with an outstanding debt of US$ 13.3 million;

(iv) ING 5-years term-loan facility to finance 1 MR vessel built in 2012, with an outstanding debt of US$ 12.8 million;

(v) ABN Amro 6-years term-loan facility to finance 1 Handysize vessel built in 2014 with an outstanding debt of US$ 12.2 million;

(vi) Banca IMI (Intesa Group) 7-years term-loan facility to finance 2 Handy-size vessels built respectively in 2015 and 2016, with a total outstanding debt of US$ 30.8 million;

(vii) Monte dei Paschi di Siena 5-years term-loan facility to finance 1 LR1 vessel (delivered in November 2017), with an outstanding debt of US$ 20.6 million;

(viii) Century Tokyo Leasing 6-years term-loan facility to finance 2 Handy-size vessels delivered respectively in July and October 2016 and 1 MR vessel delivered in January 2017, with a total outstanding debt of US$ 49.4 million;

(ix) In addition, DIS' debt comprises also its portion of the bank loans of its joint venture 'Glenda International Shipping d.a.c.' with Standard Chartered Bank, amounting to US$ 21.6 million to finance 4 Glenda International Shipping d.a.c. vessel built between 2010 and 2011.

Lease liabilities include the leases on M/T High Fidelity, M/T High Discovery, M/T High Priority, M/T High Freedom, M/T High Trust, M/T High Loyalty, M/T High Trader, M/T Cielo di Houston and M/T High Voyager, which were sold and leased back between 2017 and 2019. In addition, 'lease liabilities' include as at 31 December 2020, US$ 96.4 million arising from the application of IFRS 16 on contracts classified until 2018 as 'operating leases'.

Other Non-current financial liabilities include the negative fair value of derivative hedging instruments (interest rate swap agreements) and the deferred profit on disposal on sale and leaseback transactions.

Cash Flow

In 2020, **DIS' net cash flow was positive for US$ 27.8 million** vs. US$ 2.4 million in 2019.

US$ Thousand	2020	2019
Cash flow from operating activities	84,128	59,274
Cash flow from investing activities	43,822	(40,425)
Cash flow from financing activities	(100,173)	(16,452)
Change in cash balance	**27,777**	**2,397**
Cash and cash equivalents net of bank overdrafts at the beginning of the year*	**17,517**	**15,120**
Cash and cash equivalents at the end of the year	62,071	33,598
Bank overdrafts at the end of the year	(16,777)	(16,081)
Cash and cash equivalents net of bank overdrafts at the end of the year	**45,294**	**17,517**

* Please refer to note n.1 of the consolidated accounts

Cash flow from operating activities was positive, amounting to US$ 84.1 million in 2020 vs. US$ 59.3 million in 2019. This improvement is attributable to the much stronger freight markets in the first half of 2020 relative to the same period of last year.

The net ***Cash flow from investing activities*** was positive for US$ 43.8 million in 2020 (US$ (40.4) million in 2019). The 2020 amount comprises costs relating to drydocks occurred in the period, off-set by US$ 55.3 million generated from the sale of M/T Cielo di Guangzhou and M/T Glenda Meredith in Q2 2020, M/T High Progress in Q3 2020 and M/T High Performance and M/T High Courage in Q4 2020 and by US$ 0.5 million arising from the reduction of d'Amico Tankers' shareholders loan to DM Shipping, following the sale of its two vessels in FY 2019. The 2019 amount comprised the capital expenditures in connection with the installments paid on the two new-building vessels delivered respectively in January 2019 (sold and leased back upon delivery) and October 2019, partially offset by US$ 15.4 million arising from the reduction of d'Amico Tankers' shareholders loan to DM Shipping, following the sale of its two vessels in Q2 and Q3 2019 and by US$ 9.4 million in proceeds from the disposal of the M/T Glenda Megan, a vessel owned by Glenda International Shipping, in Q4 2019.

Cash flow from financing activities was negative, amounting to US$ (100.2) million in 2020. This figure comprises mainly: (i) US$ (5.0) million reimbursement of the financing granted by DIS' majority shareholder (d'Amico International S.A.) at the end of 2019; (ii) US$ (104.9) million in bank debt repayments (of which: US$ (5.5) million were due to the reimbursement of the loan, including the balloon, for the M/T Cielo di Guangzhou, sold in Q2 2020; US$ (4.3) million were due to the reimbursement of the loan, including the balloon, for M/T High Progress, sold in Q3 2020; US$ (7.2) million were due to the reimbursement of the loans, including the balloons, for the M/T High Performance and M/T High Courage, sold in Q4 2020; US$ (24.1) million were due to the reimbursement of the facilities on M/T High Valor, M/T High Venture and M/T High Wind, refinanced with Credit Agricole; US$ (22.8) million were due to reimbursement of the facility with Credit Suisse and Cross Ocean AGG Company I on the four Glenda International Shipping d.a.c. vessels, refinanced with Standard Chartered Bank); iii) US$ 47.7 million bank debt drawdown, comprising US$ 25.2 million refinancing with Credit Agricole of M/T High Valor, M/T High Venture and M/T High Wind and US$ 22.5 million drawdown of a new facility with Standard Chartered Bank for the refinancing of the four vessels owned by Glenda International Shipping d.a.c.; (iv) US$ (36.8) million repayment of lease liabilities; (v) US$ (1.7) reimbursement of the upstream loan received from Glenda International Shipping d.a.c. at the end of 2019; (vi) US$ (0.9) million acquisition of DIS' treasury shares.

QUARTERLY RESULTS

Fourth Quarter results

US$ Thousand	Q4 2020	Q4 2019
Revenue	66,635	93,028
Voyage costs	(13,015)	(20,822)
Time charter equivalent earnings*	**53,620**	**72,206**
Time charter hire costs	(1,829)	(6,458)
Other direct operating costs	(23,752)	(27,446)
General and administrative costs	(3,605)	(2,875)
Result from disposal of vessels	(603)	(543)
EBITDA*	**23,831**	**34,884**
Depreciation and impairment	(14,104)	(20,545)
EBIT*	**9,727**	**14,339**
Financial income	985	-
Financial (charges)	(9,498)	(9,086)
Share of profit (loss) of equity accounted investee	-	(3)
Profit / (loss) before tax	**1,214**	**5,250**
Income taxes	(64)	(302)
Net profit / (loss)	**1,150**	**4,948**

* See Alternative Performance Measures on page 41

Market and key operating measures review by Quarter*

	Q1	Q2	Q3	Q4	FY
Total vessel equivalent					
2020	**46.0**	**44.4**	**41.9**	**40.4**	**43.2**
2019	49.4	49.8	48.5	47.6	48.8
Off-hire days/available vessel days (%)					
2020	**1.8%**	**3.5%**	**5.6%**	**5.1%**	**3.9%**
2019	3.9%	0.6%	1.3%	1.4%	1.8%
TCE earnings per employment day (US$)					
2020	**16 391**	**19 555**	**14 864**	**15 192**	**16 560**
2019	14 057	13 710	13 264	15 965	14 239

* See Alternative Performance Measures on page 41

Financials by Quarter

The 2020 quarterly financials largely reflect the performance of freight markets during that period.

US$ Thousand	Q1	Q2	Q3	Q4	FY
Revenue	94,355	90,987	64,337	66,635	316,314
Voyage costs	(22,941)	(12,327)	(10,255)	(13,015)	(58,538)
Time charter equivalent earnings*	**71,414**	**78,660**	**54,082**	**53,620**	**257,776**
Time charter hire costs	(6,955)	(4,300)	(877)	(1,829)	(13,961)
Other direct operating costs	(27,650)	(25,367)	(25,618)	(23,752)	(102,387)
General and administrative costs	(3,272)	(2,911)	(3,069)	(3,605)	(12,857)
Result on disposal of vessels	(553)	436	(583)	(603)	(1,303)
EBITDA*	**32,984**	**46,518**	**23,935**	**23,831**	**127,268**
Depreciation and impairment	(19,091)	(21,465)	(17,085)	(14,104)	(71,745)
EBIT*	**13,893**	**25,053**	**6,850**	**9,727**	**55,523**
Net Financial income	41	27	182	985	1,235
Net Financial (charges)	(12,321)	(9,370)	(8,676)	(9,498)	(39,865)
Loss on disposal of financial investment	-	-	(70)	-	(70)
Profit/ (loss) before tax	**1,613**	**15,710**	**(1,714)**	**1,214**	**16,823**
Income taxes	(96)	(88)	(19)	(64)	(267)
Net profit / (loss)	**1,517**	**15,622**	**(1,733)**	**1,150**	**16,556**

* See Alternative Performance Measures on page 41

The following table shows the **Net Debt** at the end of the fourth quarter compared with the figures at end of the third quarter of 2020:

US$ Thousand	As at 31 December 2020	As at 30 September 2020
Total current financial assets	66,796	63,929
Total current financial debt	101,067	128,524
Net current financial debt	**34,271**	**64,595**
Total non-current financial assets	12,110	12,437
Total non-current financial debt	539,382	546,588
Net non-current financial debt	**527,272**	**534,151**
Net financial indebtedness*	**561,543**	**598,746**

* See Alternative Performance Measures on page 41

SIGNIFICANT EVENTS IN THE YEAR

In 2020, the main events for the d'Amico International Shipping Group were the following:

d'Amico International Shipping:

Executed buyback program: On 27 January 2020, d'Amico International Shipping S.A. announced that during the period between 20 January and 24 January 2020, n. 882,000 own shares (representing 0.07107% of the outstanding share capital of the Company) were repurchased on the regulated market managed by Borsa Italiana S.p.A. at the average price per share of Euro 0.1495, for a total consideration of Euro 131,869.20.

On 20 March 2020, d'Amico International Shipping S.A. announced that during the period between 13 March and 19 March 2020, n. 1,500,000 own shares (representing 0.121% of the outstanding share capital of the Company) were repurchased on the regulated market managed by Borsa Italiana S.p.A. at the average price per share of Euro 0.0703, for a total consideration of Euro 105,434.40.

On 01 December 2020, d'Amico International Shipping S.A. announced that during the period between 23 November and 30 November 2020, n. 1,377,189 own shares (representing 0.111% of the outstanding share capital of the Company) were repurchased on the regulated market managed by Borsa Italiana S.p.A. at the average price per share of Euro 0.0964, for a total consideration of Euro 132,711.58.

On 9 December 2020, d'Amico International Shipping S.A. announced that during the period between 1 December and 8 December 2020, n. 1,003,282 own shares (representing 0.081% of the outstanding share capital of the Company) were repurchased on the regulated market managed by Borsa Italiana S.p.A. at the average price of Euro 0.0951 and for a total consideration of Euro 95,457.53.

On 17 December 2020, d'Amico International Shipping S.A. announced that during the period between 9 December and 16 December 2020, n. 1,373,418 own shares (representing 0.111% of the outstanding share capital of the Company) were repurchased on the regulated market managed by Borsa Italiana S.p.A. at the average price of Euro 0.0941 and for a total consideration of Euro 129,209.69.

On 24 December 2020, d'Amico International Shipping S.A. announced that during the period between 17 December and 23 December 2020, n. 1,443,616 own shares (representing 0.116% of the outstanding share capital of the Company) were repurchased on the regulated market managed by Borsa Italiana S.p.A. at the average price of Euro 0.0906 and for a total consideration of Euro 130,757.23.

On 5 January 2021, d'Amico International Shipping S.A. announced that during the period between 29 December and 30 December2020, n. 138,364 own shares (representing 0.011% of the outstanding share capital of the Company) were repurchased on the regulated market managed by Borsa Italiana S.p.A. at the average price of Euro 0.0908 and for a total consideration of Euro 12,559.61. As at 30 December 2020, d'Amico International Shipping S.A. held nr. 15,447,896 own shares, representing 1.25% of its outstanding share capital.

The transactions were made and coordinated by an independent equity broker duly engaged for this purpose, Equita SIM S.p.A., in compliance with the Board of Directors resolution of 13 November 2019 and under the authorization to purchase own shares approved by DIS Shareholders' Meeting on 20 April 2016 (as reminded by means of a press release issued on 13 November 2019).

- **Results of DIS Warrants 2017-2022 Fourth Additional Exercise Period:** On 28 December 2020, d'Amico International Shipping S.A. announced that the fourth additional exercise period of the "d'Amico International Shipping Warrants 2017 – 2022" (the "Warrants"), ISIN code LU1588548724, has ended the day before (the "Fourth Additional Exercise Period"). During this Fourth Additional Exercise Period no. 7,666 Warrants were exercised at the price of Euro 0.368 per ordinary share, resulting in the subscription of n. 7,666 Warrant Shares, – on the basis of a ratio of one (1) Warrant Share, for each one (1) Warrant exercised – admitted to trading on the MTA market of Borsa Italiana S.p.A., without nominal value and with the same rights (including that to dividends) and features as DIS' ordinary shares outstanding (the "Warrant Shares"). Following such subscription, DIS' share capital amounts to US$ 62,052,650.30, represented by 1,241,053,006 ordinary shares without nominal value.

- **Impact of COVID-19:** The virus outbreak had a major impact on the consumption of refined petroleum products. According to the IEA, global oil demand fell by 16.4 million b/d year-on-year in Q2 2020 as lockdowns were imposed to combat the Covid-19 pandemic. Demand rebounded strongly from July in most of Europe, North America and Asia. World oil demand is projected to decline by 8.4 million b/d in 2020 and to recover by 5.5 million b/d in 2021. However, the surge in Covid-19 cases in the US and Europe from the autumn of last year, followed by the containment measures adopted some of which still in place, including partial lockdowns, poses significant downside risks to such forecasts.

  The large drop in demand for refined products, coupled with the failure by OPEC+ to reach an agreement on production levels in their March meeting, initially led to a surge in oil supply just as demand was collapsing. The resulting drop in oil prices that bottomed at around US$20 per barrell, led to a steep contango in the oil forward price curve, resulting in a surge in stocks both onshore and offshore. The resulting congestion at ports and increase in floating storage of both crude and refined products, greatly reduced effective vessel supply, just as the market was being flooded with oil, leading to a surge in freight rates, which reached unprecedent levels around the end of April 2020. However, OPEC+'s decision to reduce crude oil supply by almost 10 million b/d, coupled with voluntary shut-downs from other countries, led to a reduction in supply of almost 14 million b/d from April to June, quickly rebalancing the market and leading to a flatter oil forward price curve and to an increase in the spot oil prices, to around US$40 per barrel. This vigorous supply curtailment led to a large drop in the demand for the seaborne transportation of refined products and as storage became less profitable, some of the excess inventories started to be consumed, with vessels used for floating storage slowly returning to the market. These factors led to a large drop in freight rates from the beginning of June. OPEC+ supply curtailment has eased from August and demand has rebounded during the summer in Western Europe and some large emerging markets such as China and India. The surge in contagions this autumn has been temporarily derailing the ongoing recovery in oil consumption and there is therefore considerable uncertainty regarding the time required to absorb the excess inventories and rebalance the market, which will eventually lead to a healthier market with profitable and sustainable freight rates.

  d'Amico International Shipping S.A.'s subsidiaries are also coping with operational challenges due to COVID-19, such as loading/unloading restrictions, as well as quarantines for vessels and crews in certain ports, but we are working with our partners, customers and local authorities to find solutions that minimise the impact on our business. COVID-19 has also affected the procurement of spare parts for our vessels and logistics has become more complicated. Although contagions are currently significantly lower in parts of Asia, we are still experiencing problems in flying service engineers to vessels and in arranging vetting inspections around the world. Crew rotation is and remains the main issue, however, the industry has adapted quite rapidly to this new reality, and we have been able to continue operating our vessels with the same level of care and safety. In addition, in 2021 the d'Amico Group signed the Neptune declaration, outlining the main actions to be taken to resolve this crisis.

  To better confront the near-term headwinds caused by Covid-19, DIS has significantly strengthened its financial and liquidity position in 2020, also through the sale of vessels. In this respect, one of DIS' main initiatives was the disposal of 5 of its older vessels in 2020. Thanks also to these vessel disposals, DIS could count on a consolidated cash and cash equivalents balance amounting to US$62.1 million as at 31 December, comfortably above the minimum required liquidity on its bank financing covenants of US$25.0 million. Furthermore, DIS has also sought to increase the portion of its fleet covered through fixed rate period contracts, which represent 36.7% of its available vessel days in 2021. DIS estimates that the sensitivity of its net result and cash generation for every US$1,000 change in the daily time-charter equivalent earnings for its spot vessels is of only US$ 8.6 million in 2021.

d'Amico Tankers d.a.c.:

- **'Time Charter-Out' Fleet:** In January 2020, d'Amico Tankers d.a.c. fixed one of its Handy-size vessels with a leading trading house for 12 months, starting from February 2020.

  In March 2020, i) d'Amico Tankers d.a.c. extended a time charter contract with a leading trading house for one of its LR1 vessels for 6-9 months starting from April 2020; ii) d'Amico Tankers d.a.c. extended a time charter contract with an oil-major for one of its Handy-size vessels for 12 months starting from March 2020.

  In May 2020, d'Amico Tankers d.a.c. extended time charter contracts with an oil-major, for two of its Handy-size vessels for 12 months, starting respectively from May and June 2020.

  In June 2020, d'Amico Tankers d.a.c. extended a time charter contract with an oil-major for two of its MR vessels for respectively 12 months and 6 to 7 months, starting respectively from July and August 2020.

  In July 2020, d'Amico Tankers d.a.c. extended a time charter contract with a leading trading house for one of its LR1 vessels for 3-6 months starting from August 2020.

  In September 2020, d'Amico Tankers d.a.c. extended a time charter contract with a leading trading house for two of its LR1 vessels for 3-6 months, both starting from October 2020.

  In October 2020, d'Amico Tankers d.a.c. extended a time charter contract with a leading trading house for one of its LR1 vessels for 2-4 months, starting from November 2020.

  In November 2020, d'Amico Tankers d.a.c. extended a time charter contract with an oil-major for one of its MR vessels for 12 months with an option for further 12 months, starting from January 2021.

  In December 2020, i) d'Amico Tankers d.a.c. extended a time charter contract with an oil-major for one of its MR vessels for 6 months with an option for further 6 months, starting from January 2021; ii) d'Amico Tankers d.a.c. extended a time charter contract with a leading trading house for two of its LR1 vessels for 6-21 months and for 9-21 months respectively, both starting from January 2021.

- **'Time Charter-In' Fleet and 'Commercial management' Fleet:** In January 2020, the commercial management contract for the M/T Falcon Bay ended and the vessel was redelivered to her owners.

  In February 2020, the time-charter-in contract for the M/T Freja Baltic, an MR vessel built in 2008, ended and the vessel was redelivered to her owners.

  In May 2020, the commercial management contract for the M/T Eagle Bay ended and the vessel was redelivered to her owners.

  In June 2020, i) the commercial management contract for the M/T Philoxenia ended and the vessel was redelivered to her owners; ii) the time-charter-in contracts for the M/T Celsius Rimini, an MR vessel built in 2009, and M/T Carina, an MR vessel built in 2010, ended and the vessels were redelivered to their respective owners.

In October 2020, d'Amico Tankers d.a.c. signed a time-charter-in contract for the M/T Green Planet, an MR vessel built in 2014, for 3 years with an option for 1 additional year. The vessel was delivered to d'Amico Tankers d.a.c. in December 2020.

- **Vessel Sale:** In May 2020, d'Amico Tankers d.a.c signed a memorandum of agreement for the sale of the M/T Cielo di Guangzhou, a 38,877 dwt Handy-size product tanker vessel, built in 2006 by Guangzhou Shipyard International, China, for a consideration of US$ 8.8 million. The vessel was delivered to the buyers in Q2 2020.

  In July 2020, d'Amico Tankers d.a.c signed a memorandum of agreement for the sale of the M/T High Progress and M/T High Performance, two 51,303 dwt MR product tanker vessels, built in 2005 by STX, South Korea, for a consideration of US$ 12.95 million per vessel. M/T High Progress and M/T High Performance have been delivered to buyers respectively in Q3 and Q4 2020.

  In September 2020, d'Amico Tankers d.a.c signed a memorandum of agreement for the sale of the M/T High Courage, a 46,975 dwt MR product tanker vessel, built in 2005 by STX, South Korea, for a consideration of US$ 12.65 million. The vessel was delivered to its buyer in Q4 2020.

- **Bank loan financing:** In November 2020, d'Amico Tankers d.a.c. signed a new US$ 28.9 million secured term loan facility with Credit Agricole CIB to refinance the M/T High Valor, M/T High Venture, M/T High Wind, and M/T High Priority, previously financed with Credit Agricole CIB and a pool of 8 syndicated banks.

Glenda International Shipping d.a.c.:

- **Vessel Sale:** In April 2020, Glenda International Shipping d.a.c., the joint venture company with the Glencore Group, in which d'Amico Tankers holds a 50% participation, signed a memorandum of agreement for the sale of the M/T Glenda Meredith, a 46,147 dwt MR product tanker vessel, built in 2010 by Hunday Mipo, South Korea, for a consideration of US$ 19.0 million. The vessel was delivered to the buyers in Q2 2020.

- **Bank loan financing:** In September 2020, Glenda International Shipping d.a.c., the joint venture company with the Glencore Group, in which d'Amico Tankers holds a 50% participation, signed a new US$ 45 million secured term loan facility with Standard Chartered Bank to refinance the four MR vessels currently owned by the joint venture company and previously financed with Credit Suisse and Cross Ocean AGG Company. In the same month the new facility was fully drawn-down and the previous facility was reimbursed

Glenda International Management Ltd.:

- In August 2020, the strike-off of Glenda International Management Ltd, a fully owned subsidiary of d'Amico Tankers d.a.c., was completed.

SIGNIFICANT EVENTS SINCE THE END OF THE PERIOD AND BUSINESS OUTLOOK

d'Amico International Shipping:

Executed buyback program: On 14 January 2021, d'Amico International Shipping S.A. announced that during the period between 5 January and 13 January 2021, n. 1,543,118 own shares (representing 0.124% of the outstanding share capital of the Company) were repurchased on the regulated market managed by Borsa Italiana S.p.A. at the average price of Euro 0.0949 and for a total consideration of Euro 146,469.26.

On 25 January 2021, d'Amico International Shipping S.A. announced that during the period between 14 January and 22 January 2021, n. 1,305,897 own shares (representing 0.105% of the outstanding share capital of the Company) were repurchased on the regulated market managed by Borsa Italiana S.p.A. at the average price of Euro 0.0936 and for a total consideration of Euro 122,217.85. As at 22 January 2021, d'Amico International Shipping S.A. held nr. 18,326,911 own shares, representing 1.48% of its outstanding share capital.

The transactions were made and coordinated by an independent equity broker duly engaged for this purpose, Equita SIM S.p.A., in compliance with the Board of Directors resolution of 13 November 2019 and under the authorization to purchase own shares approved by DIS Shareholders' Meeting on 20 April 2016 (as reminded by means of a press release issued on 13 November 2019).

d'Amico Tankers d.a.c.:

- **Vessel Purchase:** In February 2021, d'Amico International Shipping S.A. announced that its operating subsidiary d'Amico Tankers d.a.c. exercised its purchase option on the M/T High Priority, a 46,847 dwt MR product tanker vessel, built in 2005 by Nakai Zosen, Japan, for a consideration of US$ 9.7 million. The Vessel had been sold and leased back by d'Amico Tankers in 2017, for a 5-year period, with purchase options starting from the 2nd anniversary date and a purchase obligation at the end of the 5th year.

- **'Time Charter-Out' Fleet:** In January 2021, d'Amico Tankers d.a.c. extended a time charter contract-out with a leading trading house for two of its LR1 vessels for 9-18 months, both starting from January 2021.

  In February 2021, d'Amico Tankers d.a.c. fixed one of its Handy-size vessels with an oil-major for 6 months with an option for further 6 months, starting from March 2021.

- **'Time Charter-In' Fleet:** the time-charter-in contracts for the M/T SW Southport I and M/T SW Tropez I, two MR vessels built in 2004, ended and the vessels were redelivered to their owners in January and February 2021 respectively.

DM Shipping d.a.c.:

- On 3 March 2021, the strike-off of DM Shipping d.a.c., a jointly controlled entity with the Mitsubishi Group, in which d'Amico Tankers d.a.c. has a 51% interest, was completed.

The profile of d'Amico International Shipping's vessels on the water is summarized as follows.

	As at 31 December 2020				As at 11 March 2021			
	LR1	MR	Handysize	**Total**	LR1	MR	Handysize	**Total**
Owned	5.0	8.0	6.0	**19.0**	5.0	9.0	6.0	**20.0**
Bareboat chartered*	1.0	8.0	0.0	**9.0**	1.0	7.0	0.0	**8.0**
Long-term time chartered	0.0	9.0	0.0	**9.0**	0.0	9.0	0.0	**9.0**
Short-term time chartered	0.0	3.0	0.0	**3.0**	0.0	1.0	0.0	**1.0**
Total	**6.0**	**28.0**	**6.0**	**40.0**	**6.0**	**26.0**	**6.0**	**38.0**

* with purchase obligation

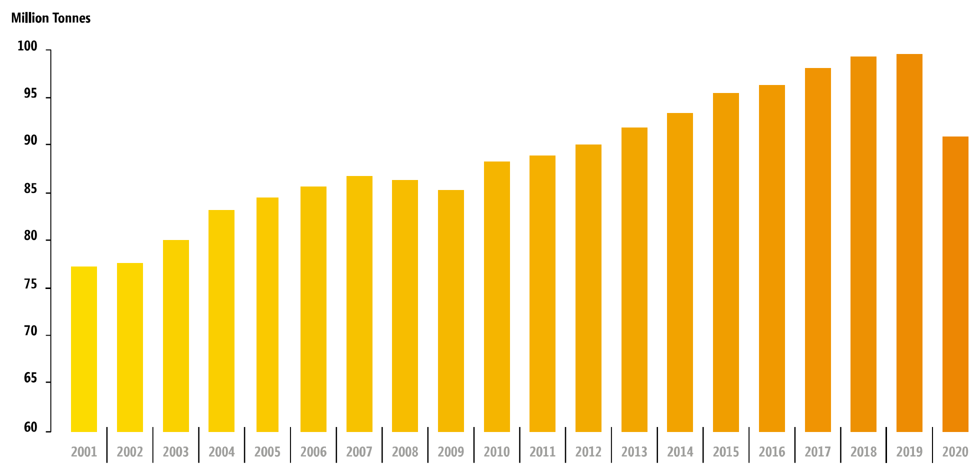
Business Outlook

The IMF, in their January 2021 outlook, stated that although recent vaccine approvals have raised hopes of a turnaround in the pandemic later this year, renewed waves and new variants of the virus pose concerns for their outlook. Amid exceptional uncertainty, they have projected that the global economy will grow by 5.5% in 2021 and 4.2% in 2022. The 2021 forecast has been revised up by 0.3% relative to their previous forecast, reflecting expectations of a strengthening of activity later in the year driven by the vaccine rollout and substantial additional policy support in a few large economies.

The IEA forecasts global oil demand is expected to recover by 5.5 million b/d (+6.0%) to 96.6 million b/d in 2021, following an unprecedented collapse of 8.8 million b/d (-8.8%) in 2020. For now, a resurgence in COVID-19 cases is slowing the rebound, but a widespread vaccination effort and an acceleration in economic activity is expected to support stronger growth in the second half of the year. Global refinery throughput is expected to rebound by 4.5 million b/d in 2021, after a 7.2 million b/d drop in 2020.

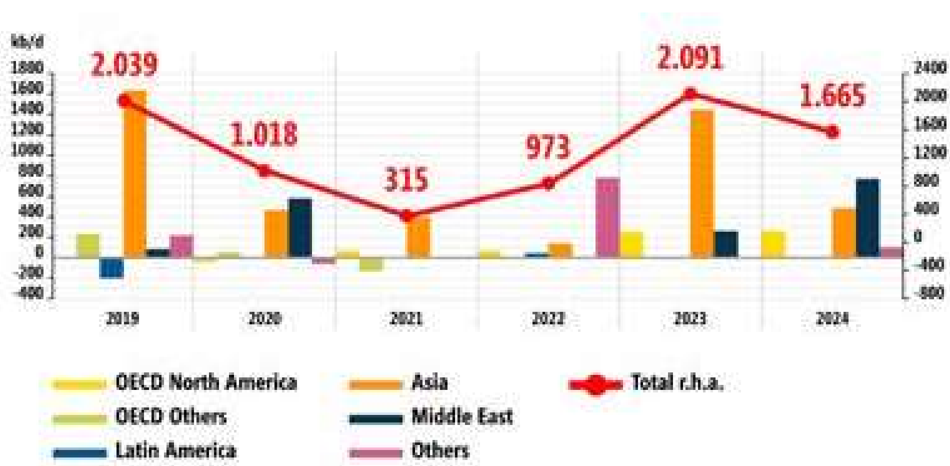
The key drivers that should affect the product tankers freight markets and d'Amico International Shipping's performance are (i) the growth in global oil supply (ii) refinery margins and throughput (iii) demand for refined products, (iv) the structure of forward prices for both crude oil and refined petroleum products and (v) the product tankers' fleet growth rate. Some of the factors that could drive a recovery in the product tankers market in the medium-term are detailed below:

World Crude Oil Demand (million barrels per day) Since 2001



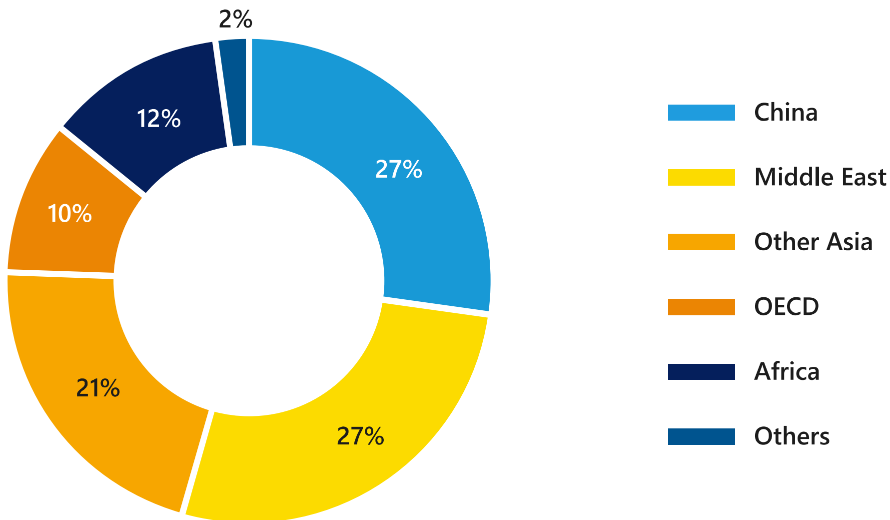
Source: IEA Annual Statistical Supplement for 2019 and Oil Market Report Feb 2021

World Refinery Capacity Additions by Regions 2019-2024



Source: IEA - Oil 2020 - Analysis and forecast to 2025 (March 2020)

Refinery Growth 2019-2024

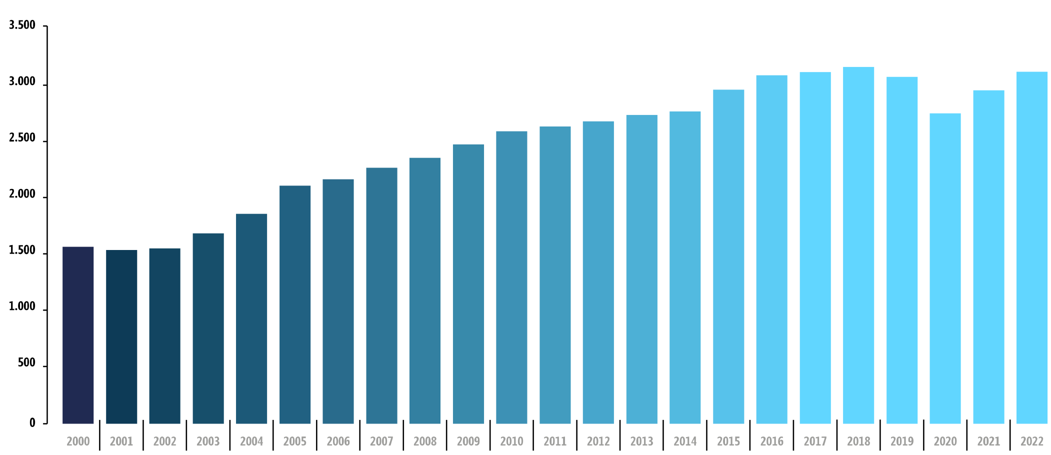


Source: IEA - Oil 2020 - Analysis and forecast to 2025 (March 2020)

Product Tanker Demand

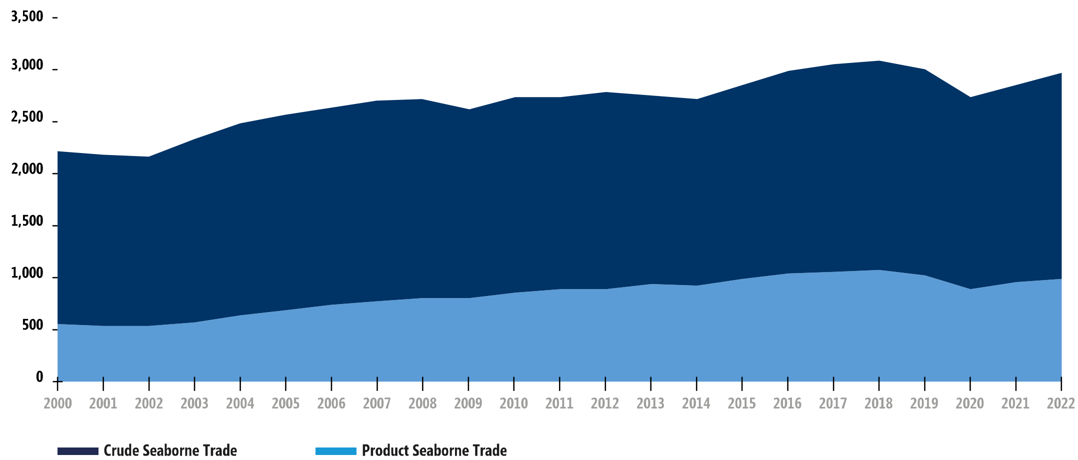
- The widespread escalation of COVID-19 cases remains the main factor impacting oil demand. While vaccination campaigns are under way several countries are facing a rebound in the pandemic forcing tighter mobility constraints. In addition, the emergence of more contagious variants of the virus are complicating efforts to contain the surge in cases, with cumulative confirmed cases worldwide since the start of the pandemic exceeding 110 million as at mid-February 2021.
- In 2021, global refining throughput is expected to recover by 4.5 million b/d compared to oil demand growth of 5.5 million b/d, implying a tighter oil market.
- More than 70% of new refining capacity in the next four years will be located east of Suez. Stifel estimates that 411,000 b/d of refining capacity in North America, 305,000 b/d in Europe and 340,000 b/d in other regions have been closed since the pandemic began. In the long run, recovering demand and structural shifts in the refining landscape are likely to boost long-haul product trades.

World Seaborne Refined Products Trade



Source: Clarkson Research Services as at Feb'21

Product share of Oil Seaborne Trade



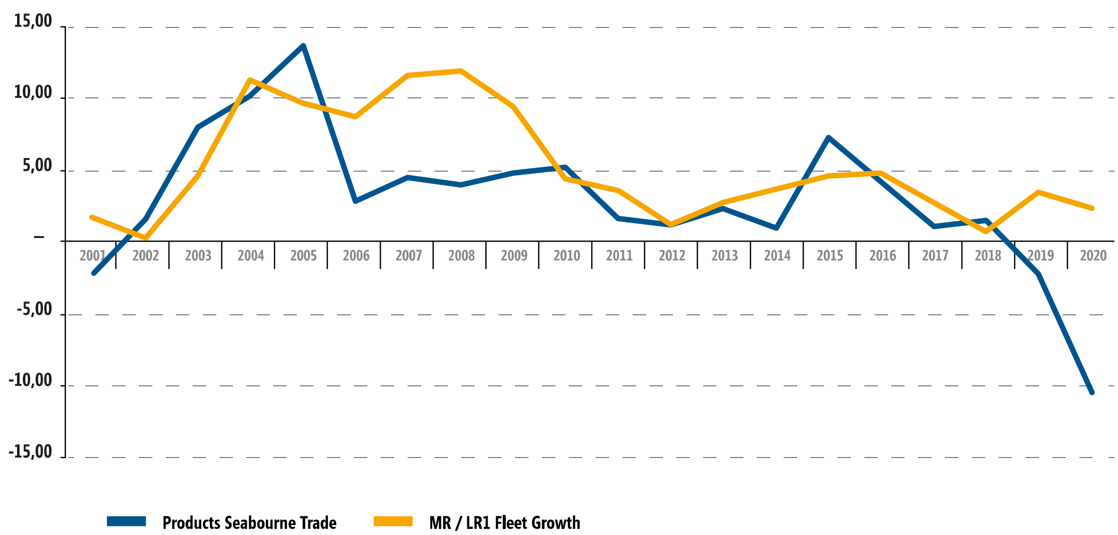
Source: Clarkson Research Services as at Feb'21

Product Tanker Supply

- According to Clarksons, only 77 MRs and LR1s were delivered in 2020 out of planned deliveries of 84 vessels in these segments at the beginning of the year.
- Most of the increase in floating storage of refined products in 2020 was wound down, with these stocks amounting to 25 million barrels at the start of the year, rising to 75 million barrels by mid-May and falling to 29 million barrels by the end of the year. While this reduction has resulted in depressed freight rates since June 2020, most of the adjustment seems to have occurred and the residual drawdowns should therefore not weight as heavily on the market in the future.
- In their January 2021 outlook, Clarksons estimates that in 2021 the product tanker fleet will grow by 3.9 % while the demand for the transportation of refined products will grow by 6.5%.
- A large number of demolition yards have been temporarily shut during the pandemic, resulting in only 13 MRs being scrapped in 2020. As demolition yards reopen, we expect demolitions to accelerate in 2021, given the current weak freight markets and historically high demolition prices.
- The IMO's 2030 and 2050 targets for reducing greenhouse gas emissions are high on the shipping agenda. Many owners and banks now require 'green recycling' of vessels in line with EU and IMO conventions, while the EU is set to include shipping in its Emissions Trading Scheme. Furthermore, important cargo charterers including oil majors such as Shell and Total, as well as leading trading houses such as Trafigura, have recently signed the Sea cargo charter with the aim of disclosing the CO2 emissions of the vessels they operate, and reducing these in line with the IMO targets. During the Marine Environmental Committee's (MEPC) last meeting (MEPC 75) in Q4 2020 measures for the reduction of greenhouse gases have been approved for formal adoption during their next meeting (MECP 76) in the second half of 2021. The agreement, which will be applicable from the end of 2022, requires operators to measure for their vessels the energy efficiency existing ship index (EEXI), reflecting their technical efficiency, and the carbon intensity indicator (CII), reflecting how efficiently they are managed. Both of these measures aim to cut emissions progressively from 2023 to 2030.
- The expected technological change to meet increasingly demanding environmental and other regulations is reducing appetite for newbuilding orders, since such vessels could be obsolete soon after delivery.

- Shipyards are going through a period of uncertainty. Lack of orders and poor returns are leading to a reduction in global shipyard capacity. Furthermore, the recent depreciation of the US Dollar and increase in steel prices, is increasing the construction cost of vessels. New ship ordering is expected to remain low until there is further clarity on propulsion technology and emissions regulations as well as an economic justification for ordering.

Growth of Seaborne volumes of Refined Products vs Growth in the Mr and LR1 fleet



Source: Clarksons Seaborne Trade Monitor and Clarkson Research Services as at Feb'21

d'AMICO INTERNATIONAL SHIPPING GROUP
CONSOLIDATED FINANCIAL STATEMENTS
Year ended 31 December 2020

Consolidated Income Statement

US$ Thousand	Note	2020	2019
Revenue	(3)	316,314	353,534
Voyage costs	(4)	(58,538)	(95,202)
Time charter equivalent earnings*	**(5)**	**257,776**	**258,332**
Time charter hire costs	(6)	(13,961)	(31,750)
Other direct operating costs	(7)	(102,387)	(108,325)
General and administrative costs	(8)	(12,857)	(11,989)
Result from disposal of vessels	(9)	(1,303)	(2,042)
EBITDA *		**127,268**	**104,226**
Depreciation and impairment	(14)	(71,745)	(89,201)
EBIT *		**55,523**	**15,025**
Financial income	(10)	1,235	823
Financial (charges)	(10)	(39,865)	(44,968)
Profit share of equity-accounted investment	(11)	-	1,243
Reversal of impairment of financial assets	(12)	-	934
Loss on disposal of financial investment		(70)	-
Profit/ (loss) before tax		**16,823**	**(26,943)**
Tax	(13)	(267)	(584)
Net profit / (loss)		**16,556**	**(27,527)**
Basic earnings per share in US$[1]		**0.013**	**(0.026)**

*see Alternative Performance Measurements on page 41

Consolidated Statement of Other Comprehensive Income

US$ Thousand	2020	2019
Profit / (loss) for the period	16,556	(27,527)
Items that can subsequently be reclassified into Profit or Loss		
Movement of valuation of Cash flow hedges	(2,458)	(3,583)
Movement in conversion reserve	141	17
Total comprehensive result for the period	**14,239**	**(31,093)**
Basic comprehensive income / (loss) per share in US$ [1]	**0.012**	**(0.031)**

The notes from page 70 to 120 form an integral part of these consolidated financial statements.

[1] Basic earnings per share (e.p.s.) in 2020 was calculated on an average number of 1,230,923,922 outstanding shares, while in 2019 it was calculated on an average number of 1,062,413,650 outstanding shares. There was no dilution effect either in 2020 or in 2019 e.p.s.

Consolidated Statement of Financial Position

US$ Thousand	Note	As at 31 December 2020	As at 31 December 2019
ASSETS			
Property, plant and equipment (PPE) and Right-of-use assets (RoU)	(14)	901,765	958,312
Investments in jointly controlled entities	(16)	4,312	4,382
Other non-current financial assets	(17)	12,110	17,348
Total non-current assets		**918,187**	**980,042**
Inventories	(18)	8,885	10,080
Receivables and other current assets	(19)	38,722	41,433
Other current financial assets	(17)	4,725	7,265
Cash and cash equivalents	(20)	62,071	33,598
Current Assets		**114,403**	**92,376**
Assets held for sale	(15)	-	59,631
Total current assets		**114,403**	**152,007**
TOTAL ASSETS		**1,032,590**	**1,132,049**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	(21)	62,053	62,052
Accumulated losses	(21)	(43,307)	(59,801)
Share Premium	(21)	368,853	368,846
Other reserves	(21)	(21,865)	(18,632)
Total shareholders' equity		**365,734**	**352,465**
Banks and other lenders	(22)	263,089	270,169
Non-current lease liabilities	(23)	269,941	313,418
Other non-current financial liabilities	(17)	6,352	7,282
Total non-current liabilities		**539,382**	**590,869**
Banks and other lenders	(22)	46,523	72,692
Current lease liabilities	(23)	43,411	37,736
Shareholders' short-term loan	(24)	-	5,000
Payables and other current liabilities	(25)	26,367	38,222
Other current financial liabilities	(17)	11,133	12,473
Current tax payable	(26)	40	342
Current liabilities		**127,474**	**166,465**
Banks associated to assets held-for-sale	(15)	-	22,250
Total current liabilities		**127,474**	**188,715**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,032,590**	**1,132,049**

11 March 2021

On behalf of the Board

Paolo d'Amico, Chairman

Antonio Carlos Balestra di Mottola, Chief Financial Officer

The notes from page 70 to 120 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

US$ Thousand	2020	2019
Profit (Loss) for the period	**16,556**	**(27,527)**
Depreciation and amortisation of PPE and RoU	69,522	73,666
Impairment	2,223	15,535
Current and deferred income tax	267	584
Net finance lease cost	19,870	21,408
Other financial charges	18,873	22,737
Result on disposal of fixed assets	1,303	2,173
Profit share of equity-accounted investment	-	(1,243)
Impairment (reversal) of a financial asset (related party)	-	(934)
Loss on disposal of a financial investment	70	-
Other non-cash changes	(5)	(607)
Cash flow from operating activities before changes in working capital	**128,679**	**105,792**
Movement in inventories	1,194	3,413
Movement in amounts receivable	6,680	9,161
Movement in amounts payable	(16,584)	(18,653)
Taxes paid	(622)	(342)
Net cash payment for the interest portion of the IFRS16 related lease liability	(19,866)	(21,408)
Net interest paid	(15,353)	(18,689)
Net cash flow from operating activities	**84,128**	**59,274**
Acquisition of fixed assets	(12,019)	(65,231)
Proceeds from disposal of fixed assets	55,331	9,405
Movement in financing to equity accounted investee	510	15,401
Net cash flow from investing activities	**43,822**	**(40,425)**
Share capital increase	8	49,788
Other changes in shareholders' equity	(858)	(822)
Shareholder's financing movement	(5,000)	(26,880)
Net movement in other financial receivables	2,263	(2,000)
Net movement in other financial payables	(2,699)	4,908
Bank loan repayments	(104,850)	(91,926)
Bank loan drawdowns	47,742	25,250
Proceeds from disposal of assets subsequently leased back	-	62,952
Repayments of principal portion of financial leases	(36,779)	(37,722)
Net cash flow from financing activities	**(100,173)**	**(16,452)**
Net increase/(decrease) in cash and cash equivalents	**27,777**	**2,397**
Cash and cash equivalents net of bank overdrafts at the beginning of the year	17,517	15,120
Cash and cash equivalents net of bank overdrafts at the end of the year	**45,294**	**17,517**
Cash and cash equivalents	62,071	33,598
Bank overdrafts	(16,777)	(16,081)

The notes from page 70 to 120 form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Shareholders' Equity

US$ Thousand	Share Capital	Retained Earnings (Accumulated losses)	Share Premium	Other Reserves		Total
				Other	Cash-Flow hedge	
Balance as at 1 January 2020	**62,052**	**(59,801)**	**368,846**	**(15,380)**	**(3,252)**	**352,465**
Share capital increase	1	-	7	-	-	8
Treasury shares	-	-	-	(858)	-	(858)
Other changes	-	(62)	-	(58)	-	(120)
Total comprehensive income	-	16,556	-	141	(2,458)	14,239
Balance as at 31 December 2020	**62,053**	**(43,307)**	**368,853**	**(16,155)**	**(5,710)**	**365,734**

US$ Thousand	Share Capital	Retained Earnings (Accumulated losses)	Share Premium	Other Reserves		Total
				Other	Cash-Flow hedge	
Balance as at 1 January 2019 as previously reported	**65,376**	**(30,270)**	**316,697**	**(14,791)**	**331**	**337,343**
IFRS 16 Adjustment	-	(2,004)	-	-	-	(2,004)
Balance as at 1 January 2019 adjusted IFRS 16	**65,376**	**(32,274)**	**316,697**	**(14,791)**	**331**	**335,339**
Shareholders' contribution without issuance of shares*	(32,688)	-	32,688	-	-	-
Share capital increase	29,364	-	20,424	-	-	49,788
Share option cost reversal	-	-	-	(606)	-	(606)
Cost of share issuance	-	-	(963)	-	-	(963)
Total comprehensive income	-	(27,527)	-	17	(3,583)	(31,093)
Balance as at 31 December 2019	**62,052**	**(59,801)**	**368,846**	**(15,380)**	**(3,252)**	**352,465**

* Reduction of the accounting value of each issued share from US$ 0.10 to US$ 0.05 and allocation of the corresponding amount to the Share premium

The notes from page 70 to 120 form an integral part of these consolidated financial statements

Notes

d'Amico International Shipping S.A. (the "Company", DIS) a Sociéte Anonyme, was incorporated under the laws of the Grand-Duchy of Luxembourg on 9 February 2007; its statutory seat is in Luxembourg. The ultimate parent company of the Group is d'Amico Società di Navigazione. DIS is an international marine transportation company, operating, mainly through its fully owned subsidiary, d'Amico Tankers d.a.c. (Ireland), as well as other indirectly controlled subsidiaries. All DIS' vessels are double-hulled and are primarily engaged in the transportation of refined oil products, providing worldwide shipping services to the major oil companies and trading houses.

The financial statements of d'Amico International Shipping Group are prepared in accordance with International Financial Reporting Standards (IFRS – International Financial Reporting Standards and IAS – International Accounting Standards) as issued by the 'IASB' (International Accounting Standards Board) and adopted by the European Union. The designation 'IFRS' also includes all 'IAS', as well as all interpretations of the International Financial Reporting Interpretations Committee 'IFRIC', formerly the Standing Interpretations Committee 'SIC' as adopted by the European Union. The consolidated financial statements are prepared on the basis of historic cost convention, with the exception of certain financial assets and labilities, which are stated at fair value through profit or loss or other comprehensive income for the effective portion of the hedges.

The financial statements are presented in U.S. Dollars, being the functional currency of the Company and its principal subsidiaries. Rounding is applied to the nearest thousand

1. ACCOUNTING POLICIES

The principal accounting policies, which have been consistently applied, are set out below.

Basis of consolidation

The financial statements present the consolidated results of the parent company, d'Amico International Shipping S.A., and its subsidiaries for the year ended 31 December 2020.

Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date the control ceases.

The assets and liabilities of the parent and subsidiary companies are consolidated on a line-by-line basis and the carrying value of the investments held by the parent company and other consolidated subsidiaries is eliminated against shareholders' equity. Intra-group balances and transactions, and gains arising from intra-group transactions, are eliminated in preparing the consolidated financial statements, as well as unrealized gains and losses from intra-group operations. Non-controlling interests and net profit attributable to minorities, if any, are listed separately from the Group's equity, on the basis of the percentage of net Group assets they possess.

Joint arrangements

Jointly controlled entities are enterprises over whose activities the Group has joint control, as defined in IFRS11 – Joint Arrangements. The accounting treatment is dependent on the type of joint arrangement, which is determined by considering the rights and obligations of the investor. The consolidated financial statements include the assets and liabilities, revenue and costs of joint operations on a proportional basis, based on the Group's share; the joint ventures are accounted for using the equity method: the Group's share of the investee's profit or loss is recognized in the Consolidated income statement; distributions received from an investee reduce the carrying amount of the investment; post-acquisition movements in Other comprehensive income/(loss) are recognized in Other comprehensive income/(loss) with a corresponding adjustment to the carrying amount of the investment.

When the Group's share of the losses of a joint venture or associate exceeds the Group's interest in that joint venture or associate, the Group discontinues recognizing its share of further losses. Additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture or associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit / (loss) of Associates' in the income statement.

To comply with the application of IFRS 11, the Group previously assessed and subsequently confirmed its degree of control over the JV, legal form, terms of the contractual arrangements and other facts and circumstances of the joint arrangements.

Foreign currencies

Most of the Group's revenues and costs are denominated in U.S. dollars, which is the functional currency of the Group. Transactions during the year in currencies other than U.S. dollars have been translated at the appropriate rate ruling at the time of the transactions. Monetary assets and liabilities denominated in currencies other than the U.S. dollar have been translated into U.S. dollars at the rate ruling at the financial position date. All exchange differences have been accounted for in the income statement. For non-monetary assets, please refer to Critical accounting judgements, disclosed further on.

In the consolidated financial statements, the income statements of subsidiaries, which do not report in U.S. dollars, are translated at the average exchange rate for the period (if no significant fluctuations occur), whereas statement of financial position items are translated at the exchange rates at the financial position date. Exchange differences arising on the translation of financial statements into U.S. dollars are recognized directly in other comprehensive income.

Critical accounting judgments and key estimates

The preparation of the financial statements requires Directors to make accounting estimates and in some cases assumptions in the application of accounting principles. The Management decisions are based on historical experience as well as on expectations associated with the realization of future events, considered reasonable under the circumstances. Critical accounting estimates and judgments are exercised in all areas of the business and are reviewed on an ongoing basis. The key areas where this applies are listed below.

Vessel carrying values.
The carrying value of vessels may significantly differ from their market value. It is affected by the Management's assessment of the remaining useful lives of the vessels, their residual value and indicators of impairment. If the carrying value of vessels exceeds the recoverable amount, then an impairment charge is recognized. Further details concerning the valuation of the right-of-use assets and inherent liabilities are given in note 14.

Demurrage revenues.
Demurrage revenues are recognized as part of the voyage over-time, in accordance with the terms and conditions of the charter parties, based on an estimate of the amount earned during the period on uncompleted voyages and represents the compensation estimated for the additional time incurred for discharging a vessel (please refer to Revenues' recognition policy further in the note).

Voyage expenses.
Voyage expenses on uncompleted voyages are estimated based on the historically recognised average expenses of the Group's standard completed voyages.

Tax liabilities.
The tax liabilities are calculated based on our tax situation as affected by the regulatory frameworks of the jurisdiction in which we operate. The liability for tax may be affected by changes in the treatment or assessment of trading income, freight tax, tonnage tax and value added tax.

Measurement of fair values.
The 'fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal or most advantageous market at the measurement date at the current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. The fair value of financial instruments is represented by market quotations or, in their absence, by the value resulting from the adoption of suitable financial valuation models which take into account all the factors adopted by the market operators and the prices obtained in similar actual transactions in the market.

For significant fair value measurement, quoted prices or broker information are obtained to support the valuations and valuation adjustments together with unobservable inputs are reviewed regularly for the classification of such valuations in the appropriate level of fair value. In the measurement of fair values market data are used to the farthest possible extent.

Three levels of inputs to the fair value valuation techniques are used to measure the fair values:

- level 1 inputs are quoted prices in active markets for identical assets or liabilities;
- level 2 inputs are other than quoted prices included within Level 1 that are observable directly or indirectly for the asset or the liability;
- level 3 inputs are not observable from market data.

Should the inputs used to measure the fair value of an asset or a liability belong to different categories, then the fair value measurement is categorised entirely in the lowest and most significant fair value hierarchy basket. The transfer between levels of fair value hierarchy is recognised at the end of the reporting period during which the change has occurred.

Some of the following accounting policies require the measurement of fair values for financial and non-financial assets and liabilities. Further information about fair value calculation is found in note 28.

Revenue recognition

Revenues are recognised according to IFRS 15, a standard developed to provide a comprehensive set of principles in presenting the nature, amount, timing and certainty of revenue and cash flows arising from a contract with a customer: consideration of the timing for the transfer of control over goods or services is cornerstone for revenues recognition under this principle.

All of DIS' revenues from contracts with its customers are recognised over time. The Group has disclosed in detail "spot voyages" within the Alternative Performance Measures: freight is paid at voyage completion, for moving cargo from the loading to the discharging port, when revenues are recognized. Costs incurred in positioning the tanker from the last discharge port to the next load port ('ballast cost') are capitalized at the end of the ballast voyage and amortised during the next laden voyage, from the load port to the discharge port.

All freight revenues from vessels are recognized on a percentage of completion basis. The load-to-discharge basis is used in determining percentage of completion for all spot voyages and voyages servicing contracts of affreightment (COAs). Under this method, the freight revenue is recognized over the period from the departure of a vessel from its original load port to the next discharge port ('load-to-discharge').

For voyages in progress at the end of a reporting period the Group recognizes a percentage of the estimated revenue for the voyage equal to the percentage of the estimated duration of the voyage completed at the financial position date. The estimate of revenue is based on the expected duration and destination of the voyage. Revenues from time charter contracts are recognized on a pro-rata temporis basis over the rental periods of such charters, as service is performed.

Demurrage revenues
Freight contracts contain conditions regarding the amount of time available for loading and discharging of the vessel. Demurrage revenues, recognized over time, represent the compensation estimated for the additional time incurred for discharging a vessel. Demurrage revenue has an additional variable consideration, whose contingent amount is estimated; any allowance will fall under IFRS 9 requirements and will therefore be separately accounted for.

IFRS 15 standard application is based around five steps in recognising revenue:

1) identification of the contract;

2) identification of the performance obligations in the contract: it was observed that an impact would only arise on the Spot contract revenues for Transport of refined petroleum products from its loading port to its discharge port; implementation of IFRS 15 does not impact time-charter revenues as it falls under another standard;

3) determine the transaction price: on Spot voyages, which are performed through voyage charter contracts, transaction prices are equivalent to the product of spot freight rates and the quantity of goods transported, at the time of closing of the transaction. Demurrage is an additional sum payable by the charterer, which arises when the vessel takes longer than stipulated in the voyage charter contract, to load and/or discharge the cargo; no financing element is present in the contract therefore the Company does not make use of the practical expedient allowed by the standard;

4) allocate the transaction price to the performance obligation: Allocation is based on a load-to-discharge basis;

5) recognition of revenue when a performance obligation is satisfied: Recognition of revenues is based on a load to discharge basis. Revenue is recognised over the time based on the duration of the spot voyage. Recognition of variable consideration: demurrage revenues is considered a variable consideration and is dependent on the demurrage rate and agreed delay; the performance obligation is satisfied and the amount is invoiced after discharging.

The standard also provides specific principles to apply, when there is a contract modification, accounting for contract costs and accounting for refunds and warranties. A repositioning is required for a vessel to satisfy its performance obligation (with no additional benefit from such voyage). Repositioning costs can be capitalised prior to loading if they meet all of the following three conditions: 1. they relate directly to a contract; 2. they generate or enhance resources to be used in meeting obligations under the contract; 3. they are expected to be recovered.

Voyage costs

Voyage costs (Port expenses, canal passage, bunker fuel consumption and commissions) are incurred in connection with the employment of the fleet on the spot market and under COAs (contracts of affreightment) and are recognized over the time according to the matching principle of IFRS15.

Other direct operating costs

Time Charter hire rates incurred for chartering in vessels, for contracts with an initial term of less than 12 months, are charged to the income statement on an accruals basis. Vessel operating costs such as crew, repairs, spares, stores, insurance, commercial fees and technical fees are charged to the income statement as incurred. The cost of lubricants is based on the consumption in the period.

General and administrative costs

Administrative expenses, which comprise administrative staff costs, management fees, office expenses and other expenses relating to administration, are expensed as incurred.

Financial income and charges

Financial income and charges include interest, realized and unrealized exchange gains or losses relating to transactions in currencies other than the functional currency, and other financial income and charges, including value adjustments of certain financial instruments not accounted for as hedging instruments. Interest is recognized in accordance with the accrual basis of accounting using the effective interest method.

Taxation

The current taxation of the holding company d'Amico International Shipping S.A. and certain subsidiaries (service companies) is based on taxable income for the year using local tax rates that have been enacted at the financial position date. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not subject to tax or are not deductible.

The key operating company of the Group, d'Amico Tankers d.a.c. (Ireland) as well as Glenda International Shipping d.a.c. (Ireland) are taxed under the Irish Tonnage Tax regime in respect of all eligible activities. Under the tonnage tax regime, the tax liability is not calculated on the basis of income and expenses as under the normal corporate taxation but is based on the controlled fleet's notional shipping income, which in turn depends on the total net tonnage of the controlled fleet. The tonnage tax charge is included within the income tax charge in the Consolidated Income Statement. For all of the Irish activities, which fall outside tonnage tax, income tax expense represents the tax charge based on the result for the year adjusted for items, which are non-assessable or disallowed. It is calculated using tax rates enacted or substantially enacted at the financial position date.

Deferred tax, if any, represents tax the group is expecting to pay or recover on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the calculation of taxable profit. It is accounted for using the financial position liability method. Liabilities relating to deferred tax are generally recognized for all taxable temporary differences. Assets relating to deferred tax are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. The carrying amounts of deferred tax assets are reviewed at each financial position date and reduced in the event that it is not considered probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. Deferred tax is calculated at the applicable tax rates during the period when liability is settled, or the asset realized. It is charged or credited in the income statement, unless it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also accounted for in other comprehensive income.

Fixed assets (Fleet)

Vessels

The owned vessels are measured in the statement of financial position at cost less accumulated depreciation and any impairment loss. Cost includes the acquisition cost of the vessels as well as other costs which are directly attributable to the acquisition or construction of the vessel, including interest expenses incurred during the period of construction based on the loans obtained for the vessels.

Depreciation is calculated on a straight-line basis to the estimated residual value over the estimated useful life of the major components of the vessels. The vessels contracted by the group are estimated to have a useful economic life normally of 25 years, depending on the specifications and expected type of employment. Residual value is estimated as the lightweight tonnage of each vessel multiplied by the current market scrap value per ton, which is reassessed every year. The vessel tank coatings are depreciated over ten years and the dry dock element is depreciated over the period to the expected next dry dock. The remaining useful economic life is estimated at the date of acquisition or delivery from the shipyard and is periodically reassessed.

Vessels in the course of construction (new buildings) are shown at cost less any identified impairment losses. Costs relating to new buildings include instalment payments made to date, and other vessel costs incurred during the construction period including capitalized interest. Depreciation commences upon vessel delivery.

In making their judgement for the recognition of gains or losses incurred on the disposal of vessels, management considers the detailed criteria set out in IFRS 15 and, in particular, whether the Company has satisfied its performance obligation by transferring the asset to the buyer and the latter has obtained control of the asset and whether the transaction price net of costs relating to the disposal is reported in contractual terms. For vessels already classified as "Assets held for sale", the gain or loss recognised will be equal to the sale price less costs of disposal net of the lower of the vessel's carrying amount or fair value at the last financial position date.

The DIS Fleet is considered as a single Cash Generating Unit (CGU): a cash-generating unit is the smallest group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Identification of an asset's cash-generating unit involves judgement. DIS management has identified one Cash Generating Unit: a single vessel does not generate cash inflows that are largely independent of those from other vessels because vessels are mostly of the same type and similar age and have a similar customer base.

The Group employs a significant portion of its controlled vessels through partnership arrangements. Most of those vessels are managed by DIS, which is responsible for their commercial, operational and technical management, as well as financial administration. Therefore, these partnership vessels could reasonably be replacements for the purpose of commercial commitments. All DIS vessels are double-hulled and are primarily engaged in the transportation of refined oil products, providing worldwide shipping services to major oil companies and trading houses. All the vessels are compliant with IMO (International Maritime Organization) regulations, including MARPOL (the International Convention for the Prevention of Pollution from Ships), with the requirements of oil-majors and energy-related companies and other relevant international standards. Based on MARPOL/IMO rules, cargoes such as palm oil, vegetable oil and other chemicals can only be transported by vessels that meet certain requirements (IMO Classed).

DIS' internal management reporting, on the basis of which the Group makes strategic decisions, is designed to measure the performance of the tanker fleet as a whole rather than that of individual vessels

Dry-docking costs

TTo comply with industry certification or governmental requirements, the vessels are required to undergo planned major inspections or classification (dry-docking) for major repairs and maintenance, which cannot be carried out while the vessels are operating. For vessels younger than 15 years, dry-docking takes place approximately every 5 years depending on the nature of work and external requirements, with an Intermediate in-Water Survey (IWS) every 2.5 years. For vessels older than 15 years dry-docking takes place every 2.5 years. The costs of dry-docking are capitalized and depreciated on a straight-line basis over the period to the next dry-docking. If the next dry-docking of a vessel is performed in less than 30 months from the last dry-docking date, the balance on the original dry-dock is written off.

For new buildings and other vessels acquired, the initial dry-docking asset is separated and capitalized separately. The cost of such assets is estimated based on the expected costs related to the first dry-docking.

Impairment of assets

The value of the entire fleet, including vessels time-charted-in and classified as right of use assets, are considered as a single cash-generating unit (CGU), and is reviewed on a non-recurring basis considering market conditions. The carrying amount of the CGU is tested for impairment whenever events or changes in circumstance indicate that the carrying amount might not be recoverable. If any such indication exists, the recoverable amount of the CGU is estimated in order to determine the extent of the impairment. Recoverable amount is normally defined as the higher of the fair value less costs of disposal of all the vessels and their value in use, that is, the net present value of the cash flows from the remaining useful lives of the vessels. In assessing the value in use, the estimated future cash flows are discounted to their present value. An impairment charge is recorded when the carrying amount exceeds its recoverable amount and is determined to be other than a temporary difference. The impairment is then allocated to each single vessel on a pro-rata basis, based on the carrying amount of each vessel in the CGU with the limit of the higher of fair value less cost of disposal and value in use.

The cash flows are determined by applying various assumptions regarding future revenues net of commissions, operating expenses, scheduled dry-docking, expected off-hire and scrap values. Specifically, in estimating future charter rates, management takes into consideration rates currently in effect for existing time charters and estimated daily time charter equivalent rates for each vessel class for the unfixed days over the estimated remaining lives of each of the vessels. The estimated daily time charter equivalent rates used for unfixed days are based on a combination of internally forecasted rates that are consistent with forecasts provided to senior management and to board members, and the trailing 10-year historical average market earnings, based on data published by maritime researchers. The internally forecasted rates are applied to short-term estimations, whilst the 10-year historical average is used for long-term estimations. Management recognizes that rates tend to be cyclical and subject to significant volatility based on factors beyond its control.

Estimated outflows for operating expenses and dry-docking requirements are based on historical and budgeted costs. Forecasts also take into account the cost of complying with new regulations, including the expected cost of the requirement for some of the vessels of our fleet to install ballast water treatment systems. Utilization is based on historical levels achieved and estimates for the residual value are consistent with historical averages, based on market research, for the scrap value.

Although management believes that the assumptions used to evaluate potential impairment are reasonable and appropriate, such assumptions are highly subjective and likely to change, possibly materially, in the future. There can be no assurance as to how long charter rates and vessel values will remain at their current levels or whether they will improve or decline by a significant degree.

At each reporting date management assesses whether there is any indication that an impairment loss recognised in a previous period either no longer exists or has decreased. If there is such an indication management estimates the recoverable amount of the cash generating unit and, in case of a positive difference with the carrying amount, a reversal of the impairment is recognised. The reversal is limited to the value that would have been recognised had the original impairment not occurred. A possible trigger event for the reversal of the impairment recognised in previous years is the gain arising from the sale of the vessels to which that impairment was allocated.

Assets held for sale

In accordance with IFRS 5, non-current assets (vessels) are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, the asset is available for immediate sale in its present condition and the asset is being actively marketed for sale at a price that is reasonable compared to its current fair value. Management must be committed to the sale, which should be expected within one year from the date of classification as held for sale.

Immediately before classification as held for sale, the assets are re-measured in accordance with the Group's accounting policies. Thereafter, the assets are recognised at the lower of their carrying amount and fair value less cost to sell. Assets classified as held for sale, are not depreciated. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement, if the vessel is no longer classified as held-for-sale, are included in the income statement.

If the conditions for classification of non-current assets and disposal groups as held for sale are no longer met, classification as held for sale ceases. Non-current assets that cease to be classified as held for sale are re-measured at the lower of their carrying amount before classification as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset or disposal group not been classified as held for sale, and its recoverable amount at the date of the subsequent decision not to sell.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of property, plant and equipment are deemed to be qualifying assets as defined in IAS23 – *Borrowing Costs* and are therefore capitalized.

Leases

From 1 January 2019 assets and liabilities arising from a lease are initially measured on a present value basis, recognising a Right of Use asset (RoU) and a lease liability, where the right-of-use assets should be estimated as the present value of minimum lease payments, plus any initial direct costs, dismantling or removal costs, less any incentive or pre-payment received, while the lease liabilities are measured as the sum of fixed payments, any residual value guarantee, the value of a purchase option, less any receivable incentive. The present value calculations should use the interest rate implicit in the lease, or the incremental borrowing rate, if the first is not readily determinable.

Within the Income Statement, charter hire costs are replaced with other direct operating costs, interest and depreciation, so key metrics like TCE, EBITDA (please refer to APMs on page 30), EBIT and Net result have been affected. The interest portion of the financial leases is deducted from operating cash-flows, which however is positively affected, since the remaining cash payments for the lease liability are classified within financing activities.

Leases (following application of IFRS 16 and excluding those previously identified as leases in accordance with IAS 17) are discounted using DIS' marginal borrowing rate, for groups of contracts with the same term, and is obtained adding to the interest rate swap the margin applied to the most recent third-party financings; for leases previously identified as such in accordance with IAS 17, the lease payments are discounted using DIS' (the lessee's) inherent rate in the lease. All DIS' discount rates for such contracts vary between 5.3% and 9.8%, with a weighted average rate of 6.0%.

When contracts include optional periods for the charterer, DIS has estimated the remaining term, assuming such options will be exercised, only if at the date of initial application, it is reasonably certain to exercise the renewal option and including a termination penalty in the lease liability only if at date of initial application, it is reasonably certain to exercise the termination option.

The Group has also elected to use the following practical expedients:

- not to recognise as leases contracts shorter than 12 months (short-term leases) and those with a value lower than US$ 5,000 (low-value items). For these contracts, the lease cost is recorded as an expense, with no adjustment due to the transition;
- to exclude initial direct costs in the measurement of the right-of-use asset as at the date of initial application.

DIS, as a lessee, applies IAS 36 *Impairment of Assets* to determine whether the leased assets are impaired and to account for any impairment loss identified.

Inventories

Inventories relate to intermediate fuel oil (IFO), marine diesel oil (MDO) and luboil onboard vessels. IFO and MDO inventories and luboils onboard vessels are shown at cost, calculated using the first-in first-out method. The cost includes the expenses incurred in delivering the inventory to the vessels.

Financial assets and liabilities

Financial assets are measured at amortised cost, fair value through profit or loss or fair value through other comprehensive income. A financial asset can only be measured at amortised cost when the Group has a business model to hold the asset to collect contractual cash flows and the cash flows arise on specific dates and are solely for payment of principal and interest on the principal outstanding. When the requirements for measuring the financial asset at amortised cost are met, but the business model also includes the selling of those instruments, then these financial assets are measured at fair value through other comprehensive income. All other financial assets are measured at fair value through profit or loss.

The impairment model in IFRS 9 is based on expected credit losses, rather than on incurred losses under IAS 39. The impairment requirements apply to financial assets measured at amortised cost and fair value through other comprehensive income, with losses initially recognised based on expected credit losses over the next 12 months; or, if there has been a significant increase in the credit risk of the financial asset then the impairment is based on lifetime expected losses. A three-stage approach is considered for impairment: in the first instance (12 months expected credit losses) there is no significant increase in credit risk, expected credit losses are recognised and updated at each reporting date and the asset continues to be presented on a gross basis; in the second stage due to the significant increase in credit risk, a lifetime credit loss is expected and recognised, with the asset continuing to be presented on a gross basis; in the last stage a lifetime expected credit loss is recognised, and following the impairment the asset is presented on a net basis.

The accounting policies adopted for specific assets and liabilities are disclosed below.

Trade and other receivables

Receivables arising from outstanding freight are initially measured at their nominal value (representative of the fair value of the transaction) and are subsequently measured at amortized cost, net of write-downs for impairment and allowance for credit losses. Impairment is recognized in the income statement when there is objective evidence that the asset is impaired. Such write-downs are calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the asset's original effective interest rate. Particularly with regard to short-term trade receivables, considering the short period of time, the measurement at amortized cost is equivalent to the nominal value, less write-downs for impairment. Outstanding freight deriving from voyages in progress results in contract assets as indicated under IFRS15; contract assets represent accrued income arising from the Group's right to consideration for work performed but not billed at the reporting date on spot contracts (conditional right to consideration for the part of the contractual obligation performed). The service is invoiced upon delivery of the service. Expected credit losses are calculated on demurrage receivables and are based on an assessment about lifetime expected credit losses, adopting the simplified approach, and determined at initial recognition and subsequently adjusted for any changes in expectations.

Under IFRS 9 the impairment is assessed with reference to the expected credit losses associated with trade receivables (demurrages) with the change in the provision recognised through the income statement. For demurrages, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime credit losses to be recognised from initial recognition of the receivables, but the impairment methodology applied depends on whether there has been a significant increase in credit risk.

In the assessment of credit risk and expected losses, management considers a risk of default and its probability for each set window of payment, on an ongoing basis. An increase in the number payment days delay is considered by management an indicator of an increase in the risk of default – management has therefore established clusters for such payment delays to which it assigned a higher probability of default the longer the delay in payment, and for which it therefore recognises provisions which represent an increasing percentage of amounts outstanding. The policy is to write off any undue demurrages at the closing of trade negotiations, following the agreed terms.

Cash and cash equivalents

Cash and cash equivalents include cash in-hand, current accounts and deposits held on demand with banks, and other short-term highly-liquid investments readily convertible to a known amount of cash within three months from inception and that are subject to an insignificant risk of changes in value. Cash and cash equivalents are measured at fair value, corresponding to their nominal value, or at cost plus interest charges, if any.

Banks and other lenders

Interest-bearing bank loans relating to the financing of vessels and overdrafts are recorded on the basis of the amounts received net of transaction costs and are subsequently measured at amortized cost, using the effective interest rate method, with the difference between the loan proceeds and the nominal value being recognized in the income statement over the term of the loan.

Trade and other payables

Trade and other payables are measured at amortized cost, which considering the characteristics and maturity of such payables, is generally equivalent to the nominal value. Payments received in advance under time charter contractual agreements lead to the recognition of deferred income.

Derivative instruments

Derivative financial instruments are primarily used to hedge the exposure to interest rate risks (through interest rate swaps), currency fluctuations, freight rates (through freight forward agreements) and bunker prices. In accordance with IFRS 9 a hedging relationship qualifies for hedge accounting only when:

- the hedging relationship consists only of eligible hedging instruments and eligible hedged items,
- at the inception of the hedge there is a formal designation and documentation of the hedging relationship,
- there is an economic relationship between the hedged item and the hedging instrument,
- the effect of credit risk does not dominate the value changes that result from that economic relationship, and
- the hedge ratio of the hedging relationship is the same as the one resulting from the quantity of the hedged item that the entity actually hedges, and the quantity of the hedging instrument used by the entity for that specific hedged item, therefore not reflecting an imbalance between hedged item and hedging instrument as to be inconsistent with the purpose of hedge accounting.

When effectiveness is subsequently not met with regards to the hedge ratio, but the risk management objective remains the same, the hedging relationship is adjusted to take into account only the hedged amount.

The fair value measurement of derivative instruments is recurring, at each closing date; derivatives are classified as an asset or a liability. The fair value of a derivative instrument classification is split between non-current and current asset or liability. The non-current asset or liability is the remaining maturity of the hedging instrument that is more than twelve months from the reporting date and the current asset or liability is the maturity of the hedging instrument expected to be settled in twelve months from the reporting date.

Provisions for risks and charges

Provisions for risks and charges are recognized when the Group has a present obligation as a result of a past event and it is likely that the Group will be required to settle that obligation. Provisions are measured at the Directors' best and reliable estimate of the expenditure required to settle the obligation at the financial position date and are discounted to present value.

Treasury shares

Treasury shares acquired following a buy-back program, are recognized at cost and are presented as a deduction from equity (under a separate item of equity). The original cost of treasury shares and the proceeds of any subsequent sale are presented as movements in equity.

Long Term Incentive Plan including equity compensation (share based payments)

The Company provides additional benefits to certain members of senior management and in accordance with IFRS 2 – share-based payment, this plan represents a component of the recipient's remuneration.

In May 2019 (following expiry of the former stock-option plan), a new management compensation plan (Long Term Incentive Plan, LTI), involving share-based payments, was approved. The plan is based on the average financial results achieved by DIS over three rolling two-year periods ("the Period(s)" or "Cycle(s)"). The first Period is 2019-2020. The plan seeks to align the interest of shareholders and the key decision makers in DIS. In particular, the plan establishes a bonus pool based on the average ROCE (Return on Capital Employed) achieved by DIS over each rolling two-year Period, with a minimum threshold of 5% established – the "gate" objective. The bonus pool is then calculated as 10% of the difference, if positive, between the average EBIT achieved during the Period and the EBIT corresponding to an average ROCE of 5%, up to a maximum EBIT corresponding to a ROCE of 7.5%.

The Bonus Pool is allocated according to three targets that aim to measure DIS' financial performance while accounting for the risks taken, the soundness of the contract coverage strategy and the cost efficiency of the management structure. In particular, the three targets measured are:

i) the adjusted ROCE (50% of the pool), which modifies the ROCE through a matrix which accounts for the financial leverage in DIS' capital structure and the percentage of contract coverage;

ii) the hedging effectiveness (30% of the pool), which measures whether the coverage taken contributed positively or negatively to the blended time-charter equivalent earnings;

iii) the percentage change in the daily General and Administrative costs (20% of the pool), which attempts to measure how efficient is the Group's cost structure.

For each of the above targets minimum thresholds are established and the percentage allocated increases linearly once such threshold is exceeded, up to a maximum of 110% of the amount attributable to the achievement of such target. A final adjustment to the bonus pool is made to reflect the total shareholder return (TSR) obtained by DIS' shareholders during the Period, relative to the TSR which would have been achievable by investing in the shares of a group of peers.

The final bonus as calculated above is paid 70% in cash at the end of the vesting period of each Cycle, and the remaining 30% through DIS shares (free of charge) in the two years following the vesting period (15% each year).

Following this new management compensation plan, at the end of the vesting period of each cycle, the number of DIS shares allotted to the senior management will be based on the arithmetic average of the official market closing prices of DIS' ordinary shares in the month prior to the Company's Board of Directors that will verify the results achieved in the corresponding vesting period.

Dividends

Dividends payable are reported as a movement in equity in the period in which they are approved by the shareholders' meeting.

Segment information

d'Amico International Shipping is providing transportation services of refined petroleum products and vegetable oil, operating in only one business segment, Product Tankers. Furthermore, the Group only has one geographical segment, employing all of its vessels worldwide, rather than in specific geographical areas. The Group's top management monitors, evaluates and allocates the Group's resources as a whole, operations are run in one single currency – the US$ – and DIS regards, therefore, the product tankers business as a single segment.

Seasonality

In the Product Tankers business and for d'Amico International Shipping as a global Product Tanker player, there is some element of seasonality in freight markets, however, there are other factors that can have a much more important influence on the demand for our vessels and in their earnings potential.

R&D, Own shares

The Company has no research and development costs; Own shares are disclosed under note 21.

Accounting principles

The accounting policies adopted are consistent with those of the previous financial year.

Accounting principles adopted from 1 January 2020

There are no new accounting principles that are expected to have a material impact on the entity in the current reporting periods and on its foreseeable transactions.

Accounting principles, amendments and interpretations not yet effective

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2. CAPITAL DISCLOSURE

The d'Amico International Shipping Group's objectives in managing capital are:

- To safeguard the Group's ability to continue as a going concern, so it can continue to provide returns for shareholders and benefits for other stakeholders, and
- To provide an adequate return to shareholders while managing market risk by covering a portion of its Vessel employment days through fixed rate contracts.

The capital of the Group was established at the beginning of 2007 as part of its IPO process, taking into consideration the risks affecting d'Amico International Shipping and the industry where the Group operates. The capital of the Company was subsequently increased in the years 2012, 2014, 2015, 2016, 2017, 2018,2019 and 2020 to support the growth of DIS' fleet and to strengthen its balance sheet.

The Group also has various bank facilities, credit lines and leases (see notes 22 and 23).

The capital structure is reviewed during the year and, –if needed, adjusted depending on the Group's capital requirements, changes in the general economic conditions and industry risk characteristics. The Group monitors its capital on the basis of the 'assets cover ratio' representing the outstanding amounts on its facilities divided by the fair market value of the vessels owned (see further details in notes 14 and 23).

3. REVENUE

US$ Thousand	2020	2019
Revenues from voyage-charter (spot) - freight and demurrage	**133,031**	**163,599**
Revenue from leases (time-charter)	118,390	58,670
Revenue from subleasing of RoU (time-charter)	62,047	126,705
Other revenues	2,846	4,560
Total revenue	**316,314**	**353,534**

Revenue represents vessel income comprising time charter hire, freight and demurrage and is recognized over time. DIS has only one revenue stream and it is originated from the employment of the vessels for the transportation of refined petroleum products. All contractual revenues – as defined by IFRS15 – result from freight and demurrage: for these revenues, payment is settled at completion of the voyage, and therefore no performance obligations are recognized to be outstanding. In 2020, one customer generated US$ 63.4 million in revenues, equivalent to around 20% of the Group's total. In 2019, one customer generated US$ 57.8 million in revenues, equivalent to around 16% of the Group's total (see also note on credit risk in note 28). The Company's 5 biggest customers generated US$ 169.3 million in revenues for the Company in 2020, equivalent to 53.5% of its total revenues.

Costs to fulfil a contract (ballast days to the first loading port) are recognised over the time and capitalised at the reporting date; they amount to US$ 0.3 million as at the end of 2020 (US$ 0.8 million as at 31 December 2019) and will be amortised throughout the term of the relevant contracts.

Income from leases represent income from owned vessels that are time-chartered-out.

Income from subleasing represents revenue on vessels controlled through time-charter-in contracts, that are time-charted-out.

Other revenues comprise income from deviations, including compensation for bunker expenses at port.

The Covid-19 pandemic had no impact on revenue recognition (please also refer to the Significant Events of the period).

4. VOYAGE COSTS

US$ Thousand	2020	2019
Bunkers (fuel)	(35,677)	(56,085)
Commissions payable	(7,130)	(7,422)
Port charges	(14,572)	(30,216)
Other	(1,159)	(1,479)
Total	**(58,538)**	**(95,202)**

Voyage costs arise from the employment, direct or through our partnerships, of DIS' vessels, through voyage charters or contracts of affreightment. When vessels are employed through time charters, they do not incur voyage costs. Bunker is supplied through the related party Rudder S.A.M., which charges a commission of between US$1.5 and US$4.0 per metric ton, depending on payment terms; the calculations are based on figures for the residual balances of fuel onboard provided by the vessels. Other voyage costs include all other voyage expenses arising during the performance of the voyages such as surveys, tank cleaning, and additional insurance.

5. TIME CHARTER EQUIVALENT EARNINGS

US$ Thousand	2020	2019
Time charter equivalent earnings	**257,776**	**258,332**

Time-charter equivalent earnings represent revenue less voyage costs. In 2020 vessel days on fixed rate contracts represented about 61.9 % of total available vessel days (51.6% in 2019).

6. TIME CHARTER HIRE COSTS

US$ Thousand	2020	2019
Time charter hire costs	**(13,961)**	**(31,750)**

Time-charter hire costs represent the cost of chartering-in vessels from third parties (from 1 January 2019, following the application of the new IFRS 16 standard, the amount relates essentially to the cost of chartering-in vessels for a period of time shorter than one year at their start date (short-term leases; please refer also to note 1).

7. OTHER DIRECT OPERATING COSTS

US$ Thousand	2020	2019
Crew costs	(41,178)	(43,513)
Technical expenses	(12,888)	(12,137)
Luboil	(2,765)	(2,947)
Technical and quality management	(12,075)	(12,325)
Insurance	(5,929)	(5,194)
Service costs related to leased vessels	(26,256)	(29,927)
Other costs	(1,296)	(2,282)
Total	**(102,387)**	**(108,325)**

Other direct operating costs include crew costs, technical expenses, lubricating oils, technical and quality management fees and sundry expenses originating from the operation of the vessel, including insurance costs. Service costs related to leased vessels represent one of the non-lease components of a TC contract, which is expensed in the income statement.

Personnel

As at 31 December 2020, d'Amico International Shipping SA and its subsidiaries employed an equivalent of 600 seagoing personnel and 24 on-shore personnel (as at 31 December 2019: 707 seagoing personnel and 29 onshore personnel); the average number of seagoing personnel in 2020 was 650 (2019: 714), while the average number of onshore personnel was 24.5 (2019: 32). Onshore personnel costs are included under general and administrative costs. The Group has no liabilities with regards to pensions and other post-retirement benefits.

8. GENERAL AND ADMINISTRATIVE COSTS

US$ Thousand	2020	2019
Personnel	(5,266)	(4,894)
Other general and administrative costs	(7,591)	(7,095)
Total	**(12,857)**	**(11,989)**

Personnel costs relate to onshore personnel salaries, as well as in 2020, US$ 1.0 million relating to director fees and US$ 0.8 million relating to remuneration earned by senior managers including the CEO, COO, CFO and other managers with strategic responsibilities (2019: US$ 1.1 million of director fees and US$ 0.8 million to senior managers), including US$ 0.1 million relating to the Long Term Incentive Plan granted to the key managers and executive directors of DIS, adopted in 2019. Please refer to the note 1, Equity Compensation Plan (Share Based Payments), for full details and disclosure of calculations for this Plan; The DIS shares serving the Plan, are those held in portfolio by the Company as at 11 March 2021 (n. 18,326,911 own shares without nominal value, following the 2,849,015 own shares repurchased between 5 January and 26 January 2021 – please also refer to significant events since the end of the period of 2020).

The other general and administrative costs comprise consultancy, office rental fees, and other sundry expenses originating from the operation of d'Amico International Shipping Group companies. They include intra-group management fees on brand and trademark, IT, Legal and Internal Audit services amounting to US$ 5.1 million (see also note 29). They also include negligible expenses relating to short-term leases, relating mainly to office equipment

9. RESULT FROM DISPOSAL OF FIXED ASSETS

US$ Thousand	2020	2019
Net profit (loss) on disposal of vessel	**(1,303)**	**(2,042)**

The amounts in 2020 refers to the amortisation (over the duration of the lease) of the deferred result on the disposal of all leased-back vessels and to a US$ 1.0 claim in our favour, resulting from the failure of a potential buyer of the M/T Glenda Megan to perform its obligations resulting from the signed MOA in Q4 2019.

In 2019, the net loss of US$ 2.0 million refers to the amortisation (over the duration of the lease) of the deferred results on the disposal of all leased-back vessels, two of which – M/T Cielo di Houston and M/T High Voyager – in the month of January and of April 2019, respectively; the M/T Glenda Megan was previously reclassified as an asset held-for-sale, and subsequently sold at the same price as its carrying amount, which was equivalent to its fair value (please refer also to note 14).

10. NET FINANCIAL INCOME (CHARGES)

US$ Thousand	2020	2019
Financial income		
Loans and receivables at amortised cost		
Interest Income	86	382
Realised gains on derivative instruments	606	35
Realised exchange differences	-	406
At fair value through income statement:		
Unrealised gains on derivative instruments	543	-
Unrealised exchange differences	-	-
Total financial income	**1,235**	**823**
Finance charges		
Financial liabilities measured at amortised cost		
Interest expense and financial fees	(16,830)	(22,173)
Financial lease cost	(19,871)	(21,413)
Realised exchange differences	(516)	-
At fair value through income statement:		
Unrealised losses on derivative instruments	(2,648)	(1,382)
Total financial charges	**(39,865)**	**(44,968)**
Net financial charges	**(38,630)**	**(44,145)**

In 2020, financial income includes realised interest income amounting to US$0.1 million deriving from funds held with financial institutions on deposit and current accounts, and lease income, as well as realised gains of US$ 0.6 million on derivative instruments; the unrealised amount of US$ 0.5 million represents positive changes in the fair value of the ineffective portion of hedging interest-rate swaps.

Financial charges in 2020 include realised interest expenses and financial fees amounting to US$16.8 million, comprising US$ 14.9 million for interest on bank loans relating to DIS' owned vessels, overdraft facilities and the realised result on interest rate swaps, as well as US$ 2.0 million in financial fees or amortisation of such fees. Realised financial charges in 2020 include also US$ 19.9 million interest implicit in leases and US$ 0.5 million commercial foreign exchange losses. Unrealised losses on derivative instruments in the same period amount to US$ 2.6 million, representing negative changes in the fair value of both the ineffective portion of hedging interest-rate swaps, amounting to US$ 1.5 million, and of the non-hedging interest rate swaps, amounting to US$ 1.1 million.

In 2019 financial income includes realised interest income amounting to US$0.4 million deriving from funds held with financial institutions on deposits and current accounts, and from the financing provided to the DM Shipping joint venture, as well as financial lease income. Financial income for 2019 includes also the realised income on interest rate swaps closed, amounting to US$ 35 thousand and realised foreign exchange differences of US$ 0.4 million. No unrealised gains were booked in 2019.

Financial charges in 2019 include realised interest expenses and financial fees amounting to US$ 22.2 million, comprising US$ 19.1 million for interest on bank loans relating to DIS' owned vessels, overdraft facilities, and the realised result on interest rate swaps, as well as US$ 0.3 million due to DIS' shareholder, d'Amico International SA, on a long-term and a short-term financing facility (please refer also to note 24). Interest expense in 2019 includes also US$ 3.1 million in financial fees or amortisation of such fees. Financial charges in 2019 include also US$21.4 million interest implicit in leases. Unrealised losses on derivative instruments in the same period amount to US$ 1.4 million, representing changes in the fair value of the ineffective portion of hedging interest-rate swaps, amounting to US$ 0.3 million, and changes in the fair-value of non-hedging interest rate swaps, amounting to US$ 1.1 million.

Information about the type and nature of the cash-flow hedges is included in note 28.

11. PROFIT SHARE OF EQUITY ACCOUNTED INVESTEES

No amount was recorded in 2020. Eco Tankers Limited (ETL), an investee accounted for with the equity method, is currently being liquidated, while DM Shipping d.a.c. was in the final stages of a voluntary strike-off process and was struck-off from the Irish Companies' Register on 3 March 2021 (please also refer to note 16).

In 2019 the result from investment consisted mainly of DIS' share of the profit and loss ETL, amounting to a gain of US$ 1.2 million.

12. IMPAIRMENT OF FINANCIAL ASSETS

US$ Thousand	2020	2019
Reversal of impairment of loan to an equity accounted investee	-	934

No amount was recorded in 2020. The amount of US$ 1.0 million in 2019 represented the partial reversal of the write-down of d'Amico Tankers d.a.c.'s shareholder loan to DM Shipping d.a.c. (a 51/49 jointly controlled entity with the Mitsubishi Group, currently in the final stages of a voluntary strike-off process).

13. TAX

d'Amico Tankers d.a.c. (DTL), DM Shipping d.a.c. (DMS) and Glenda International Shipping d.a.c. (GIS) qualified to be re-elected under the terms of the Tonnage Tax regime in Ireland, for a period of 10 years, for a period ending on 31 December 2024 for DTL and on 31 December 2028 for GIS.

The tax liability under the tonnage tax regime is based on the controlled fleet's notional shipping income, which in turn depends on the total net tonnage of the controlled fleet. The 2020 tonnage tax provision for d'Amico Tankers d.a.c. and Glenda International Shipping d.a.c. amounted to US$ 0.3 million (2019: US$ 0.3 million). Certain minor activities will not fall within the tonnage tax regime and are subject to standard rates of local corporation tax (currently 12.5% on trading income, 25% on passive income, and 22% on non-tonnage tax capital gains for DTL). These activities could give rise to deferred tax assets and liabilities. Items of other comprehensive income are taxed depending on the tax regime they fall within.

The holding company, d'Amico International Shipping SA had, at the end of 2020, accumulated tax losses to be carried forward, amounting to approximately € 53.5 million (equivalent to US$ 65.6 million). No deferred tax asset has been accounted for as management does not foresee taxable profits against which the accumulated losses could be offset. The holding company is subject to the Luxembourg Net Wealth Tax regime which is based on the net assets of the Company and which for 2020 generated a tax charge of US$ 5.6 thousand (2019: US$ 0.2 million).

US$ Thousand	**2020**	**2019**
Current tax:		
Taxation at corporate tax rates	(27)	(113)
Tonnage Tax	(245)	(275)
Net wealth tax / other tax	5	(196)
Total current tax	**(267)**	**(584)**
Profit (Loss) before tax	**16,823**	**(26,943)**
Theoretical income tax (tax rate 29.22%)	(4,916)	7,873
- not subject to income tax (due to Tonnage Tax regime)	4,262	(8,419)
- impact of overseas tax rates	54	58
- effect of temporary differences	572	375
Taxation at corporate tax rates	**(28)**	**(113)**

14. PROPERTY, PLANT AND EQUIPMENT (PPE) AND RIGHT-OF-USE ASSETS (ROU)

US$ Thousand	Fleet	Other	Total PPE	RoU	Total PPE & RoU
At 1 January 2018					
Cost or valuation	786,878	2,927	789,805	397,404	1,187,209
Accumulated depreciation	(180,793)	(2,408)	(183,201)	(45,696)	(228,897)
Net book amount	**606,085**	**519**	**606,604**	**351,708**	**958,312**
Period ended 31 December 2020					
Reclassification of cost	(20,622)	-	(20,622)	-	(20,622)
Reclassification of accumulated depreciation	20,612	-	20,612	-	20,612
Additions	5,946	6	5,952	3,484	9,436
Change in contractual terms	-	-	-	(1,027)	(1,027)
Transfer from Assets held-for-sale (assets)	36,971	-	36,971	-	36,971
Transfer from Assets held-for-sale (accumulated depreciation)	(22,527)	-	(22,527)	-	(22,527)
Impairment upon classification to Assets held-for-sale	(33)	-	(33)	-	(33)
Impairment reversal upon classification from Assets held-for-sale	2,256	-	2,256	-	2,256
Disposals at cost – asset	(30,058)	-	(30,058)	(5,405)	(35,463)
Write-off – asset	(6,069)	-	(6,069)	-	(6,069)
Disposal at cost – depreciation fund	23,981	-	23,981	5,405	29,386
Depreciation charge	(31,411)	(493)	(31,904)	(37,618)	(69,522)
Exchange differences	-	3	3	52	55
Closing net book amount	**585,131**	**35**	**585,166**	**316,599**	**901,765**
At 31 December 2020	-		-		
Cost or valuation	775,269	2,936	778,205	394,508	1,172,713
Accumulated depreciation	(190,138)	(2,901)	(193,039)	(77,909)	(270,948)

Propert, Plant and Equipment

US$ Thousand	Fleet / Vessels	Fleet / Dry-docks	Other	Total PPE
At 1 January 2020				
Cost or valuation	771,455	15,423	2,927	789,805
Accumulated depreciation	(168,828)	(11,965)	(2,408)	(183,201)
Net book amount	**602,627**	**3,458**	**519**	**606,604**
Period ended 31 December 2020				
Reclassification of cost	(15,534)	(5,088)	-	(20,622)
Reclassification of accumulated depreciation	15,534	5,078	-	20,612
Additions	-	5,946	6	5,952
Transfer from Assets held-for-sale (assets)	35,853	1,118	-	36,971
Transfer from Assets held-for-sale (accumulated depreciation)	(21,589)	(938)	-	(22,527)
Impairment upon classification to Assets held-for-sale	(33)	-	-	(33)
Impairment reversal upon classification from Assets held-for-sale	2,256	-	-	2,256
Transfer to Assets held-for-sale (assets)	(28,217)	(7,910)	-	(36,127)
Transfer to Assets held-for-sale (accumulated depreciation)	17,794	6,187	-	23,981
Depreciation charge	(29,615)	(1,796)	(493)	(31,904)
Exchange differences	-	-	3	3
Closing net book amount	**579,076**	**6,055**	**35**	**585,166**
At 31 December 2020				-
Cost or valuation	765,780	9,489	2,936	778,205
Accumulated depreciation	(186,704)	(3,434)	(2,901)	(193,039)

Right-of-Use Assets

US$ Thousand	Fleet / RoU Vessels ex-IAS17	Fleet / Other RoU Vessels	Fleet / RoU Dry-dock	Fleet / RoU	RoU Other	Total RoU
At 1 January 2020						
Cost or valuation	244,080	146,292	3,272	393,644	3,760	397,404
Accumulated depreciation	(14,729)	(29,915)	(364)	(45,008)	(688)	(45,696)
Net book amount	**229,351**	**116,377**	**2,908**	**348,636**	**3,072**	**351,708**
Period ended 31 December 2020						
Additions	-	-	3,484	3,484	-	3,484
Change in contractual terms	-	(199)	-	(199)	(828)	(1,027)
Disposal at cost - RoU	-	(5,405)	-	(5,405)	-	(5,405)
Disposal of RoU depreciation fund	-	5,405	-	5,405	-	5,405
Disposal at cost – RoU depreciation fund	(9,500)	(26,478)	(949)	(36,927)	(691)	(37,618)
Exchange differences	-	-	-	-	52	52
Closing net book amount	**219,851**	**89,700**	**5,443**	**314,994**	**1,605**	**316,599**
At 31 December 2020						
Cost or valuation	244,080	140,688	6,756	391,524	2,984	394,508
Accumulated depreciation	(24,229)	(50,988)	(1,313)	(76,530)	(1,379)	(77,909)

For comparison purpose here below are reported the relevant values for the year 2019:

US$ Thousand	Fleet	Other	Total PPE	RoU	Total PPE & RoU
At 1 January 2019					
Cost or valuation	953,721	3,461	957,182	181,751	1,138,933
Accumulated depreciation	(219,658)	(2,366)	(222,024)	(5,628)	(227,652)
Net book amount	**734,063**	**1,095**	**735,158**	**176,123**	**911,281**
Period ended 31 December 2019					
Opening net book amount	734,063	1,095	735,158	176,123	911,281
Change in accounting policy	-	-	-	151,107	151,107
Restated opening net book amount	**734,063**	**1,095**	**735,158**	**327,230**	**1,062,388**
Additions	62,684	26	62,710	2,521	65,231
Disposal to RoU (sale & leaseback)	(80,560)	-	(80,560)	-	(80,560)
Disposal of depreciation fund	6,035	176	6,211	-	6,211
Additions to Rou (sale & leaseback)	-	-	-	63,080	63,080
Change in contractual terms	-	-	-	(1,048)	(1,048)
Disposal	-	(318)	(318)	-	(318)
Depreciation charge	(33,136)	(461)	(33,597)	(40,068)	(73,665)
Impairment before transfer to held-for-sale	(15,535)	-	(15,535)	-	(15,535)
Transfer to assets held-for-sale (cost)	(148,313)	-	(148,313)	-	(148,313)
Transfer to assets held-for-sale (depreciation)	80,847	-	80,847	-	80,847
Reclassification of cost	(654)	(243)	(897)	-	(897)
Reclassification of accumulated depreciation	654	243	897	-	897
Exchange differences	-	1	1	(7)	(6)
Closing net book amount	**606,085**	**519**	**606,604**	**351,708**	**958,312**
At 31 December 2020				-	-
Cost or valuation	786,878	2,927	789,805	397,404	1,187,209
Accumulated depreciation	(180,793)	(2,408)	(183,201)	(45,696)	(228,897)

Fleet

A detailed description of the Fleet is provided in the relevant section of the management report.

The net book value of DIS' fleet as at 31 December 2020 amounts to US$ 900.1 million and comprises the net book value of the Fleet on the water and the net book value of dry-docks (Owned vessels and dry-docks), as well as the capitalised and depreciated value of DIS' lease obligations and relevant dry-docks (Rights of Use assets, as per IFRS 16).

The net book value of owned vessels and their respective dry-docks, as at 31 December 2020, amount to US$ 585.1 million.

The net book value of Right of Use assets amounts to US$ 316.6 million as at 31 December 2020, of which Leased vessels (both bareboat and time-chartered-in) and Dry-docks amount to US$ 315.0 million. The net book value of Leased vessels for which a purchase obligation or a bargain purchase option exists, amount to US$ 219.9 million as at 31 December 2020.

The following table indicates purchase obligations and options for all vessels sold and leased-back through bareboat contracts:

Vessels name, M/T	Year the lease begins	Purchase obligation	Option to repurchase the vessel
High Voyager	2019	10th year from sale	from 3rd year
Cielo di Houston	2019	n.a.	from 5th year
High Freedom, High Trust, High Loyalty, High Trader	2018	10th year from sale	from 2nd year
High Fidelity, High Discovery	2017	10th year from sale	from 3rd year
High Priority	2017	5th year from sale	from 2nd year*

* the purchase option was exercised, please refer also to the significant events after the end of the period, within the management report.

The capitalised and depreciated value of DIS' leases obligations (Rights of Use assets) are discounted using DIS' marginal borrowing rate, which is obtained by adding to the swap interest rate for liabilities with the same term as the lease obligations, the margin applied to the most recent third-party financings; for leases previously identified as such in accordance with IAS 17, the lease payments are discounted using DIS' (the lessee's) inherent rate in the lease; The net impact on Retained earnings at the beginning of the IFRS16 application period (January 1, 2019) was a decrease of US$ 2.0 million, which will be amortised over the duration of the new assets resulting from the application of this new principle.

Dry-dock includes expenditure for the fleet's dry-docking programme and related amortization; additions in the period ended 31 December 2020, relate to instalments paid to the yard for dry-docks, for both categories of PPE and RoU corresponding to US$ 5.9 million and US$ 3.5 million, respectively. During 2020 nine of DIS' vessels dry-docked; eight vessels completed their dry-dock last year and one of the dry-docks terminated in 2021.

All financings on the vessels owned by the Group are secured through mortgages.

The total fair value of the Group's fleet as 31 December 2020 amounts to US$ 820.0 million and includes DTL's owned vessels, DTL's Right-of-use assets and DIS' share of the fleet value of Glenda International Shipping Ltd (a joint-operation, consolidated with the proportional method). The value of DIS' owned vessels and of its leased vessels with purchase obligations and bargain purchase options is based on charter-free broker valuations, while for the remaining Right-of-use Assets it is based on their value-in-use, as described below.

Fleet's Recoverable Amount (Value-in-Use, Fair Value and Impairment Testing)

The Fleet's recoverable amount is defined as the higher of its fair value less costs to sell and its value-in-use, represented by the net present value of the cash flows from the vessels' remaining useful life. Impairments and their reversal are ***non-recurring*** and will be based on the fleet's recoverable amount as well as on an assessment by management of the sustainability of a number of market factors.

For impairment test purposes, management estimates take into consideration the market information available, including reported sales of similar vessels, as well as past experience and future expectations. Value-in-use calculations have been based on the following key assumptions: (i) Earnings under contracts concluded and estimates of future time-charter equivalent rates for the vessel days currently not committed under contracts, which are based on management estimates for the next three years and on last ten-year averages after adjusting for inflation, for the remaining days; (ii) Useful economic life for the vessels of 25 years; (iii) Estimated economic value at end of vessels' life based on the average of the last 10 years' demolition prices (iv) General and administrative costs reflecting DIS current corporate structure; (v) a nominal discount rate of 6.3%, which represents the Group's weighted average cost of capital based on the Group's estimated cost of debt financing and DIS' estimate of its required return on equity. Since a nominal discount rate is used for the projected cash-flows, including revenue, costs, capital expenditures and residual values, for consistency, these cash-flows are adjusted to reflect an expected inflation of 2.0%, equal to the last ten years' average US core consumer price index. Management notes that the calculations are particularly sensitive to changes in the key assumptions for future charter rates and discount rates. (vi) The effects of COVID-19 were taken into account in our value-in-use calculations since management used significantly lower time-charter equivalent rates for its 2021 open days (available vessel days still not covered through contracts) than the applicable 10-year market averages, to reflect the current weak market conditions and the expectation of a recovery only from 2022. Management does not consider that COVID-19 had a negative impact on its operating and general and administrative expenses, which were therefore not adjusted as a result of the pandemic (please refer also to the Significant Events of the period for further disclosure of COVID-19's impact on the Group).

The headroom of the Fleet's Cash Generating Unit (CGU) against its net book value as at 31 December 2020 was estimated to amount to US$ 169.9 million, of which US$ 46.7 million relating to owned vessels and US$ 123.3 million relating to right-of-use vessels.

There is a significant sensitivity to changes in some of the key assumptions used in DIS' value-in-use calculations. All other things remaining equal, the sensitivities have been assessed as follows: a change in the long-term forecasted tanker time-charter equivalent rates of US$ +/-500 per day, would result in a movement in the value-in-use calculation of the fleet of US$ 72.5 million / US$ (72.5) million, respectively (2019: US$ 70.5 million / US$ (70.5) million, respectively); an increase of 1.0% in the discount factor would result in a decrease in the value-in-use calculation of the fleet of US$ 82.3 million (2019: US$ 86.5 million decrease); a decrease of 1% in the discount factor would result in an increase in the value in use calculation of the fleet of US$ 93.9 million.

At the reporting date the value-in-use calculation is higher than the net book value of the vessels. Management of the Group therefore does not consider necessary to recognise an impairment of the Fleet's value; they confirm to closely monitor DIS' vessels market values and value-in-use calculations.

Impairment charge and assets held for sale reclassification

As at the end of 2019, management transferred five vessels that it planned to sell within the following twelve months to 'Assets held-for-sale', in accordance with IFRS 5; during the first six months of 2020 two of these vessels were sold – M/T Cielo di Guangzhou and M/T Glenda Meredith – resulting in a consolidated impairment of US$ 0.3 million. In July 2020, d'Amico Tankers d.a.c. signed MOAs for the sale of another two vessels classified as held for sale, the M/T High Progress and M/T High Performance; the delivery of these vessels to their new owners, as per MOA terms, occurred after their dry-dock planned in the second half of 2020, resulting in an impairment, inclusive of dry-dock capitalised costs, of US$ 4.7million; In Q4 2020, d'Amico Tankers sold a fifth vessel, the M/T High Courage, which was not previously classified as held-for-sale and therefore decided to postpone the sale of the M/T High Venture, which had instead been classified as held-for-sale; this decision led to the reclassification of this vessel within DIS' Fleet and the reversal of the related impairment which had been previously booked, resulting in a gain of US$ 2.8 million. Please refer also to the management report for further information (more details in note 15).

Other assets

Other assets mainly include fixtures, fittings, and office equipment.

15. ASSETS HELD FOR SALE - LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE

US$ Thousand	2020	2019
At 1 January		
Cost or valuation	**59,631**	-
Additions from Fleet (Vessels and drydocks)	12,146	69,036
Disposals / sales	(55,110)	(9,405)
Transfer to Fleet	(16,667)	-
At 31 December		
Closing net book amount	-	**59,631**

US$ Thousand	As at 31 December 2020	As at 31 December 2019
Liabilities related to assets held-for-sale	-	**22,250**

No vessels are recorded as "Assets held-for-sale" as at 31 December 2020, therefore we do not have any liabilities relating to such assets as at the same date.

As at 31 December 2019, liabilities associated with assets held-for-sale amounted to US$59.6 million and related to the five vessels which the company had classified as held-for-sale as at that date (please refer also to note 14).

16. INVESTMENT IN JOINTLY CONTROLLED ENTITIES

Investments accounted for using the equity method as at 31 December 2020, amount to US$ 4.3 million and relate exclusively to the value of DIS' participation in Eco Tankers Limited, which is currently under liquidation; management considers that an impairment isn't required for this investment and an advance on liquidation proceeds was already received by DIS (please refer to note 17). DM Shipping d.a.c. was in the final stages of a voluntary strike-off process and was struck-off from the Irish Companies' Register on 3 March 2021 (please refer to note 11); for this reason as at 31 December 2020 the value d'Amico Tankers DAC's participation in this company had been fully written-off.

US$ Thousand	2020	2019
At 1 January		
Share of net investment at equity	**4,382**	**3,228**
Share of profit / (loss)	-	1,243
Write-off	(70)	-
Other movements	-	(89)
At 31 December		
Share of net investment at equity	**4,312**	**4,382**

17. OTHER FINANCIAL ASSETS (LIABILITIES)

US$ Thousand	As at 31 December 2020			As at 31 December 2019		
	Non-current	Current	Total	Non-current	Current	Total
Fair value of derivative instruments	320	237	557	-	-	-
Financing to DM Shipping ("DMS")	-	-	-	-	510	510
Financial receivable	48	2,160	2,208	3,263	4,421	7,684
Deferred tax asset	54	-	54	-	-	-
Deferred loss on leased assets	11,688	2,328	14,016	14,085	2,334	16,419
Total other financial assets	**12,110**	**4,725**	**16,835**	**17,348**	**7,265**	**24,613**
Fair value of derivative instruments	(5,406)	(5,639)	(11,045)	(6,162)	(2,958)	(9,120)
Other financial liabilities	(57)	(5,352)	(5,409)	(81)	(9,192)	(9,273)
Deferred profit on leased assets	(889)	(142)	(1,031)	(1,039)	(323)	(1,362)
Total other financial liabilities	**(6,352)**	**(11,133)**	**(17,485)**	**(7,282)**	**(12,473)**	**(19,755)**

As at 31 December 2020, other non-current financial assets amount to US$ 12.1 million (31 December 2019: US$ 17.3 million) and include mainly the portion of cumulative deferred losses on the sale and leasebacks of vessels, which will be amortised beyond the next twelve months, amounting to US$ 11.7 million (31 December 2019: US$ 14.1 million), the valuation of the Interest Rate Swaps hedging instruments of US$ 0.3 million, the finance lease receivable (sublease of office space by the subsidiary d'Amico Tankers UK Ltd) of US$ 0.05 million and a deferred tax asset of US$ 0.05 million.

Total current financial receivable of US$ 4.7 million as at 31 December 2020 (31 December 2019: US$ 7.3 million), comprises US$ 2.3 million cumulative deferred losses on the sale and leasebacks of vessels, which will be amortised over the next twelve months (31 December 2019: US$2.3 million) and US$ 2.2 million deposit of collateral funds with financial institutions (31 December 2019: US$ 4.4 million). The Group's exposure to various risks associated with financial instruments and the derivative instruments' fair value calculation techniques are discussed within note 27. Current financial assets amounting to US$ 3.2 million as at 31 December 2019 (relating to the sale of the vessels M/T High Endurance and M/T High Endeavour in 2017), have been reclassified into commercial receivables in 2020.

As at 31 December 2020, other non-current financial liabilities totalling US$ 6.4 million (31 December 2019: US$ 7.3 million) include mainly the fair value of interest-rate-swap hedging instruments amounting to US$ 5.4 million (31 December 2019: US$ 6.2 million) and US$ 0.9 million deferred profit on the disposal of vessels sold and leased back (31 December 2019: US$ 1.0 million).

As at 31 December 2020, other current financial liabilities totalling US$ 11.1 million (31 December 2019: US$12.5 million), comprise the fair value of interest-rate-swap hedging instruments amounting to US$ 5.6 million (31 December 2019: US$3.0 million), other current financial liabilities amounting to US$ 5.4 million (31 December 2019: US$9.2 million), including US$ 1.0 million financial interest accrued on bank loans (31 December 2019: US$ 2.1 million) and US$ 4.3 million advance on future capital distributions upon liquidation from Eco Tankers Limited, following the sale of its only vessel the MT High Sun in 2019 (31 December 2019: US$ 4.3 million, please refer also to note 16). On 31 December 2019 other current financial liabilities included also US$ 1.0 million outstanding financial payable to Solar Shipping for the purchase of the vessel M/T Cielo di Guangzhou, and an advance of US$ 1.8 million from the Glenda International Shipping joint venture; both liabilities were settled during 2020.

DIS' management evaluated whether its current and non-current financial assets and liabilities were affected by Covid-19, and deems that adjustments to these amounts aren't required as a result of the pandemic (please refer also to the Significant Events of the Period for further disclosure of COVID-19's impact on the Group).

18. INVENTORIES

US$ Thousand	As at 31 December 2020	As at 31 December 2019
Inventories	8,885	10,080

Inventories represent stocks of Intermediate Fuel Oil (IFO), Marine Diesel Oil (MDO) – collectively bunker fuels – and luboils, onboard vessels. The amounts expensed during the period are detailed in notes 4 and 7.

19. RECEIVABLES AND OTHER CURRENT ASSETS

US$ Thousand	As at 31 December 2020	As at 31 December 2019
Contractual receivables	24,720	25,282
Contract assets (accruals)	4,117	8,687
Prepayments (TC) charters, other receivables & accruals	4,287	6,760
Other debtors	5,598	704
Total	**38,722**	**41,433**

As at 31 December 2020, receivables and other current assets include contractual receivables amounting to US$ 24.7 million (31 December 2019: US$ 25.3 million), net of allowance for credit losses of US$ 0.7 million (31 December 2019: US$ 1.0 million). Contractual receivables are recognised when the right to consideration becomes unconditional, that is, in the case of voyage charters, when the voyage is completed, and the customer is billed. The Group holds trade receivables with the objective of collecting the contractual cash-flows and therefore measures them subsequently at amortised cost, using the effective interest rate method. Details about the Group's impairment policies and the calculation of the loss allowance are described under note 28.

Revenue-related contract assets, represent accrued income arising from the Group's right to consideration for work performed but not billed at the reporting date on the aforementioned voyage charters (conditional right to consideration for the part of the contractual obligation performed, which is invoiced at the end of the performance obligation) and amounts to US$ 4.1 million as at 31 December 2020 (US$ 8.7 million as at 31 December 2019). Changes in contract assets depend among others on the duration of voyages, on freight rate levels, and on the number of vessels employed through such contracts. Management expects that 94% of the transaction price allocated to contract assets as at 31 December 2020 will be invoiced during the month of January 2021.

Other prepayments, receivables and accruals totalling US$ 4.3 million (US$ 6.8 million as at 31 December 2019) represent mainly prepayments to agents amounting to US$ 2.1 million and other receivables, prepayments and accruals from time-charter and spot contracts amounting to US$ 2.1 million.

Other debtors amount to US$ 5.6 million and includes mainly a US$ 3.2 million receivable from the sale of M/T High Endurance and M/T High Endeavour (reclassified in 2020 and previously included within financial receivables), and a US$ 0.1 million tax receivable (31 December 2019: other debtors amounted to US$ 0.7 million, including a US$ 0.1 million tax receivable).

The ageing of trade receivables is disclosed below.

US$ Thousand	As at 31 December 2020	As at 31 December 2019
0-60 days	16,865	17,856
61-90 days	725	2,331
91-120 days	3,704	1,931
>120 days	3,426	3,164
Total	**24,720**	**25,282**

Amounts due over 90 and 120 days mainly represent demurrage receivables. Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historic payment behaviour and extensive analysis of customer credit risk, since they are mostly due by first-class counterparties (oil majors and large trading houses).

Information about the Group's exposure to credit risk and impairment losses for trade and other receivables is included in note 28.

20. CASH AND CASH EQUIVALENTS

US$ Thousand	As at 31 December 2020	As at 31 December 2019
Cash and cash equivalents	**62,071**	**33,598**

Cash and cash equivalent are represented by cash-on-board, cash at bank and short-term deposits with a maturity of up to 3 months.

21. SHAREHOLDERS' EQUITY

Changes in 2020 Shareholders' equity items are detailed in the relevant statement.

Share capital

In 2020 the share capital of the Company increased in two circumstances: on 1 July it increased by 12,866 shares (US$ 643.30) as a result of the exercise of an equivalent number of warrants, at a share price of € 0.354; on 28 December it increased by 7,666 shares (US$ 383.30) as a result of the exercise of an equivalent number of warrants, at a share price of € 0.368 (please refer to the Terms and Conditions for the exercise of the Warrants). The total amount of aforesaid capital increases, including the share premium, was of US$ 8,547.29.

As at 31 December 2020, the share capital of d'Amico International Shipping amounted to US$ 62,052,650.30 corresponding to 1,241,053,006 ordinary shares with no nominal value (31 December 2019: US$ 62,051,623.70 corresponding to 1,241,032,474 ordinary shares with no nominal value).

The authorised capital of the Company, including the issued share capital, is set at US$ eighty-seven million five hundred thousand (US$ 87,500,000), divided into one billion seven hundred fifty million (1,750,000,000) shares with no nominal value.

Retained earnings (accumulated losses)

As at 31 December 2018, the item includes previous year and current year net results, as well as deductions for dividends distributed.

Other reserves

The other reserves include the following items:

US$ Thousand	As at 31 December 2019	Movement in 2020	As at 31 December 2020
Share premium reserve	368,846	7	368,853
Hedging reserve / trough OCI	(3,252)	(2,458)	(5,710)
Other Reserves	(15,380)	(775)	(16,155)
of which			
Treasury shares	(18,122)	(858)	(18,980)
Retranslation reserve / through OCI	(366)	141	(225)
Legal and Consolidation Reserves	3,108	(58)	3,050

Share premium reserve

The share premium reserve arose initially as a result of the Group's IPO and related increase of share capital (May 2007) and thereafter as a result of further capital increases, with the latest occurring in December 2020. By statutory provision, it is available for distribution. Certain costs and charges connected with the listing processes and further capital raisings (mainly bank commissions and related advisory fees and charges) have been deducted from the share premium reserve.

Treasury shares

Treasury shares as at 31 December 2020 consist of 15,477,896 ordinary shares (as at 31 December 2019: 7,760,027) amounting to US$ 19.0 million (as at 31 December 2019: US$ 18.1 million), corresponding to 1.25% of the outstanding issued shares at the financial position date (as at 31 December 2019: 0.6%). These shares were acquired, as part of DIS' authorised buyback programme and the relevant reserve is constituted within the distributable share premium reserve.

Hedging reserve

The cash-flow hedge reserve is not distributable and arose as a result of the movement in the effective portion of the Interest Rate Swap agreements connected to some of DIS' bank facilities. Details of the fair value of the derivative financial instruments are set out in note 28.

Retranslational reserve

The reserve is not distributable and is the result of the conversion into US$ of the shareholders' equity of the Group's companies having functional currencies different from the US$.

Legal Reserve

The legal reserve is a requirement of the Luxembourg Law. The balance is not distributable.

22. BANKS AND OTHER LENDERS

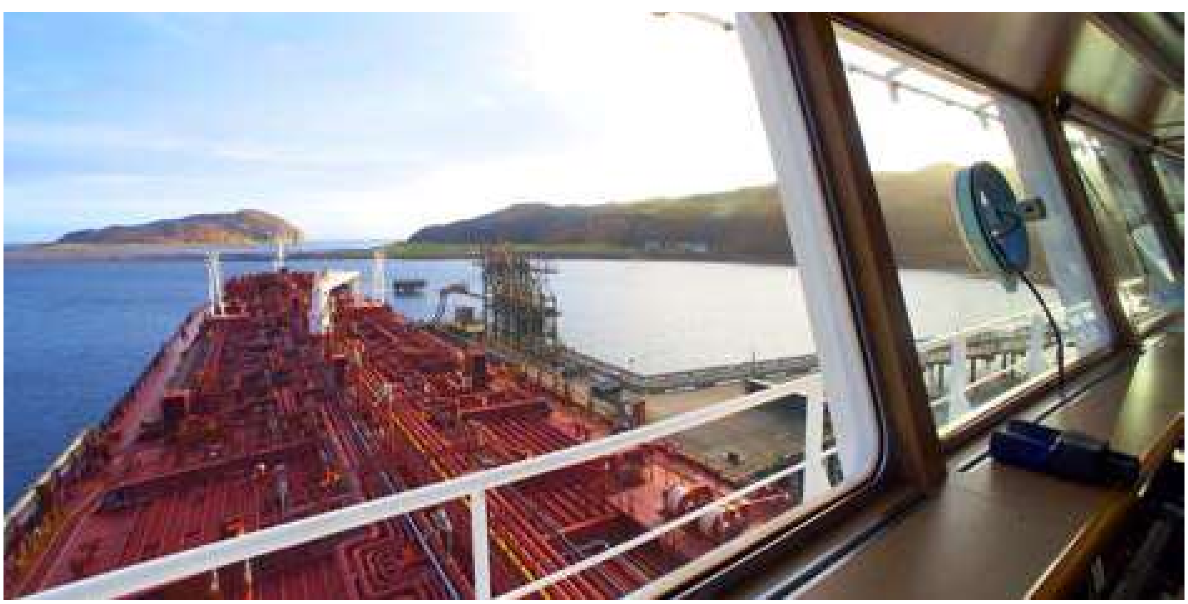
US$ Thousand	As at 31 December 2020	As at 31 December 2019
Banks and other lenders - Non-current liabilities	263,089	270,169
Banks and other lenders - Current liabilities	46,523	72,692
Total	**309,612**	**342,861**

Bank loans outstanding as at 31 December 2020 comprised the following facilities:

Lender / Details	Asset	Repayment terms	interest%	Loan-to-value covenant	Financial covenants	Short-term	Long-term	Total 31 Dec. 2020
				DTL				
Crédit Agricole CIB + 8 syndicated Banks / March 2016 US$ 250m Term Loan Facility (supplemented and amended from time to time)	Cielo di New York Cielo di Rotterdam Cielo di Cagliari Cielo Rosso Cielo di Londra	19/20 consecutive quarterly instalments + balloon at maturity (total balloon = US$ 89.056m)	US$ LIBOR + 2.0 % or + 2.15% according to vessel employment	< 76.9%	Liquid assets >US$25m Net worth >US$ 100m Equity ratio > 35%	7,787	102,764	110,551
Crédit Agricole CIB & ING Bank N.V. London Branch/ November 2020 US$ 29.0m Term Loan Facility	High Venture High Valor	10 consecutive quarterly instalments, no balloon at maturity	US$ LIBOR + 2.50%	< 76.9%	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 35%	3,206	4,810	8,016
	High Wind	20 consecutive quarterly instalments + US$ 10.91m balloon at maturity	US$ LIBOR + 2% -2.15% for first year and 2.50% for the remaining period	< 76.9%	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	1,263	15,963	17,226
DNB Bank ASA/ December 2018 US$ 16.25m Term Loan Facility	High Seas	20 consecutive quarterly instalments + US$ 8.87m balloon at maturity	US$ LIBOR + 2.80%	< 74.1%	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	1,476	11,822	13,298
ING Bank N.V., London Branch/ December 2018 US$ 15.6m Term Loan Facility	High Tide	20 consecutive quarterly instalments + US$ 8.5m balloon at maturity	US$ LIBOR + 2.70%	< 74.1%	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	1,418	11,345	12,763
MPS Capital Services Banca per le Imprese SpA/July 2015 US$ 58m Term Loan Facility	Cielo Bianco	10 consecutive semi-yearly instalments + US$ 17.9m balloon at maturity	US$ LIBOR + 2.25%	< 80.0%	Liquid assets > US$ 25m Net Worth > US$ 100m Equity ratio > 25%	1,764	18,791	20,555
Banca IMI SpA/ October 2014 US$ 45.080m Term Loan Facility	Cielo di Ulsan Cielo di Capri	14 consecutive semi-yearly instalments + US$ 12m balloon for each vessel at maturity	US$ LIBOR + 2.65%	< 75.0%	Liquid assets > US$ 25m Net Worth > US$ 100m Equity ratio > 25%	3,001	27,764	30,775
ABN Amro N.V./ December 2016 US$19.5m Term Loan Facility	Cielo di Gaeta	24 consecutive quarterly instalments + US$ 9.7m balloon at maturity	US$ LIBOR + 2.4% per annum during the charter period to the Key charter thereafter 2.30%	< 76.9%	Liquid assets > US$ 25m Net Worth > US$ 100m Equity ratio > 25%	1,279	10,947	12,226
Tokyo Century Corporation/ December 2014 US$ 41.6m Term Loan Facility	Cielo di Hanoi Cielo di Salerno	24 consecutive quarterly instalments + US$ 12.5m balloon for each vessel at maturity	US$ LIBOR + 2.3%	< 87.0%	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	2,776	27,373	30,149

Lender / Details	Asset	Repayment terms	interest%	Loan-to-value covenant	Financial covenants	Short-term	Long-term	Total 31 Dec. 2020
				DTL				
Tokyo Century Corporation/ November 2015 US$ 21.78m Term Loan Facility	High Challenge	24 consecutive quarterly instalments + US$ 13.1m balloon at maturity	US$ LIBOR + 2.175%	< 87.0%	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	1,452	14,883	16,335
Tokyo Century Corporation/ August 2016 US$ 10.47m General Working Capital Facility	Cielo di Hanoi Cielo di Salerno High Challenge	22 consecutive quarterly instalments, no balloon at maturity	US$ LIBOR + 2.45%	n.a.	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	1,904	966	2,870
Intesa Sanpaolo S.p.A./ Overdraft	n.a.	within 12 months	n.a.	n.a.	n.a.	4,898	-	4,898
Bank of Ireland/ Overdraft for working capital	n.a.	n.a.	n.a.	n.a.	n.a.	6,003	-	6,003
Banco Popolare/ Overdraft	n.a.	n.a.	n.a.	n.a.	n.a.	1,960	-	1,960
				GIS				
Standard Chartered Bank/ September 2020 US$ 45m Term Loan Facility*	Glenda Melanie Glenda Melissa Glenda Melody Glenda Meryl	24 consecutive quarterly instalments, no balloon at maturity	US$ LIBOR +2.40%	< 75.2% for first 3Y then < 70.4%	n.a.	3,750	17,813	21,563
				DIS				
UniCredit SpA/ Overdraft for working capital	n.a.	n.a.	n.a.	n.a.	n.a.	3,916	-	3,916
Financial Fees						(1,340)	(2,152)	(3,492)
Total 31 December 2020						**46,523**	**263,089**	**309,612**

*GIS is a proportionally consolidated subsidiary. In DIS' consolidated accounts we therefore include only 50% of such loans, a portion which is equivalent to d'Amico Tankers d.a.c. participation in GIS' share capital.



E-MARKET SDIR CERTIFIED

Lender / Details	Asset	Repayment terms	interest%	Loan-to-value covenant	Financial covenants	Short-term	Long-term	Total 31 Dec. 2019
DTL								
Crédit Agricole CIB + 8 syndicated Banks/ March 2016 US$ 250m Term Loan Facility (supplemented and amended from time to time)	High Courage High Valor High Wind Cielo di New York Cielo di Rotterdam Cielo di Cagliari Cielo Rosso Cielo di Londra	19/20 consecutive quarterly instalments + balloon at maturity (total balloon = US$ 120.7m)	US$ LIBOR + 2.0% or + 2.15% according to vessel employment	< 76.9%	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	12,636	134,113	146,749
DNB Bank ASA/ December 2018 US$ 16.25m Term Loan Facility	High Seas	20 consecutive quarterly instalments + US$ 8.87m balloon at maturity	US$ LIBOR + 2.80%	< 74.1%	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	1,476	13,298	14,774
ING Bank N.V., London Branch/ December 2018 US$ 15.6m Term Loan Facility	High Tide	20 consecutive quarterly instalments + US$ 8.5m balloon at maturity	US$ LIBOR + 2.70%	< 74.1%	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	1,418	12,764	14,182
MPS Capital Services Banca per le imprese SpA/July 2015 US$ 58m Term Loan Facility	Cielo Bianco	10 consecutive semi-yearly instalments + US$ 17.9m balloon at maturity	US$ LIBOR + 2.25%	< 80.0%	Liquid assets > US$ 25m Equity > US$ 100m Equity ratio > 25%	1,764	20,555	22,319
Banca IMI SpA / October 2014 US$ 45.080m Term Loan Facility	Cielo di Ulsan Cielo di Capri	14 consecutive semi-yearly instalments + US$ 12m balloon for each vessel at maturity	US$ LIBOR + 2.65%	< 75.0%	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	3,011	30,776	33,787
ABN Amro N.V./ December 2016 US$19.5m Term Loan Facility	Cielo di Gaeta	24 consecutive quarterly instalments + US$ 9.7m balloon at maturity	US$ LIBOR + 2.4% per annum during the charter period to the Key charter thereafter 2.30%	<76.9%	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	1,279	12,226	13,505
Tokyo Century Corporation December 2014 US$ 41.6m Term Loan Facility	Cielo di Hanoi Cielo di Salerno	24 consecutive quarterly instalments + US$ 12.5m balloon for each vessel at maturity	US$ LIBOR + 2.3%	< 87.0%	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	2,776	30,149	32,925
Tokyo Century Corporation November 2015 US$ 21.78m Term Loan Facility	High Challenge	24 consecutive quarterly instalments + US$ 13.1m balloon at maturity	US$ LIBOR + 2.175%	< 87.0%	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	1,452	16,335	17,787
Tokyo Century Corporation August 2016 US$ 10.472m General Working Capital Facility	High Challenge Cielo di Hanoi Cielo di Salerno	22 consecutive quarterly instalments, no balloon	US$ LIBOR + 2.45%	n.a.	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	1,904	2,870	4,774
Intesa Sanpaolo SpA/ Hot money	n.a.	within 12 months	n.a.	n.a.	n.a.	5,000	-	5,000
Intesa Sanpaolo SpA/ Overdraft	n.a.	within 12 months	n.a.	n.a.	n.a.	5,007	-	5,007
Bank of Ireland/Overdraft for working capital	n.a.	n.a.	n.a.	n.a.	n.a.	5,512	-	5,512

Lender / Details	Asset	Repayment terms	interest%	Loan-to -value covenant	Financial covenants	Short-term	Long-term	Total 31 Dec. 2019
GIS								
Crédit Suisse AG (originally with Commerzbank AG)/ June 2008 US$ 195m Term Loan Facility	Glenda Melanie Glenda Melissa Glenda Melody Glenda Meryl	40 consecutive quarterly instalments + US$ 62.8m total balloon at maturity [1]	US$ LIBOR + spread 0.90% to 1.10%	< 76.9%	n.a.	25,383	-	25,383
DIS								
Cassa Lombarda SpA/ Overdraft for working capital	n.a.	n.a.	n.a.	n.a.	n.a.	1,074	-	1,074
UniCredit SpA/ Overdraft for working capital	n.a.	n.a.	n.a.	n.a.	n.a.	4,488	-	4,488
Financial Fees						(1,488)	(2,917)	(4,405)
Total 31 December 2019						**72,692**	**270,169**	**342,861**

[1] This figure corresponds to 100% of the balloons. GIS is, however, a proportionally consolidated subsidiary. In DIS' consolidated accounts we therefore include only 50% of such loans, a portion which is equivalent to d'Amico Tankers d.a.c.'s participation in GIS' share capital;

All bank loans are guaranteed by d'Amico International Shipping S.A. and comply with their respective covenants in both the 2020 and 2019 financial years.

23. LEASE LIABILITIES

Lease liabilities are repaid over the lease term. They have the following residual lease terms at the balance sheet date:

US$ Thousand	As at 31 December 2020	As at 31 December 2019
Total future minimum lease payments (gross investment)	**396,823**	**454,648**
due within one year	61,657	57,605
due in one to five years	197,448	198,522
due over five years	137,718	198,521
Principal repayments of minimum lease payments	**313,352**	**351,154**
due within one year	43,411	37,736
due in one to five years	148,160	140,349
due over five years	121,781	173,069
Finance charge included in the minimum lease payments	**83,471**	**103,494**
of which pertaining to the period	19,871	21,413

The carrying amount of the assets held under finance leases, as well as the main lease terms, are disclosed under note 14; the annual rate of return on DIS' leasing transactions were, at the moment they were closed, aligned with market rates. A non-lease component (service element) is excluded from initial calculation of the lease liability for time-charter contracts; its amount is estimated at US$ 6,926/day flat, for all such contracts, in line with the following year's budgeted amounts for operating costs for the owned vessels of the Fleet, at the time of initial recognition.

24. SHAREHOLDERS' SHORT-TERM LOAN

US$ Thousand	As at 31 December 2020			As at 31 December 2019		
	Non-current	Current	Total	Non-current	Current	Total
Total other financial liabilities	-	-	-	-	**5,000**	**5,000**

Outstanding short-term borrowing of US$ 5.0 million from d'Amico International S.A., outstanding as at 31 December 2019, was fully reimbursed in early January 2020.

25. PAYABLES AND OTHER CURRENT LIABILITIES

US$ Thousand	As at 31 December 2020	As at 31 December 2019
Trade payables	23,030	33,603
Other creditors	935	2,230
Accruals & deferred income	2,402	2,389
Total	**26,367**	**38,222**

Payables and other current liabilities as at 31 December 2020 as well as at 31 December 2019, mainly include trade payables. Their carrying amount is considered to be the same as their fair value, due to their short-term nature.

The Group has financial risk management policies in place to ensure all payables are settled within agreed terms. Further information is disclosed in note 28.

26. CURRENT TAX PAYABLE

US$ Thousand	As at 31 December 2020	As at 31 December 2019
Current tax liabilities	**40**	**342**

The balance at the end of 2020 and at the end of 2019 relates to the income taxes payable by DIS' subsidiaries and the net wealth tax payable by the holding company.

27. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

US$ Thousand	As at 31 December 2019	Net cash-flows	Non-cash changes							As at 31 December 2020
			Assets previ-ously held-for-sale	Amortised financial	Amortised financial fees	Financial lease cost	Inception of financial lease	Derivatives P&L Unrealised movements	Cash-flow hedge OCI	
Shareholders' loan	5,000	(5,000)	-	-	-	-	-	-	-	-
Lease liabilities	351,154	(56,650)	-	-	19,870	(1,022)	-	-	-	313,352
Banks and other lenders	342,861	(56,411)	22,250	912	-	-	-	-	-	309,612
Liabilities from derivative instruments	9,120	(3,197)	-	-	-	-	-	2,107	2,458	10,488

28. FINANCIAL RISK MANAGEMENT

The Group is exposed to a variety of risks connected with its operations. DIS has to take new risks to conduct its business and achieve its objectives, but aims to do so by identifying, measuring, managing and controlling them so as to ensure the long-term success of the Group. The shipping industry is highly sensitive to market fluctuations, which can determine significant changes in freight rates and vessel prices. One of DIS' key risk management objectives is to reduce DIS' earnings exposure to cyclical fluctuations.

During the budget process, the Group identifies the key risks, and seeks to systematically take the necessary actions to manage such exposures also through hedges with derivative financial instruments. Specific risk control policies and guidelines are in place to measure the Group's aggregate trading limits and delta variances on a daily basis. Duties are distributed between its back-and front offices, to properly monitor compliance with internal control procedures. This section provides qualitative and quantitative disclosure on the effects that those risks may have on the Group.

The Internal Control and Risk Management Committee – established within the Board of Directors – develops and monitors the Group's risk management policies, reporting regularly to the Board on its activities, as required by the Company's Corporate Governance structure.

DIS adopted an Internal Control and Risk Management System aimed at identifying, measuring, managing and monitoring the main risks faced by the Company. The System contributes to safeguard corporate assets, the efficiency and effectiveness of management procedures, the reliability of financial information and the compliance with laws and regulations, as well as the Company's by-laws and internal procedures.
The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payables, loans to and from associated entities, loans from banks, financial leases and derivatives.

Market risk

DIS and its subsidiaries are exposed to market risk in respect of vessels trading on the spot market, since they are exposed to fluctuations in market freight rates. In particular, when chartering-out vessels the hire rates may be too low to ensure an adequate return or to cover costs. The following risk management strategies are applied: (i) If possible, the Group aims to have a fixed contract coverage between 40-60% over the next twelve months, thus ensuring the exposure to the spot market does not exceed 60%; (ii) the vessels trade on a worldwide basis to reduce the effect of different regional market conditions; (iii) The Group uses derivative financial instruments, such as freight forward agreements and bunker swaps, to manage its exposure to spot market rates.

Financial market risk

As a multinational Group that has operations throughout the world, DIS is exposed to the market risk of changes in foreign currency exchange rates and fluctuation in interest rates.

Currency risk

DIS uses US$ as functional currency and the majority of its transactions are denominated in U.S. Dollars. The Group is exposed to currency risk in respect of transactions denominated in currencies other than U.S. Dollars.

The Group monitors its exposure to currency risk on a regular basis. Management does not consider the Group has significant exposure to foreign exchange risk from operational activities, as almost all of the Group's revenues and most of its operating costs are denominated in U.S. Dollars. The Group systematically identifies and monitors its exposure to foreign currency fluctuation and imbalances, so as to detect potential negative effects in advance and take the necessary mitigating actions, hedging its foreign currency exposure, when appropriate, to keep it within acceptable levels. In particular, the exchange rate exposure on forecasted financial and operational cashflows could be hedged by currency swaps, forward contracts and currency options, subject to specific risk policies and guidelines and internal control procedures. All forward exchange contracts and related currency options are accounted for at fair value through profit or loss. Counterparties to these agreements are major financial institutions. Certain transactions could also have as counterpart the related party, d'Amico Finance d.a.c..

The foreign exchange risk relating to cash flows not denominated in U.S. Dollars, arises mainly from administrative expenses and operating costs denominated in Euros. For 2020, foreign currency payments amounted to an equivalent of US$ 25.1 million, representing 13.3 % of total operational, administrative, financial and fiscal expenses, of which 10.4 % related to Euro transactions. Other foreign currencies do not represent a significant portion of DIS' cash flows.

US$ Thousand	**2020**		**2019**	
	+ 10%	- 10%	+ 10%	-10%
US$ / Ccy	**2,458**	**(2,458)**	**2,590**	**(2,590)**

Through a sensitivity analysis, we established that a 10% fluctuation in the U.S. Dollar exchange rate against all other currencies would have resulted in a variation of +/- US$ 2.5 million in the Group's 2020 net result (US$ +/-2.6 million in 2019). The Group's overall sensitivity to currency risk has not changed significantly from the prior year.

Interest rate risk

The Group is exposed to interest rate risk since its bank deposits and its credit facilities used to finance the purchase of new-buildings and second-hand vessels, respectively, earn or pay interest at variable rates. The risk is managed by the Group through the use of interest rate swap contracts and the hedging activity is regularly evaluated to ensure an adequate coverage is in place.

The risk management strategies provide that: (i) a portion of d'Amico Tankers d.a.c.'s (a fully-owned subsidiary of d'Amico International Shipping SA) facilities are fixed using Interest rate swap (IRS) agreements. For the agreements classified as a hedge for accounting purposes (IFRS9), the effective portion of the gain or loss on the hedging instrument will be recognised under other comprehensive income. For the interest swaps which are not considered hedges, the change in fair value is recognised directly through the income statement. Management considers that by fixing a proportion of the loan's interest expense, it improves the predictability of future interest costs, at a level considered appropriate for the business, allowing the Group to reduce the risk of significant fluctuations in interest rates (cash-flow hedge). To comply with the on-going requirements of hedge accounting the effectiveness of the hedge is reviewed and confirmed on a quarterly basis; (ii) Management continuously reviews financing conditions available in the market to ensure its facilities are competitive.

Interest rate (i) Sensitivity

US$ Thousand	2020		2019	
	i+1% Increase	*i*-1% Decrease	*i*+1% Increase	*i*-1% Decrease
Interest rate cost	**(1,016)**	**1,016**	**(1,194)**	**1,194**
Interest rate swap year-end valuation	**4,677**	**(4,677)**	**6,234**	**(6,234)**

With all other variables constant, an increase in the level of interest rates of 100 basis points would increase net financial charges by US$ 1.0 million (US$ 1.2 million in 2019) while a reduction in interest rates of 100 basis points would decrease net financial charges by US$ 1.0 million (US$ 1.2 million in 2019). As at 31 December 2020, had interest rates been 100 bp higher/lower, with all other variables constant, the valuation of the swaps would have increased by US$ 4.7 million or decreased by US$ 4.7 million, respectively (2019: US$ 6.2 million increase or decrease, respectively).

Financial instruments – Fair values and Risk Management

Fair value risk and valuation techniques

The fair value of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (Level 1).
- The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash-flow analysis is performed. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching the maturities of the contracts (Level 2). Interest rates swaps are measured at the present value of the future cash-flow estimated and discounted based on the applicable yield curves derived from quoted interest rates.
- The fair value of other financial assets and financial liabilities (excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash-flow analysis.
- The fair value of financial instruments accounts for the risk of counterparty (financial assets) and the entity's own credit risk (liabilities).

Accounting classification and fair values

The following table shows the carrying amounts and the fair values of financial assets and liabilities, together with their levels within the fair value hierarchy, as at 31 December 2020.

31 December 2020

US$ Thousand	Loans and receivables	Derivative instruments	Total	Fair Value		Total
				Level 1	*Level 2*	
ASSETS						
Non-current financial assets	11,790	320	12,110	-	320	320
Receivables and other current assets	38,722	-	38,722	-	-	-
Other current financial assets	4,488	237	4,725	-	237	237
Cash and cash equivalents	62,071	-	62,071	-	-	-
LIABILITIES						
Banks and other lenders	309,612	-	309,612	-	-	-
Liabilities from leases	313,352	-	313,352	-	-	-
Other non-current financial liabilities	946	5,406	6,352	-	5,406	5,406
Payables and other current liabilities	26,367	-	26,367	-	-	-
Other current financial liabilities	5,494	5,639	11,133	-	5,639	5,639

The following table shows the carrying amounts and the fair values of financial assets and liabilities, together with their levels within the fair value hierarchy, as at 31 December 2019.

31 December 2019

US$ Thousand	Loans and receivables	Derivative instruments	Total	Fair Value		Total
				Level 1	*Level 2*	
ASSETS						
Non-current financial assets	17,348	-	17,348	-	-	-
Receivables and other current assets	41,433	-	41,433	-	-	-
Other current financial assets	7,265	-	7,265	-	-	-
Cash and cash equivalents	33,598		33,598	-	-	-
LIABILITIES						
Banks and other lenders	342,861	-	342,861	-	-	-
Banks associated with assets held-for-sale	22,250	-	22,250	-	-	-
Liabilities from financial lease	351,154	-	351,154	-	-	-
Shareholders' financing	5,000	-	5,000	-	-	-
Other non-current financial liabilities	1,120	6,162	7,282	-	6,162	6,162
Payables and other current liabilities	38,222	-	38,222	-	-	-
Other current financial liabilities	9,515	2,958	12,473	-	2,958	2,958

The Level 2 financial instruments in the above tables refer to derivative instruments and their fair value is obtained through valuations provided by the corresponding bank at the end of the period. Counterparties to these derivatives are financial institutions which are rated from A+ to BBB-. Due to the high credit rating of these financial institutions, no adjustments for non-performance risk are deemed necessary.

The fair value of receivables and payables is equivalent to their carrying amount, due to the short-term nature of the current receivables.

The carrying amount of financial assets represents the maximum credit exposure.

In 2020, the realised gains amounted to US$ 0.6 million (FFA) while the realised losses amounted to US$ 3.8 million (IRS); unrealised gains in 2020 amounted to US$ 0.5 million (IRS) and unrealised losses were of US$ 2.6 million (IRS) (2019: realised gains US$ 0.03 million (IRS), no realised losses; no unrealised gains and unrealised losses were of US$ 1.4 million (IRS)).

Derivative instruments

Interest rate swaps

As at 31 December 2020, d'Amico Tankers d.a.c. had in place nineteen interest rate swap contracts (IRS) to hedge the risk relating to interest rates on bank financings. Sixteen of these interest rate swaps are linked to the financing of vessels and deemed highly effective hedges, with the effective part of the unrealized gain/loss for the period recognized in other comprehensive income and the ineffective part recognised in profit or loss. These contracts were held with the following counterparties: two with Bank of Ireland, three with ING Bank N.V., one with ABN Amro Bank N.V., two with Crédit Agricole Corporate and Investment Bank, one with Banco BPM S.p.A., one with Intesa Sanpaolo S.p.A., four with MPS Capital Services Banca per le Imprese S.p.A. and two with Skandinaviska Enskilda Banken AB. Three of these interest rate swaps are not linked to specific vessels and changes in their fair value is recognized in profit or loss; they are contracted with the following counterparties: one with ING Bank N.V., one with Intesa Sanpaolo S.p.A. and one with Skandinaviska Enskilda Banken AB. One IRS deemed a highly effective hedge was in place between Glenda International Shipping d.a.c. and Standard Chartered Bank.

The following table shows the accounting impact of the year-end valuation of the Group's interest rate swaps in DIS' profit and loss and year-end other equity reserves in 2020 and 2019:

US$ Thousand	2020		2019	
	Profit or Loss	Δ Equity Reserve	Profit or Loss	Δ Equity Reserve
Interest rate swaps, year-end valuation	(2,107)	(2,458)	1,382	(4,935)
Total	(2,107)	(2,458)	1,382	(4,935)

The outstanding derivative instruments fair value at the end of the year is shown under Other Current/Non-current financial assets and Other current/Non-current financial liabilities (please refer also to note 17).

Forward currency contracts

As at 31 December 2020, the DIS Group had hedging arrangement in place to cover exchange rate fluctuations for a notional amount of EUR 5.6 million (as at 31 December 2019 there was none).

The following table shows the accounting impact of the year-end valuation of the Group's forward currency contracts in DIS' profit and loss and year-end other equity reserves in 2020 and 2019:

US$ Thousand	2020		2019	
	Profit or Loss	Δ Equity Reserve	Profit or Loss	Δ Equity Reserve
Forward currency contract, year-end valuation	137	-	-	-
Total	**137**	**-**	**-**	**-**

The outstanding derivative instruments fair value at the end of the year is shown under Other Current/Non-current financial assets and Other current/Non-current financial liabilities (please refer also to note 17).

Measurement of Fair Value

The fair value measurement for interest rate swaps has been categorised within Level 2, since their fair value measurement is derived from inputs other than quoted prices that are observable (please refer to note 1). The disclosures envisaged for Level 3 categories of fair value are not applicable to the current measurement.

The fair value of existing derivative instruments and hedging instrument is recurrent, at each closing date.

The counterparties to DIS' derivatives contracts are banks and financial institution counterparties, which are rated A+ to BBB- (S&P).

Credit risk

The Group is exposed to credit risk resulting from the possible non-performance of any of its counterparties, primarily customers, agents, joint venture partners and financial institutions. The Group normally deals only with creditworthy counterparties and has financial risk management policies in place to ensure all payables are settled within agreed terms. Such policies include a continuous monitoring and evaluation, also of the default risk of the industry and country in which its customers operate, to limit its exposure to delayed payments. To minimise its credit risk the Group has the following risk management strategies: (i) for receivables, balances are reviewed on an on-going basis. The recovery of demurrage income and expenses incurred on behalf of charterers is followed by a dedicated team. DIS' customers include a large number of oil majors, and large oil trading companies. Historically DIS has, therefore, not experienced significant losses on trade receivables. Nevertheless, the Group recognises an allowance for impairment that represents its estimate of losses that will be incurred with respect to trade and other receivables; (ii) for payments relating to services such as crew management, technical and bunker purchases, advances are planned to minimise credit risk. (iii) for instalment payments relating to vessels under construction, advances are covered by appropriate bank guarantees from creditworthy institutions; (iv) for payments to port agents, these are managed by the DA Desk, a professional and external organisation specialised in ensuring an effective and timely execution of commercial transactions. The relationships with the agents and the DA Desk are managed through an in-house team with significant experience. (v) for banks holding its cash deposits, the Group's policy is to deal only with large institutions with strong credit ratings, a first-class reputation and in most cases, specialised in shipping. (vi) the possible effects of Covid-19 on the Group's counterparties was evaluated and its was established that no adjustments to their credit risk affecting our accounts was required (please refer also to the Significant Events of the period for further disclosure).

DIS' top 10 customers in 2020 represented approximately 62.3% its revenues (2019: 65.0%). As at 31 December 2020, 43 % of the total trade receivables were due from the Group's ten largest customers (as at year-end 2019: 33%). DIS primarily deals with oil majors and large oil trading companies, with strong credit ratings. Counterparty risks, therefore, mainly relate to demurrage receivables and expenses incurred on the behalf of charterers. Each of these receivables are regularly monitored and on an individual basis.

To measure the expected credit losses, management has used time-slots risk indexes for overdue demurrages as per the table below (please also refer to the accounting principles). The following tables show relevant data for 2020 and 2019:

US$ Thousand	**< 30 days**	**30<days < 60**	**60< days <90**	**90< days < 120**	**> 120 days**	**Total**
Demurrage receivable	2,207	3,346	724	139	1,278	**7,694**
Percentage of risk of overdue receivables	0.9%	2.0%	2.6%	5.8%	6.8%	**-**
YE '20 provision for life-time credit loss (gross interest)	20	68	19	8	87	**202**
YE '20 life-time impairment of credits under legal dispute	-	-	-	-	-	**483**

US$ Thousand	**< 30 days**	**30<days < 60**	**60< days <90**	**90< days < 120**	**> 120 days**	**Total**
Demurrage receivable	1,319	1,667	1,819	729	981	**6,515**
Percentage of risk of overdue receivables	3.5%	4.0%	4.5%	5.5%	6.8%	**-**
YE '19 provision for life-time credit loss (gross interest)	46	67	82	40	67	**302**
YE '19 life-time impairment of credits under legal dispute	-	-	-	-	-	**655**

As at year-end 2020 total bad debt provision has decreased by US$ 0.1 million relative to 31 December 2019; the total allowance for trade and other receivables losses as at 31 December 2020 amounted to US$ 0.7 million (2019: US$ 1.0 million).

The Group has significant cash deposits with the following banks, which have the following S&P credit rating, Credit Agricole Bank (A+), JP Morgan (A-), DNB (AA-) and Standard Chartered Bank (BBB+).

Other financial assets as at 31 December 2020 (not taking into consideration the unamortized deferred losses on the sale and leasebacks of vessels) are mainly made up of US$ 2.2 million in deposits of collateral funds (please also refer to note 17 for further details).

Under IFRS 9, these assets are assessed at each period-end to ascertain whether the credit risk relating to them has increased significantly since its initial recognition. If it has, then an allowance is made for the lifetime expected credit losses. If it has not, then only credit losses expected on defaults within 12 months of the period end are recognised. Risk of default is assessed on an individual basis on the counterparty and expected credit losses are measured based on the historical and current data.

The carrying amount of financial assets represents the maximum credit exposure.

Liquidity risk

The Group is exposed to liquidity risk since due to its exposure to the sport market, freight rates earned might not be sufficient to cover its operating costs, required investments and financial commitments, leading to a reduction in cash balances.

DIS manages its liquidity risk through appropriate financial planning, which is regularly reviewed and updated. DIS targets a capital structure that balances the significant credit lines and funds currently available with the expected cash generation of the operating activities, to allow the Group to maintain an adequate level of liquidity. In this respect, the Group also seeks to manage the terms, maturity and composition of its financing facilities. The Group's capital structure is set within the limits established by the Company's Board of Directors and the Group's Management regularly reviews group facilities and cash requirements.

Despite the challenging credit market conditions, the Group has succeeded in maintaining access to a wide range of funding at competitive rates through financial institutions, private debt capital and the capital markets (see also note 22 and 23).

The following tables details for the years 2020 and 2019, respectively, the Group's prospective cashflows for its financing liabilities based on contractual repayment terms. The tables have been drawn-up on the basis of undiscounted cash-flows on the earliest date in which the Group can be required to pay.

US$ Thousand	**As at 31 December 2020**				
	< 1 y	**1-2 y**	**2-5 y**	**> 5 y**	**Total**
Total Banks and other lenders (Fin. fees excluded)	47,863	93,441	168,987	2,813	**313,104**
Leasing	43,411	33,295	114,865	121,781	**313,352**
Total	**91,274**	**126,736**	**283,852**	**124,594**	**626,456**

US$ Thousand	**As at 31 December 2019**				
	< 1 y	**1-2 y**	**2-5 y**	**> 5 y**	**Total**
Total Banks and other lenders (Fin. fees excluded)	96,430	46,431	226,655	-	**369,516**
Other financial liabilities	1,000	-	-	-	**1,000**
Amount due to parent company	5,000	-	-	-	**5,000**
Leasing	37,736	34,385	105,964	173,069	**351,154**
	140,166	**80,816**	**332,619**	**173,069**	**726,670**

For all financial liabilities, as disclosed in the maturity analysis above, it is not expected that the cash-flows could occur significantly earlier or with significantly different amounts.

29. RELATED PARTY TRANSACTIONS

Pursuant to IAS 24, the Group's related parties are entities and individuals capable of exercising control, joint control or significant influence over DIS and its subsidiaries, companies belonging to the d'Amico Group, and joint ventures of the d'Amico International Shipping Group. Moreover, members of the DIS Board of Directors, and executives with strategic responsibilities and their families are also considered related parties. The business relationships with the related parties are generally conducted under the same conditions as for non-related parties.

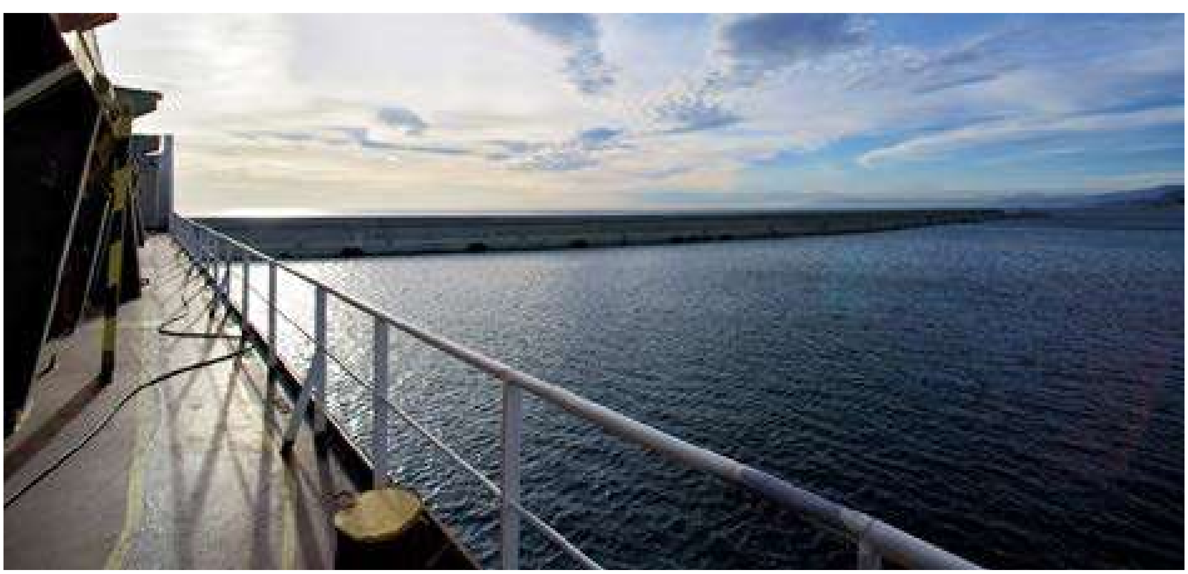
Related party transactions and outstanding balances between d'Amico International Shipping S.A. and its subsidiaries (intra-group related party transactions) are disclosed in the statutory financial statements.

The significant transactions (net P&L effect of transactions with the related party of more than US$100k per annum) for the Group for 2020 and 2019 with these related parties are the following:

US$ Thousand	**2020**		**2019**	
	Total	**Of which related parties**	**Total**	**Of which related parties**
Revenue	316,314	6,500	353,534	20,327
Voyage costs	(58,538)	267	(95,202)	(334)
Time charter hire costs	(13,961)	-	(31,750)	(4,707)
Other direct operating costs	(102,387)	(7,999)	(108,325)	(8,571)
General and administrative costs	(12,857)	(2,543)	(11,989)	(3,964)
Result from disposal of vessels	(1,303)	-	(2,042)	(80)
Depreciation and impairment	(71,745)	(581)	(89,201)	(579)
Net financial income (charges)	(38,630)	(112)	(44,145)	(469)

The effects of related party transactions on the Group's consolidated statement of financial position not elsewhere disclosed in the present financial report as at 31 December 2020 and 31 December 2019 are the following:

US$ Thousand	As at 31 December 2020		As at 31 December 2019	
	Total	Of which related parties	Total	Of which related parties
ASSETS				
Non-current assets				
Property, plant and equipment and Right-of-use assets	901,765	1,245	958,312	2,535
Investment in jointly controlled entities	4,312	-	4,382	-
Other non-current financial assets	12,110	48	17,348	63
Current assets				
Inventories	8,885	-	10,080	-
Receivables and other current assets	38,722	1,401	41,433	11,414
Other current financial assets	4,725	2,160	7,265	526
Cash and cash equivalents	62,071	-	33,598	-
Assets held for sale	-	-	59,631	-
LIABILITIES				
Non-current liabilities				
Banks and other lenders	263,089	-	270,169	-
Non-current lease liabilities	269,941	32	313,418	2,025
Other non-current financial liabilities	6,352	-	7,282	-
Current liabilities				
Banks and other lenders	46,523	-	72,692	-
Liabilities from leases	43,411	30	37,736	541
Shareholders' short-term financing	-	-	5,000	5,000
Payables and other current liabilities	26,261	1,362	38,222	9,803
Other current financial liabilities	11,133	4,710	12,473	6,008
Current taxes payable	40	-	342	-
Banks associated with assets held-for-sale	-	-	22,250	-



The effects, by legal entity, of related party transactions on the Group's consolidated Income Statement for 2020 not disclosed elsewhere in this report are the following:

US$ Thousand	d'Amico International Shipping S.A.	d'Amico Shipping UK Ltd	DM Shipping d.a.c.	d'Amico Dry d.a.c.	d'Amico International S.A.	d'Amico Società di Nav. SpA	d'Amico Shipping Singapore	d'Amico. Shipping USA	Ishima Pte.Ltd.	Rudder SAM	COGEMA SAM	St.Andrew Estates Limited sarl
	(consolidated)											
Revenue	**316,314**											
of which												
Freight out	6,465	-	-	-	-	-	6,465	-	-	-	-	-
Commissions	35	-	-	-	-	-	35	-	-	-	-	-
Voyage costs	**(58,538)**											
of which												
Bunkers	(267)	-	-	-	-	-	-	-	-	(267)	-	-
Recharge of expenses	(29)	-	(29)	-	-	-	-	-	-	-	-	-
Other direct operating costs	**(102,387)**											
of which												
Technical management expenses and SQE	(8,251)	-	-	-	-	(7,793)	-	-	(458)	-	-	-
General & Administrative costs	**(12,857)**											
of which												
Service agreement - Consultancy	(5,120)	(230)	-	-	-	(1,322)	(1,522)	(991)	-	-	(1,055)	-
Depreciation and impairment	**(71,745)**											
of which												
Depreciation of RoU	(581)	-	-	(198)	(28)	-	-	-	-	-	-	(355)
Net financial income (charges)	**(38,630)**											
of which												
Interest income (charge)	(112)	4	7	(92)	(4)	-	-	-	-	-	-	(27)
Total		**(226)**	**(22)**	**(290)**	**(32)**	**(9,115)**	**4,978**	**(991)**	**(458)**	**(267)**	**(1,055)**	**(382)**

The following table shows the effects, by legal entity, of related party transactions on the Group's consolidated income statement for the year 2019:

US$ Thousand	d'Amico International Shipping S.A.	d'Amico Shipping UK Ltd	DM Shipping d.a.c.	d'Amico Dry d.a.c.	d'Amico International S.A.	d'Amico Società di Nav. SpA	d'Amico Shipping Singapore	d'Amico. Shipping USA	Ishima Pte.Ltd.	Rudder SAM	St.Andrew Estates Limited sarl
	(consolidated)										
Revenue	**353,534**										
of which											
Freight out	20,327	-	-	-	-	-	20,327	-	-	-	-
Voyage costs	**353,534**										
of which											
Bunkers	(334)	-	-	-	-	-	-	-		(334)	-
Time charter hire costs	**(31,750)**										
of which											
Vessel charter agreements	(4,707)	-	(4,707)	-	-	-	-	-	-	-	-
Other direct operating costs	**(108,325)**										
of which											
Technical management expenses and SQE	(8,571)	-	-	-	-	(7,972)	-	-	(599)	-	-
General & Administrative costs	**(11,989)**										
of which											
Service agreement - Consultancy	(3,964)	(150)	61	-	-	(1,182)	(1,501)	(1,191)	-	-	-
Result on disposal of fixed assets	**(2,042)**										
of which											
Commissions	(80)	(80)	-	-	-	-	-	-	-	-	-
Depreciation of RoU	**(30,604)**										
of which											
Depreciation	(579)	-	-	(207)	(28)	-	-	-	-	-	(344)
Net financial income (charges)	**(44,145)**										
of which											
Interest income (charge)	(469)	-	98	(88)	(323)	(112)	-	-	-	-	(44)
Total		**(230)**	**(4,548)**	**(294)**	**(351)**	**(9,266)**	**18,826**	**(1,191)**	**(599)**	**(334)**	**(388)**

Additional related-party transactions include payments to the directors and key managers of DIS Group totalling US$ 1.8 million (2019: US$ 1.9 million).

The effects, by legal entity, of significant related party transactions (net P&L effect of transactions with the related party of more than US$100k per annum) on the Group's consolidated Statement of Financial Position as at 31 December 2020, were as follows:

US$ Thousand	d'Amico International Shipping S.A.	d'Amico Shipping UK Ltd	d'Amico Dry d.a.c.	d'Amico International S.A.	d'Amico Società di Nav. SpA	d'Amico Shipping Singapore	Eco Tankers Limited	Glenda International Shipping d.a.c.	Rudder SAM	St.Andrew Estates Limited sarl
	(consolidated)									
Right-of-use assets	**351,708**									
of which related party	1,164	-	730	54	-	-	-	-	-	380
Other non-current financial assets	**12,110**									
of which related party	48	48	-	-	-	-	-	-	-	-
Receivables and other current assets	**38,722**									
of which related party	1,401	-	218	-	48	987	-	148	-	-
Other current financial assets	**4,725**									
of which related party	17	17	-	-	-	-	-	-	-	-
Non-current Liabilities from leases	**269,941**									
of which related party	790	-	758	32	-	-	-	-	-	-
Current Liabilities from leases	**43,411**									
of which related party	526	-	95	30	-	-	-	-	-	401
Payables and other current liabilities	**26,261**									
of which related party	1,362	40	-	-	81	72	-	173	996	-
Other current financial liabilities	**11,133**									
of which related party	4,309	-	-	-	-	-	4,309	-	-	-
Total		**25**	**95**	**(8)**	**(33)**	**915**	**(4,309)**	**(25)**	**(996)**	**(21)**

The effects, by legal entity, of significant related party transactions on the Group's consolidated Statement of Financial Position as at 31 December 2019, were as follows:

US$ Thousand	d'Amico International Shipping S.A.	d'Amico Tankers UK Ltd.	DM Shipping d.a.c.	d'Amico Dry d.a.c.	d'Amico Finance d.a.c.	d'Amico International S.A.	d'Amico Societa' di Nav. SpA	d'Amico Shipping Italia SpA	d'Amico Shipping Singapore	Eco Tankers Limited	Glenda International Shipping d.a.c.	Ishima Pte.Ltd.	Rudder SAM	St. Andrew Estates Limited sarl
	(consolidated)													
Right-of-use assets	**119,449**													
of which related party	2,535	-	-	1,761	-	82	-	-	-	-	-	-	-	692
Other non-current financial assets	**17,348**													
of which related party	63	63	-	-	-	-	-	-	-	-	-	-	-	-
Receivables and other current assets	**41,433**													
of which related party	11,414	26	21	88	-	1	-	412	10,838	-	-	27	-	-
Other current financial assets	**7,265**													
of which related party	4,931	15	510	-	4,406	-	-	-	-	-	-	-	-	-
Non-current Liabilities from financial leases	**313,418**													
of which related party	2,025	-	-	1,602	-	59	-	-	-	-	-	-	-	364
Current Liabilities from financial leases	**37,736**													
of which related party	541	-	-	169	-	27	-	-	-	-	-	-	-	345
Shareholders' financing	**5,000**													
of which related party	5,000	-	-	-	-	5,000	-	-	-	-	-	-	-	-
Payables and other current liabilities	**38,222**													
of which related party	9,803	230	693	349	-	36	2,690	40	36	-	112	1,602	4,014	-
Other current financial liabilities	**12,473**													
of which related party	6,008	-	-	-	-	-	-	-	-	4,257	1,751	-	-	-
Total		(125)	(162)	(271)	4,406	(5,039)	(2,690)	372	10,802	(4,257)	(1,863)	(1,575)	(4,014)	(17)

30. COMMITMENTS AND CONTINGENCIES

Capital commitments

No capital commitments existed as at 31 December 2020 nor as at 31 December 2019, since the last vessel which was part of the Fleet renewal program was delivered to DIS in October 2019.

Chartered-in vessels

With the introduction of IFRS 16 – Leases, the lease liabilities relating to vessels chartered-in, with contracts at inception longer than one year, are recognised within the balance sheet. In the following table we indicate the lease liabilities relating to time-charters which at inception were shorter than one year.

US$ Million	As at 31 December 2020	As at 31 December 2019
Total within one year	2.1	4.6

As at 31 December 2020 the Group time-chartered-in 3 vessel equivalents with a term at inception shorter than one year (31 December 2019: 4 vessel equivalents with a term at inception shorter than one year).

On-going disputes

The Group is currently involved in a number of on-going commercial disputes concerning both our owned and chartered-in vessels. The majority are cargo contamination claims. The disputes are mostly covered by the P&I Club insurance and therefore no significant financial exposure is expected.

Tonnage tax deferred taxation

All Irish operating companies are qualified to be taxed under the Tonnage Tax regime in Ireland.

The regime includes a provision whereby a proportion of capital allowances previously claimed by the Group may be subject to tax in the event that vessels are sold, or the Group fails to comply with the ongoing requirements to remain within the regime.

There are neither contingent liabilities nor commitments made by the Group which are not recognized as at the reporting date, in relation with the Group's interests in its joint ventures.

31. d'AMICO INTERNATIONAL SHIPPING GROUP COMPANIES

The table below shows the complete list of Group companies, and for each of these companies d'Amico International Shipping's percentage ownership, its method of consolidation, registered office, share capital and currency.

Glenda International Shipping d.a.c. (GIS) and High Pool Tankers Limited (HPT), are treated as joint operations and consolidated proportionally line-by-line (during 2020 d'Amico Tankers d.a.c. was the only participant holding 100% of the company's shares); Eco Tankers Ltd (ETL), which is currently under liquidation, is treated as a Joint Venture and the equity method of accounting is applied.

Name	Registered Office	Share Capital	Currency	Interest %	Consolidation Method
d'Amico International Shipping S.A.	Luxembourg	62,052,650	US$	n.a.	Integral
d'Amico Tankers d.a.c.	Dublin / Ireland	100,001	€	100.0%	Integral
High Pool Tankers Limited	Dublin / Ireland	2	€	100.0%	Proportional
Glenda International Shipping d.a.c.	Dublin / Ireland	202	US$	50.0%	Proportional
d'Amico Tankers Monaco SAM	Monaco	150,000	€	99.8%	Integral
d'Amico Tankers UK Ltd	London / UK	50,000	US$	100.0%	Integral
Eco Tankers Limited	Malta	65,162	US$	33.0%	Equity*

* Eco Tankers Limited is going through a voluntary liquidation, Glenda International Management was liquidated in 2020 and DM Shipping was in the final stages of a voluntary strike-off process, struck-off from the Irish Companies' Register on 3 March 2021.

Interest in jointly controlled entities

The Group has the following significant interests in jointly controlled entities:

- 50% equity share in the ownership, with equivalent voting power, of Glenda International Shipping d.a.c. (Ireland), a jointly controlled operation with the Glencore Group;
- 33% equity share in the ownership, with 50% voting power, of Eco Tankers Limited* (Malta), a jointly controlled entity with the shipping investment fund, Venice Shipping & Logistics;
- 51% equity share in the ownership, with 50% voting power, of DM Shipping d.a.c. (Ireland), a jointly controlled entity with the Mitsubishi Group, which is currently in the final stages of a voluntary strike-off process; the entity is not consolidated anymore.

There was no change in the Group's ownership or voting interests in the joint ventures Glenda International Shipping d.a.c. and Eco Tankers Limited for the reported year.

The jointly controlled entities have been consolidated following the consolidation method specified in the previous table, within the consolidated financial statements, based on the following amounts expressed in US$ thousands:

US$ Thousand	Glenda International Shipping d.a.c.		Eco Tankers Limited *	
SUMMARISED BALANCE SHEET	**31 Dec.2020**	**31 Dec.2019**	**31 Dec.2020**	**31 Dec.2019**
Non-current assets	111,516	114,148	n.a.*	n.a.*
Current assets	7,040	31,352	n.a.*	n.a.*
Net equity	73,021	(92,026)	n.a.*	n.a.*
Non-current liabilities	35,191	(24)	n.a.*	n.a.*
Current liabilities	10,344	(53,450)	n.a.*	n.a.*
SUMMARY INCOME STATEMENT	**2020**	**2019**	**2020**	**2019**
Time Charter Equivalent Earnings	21,572	27,186	n.a.*	n.a.*
Other direct operating costs	(10,490)	(13,603)	n.a.*	n.a.*
General and administrative costs	(284)	(238)	n.a.*	n.a.*
Depreciation and impairment	(5,820)	(30,228)	n.a.*	n.a.*
Financial costs	(1,226)	(2,448)	n.a.*	n.a.*
Tax	(31)	(91)	n.a.*	n.a.*
Result of the period	**3,721**	**(19,422)**	n.a.*	n.a.*

* In the process of liquidation.

Earning per share (e.p.s.)

US$ Thousand	2020	2019
Basic e.p.s.	0.013	(0.026)
Diluted e.p.s.	0.013	(0.026)
Weighted average number of ordinary shares used as the denominator in calculating basic e.p.s.	1,230,923,922	1,062,413,650
Adjustment for calculation of diluted e.p.s. – options	-	-
Weighted average number of ordinary shares used as the denominator in calculating diluted e.p.s.	1,230,923,922	1,062,413,650

E-MARKET SDIR CERTIFIED

d'AMICO INTERNATIONAL SHIPPING S.A.
MANAGEMENT REPORT AND STATUTORY FINANCIAL STATEMENTS
Year ended 31 December 2020

This document is available on **www.damicointernationalshipping.com**

d'Amico International Shipping S.A.
RCS LUXEMBOURG B 124 790
25C Boulevard Royal, Luxembourg
Share capital US$ 62,052,650.30 as at 31 December 2020

MANAGEMENT REPORT

d'Amico International Shipping S.A. (the "Company", DIS) a company with limited liability, was incorporated under the laws of the Grand-Duchy of Luxembourg on 9 February 2007; its statutory seat is in Luxembourg.

The object of the Company is the investment in enterprises operating in the shipping industry, including the relevant services and facilities, as well as the administration, management, control and development of such participating interests. Its principal activity is to act as the holding company for d'Amico Tankers d.a.c. and its subsidiaries and of Eco Tankers Limited, a company which is however currently under liquidation.

On 3 May 2007 d'Amico International Shipping S.A. completed its initial public offering (IPO) of shares, which are listed on the Milan (Italy) Stock Exchange. Subsequent capital increases occurred in 2012, 2014, 2015, 2016, 2017, 2018, 2019 and 2020, aimed at financing the subsidiaries' fleet expansion and to strengthen the Company's balance sheet.

MANAGEMENT REPORT

Financial review of d'Amico International Shipping S.A.

Operating performance

In 2020 the Company recorded a net loss of US$ 2.0 million. The Company's Income Statement is summarized in the following table.

US$ Thousand	2020	2019
Investment income (dividends)	109	150
Personnel costs	(855)	(208)
Other general and administrative costs, including tax	(1,267)	(1,632)
Financial income (charges)	(96)	2,948
Net Profit / (Loss)	**(2,109)**	**1,258**

Investment income (dividends) totalling US$ 0.1 million was received in 2020.

Costs are essentially made up of general and administrative expenses and personnel costs.

The Company has no branches; there are no Research & Development costs; Own shares are disclosed under note 12.

Statement of Financial Position

US$ Thousand	31 December 2020	31 December 2019
Non-current assets	412,127	417,156
Current assets	984	5,835
Total assets	**413,111**	**422,991**
Shareholders' Equity	404,222	407,180
Non-current liabilities	32	59
Current Liabilities	8,857	15,752
Total liabilities and shareholders' equity	**413,111**	**422,991**

The Company's non-current assets of US$ 412.1 million as at 31 December 2020, includes:

- the investment in d'Amico Tankers d.a.c. (DTL)— the key operating subsidiary of the Group — with a book value of US$ 404.1 million;
- the investment in Eco Tankers Limited - in liquidation, a 33% JV with Venice Shipping and Logistics, with a book value of US$ 3.0 million;
- a medium-term financing to d'Amico Tankers, with a book value of US$ 5.0 million;
- current assets are mainly represented by US$ 0.5 million in financial receivables from the subsidiary d'Amico Tankers d.a.c..

Significant events in the year

In 2020, the main events for the d'Amico International Shipping Group were the following:

d'Amico International Shipping:

- **Executed buyback program:** On 27 January 2020, d'Amico International Shipping S.A. announced that during the period between 20 January and 24 January 2020, n. 882,000 own shares (representing 0.07107% of the outstanding share capital of the Company) were repurchased on the regulated market managed by Borsa Italiana S.p.A. at the average price per share of Euro 0.1495, for a total consideration of Euro 131,869.20.

  On 20 March 2020, d'Amico International Shipping S.A. announced that during the period between 13 March and 19 March 2020, n. 1,500,000 own shares (representing 0.121% of the outstanding share capital of the Company) were repurchased on the regulated market managed by Borsa Italiana S.p.A. at the average price per share of Euro 0.0703, for a total consideration of Euro 105,434.40.

  On 01 December 2020, d'Amico International Shipping S.A. announced that during the period between 23 November and 30 November 2020, n. 1,377,189 own shares (representing 0.111% of the outstanding share capital of the Company) were repurchased on the regulated market managed by Borsa Italiana S.p.A. at the average price per share of Euro 0.0964, for a total consideration of Euro 132,711.58.

  On 9 December 2020, d'Amico International Shipping S.A. announced that during the period between 1 December and 8 December 2020, n. 1,003,282 own shares (representing 0.081% of the outstanding share capital of the Company) were repurchased on the regulated market managed by Borsa Italiana S.p.A. at the average price of Euro 0.0951 and for a total consideration of Euro 95,457.53.

  On 17 December 2020, d'Amico International Shipping S.A. announced that during the period between 9 December and 16 December 2020, n. 1,373,418 own shares (representing 0.111% of the outstanding share capital of the Company) were repurchased on the regulated market managed by Borsa Italiana S.p.A. at the average price of Euro 0.0941 and for a total consideration of Euro 129,209.69.

  On 24 December 2020, d'Amico International Shipping S.A. announced that during the period between 17 December and 23 December 2020, n. 1,443,616 own shares (representing 0.116% of the outstanding share capital of the Company) were repurchased on the regulated market managed by Borsa Italiana S.p.A. at the average price of Euro 0.0906 and for a total consideration of Euro 130,757.23.

  On 5 January 2021, d'Amico International Shipping S.A. announced that during the period between 29 December and 30 December2020, n. 138,364 own shares (representing 0.011% of the outstanding share capital of the Company) were repurchased on the regulated market managed by Borsa Italiana S.p.A. at the average price of Euro 0.0908 and for a total consideration of Euro 12,559.61. As at 30 December 2020, d'Amico International Shipping S.A. held nr. 15,447,896 own shares, representing 1.25% of its outstanding share capital.

  The transactions were made and coordinated by an independent equity broker duly engaged for this purpose, Equita SIM S.p.A., in compliance with the Board of Directors resolution of 13 November 2019 and under the authorization to purchase own shares approved by DIS Shareholders' Meeting on 20 April 2016 (as reminded by means of a press release issued on 13 November 2019).

- **Results of DIS Warrants 2017-2022 Fourth Additional Exercise Period** On 28 December 2020, d'Amico International Shipping S.A. announced that the fourth additional exercise period of the "d'Amico International Shipping Warrants 2017 – 2022" (the "Warrants"), ISIN code LU1588548724, has ended the day before (the "Fourth Additional Exercise Period"). During this Fourth Additional Exercise Period no. 7,666 Warrants were exercised at the price of Euro 0.368 per ordinary share, resulting in the subscription of n. 7,666 Warrant Shares, – on the basis of a ratio of one (1) Warrant Share, for each one (1) Warrant exercised – admitted to trading on the MTA market of Borsa Italiana S.p.A., without nominal value and with the same rights (including that to dividends) and features as DIS' ordinary shares outstanding (the "Warrant Shares"). Following such subscription, DIS' share capital amounts to US$ 62,052,650.30, represented by 1,241,053,006 ordinary shares without nominal value.

- **Impact of COVID-19:** The virus outbreak had a major impact on the consumption of refined petroleum products. According to the IEA, global oil demand fell by 16.4 million b/d year-on-year in Q2 2020 as lockdowns were imposed to combat the Covid-19 pandemic. Demand rebounded strongly from July in most of Europe, North America and Asia. World oil demand is projected to decline by 8.4 million b/d in 2020 and to recover by 5.5 million b/d in 2021. However, the surge in Covid-19 cases in the US and Europe from the autumn of last year, followed by the containment measures adopted some of which still in place, including partial lockdowns, poses significant downside risks to such forecasts.

  The large drop in demand for refined products, coupled with the failure by OPEC+ to reach an agreement on production levels in their March meeting, initially led to a surge in oil supply just as demand was collapsing. The resulting drop in oil prices that bottomed at around US$20 per barrell, led to a steep contango in the oil forward price curve, resulting in a surge in stocks both onshore and offshore. The resulting congestion at ports and increase in floating storage of both crude and refined products, greatly reduced effective vessel supply, just as the market was being flooded with oil, leading to a surge in freight rates, which reached unprecedent levels around the end of April 2020. However, OPEC+'s decision to reduce crude oil supply by almost 10 million b/d, coupled with voluntary shut-downs from other countries, led to a reduction in supply of almost 14 million b/d from April to June, quickly rebalancing the market and leading to a flatter oil forward price curve and to an increase in the spot oil prices, to around US$40 per barrel. This vigorous supply curtailment led to a large drop in the demand for the seaborne transportation of refined products and as storage became less profitable, some of the excess inventories started to be consumed, with vessels used for floating storage slowly returning to the market. These factors led to a large drop in freight rates from the beginning of June. OPEC+ supply curtailment has eased from August and demand has rebounded during the summer in Western Europe and some large emerging markets such as China and India. The surge in contagions this autumn has been temporarily derailing the ongoing recovery in oil consumption and there is therefore considerable uncertainty regarding the time required to absorb the excess inventories and rebalance the market, which will eventually lead to a healthier market with profitable and sustainable freight rates.

  d'Amico International Shipping S.A.'s subsidiaries are also coping with operational challenges due to COVID-19, such as loading/unloading restrictions, as well as quarantines for vessels and crews in certain ports, but we are working with our partners, customers and local authorities to find solutions that minimise the impact on our business. COVID-19 has also affected the procurement of spare parts for our vessels and logistics has become more complicated. Although contagions are currently significantly lower in parts of Asia, we are still experiencing problems in flying service engineers to vessels and in arranging vetting inspections around the world. Crew rotation is and remains the main issue, however, the industry has adapated quite rapidly to this new reality, and we have been able to continue operating our vessels with the same level of care and safety. In addition, in 2021 the d'Amico Group signed the Neptune declaration, outlining the main actions to be taken to resolve this crisis.

To better confront the near-term headwinds caused by Covid-19, DIS has significantly strengthened its financial and liquidity position in 2020, also through the sale of vessels. In this respect, one of DIS' main initiatives was the disposal of 5 of its older vessels in 2020. Thanks also to these vessel disposals, DIS could count on a consolidated cash and cash equivalents balance amounting to US$62.1 million as at 31 December, comfortably above the minimum required liquidity on its bank financing covenants of US$25.0 million. Furthermore, DIS has also sought to increase the portion of its fleet covered through fixed rate period contracts, which represent 36.7% of its available vessel days in 2021. DIS estimates that the sensitivity of its net result and cash generation for every US$1,000 change in the daily time-charter equivalent earnings for its spot vessels is of only US$ 8.6 million in 2021.

d'Amico Tankers d.a.c.:

- **'Time Charter-Out' Fleet:** In January 2020, d'Amico Tankers d.a.c. fixed one of its Handy-size vessels with a leading trading house for 12 months, starting from February 2020.

  In March 2020, i) d'Amico Tankers d.a.c. extended a time charter contract with a leading trading house for one of its LR1 vessels for 6-9 months starting from April 2020; ii) d'Amico Tankers d.a.c. extended a time charter contract with an oil-major for one of its Handy-size vessels for 12 months starting from March 2020.

  In May 2020, d'Amico Tankers d.a.c. extended time charter contracts with an oil-major, for two of its Handy-size vessels for 12 months, starting respectively from May and June 2020.

  In June 2020, d'Amico Tankers d.a.c. extended a time charter contract with an oil-major for two of its MR vessels for respectively 12 months and 6 to 7 months, starting respectively from July and August 2020.

  In July 2020, d'Amico Tankers d.a.c. extended a time charter contract with a leading trading house for one of its LR1 vessels for 3-6 months starting from August 2020.

  In September 2020, d'Amico Tankers d.a.c. extended a time charter contract with a leading trading house for two of its LR1 vessels for 3-6 months, both starting from October 2020.

  In October 2020, d'Amico Tankers d.a.c. extended a time charter contract with a leading trading house for one of its LR1 vessels for 2-4 months, starting from November 2020.

  In November 2020, d'Amico Tankers d.a.c. extended a time charter contract with an oil-major for one of its MR vessels for 12 months with an option for further 12 months, starting from January 2021.

  In December 2020, i) d'Amico Tankers d.a.c. extended a time charter contract with an oil-major for one of its MR vessels for 6 months with an option for further 6 months, starting from January 2021; ii) d'Amico Tankers d.a.c. extended a time charter contract with a leading trading house for two of its LR1 vessels for 6-21 months and for 9-21 months respectively, both starting from January 2021.

- **'Time Charter-In' Fleet and 'Commercial management' Fleet:** In January 2020, the commercial management contract for the M/T Falcon Bay ended and the vessel was redelivered to her owners.

  In February 2020, the time-charter-in contract for the M/T Freja Baltic, an MR vessel built in 2008, ended and the vessel was redelivered to her owners.

In May 2020, the commercial management contract for the M/T Eagle Bay ended and the vessel was redelivered to her owners.

In June 2020, i) the commercial management contract for the M/T Philoxenia ended and the vessel was redelivered to her owners; ii) the time-charter-in contracts for the M/T Celsius Rimini, an MR vessel built in 2009, and M/T Carina, an MR vessel built in 2010, ended and the vessels were redelivered to their respective owners.

In October 2020, d'Amico Tankers d.a.c. signed a time-charter-in contract for the M/T Green Planet, an MR vessel built in 2014, for 3 years with an option for 1 additional year. The vessel was delivered to d'Amico Tankers d.a.c. in December 2020.

- **Vessel Sale:** In May 2020, d'Amico Tankers d.a.c signed a memorandum of agreement for the sale of the M/T Cielo di Guangzhou, a 38,877 dwt Handy-size product tanker vessel, built in 2006 by Guangzhou Shipyard International, China, for a consideration of US$ 8.8 million. The vessel was delivered to the buyers in Q2 2020.

  In July 2020, d'Amico Tankers d.a.c signed a memorandum of agreement for the sale of the M/T High Progress and M/T High Performance, two 51,303 dwt MR product tanker vessels, built in 2005 by STX, South Korea, for a consideration of US$ 12.95 million per vessel. M/T High Progress and M/T High Performance have been delivered to the buyers respectively in Q3 2020 and Q4 2020.

  In September 2020, d'Amico Tankers d.a.c signed a memorandum of agreement for the sale of the M/T High Courage, a 46,975 dwt MR product tanker vessel, built in 2005 by STX, South Korea, for a consideration of US$ 12.65 million. The vessel was delivered to its buyer in Q4 2020.

- **Bank loan financing:** In November 2020, d'Amico Tankers d.a.c. signed a new US$ 28.9 million secured term loan facility with Credit Agricole CIB to refinance the M/T High Valor, M/T High Venture, M/T High Wind, and M/T High Priority, previously financed with Credit Agricole CIB and a pool of 8 syndicated banks.

Glenda International Shipping D.A.C.:

- **Vessel Sale:** In April 2020, Glenda International Shipping d.a.c., the joint venture company with the Glencore Group, in which d'Amico Tankers holds a 50% participation, signed a memorandum of agreement for the sale of the M/T Glenda Meredith, a 46,147 dwt MR product tanker vessel, built in 2010 by Hunday Mipo, South Korea, for a consideration of US$ 19.0 million. The vessel was delivered to the buyers in Q2 2020.

- **Bank loan financing:** In September 2020, Glenda International Shipping d.a.c., the joint venture company with the Glencore Group, in which d'Amico Tankers holds a 50% participation, signed a new US$ 45 million secured term loan facility with Standard Chartered Bank to refinance the four MR vessels currently owned by the joint venture company and previously financed with Credit Suisse and Cross Ocean AGG Company. In the same month the new facility was fully drawn-down and the previous facility was reimbursed.

Glenda International Management Ltd:

- In August 2020, the strike-off of Glenda International Management Ltd, a fully owned subsidiary of d'Amico Tankers d.a.c., was completed.

SIGNIFICANT EVENTS SINCE THE END OF THE PERIOD AND BUSINESS OUTLOOK

d'Amico International Shipping:

Executed buyback program: On 14 January 2021, d'Amico International Shipping S.A. announced that during the period between 5 January and 13 January 2021, n. 1,543,118 own shares (representing 0.124% of the outstanding share capital of the Company) were repurchased on the regulated market managed by Borsa Italiana S.p.A. at the average price of Euro 0.0949 and for a total consideration of Euro 146,469.26.

On 25 January 2021, d'Amico International Shipping S.A. announced that during the period between 14 January and 22 January 2021, n. 1,305,897 own shares (representing 0.105% of the outstanding share capital of the Company) were repurchased on the regulated market managed by Borsa Italiana S.p.A. at the average price of Euro 0.0936 and for a total consideration of Euro 122,217.85. As at 22 January 2021, d'Amico International Shipping S.A. held nr. 18,326,911 own shares, representing 1.48% of its outstanding share capital.

The transactions were made and coordinated by an independent equity broker duly engaged for this purpose, Equita SIM S.p.A., in compliance with the Board of Directors resolution of 13 November 2019 and under the authorization to purchase own shares approved by DIS Shareholders' Meeting on 20 April 2016 (as reminded by means of a press release issued on 13 November 2019).

d'Amico Tankers d.a.c.:

- **Vessel Purchase:** In February 2021, d'Amico International Shipping S.A. announced that its operating subsidiary d'Amico Tankers d.a.c. exercised its purchase option on the M/T High Priority, a 46,847 dwt MR product tanker vessel, built in 2005 by Nakai Zosen, Japan, for a consideration of US$ 9.7 million. The Vessel had been sold and leased back by d'Amico Tankers in 2017, for a 5-year period, with purchase options starting from the 2nd anniversary date and a purchase obligation at the end of the 5th year.

- **'Time Charter-Out' Fleet:** In January 2021, d'Amico Tankers d.a.c. extended a time charter contract-out with a leading trading house for two of its LR1 vessels for 9-18 months, both starting from January 2021.

  In February 2021, d'Amico Tankers d.a.c. fixed one of its Handy-size vessels with an oil-major for 6 months with an option for further 6 months, starting from March 2021.

- **'Time Charter-In' Fleet:** the time-charter-in contracts for the M/T SW Southport I and M/T SW Tropez I, two MR vessels built in 2004, ended and the vessels were redelivered to their owners in January and February 2021 respectively.

DM Shipping d.a.c.:

- On 3 March 2021, the strike-off of DM Shipping d.a.c., a jointly controlled entity with the Mitsubishi Group, in which d'Amico Tankers d.a.c. has a 51% interest, was completed.

The profile of d'Amico International Shipping's vessels on the water is summarized as follows.

	As at 31 December 2020				As at 11 March 2021			
	LR1	MR	***Handysize***	**Total**	LR1	MR	***Handysize***	**Total**
Owned	5.0	8.0	***6.0***	**19.0**	5.0	9.0	***6.0***	**20.0**
Bareboat chartered*	1.0	8.0	***0.0***	**9.0**	1.0	7.0	***0.0***	**8.0**
Long-term time chartered	0.0	9.0	***0.0***	**9.0**	0.0	9.0	***0.0***	**9.0**
Short-term time chartered	0.0	3.0	***0.0***	**3.0**	0.0	1.0	***0.0***	**1.0**
Total	**6.0**	**28.0**	***6.0***	**40.0**	**6.0**	**26.0**	***6.0***	**38.0**

* with purchase obligation

Business Outlook

The IMF, in their January 2021 outlook, stated that although recent vaccine approvals have raised hopes of a turnaround in the pandemic later this year, renewed waves and new variants of the virus pose concerns for their outlook. Amid exceptional uncertainty, they have projected that the global economy will grow by 5.5% in 2021 and 4.2% in 2022. The 2021 forecast has been revised up by 0.3% relative to their previous forecast, reflecting expectations of a strengthening of activity later in the year driven by the vaccine rollout and substantial additional policy support in a few large economies.

The IEA forecasts global oil demand is expected to recover by 5.5 million b/d (+6.0%) to 96.6 million b/d in 2021, following an unprecedented collapse of 8.8 million b/d (-8.8%) in 2020. For now, a resurgence in COVID-19 cases is slowing the rebound, but a widespread vaccination effort and an acceleration in economic activity is expected to support stronger growth in the second half of the year. Global refinery throughput is expected to rebound by 4.5 million b/d in 2021, after a 7.2 million b/d drop in 2020.

The key drivers that should affect the product tankers freight markets and d'Amico International Shipping's performance are (i) the growth in global oil supply (ii) refinery margins and throughput (iii) demand for refined products, (iv) the structure of forward prices for both crude oil and refined petroleum products and (v) the product tankers' fleet growth rate. Some of the factors that could drive a recovery in the product tankers market in the medium-term are detailed below:

Product Tanker Demand

- The widespread escalation of COVID-19 cases remains the main factor impacting oil demand. While vaccination campaigns are under way several countries are facing a rebound in the pandemic forcing tighter mobility constraints. In addition, the emergence of more contagious variants of the virus are complicating efforts to contain the surge in cases, with cumulative confirmed cases worldwide since the start of the pandemic exceeding 110 million as at mid-February 2021.
- In 2021, global refining throughput is expected to recover by 4.5 million b/d compared to oil demand growth of 5.5 million b/d, implying a tighter oil market.
- More than 70% of new refining capacity in the next four years will be located east of Suez. Stifel estimates that 411,000 b/d of refining capacity in North America, 305,000 b/d in Europe and 340,000 b/d in other regions have been closed since the pandemic began. In the long run, recovering demand and structural shifts in the refining landscape are likely to boost long-haul product trades.

Product Tanker Supply

- According to Clarksons, only 77 MRs and LR1s were delivered in 2020 out of planned deliveries of 84 vessels in these segments at the beginning of the year.
- Most of the increase in floating storage of refined products in 2020 was wound down, with these stocks amounting to 25 million barrels at the start of the year, rising to 75 million barrels by mid-May and falling to 29 million barrels by the end of the year. While this reduction has resulted in depressed freight rates since June 2020, most of the adjustment seems to have occurred and the residual drawdowns should therefore not weight as heavily on the market in the future.
- In their January 2021 outlook, Clarksons estimates that in 2021 the product tanker fleet will grow by 3.9 % while the demand for the transportation of refined products will grow by 6.5%.
- A large number of demolition yards have been temporarily shut during the pandemic, resulting in only 13 MRs being scrapped in 2020. As demolition yards reopen, we expect demolitions to accelerate in 2021, given the current weak freight markets and historically high demolition prices.
- The IMO's 2030 and 2050 targets for reducing greenhouse gas emissions are high on the shipping agenda. Many owners and banks now require 'green recycling' of vessels in line with EU and IMO conventions, while the EU is set to include shipping in its Emissions Trading Scheme. Furthermore, important cargo charterers including oil majors such as Shell and Total, as well as leading trading houses such as Trafigura, have recently signed the Sea cargo charter with the aim of disclosing the CO_2 emissions of the vessels they operate, and reducing these in line with the IMO targets. During the Marine Environmental Committee's (MEPC) last meeting (MEPC 75) in Q4 2020 measures for the reduction of greenhouse gases have been approved for formal adoption during their next meeting (MECP 76) in the second half of 2021. The agreement, which will be applicable from the end of 2022, requires operators to measure for their vessels the energy efficiency existing ship index (EEXI), reflecting their technical efficiency, and the carbon intensity indicator (CII), reflecting how efficiently they are managed. Both of these measures aim to cut emissions progressively from 2023 to 2030.
- The expected technological change to meet increasingly demanding environmental and other regulations is reducing appetite for newbuilding orders, since such vessels could be obsolete soon after delivery.
- Shipyards are going through a period of uncertainty. Lack of orders and poor returns are leading to a reduction in global shipyard capacity. Furthermore, the recent depreciation of the US Dollar and increase in steel prices, is increasing the construction cost of vessels. New ship ordering is expected to remain low until there is further clarity on propulsion technology and emissions regulations as well as an economic justification for ordering.

11 March 2021

On behalf of the Board

Paolo d'Amico, Chairman

Antonio Carlos Balestra di Mottola, Chief Financial Officer

d’Amico International Shipping S.A. Financial Statements and Notes

for the year ended 31 December 2020

Statement of Income and Other Comprehensive Income

US$	Note	2020	2019
Revenue	(3)	109,040	150,000
General and administrative costs	(4)	(2,106,108)	(1,619,608)
Gross operating result		**(1,997,068)**	**(1,469,608)**
Depreciation	(7)	(28,936)	(32,331)
Operating result		**(2,026,004)**	**(1,501,939)**
Financial income	(5)	202,834	3,435,833
Financial charges	(5)	(298,715)	(487,528)
Profit (loss) before tax		**(2,121,885)**	**1,446,366**
Tax expense	(6)	12,737	(188,294)
Net profit (loss)		**(2,109,148)**	**1,258,072**
Total comprehensive result for the period		**(2,109,148)**	**1,258,072**
Basic comprehensive income (loss) per share in US$(1)		**(0.0016)**	**0.0012**

The net profit is entirely attributable to the equity holders of the Company

The notes on pages 135 to 152 form an integral part of these statutory financial statements

[1] Basic earnings per share (e.p.s.) in 2020 was calculated on an average number of 1,230,923,922 outstanding shares, while in 2019 it was calculated on an average number of 1,062,413,650 outstanding shares. There was no dilution effect either in 2020 or in 2019 e.p.s..

Statement of Financial Position

US$	Note	As at 31 December 2020	As at 31 December 2019
Non-current assets			
Property, Plant and Equipment	(7)	-	781
Right-of-use assets	(7)	53,846	82,001
Financial fixed assets	(8)	407,073,528	407,073,528
Non-current financial receivable	(9)	5,000,000	10,000,000
Total non-current assets		**412,127,374**	**417,156,310**
Current assets			
Receivables and other current assets	(10)	50,769	71,247
Current financial receivables	(9)	544,382	5,403,375
Cash and cash equivalents	(11)	389,091	360,394
Total current assets		**984,242**	**5,835,016**
Total assets		**413,111,616**	**422,991,326**
Shareholders' equity			
Share capital	(12)	62,052,650	62,051,624
Retained earnings	(12)	(10,874,765)	(8,702,715)
Other reserves	(12)	353,044,353	353,831,566
Total shareholders' equity		**404,222,238**	**407,180,475**
Non-current liabilities			
Lease payable	(15)	31,908	58,604
Total non-current liabilities		**31,908**	**58,604**
Current liabilities			
Bank and other lenders	(13)	3,916,230	5,562,079
Shareholder financing	(14)	-	5,000,000
Lease payable	(15)	30,244	26,816
Payables and other current liabilities	(16)	4,910,996	4,987,566
Tax payable		-	175,786
Total current liabilities		**8,857,470**	**15,752,247**
Total liabilities and shareholders' equity		**413,111,616**	**422,991,326**

11 March 2021

On behalf of the Board

Paolo d'Amico, Chairman

Antonio Carlos Balestra di Mottola,
Chief Financial Officer

The notes on pages 135 to 152 form an integral part of these statutory financial statements.

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Statement of Cash Flows

US$	2020	2019
(Loss) / profit for the period	**(2,109,148)**	**1,258,072**
Dividend	(109,040)	(150,000)
Depreciation	28,936	32,330
Current tax	(12,737)	188,294
Financial charges (income)	95,881	(2,948,306)
Other change in Shareholder equity	-	(606,984)
Non-cash-items from loans receivables	5,000,000	-
Non-cash-items from loans payables	(5,000,000)	-
Cash flow from operating activities before changes in working capital	**(2,106,108)**	**(2,226,594)**
Movement in amounts receivable	20,478	(4,818)
Movement in amounts payable	(220,678)	(558,429)
Movement in payables for Management benefits	120,703	-
Interest paid	(279,976)	(43,361)
Taxes (paid)	(154,293)	(5,459)
Net cash flow from operating activities	**(2,619,874)**	**(2,838,661)**
Repayment of subsidiary financing – (to) from d'Amico Tankers d.a.c.	5,061,828	(13,817,050)
Investment income - Dividend	109,040	150,000
Net cash flow from investing activities	**5,170,868**	**(13,667,050)**
Share capital increase	8,547	49,787,350
Costs relating to capital increase	-	(963,393)
Increase in treasury shares	(857,636)	-
Cash payment for the interest portion of the lease liability	(4,092)	(5,263)
Repayment for the principal portion of the lease liability	(23,268)	(24,663)
Repayment of shareholders 'loan	-	(31,880,200)
Net cash flow from financing activities	**(876,449)**	**16,913,831**
Change in cash balance	**1,674,545**	**408,120**
Cash and cash equivalents net of bank overdraft at the beginning of the year	(5,201,684)	(5,609,804)
Cash and cash equivalents net of bank overdraft at the end of the year	**(3,527,139)**	**(5,201,684)**
Cash and cash equivalents at the end of the year	389,091	360,394
Bank overdrafts at the end of the year	(3,916,230)	(5,562,078)

The notes on pages 135 to 152 form an integral part of these statutory financial statements.

Statement of Changes in Shareholders' Equity

US$	Share Capital	Retained Earnings	Other Reserves	Total
Balance as at 1 January 2020	**62,051,624**	**(8,702,715)**	**353,831,566**	**407,180,475**
Capital increase	1,026	-	7,521	8,547
Treasury shares	-	-	(857,636)	(857,636)
Contribution to legal reserve	-	(62,902)	62,902	-
Total comprehensive income	-	(2,109,148)	-	(2,109,148)
Balance as at 31 December 2020	**62,052,650**	**(10,874,765)**	**353,044,353**	**404,222,238**

US$	Share Capital	Retained Earnings	Other Reserves	Total
Balance as at 1 January 2019	**65,375,803**	**(9,960,787)**	**302,290,415**	**357,705,431**
Capital increase	29,363,722	-	20,423,627	49,787,349
Cost of share issue	-		(963,393)	(963,393)
Shareholders' contribution without issuance of shares	(32,687,901)	-	32,687,901	-
Share option cost reversal	-	-	(606,984)	(606,984)
Total comprehensive income	-	1,258,072	-	1,258,072
Balance as at 31 December 2019	**62,051,624**	**(8,702,715)**	**353,831,566**	**407,180,475**

The notes on pages 135 to 152 form an integral part of these statutory financial statements.

Notes

d'Amico International Shipping S.A. (the "Company", DIS) a company with limited liability (Sociéte Anonyme), was incorporated under the laws of the Grand-Duchy of Luxembourg on 9 February 2007; its statutory seat is in Luxembourg. The purpose for which the company was formed is all transactions pertaining directly or indirectly to the taking of participating interest in any enterprises in whatever form, operating in the shipping industry including the relevant services and facilities, as well as the administration, the management the control and the development of such participating interests.

d'Amico International Shipping S.A. has adopted International Financial Reporting Standards (IFRS – International Financial Reporting Standards and IAS – International Accounting Standards) as issued by the 'IASB' (International Accounting Standards Board) and endorsed by the Luxembourg law of 10 December 2010, article 26. The designation 'IFRS' also includes all 'IAS', as well as all interpretations of the International Financial Reporting Interpretations Committee 'IFRIC', formerly the Standing Interpretations Committee 'SIC'. The Company prepares consolidated financial statements which are part of this Annual report.

The d'Amico International Shipping S.A. has adequate resources to continue in operational existence for the foreseeable future; accordingly, the financial statements have been prepared on a going concern basis.

The financial statements are expressed in U.S. Dollars, which is the functional currency of the Company, rounded to the nearest dollar.

1. ACCOUNTING POLICIES

These financial statements have been prepared under the historical cost convention as and in accordance with the applicable International Financial Reporting Standards (IFRS) as adopted by the European Union.

The principal accounting policies, which have been consistently applied, are set out below.

Revenue recognition

It is represented by dividends income received from subsidiaries. Dividend income is recognised when the subsidiary profit is distributed to holders of equity investment, in proportion to their holdings of capital.

General and administrative costs

Administrative expenses, which comprise administrative staff costs, management costs, office expenses and other expenses relating to administration, are expensed as incurred.

Long Term Incentive Plan including equity compensation (share based payments)

The Company provides additional benefits to certain members of senior management and in accordance with IFRS 2 – share-based payment, this plan represents a component of the recipient's remuneration.

In May 2019 (following expiry of the former stock-option plan), a new management compensation plan (Long Term Incentive Plan, LTI), involving share-based payments, was approved. The plan is based on the average financial results achieved by DIS over three rolling two-year periods ("the Period(s)" or "Cycle(s)"). The first Period is 2019-2020. The plan seeks to align the interest of shareholders and the key decision makers in DIS. In particular, the plan establishes a bonus pool based on the average ROCE (Return on Capital Employed) achieved by DIS over each rolling two-year Period, with a minimum threshold of 5% established – the "gate" objective. The bonus pool is then calculated as 10% of the difference, if positive, between the average EBIT achieved during the Period and the EBIT corresponding to an average ROCE of 5%, up to a maximum EBIT corresponding to a ROCE of 7.5%.

The Bonus Pool is allocated according to three targets that aim to measure DIS' financial performance while accounting for the risks taken, the soundness of the contract coverage strategy and the cost efficiency of the management structure. In particular, the three targets measured are:

i) the adjusted ROCE (50% of the pool), which modifies the ROCE through a matrix which accounts for the financial leverage in DIS' capital structure and the percentage of contract coverage;

ii) the hedging effectiveness (30% of the pool), which measures whether the coverage taken contributed positively or negatively to the blended time-charter equivalent earnings;

iii) the percentage change in the daily General and Administrative costs (20% of the pool), which attempts to measure how efficient is the Group's cost structure.

For each of the above targets minimum thresholds are established and the percentage allocated increases linearly once such threshold is exceeded, up to a maximum of 110% of the amount attributable to the achievement of such target. A final adjustment to the bonus pool is made to reflect the total shareholder return (TSR) obtained by DIS' shareholders during the Period, relative to the TSR which would have been achievable by investing in the shares of a group of peers.

The final bonus as calculated above is paid 70% in cash at the end of the vesting period of each Cycle, and the remaining 30% through DIS shares (free of charge) in the two years following the vesting period (15% each year).

Following this new management compensation plan, at the end of the vesting period of each cycle, the number of DIS shares allotted to the senior management will be based on the arithmetic average of the official market closing prices of DIS' ordinary shares in the month prior to the Company's Board of Directors that will verify the results achieved in the corresponding vesting period.

Financial Income and charges

Financial income and charges include interests, which are recognized in accordance with the accrual basis of accounting, using the effective interest method.

Taxation

The current taxation is based on taxable income for the period using local tax rates that have been enacted by the reporting date. Taxable profit differs from profit as reported in the income statement as it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible.
Current taxation includes also the Net Wealth Tax, calculated at 0.5% on the taxable wealth of the Company, which is its Net Worth; the Company *unitary value* is set on 1 January each year.

Deferred tax, if any, represents tax the Company is expecting to pay or recover on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the calculation of taxable profit. It is accounted for using the financial position liability method. Liabilities relating to deferred tax are generally recognised for all taxable temporary differences. Assets relating to deferred tax are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The carrying amounts of deferred tax assets are reviewed at each financial position date and reduced in the event that it is not considered probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. Deferred tax is calculated at the applicable tax rates during the period when liability is settled, or the asset realised. It is charged or credited in the income statement, unless it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also accounted for in other comprehensive income.

Foreign currencies

Transactions during the year in currencies other than U.S. dollars have been translated at the appropriate rate ruling at the time of the transactions. Assets and liabilities denominated in currencies other than the U.S. dollar have been translated into U.S. dollars at the rate ruling at the financial position date. All exchange differences have been accounted for in the Statement of Comprehensive Income.

Tangible assets

The tangible assets are shown at cost less accumulated depreciation and any impairment loss. Cost includes the acquisition cost as well as other costs which are directly attributable to the acquisition. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset.

Financial assets and liabilities

Financial assets are measured at amortised cost, fair value through profit and loss or fair value through other comprehensive income. A financial asset can only be measured at amortised cost when the Group has a business model to hold the asset to collect contractual cash flows and the cash flows arise on specific dates and are solely for payment of principal and interest on the principal outstanding. When the requirements for measuring the financial asset at amortised cost are met, but the business model also includes the selling of those instruments, then these financial assets are measured at fair value through other comprehensive income. All other financial assets are measured at fair value through profit or loss.

Embedded derivatives within a host contract in the scope of IFRS 9 are no longer separated and the whole contract is measured at fair value through profit or loss, when the host contract is an asset; they might be separated, however, if the host contract is a liability within the scope of IFRS 9. There are no changes to the treatment of embedded derivatives in a host contract that is not a financial instrument. The Group has embedded derivatives within its contracts, although they are not financial instruments within the scope of IFRS 9 and therefore are not recognised within these financial statements.

The impairment model in IFRS 9 moves to one that is based on expected credit losses, rather than the IAS 39 incurred loss model. The impairment requirements apply to financial assets measured at amortised cost and fair value through other comprehensive income, with expected credit losses recognised on initial recognition based on 12 months expected credit losses; or, if there has been a significant increase in the credit risk of the financial asset then the impairment is based on lifetime expected losses. A three-stage approach is considered for impairment: the first instance (12 months expected credit losses) is applicable when there's no significant increase in credit risk, expected credit losses are recognised and updated at each reporting date and interest is presented on gross basis; in the second stage a lifetime credit loss is expected and recognised, due to the increase of credit risk, anyway interest continues to be presented on gross basis; the last stage considers a lifetime expected credit loss, the subsequent impairment of the credit and interest is presented on a net basis.

The accounting policies adopted for specific assets and liabilities are disclosed below.

Non-current financial assets (investment in subsidiaries)
Investments in subsidiaries, jointly controlled entities and associated companies are stated at cost adjusted for any impairment losses.

Any positive difference, arising at the time of the acquisition, between the acquisition cost and the fair value of net assets acquired by the Company is therefore included in the investment carrying value. If there is any evidence that these investments have been permanently impaired, the impairment loss is recognised directly under the income statement. If the impairment loss subsequently no longer exists or is reduced, it is reversed, and the reversal is recognised under income statement up to the limit of the value initially accounted for as cost of the investment.

Receivables
Receivables are initially measured at their nominal value (representative of the 'fair value' of the transaction) and are subsequently measured at amortized cost, net of write-downs for impairment and allowance for credit losses. Impairment is recognised in the income statement when there is objective evidence that the asset is impaired. Such write-downs are calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the asset original effective interest rate. Particularly with regard to short-term trade receivables, considering the short period of time, the measurement at amortized cost is equivalent to the nominal value, less write-downs for impairment.

Expected credit losses are calculated on demurrage receivables and are based on an assessment about lifetime expected credit losses, adopting the simplified approach, and determined at initial recognition and subsequently adjusted for any changes in expectations.

Under IFRS 9 the impairment is assessed with reference to the expected credit losses associated with trade receivables with the change in the provision recognised through the income statement.

In the assessment of credit risk and expected losses, management considers a risk of default and its probability for each set window of payment. An increase in the number payment days delay is considered by management an indicator of an increase in the risk of default – management has therefore established clusters for such payment delays to which it assigned a higher probability of default the longer the delay in payment, and for which it therefore recognises provisions which represent an increasing percentage of amounts outstanding. The policy is to write off any undue demurrages at the closing of trade negotiations, following the agreed terms.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, current accounts and deposits held on demand with banks, and other short-term highly-liquid investments readily convertible to a known amount of cash within three months from inception and that are subject to an insignificant risk of changes in value. Cash and cash equivalents are measured at fair value, corresponding to their nominal value, or at cost plus interest charges, if any.

Bank and other lenders
Short-term bank overdrafts are recorded on the basis of the amounts received net of transaction costs and are subsequently measured at amortized cost, using the effective interest rate method, with the difference between the loan proceeds and the nominal value being recognized in the income statement over the term of the loan.

Payables
Payables are measured at amortized cost, which considering the characteristics and maturity of such payables, is generally equivalent to the nominal value.

Provisions for risks and charges

Provisions for risks and charges are recognised when the Company has a present obligation as a result of a past event and it is likely that the Company will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the financial position date and are discounted to present values where the effect is material.

Treasury shares

Treasury shares, following the buy-back program, are recognized at cost and are presented as a deduction from equity (under separate item of equity). The original cost of treasury shares and the proceeds of any subsequent sale are presented as movements in equity.

Dividends

Dividends payable are reported as a movement in equity in the period in which they are approved by the shareholders' meeting.

Leases

IFRS 16 – Leases, is effective for annual periods beginning on or after 1 January 2019 and has been adopted by the Company.

Leasing is a means of gaining access to assets, of obtaining finance and of reducing an entity's exposure to the risk of asset ownership. The new approach to leases results in a more faithful representation of a lessee's assets and liabilities and, together with enhanced disclosures, provides greater transparency of a lessee's financial leverage and capital employed; the net impact on Retained earnings at the beginning of the application period (January 1, 2019) was negligible – lower than € 1 thousand, and was therefore not recorded.

The RoU asset is amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset, whichever is shorter.

The Company has also elected to use the practical expedient allowing not to recognise as leases the contracts shorter than 12 months (short-term leases) and those with a value lower than US$ 5,000 (low-value items). For these contracts, the lease cost is recorded an expense, with no adjustment due to the transition.

Critical accounting Judgments and key estimates

The preparation of the financial statements requires Management to make accounting estimates and in some cases assumptions in the application of accounting principles. The Directors' decisions are based on historical experience as well as on expectations associated with the realisation of future events, considered reasonable under the circumstances. Critical accounting estimates and judgments are exercised in all areas of the business. The key areas where this applies are listed below.

Measurement of Fair Values

The 'fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal / most advantageous market at the measurement date at the current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. The fair value of financial instruments is represented by market quotations or, in their absence, by the value resulting from the adoption of suitable financial valuation models which take into account all the factors adopted by the market operators and the prices obtained in similar actual transactions in the market.

For significant fair value measurement, quoted prices or broker information are obtained to support the valuations and valuation adjustments together with unobservable inputs are reviewed regularly for the classification of such valuations in the appropriate level of fair value. In the measurement of fair values, market data are used to the farthest possible extent.

Three levels of inputs to the fair value valuation techniques are used to measure the fair values:

- level 1 inputs are quoted prices in active markets for identical assets or liabilities;
- level 2 inputs are, other than quoted prices included within Level 1, observable directly or indirectly for the asset or the liability;
- level 3 inputs are not observable from market data.

When the inputs used to measure the fair value of an asset or a liability belong to different categories, the fair value measurement is categorised entirely in its lowest and most significant fair value hierarchy. The transfer between levels of fair value hierarchy is recognised at the end of the reporting period during which the change has occurred.

Provision for tax liabilities

Tax liabilities are calculated on the current understanding of the Company's tax situation as impacted by Luxembourg regulatory framework.

New accounting principles

The accounting policies adopted are consistent with those of the previous financial year.

Accounting principles adopted from 1 January 2020

There are no new accounting principles that are expected to have a material impact on the entity in the current reporting periods and on its foreseeable transactions.

Accounting principles, amendments and interpretations not yet effective

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2. CAPITAL DISCLOSURE

d'Amico International Shipping S.A. manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders.

The capital of the Company was established at the beginning of 2007 as part of the IPO process, taking into consideration the risks affecting d'Amico International Shipping S.A. as a company and the industry where its subsidiaries operate. The capital of the Company was subsequently increased in the years 2012, 2014, 2015 2016, 2017, 2018, 2019 and in 2020, consistent with its strategy of modernising its fleet and of strengthening the Company's balance sheet, enabling it to confront the mostly weak freight markets of the past few years. It includes issued and fully paid capital, reserves and retained earnings as detailed in note 12.

The capital structure is reviewed during the year and - if needed - adjusted depending on the Company's capital requirements, as result of changes to investment plans or changes in current and prospective freight market conditions. The Company monitors its capital on the basis of the 'assets cover ratio' of the DIS Group, equal to the drawdown amounts on the Group facilities over the fair market value of Group owned vessels.

3. REVENUE

US$	2020	2019
Revenue	**109,040**	**150,000**

A dividend from the key operating subsidiary d'Amico Tankers d.a.c. of US$ 109 thousand was received in 2020 (2019: US$ 150 thousand from d'Amico Tankers d.a.c.).

4. GENERAL AND ADMINISTRATIVE COSTS

US$	2020	2019
Wages, benefits and director fees	(855,440)	(208,014)
Other operating charges	(1,250,668)	(1,411,594)
Total General & Administrative costs	**(2,106,108)**	**(1,619,608)**

Wages, benefits and director fees; employees

The Company employs one administrative employee (2019: one administrative employee). The total charge for wages and salaries, including social contributions, amounted to equivalent US$ 135,819 (2019: cost for total charge for wages and salaries of US$ 125,279); US$ 120,703.02 were recorded as management Long-Term Incentive Plan compensation, on the basis of the conditions achieved on the Company's 2020 consolidated results, as per the Plan's provisions (please refer to note 1. In 2019: reversal of the share option cost US$ 585,767). The DIS shares serving the Plan, are those held in portfolio by the Company as at 11 March 2021 (n. 18,326,911 own shares without nominal value, following the 2,849,015 own shares repurchased between 5 January and 26 January 2021 – please also refer to significant events since the end of the period of 2020).

Fees were paid to the Company's directors for services rendered to the Company and attending the Board's meetings. A total amount of € 416,250 was paid, which after a 20% withholding tax represents a net remuneration of € 333,000 (2019: total € 485,000, to which a20% withholding tax was also applicable). Fees were paid to the Supervisory Committee for services rendered to the Company in the amount of € 25,000 (2019: € 25,000). During the period no commitments arose in respect of retirement plans and no advances or loans were granted to the key management personnel (2019: nil).

Other operating charges

They include an amount of US$ 1,250,669 in 2020, comprising professional fees and advisory costs incurred by the Company during the year as a result of being a listed entity (2019: US$ 1,411,595), of which fees accrued for the réviseur d'entreprises agréé / statutory auditor for the audit of the 2020 statutory financial statements amounted to € 12.0 thousand equivalent to US$ 15.0 thousand (2019: € 12.0 thousand equivalent to US$ 15.8 thousand), and of which fees for the audit of the Company's consolidated financial statements amounted to equivalent US$ 185.4 thousand (2019: US$ 155.7 thousand).

5. FINANCIAL INCOME (CHARGES)

US$	2020	2019
Financial income	202,834	3,435,834
Financial charges	(298,715)	(487,528)
Net financial income (charges)	**(95,881)**	**2,948,306**

Financial income in 2020 comprises interest income on the financing provided to the subsidiary d'Amico Tankers d.a.c. of US$ 202,834 (2019: US$ 3,338,810). Financial charges in 2020 include interest expense due on the overdraft facility US$ 246,509 (2019: US$ 43,256), US$ 33,466 financial fees (2019: US$ 75,909) and US$ 4,092 finance lease cost on the leased office space (2019: US$ 5,263) and loss on commercial foreign exchange differences of US$ 14,648 (2019: US$ 97,024 gain); in 2019 it also included US$ 363,101 interest expenses due to the shareholder d'Amico International SA, on both the long-term and short-term facilities; the facilities was reimbursed at the beginning of 2020, not rising any interest cost.

6. TAX EXPENSE

US$	2020	2019
Tax refund (expenses)	**12,737**	**(188,294)**

Taxation in 2020 represents the accrual on the Net Wealth Tax charge for the year of equivalent US$ 2,985 and balance on previously accrued taxes, including US$ 10,320 VAT reversal (2019: US$ 188,294 Net Wealth Tax charge).

d'Amico International Shipping S.A. had, at the end of 2020, cumulative tax losses to be carried forward, including the result of the year, of approximately € 53.5 million (US$ 65.6 million equivalent).

No deferred tax asset has been accounted for, as management do not foresee taxable profits against which the accumulated losses could be offset.

7. PROPERTY, PLANT & EQUIPMENT (PPE) AND RIGHT-OF-USE ASSETS (ROU)

Tangible assets classified as PPE principally represent IT equipment for the Luxembourg office; they are depreciated at 8.33% quarterly rate over their useful lives. Right-of-use asset (RoU), are represented by leased office space, recognized and amortized over the duration of the lease contract; lessor of the office space is the related party and shareholder d'Amico International S.A.

€UR	2020		2019	
	PPE	RoU	PPE	RoU
At 1 January				
Cost or valuation	32,553	110,082	32,553	-
Accumulated depreciation	(31,772)	(28,081)	(27,523)	-
Opening net book amount	**781**	**82,001**	**5,030**	**-**
Change in accounting policy	-	-	-	110,082
Restated opening net book amount	**-**	**-**	**5,030**	**110,082**
Additions	-	-	-	-
Depreciation charge for the period	(781)	(28,155)	(4,249)	(28,081)
Closing net book amount	**-**	**53,846**	**781**	**82,001**
At 31 December				
Cost or valuation	32,553	110,082	32,553	110,082
Accumulated depreciation	(32,553)	(56,236)	(31,772)	(28,081)

8. FINANCIAL FIXED ASSETS

Investment in subsidiaries

Company	Country	Ownership	Ccy	Book value as at 31 December 2019	Increase (decrease)	Book value at 31 December 2020
d'Amico Tankers d.a.c.	IRL	100%	USD	404,121,920	-	404,121,920
Eco Tankers Limited	Malta	33%	USD	2,951,608	-	2,951,608
			USD	**407,073,528**	**-**	**407,073,528**

d'Amico Tankers d.a.c. (DTL) is the key operating subsidiary of the d'Amico International Shipping Group. In 2020 DTL business was profitable and at year-end, the Company's management considers no impairment is needed to be recognised for this investment.

Eco Tankers Limited (ETL) is an associate, jointly controlled with Venice Shipping & Logistics, a private equity fund. As at 31 December 2020, Eco Tankers Limited is finalizing its liquidation; DM Shipping was a joint venture held through DTL: it was liquidated in 2020 and struck-off the Irish companies register in early March 2021. DIS management considers no impairment is needed to be accounted for this investment and an advance on liquidation proceeds was already received by DIS in 2019 (please refer to note 16).

Investments through d'Amico Tankers d.a.c.:

Company	Effective Interest	Country	Activity
High Pool Tankers Limited	100%	Ireland	Pool company
Glenda International Shipping d.a.c.	50%	Ireland	Shipping
d'Amico Tankers Monaco S.A.M.	100%	Monaco	Services
d'Amico Tankers UK Limited	100%	UK	Services

9. FINANCIAL RECEIVABLES

US$	As at 31 December 2020	As at 31 December 2019
Non-current financial receivable	5,000,000	10,000,000
Current financial receivable	544,382	5,403,375
Total	5,544,382	15,403,375

The total balance for financial receivables at the end of the year represents the financing granted to the subsidiary d'Amico Tankers d.a.c.; in 2017 a portion of the financing to the subsidiary was granted as a revolving medium-term facility for corporate purposes, carrying an interest rate equal to the 3 Months US$ LIBOR plus a margin of 2.0%, while the current financial receivable represents the amount outstanding under a short-term facility, which bears an interest equal to US$ LIBOR 1 month plus a margin of 1.5%. The range of rates for the one-month US$ Libor was 0.14% –1.73% during 2020.

10. RECEIVABLES AND OTHER CURRENT ASSETS

US$	As at 31 December 2020	As at 31 December 2019
Receivables and other current assets	50,769	71,247

In 2020 and in 2019 the balance represents other sundry debtors and prepaid company expenses.

11. CASH AND CASH EQUIVALENTS

US$	As at 31 December 2020	As at 31 December 2019
Cash and cash equivalents	389,091	360,394
Bank overdrafts	(3,916,230)	(5,562,078)
Total cash and cash equivalents	**(3,527,139)**	**(5,201,684)**

Cash and cash equivalents represent cash held at the bank (please refer to note 1) and bank overdrafts as described in note 13.

12. CAPITAL AND RESERVES

Subscribed capital

As at 31 December 2020, the share capital of d'Amico International Shipping amounted to US$ 62,052,650.30 corresponding to 1,241,053,006 ordinary shares with no nominal value (31 December 2019: US$ 62,051,623.70 corresponding to 1,241,032,474 ordinary shares with no nominal value).

In 2020 the share capital of the Company increased in two circumstances: on 1 July it increased by 12,866 shares (US$ 643.30) as a result of the exercise of an equivalent number of warrants, at a price of € 0.354; on 28 December it increased by 7,666 shares (US$ 383.30) as a result of the exercise of an equivalent number of warrants, at a price of € 0.368 (please refer to the Terms and Conditions for the exercise of the Warrants). The total amount of aforesaid capital increases, including the share premium, was of US$ 8,547.29.

The authorised capital of the Company, including the issued share capital, is set at US$ eighty-seven million five hundred thousand (US$ 87,500,000), divided into one billion seven hundred fifty million (1,750,000,000) shares with no nominal value.

During a period of five years from the Annual General Meeting resolution adopted on 11 March 2019, the Board of Directors is authorised and empowered within the limits of the authorised capital to realise the issuance of new shares in one or several tranches, for any reason whatsoever including for defensive reasons following, as the case may be exercise of subscription and/or conversion rights granted by the Board of Directors under the 2017 terms and conditions of warrants (which may be separate or attached to shares, bonds, notes or similar instruments), convertible bonds, notes or similar instruments issued from time to time by the Company.

Retained earnings

As at 31 December 2020, the item includes previous years and current year net results, as well as deductions for dividends distributed.

Other reserves

The other reserves include the following items:

US$	As at 31 December 2019	Movements in 2020	As at 31 December 2020
Share premium reserve	368,844,896	7,521	368,852,417
Treasury shares	(18,121,626)	(857,636)	(18,979,262)
Legal reserve	3,108,296	62,902	3,171,198
Total	**353,831,566**	**(787,213)**	**353,044,353**

Share premium reserve

The share premium reserve arose initially as a result of the Group's IPO and related increase of share capital (May 2007) and thereafter as a result of further capital increases, with the latest occurring in December 2020. By statutory provision, it is available for distribution. Certain costs and charges connected with the listing processes and further capital raisings (mainly bank commissions and related advisory fees and charges) have been offset against these reserves.

Treasury shares

Treasury shares as at 31 December 2020 consist of 15,477,896 ordinary shares (as at 31 December 2019: 7,760,027) amounting to US$ 19.0 million (as at 31 December 2019: US$ 18.1 million), corresponding to 1.25% of the outstanding issued shares at the financial position date (as at 31 December 2019: 0.6%). These shares were acquired, as part of DIS' authorised buyback programme and the relevant reserve is constituted within the distributable share premium reserve.

Legal reserve

It is a legal requirement in Luxembourg and is constituted through an allocation of 5% of annual net income until this reserve equals 10% of the subscribed share capital. The reserve may not be distributed.

13. BANK AND OTHER LENDERS

US$	As at 31 December 2020	As at 31 December 2019
Bank and other lenders	**3,916,230**	**5,562,079**

The outstanding amount of US$ 3.9 million at 31 December 2020 refers to the Unicredit bank overdraft for general corporate purpose, while existing outstanding from Cassa Lombarda was repaid at the beginning of 2020 (31 December 2019: Unicredit US$ 4.5 million and Cassa Lombarda US$ 1.1 million). The average interest rate on the amount used of Unicredit line in 2020 was of 5.5%.

14. SHAREHOLDERS' FINANCING

US$	As at 31 December 2020	As at 31 December 2019
Long Term loan	-	-
Short Term financing	-	5,000,000
d'Amico International S.A.	**-**	**5,000,000**

US$ 5.0 million were lent by d'Amico International S.A. at the end of December 2019 and fully reimbursed in early January 2020.

15. LEASE PAYABLE

US$	As at 31 December 2020	As at 31 December 2019
Total future min. lease payments (gross investment)	**65,674**	**90,186**
due within one year	32,837	30,062
due in one to five years	32,837	60,124
Principal repayments of minimum lease payments	**62,152**	**85,420**
due within one year	30,244	26,816
due in one to five years	31,908	58,604

The entry into force of IFRS 16 on 1 January 2019, led to the recognition of a short and a long-term liability corresponding to the remaining payments under the current lease contract for the right of use of DIS' office space.

16. PAYABLES AND OTHER CURRENT LIABILITIES

US$	As at 31 December 2020	As at 31 December 2019
Payables and accruals	601,770	730,566
Other current liabilities	4,309,226	4,257,000
Payables and other current liabilities	4,910,996	4,987,566

Payable and other current liabilities as at 31 December 2020 include US$ 0.5 million in service suppliers payables and accruals arising from the day-to-day administrative activity of the Company (31 December 2019: US$ 0.7 million, including US$0.4 million is accrued as VAT payable); Other current liabilities amounting to an advance on future capital distributions upon liquidation of US$ 4.3 million received from Eco Tankers Limited (31 December 2019: US$ 4.3 million received from Eco Tankers Limited).

17. RISK MANAGEMENT

The Company is exposed to the following financial risks connected with its operation:

Market risk

DIS subsidiaries are exposed to market risk in respect of vessels trading on the spot market, because of fluctuations in market freight rates. In particular, when chartering-out vessels the hire rates may be too low to ensure an adequate return or to cover costs. The following risk management strategies are applied: (i) If possible, the DIS Group aims to have a fixed contract coverage between 40-60% over the next twelve months, thus ensuring the exposure to the spot market does not exceed 60%; (ii) the vessels trade on a worldwide basis to reduce the effect of different regional market conditions; (iii) The Group uses derivative financial instruments, such as freight forward agreements and bunker swaps, to manage its exposure to spot market rates.

Currency risk

The Company's functional currency is the US$, and most of its income (dividends and interest income) are in US$, while most of its expenses – director directors fees and the remuneration paid to managers and external consultants – are in Euros. The Company monitors its exposure to currency risk on a regular basis.

A 10% fluctuation in the average U.S. Dollar exchange rate against Euros would have resulted in a variation of +/- US$ 0.2 million in the net result of the Company in 2020 (US$ +/- 0.2 million in 2019). The Company's overall sensitivity to currency risk has not changed significantly from the prior year.

Interest rate risk

The Company is exposed to interest rate risk arising from the fact that its bank deposits, financial receivables and financial liabilities bear interest at variable rates. Management identifies and monitors these risks, seeking to anticipate potential negative effects and take appropriate mitigating action.

The interest rate sensitivity of the Company with respect to its financial liabilities is not material due the short period of utilization and amounts borrowed in both 2020 and 2019. As far as its financial assets are concerned (financing to d'Amico Tankers d.a.c.) an increase of 1% in the interest rates would result in an increase of financial income of US$ 18 thousand while a decrease in the interest rates of 1% would result in a decrease of financial income of US$ 15 thousand.

Liquidity risk

The Company is exposed to liquidity risk from the possible mismatch between cash requirements and cash-in-flows. DIS manages its liquidity risk through regular financial planning, seeking an appropriate capital structure and minimum cash balance, given the planned expenses, available credit lines and forecasted cash to be generated from its subsidiaries. The Company's capital structure is set within the limits established by the Company's Board of Directors.

The following tables details for 2020 Company's prospective cashflows for its finance liabilities based on contractual repayment terms.

	As at 31 December 2020			
	< 6 months	6-12 months	1-5 y	Total
Bank overdrafts	3,916,230	-	-	3,916,230
Leasing	15,122	15,122	31,908	62,152
Total	**3,931,352**	**15,122**	**31,908**	**3,978,382**

Accounting classification and fair values

All the financial instruments fall within the category of loans and receivables; their fair value classification is not disclosed as their carrying amount is reasonably approximate to their fair value.

18. RELATED PARTIES TRANSACTIONS

During 2020, d'Amico International Shipping S.A. had transactions with related parties. These transactions have been carried out on the basis of arrangements negotiated on commercial market terms and conditions.

No loans or advances were granted to the key management or to the directors in the period.

The effects, by legal entity, of related party transactions on the Company's income statement for 2020 (excluding VAT impact) were the following:

US$	d'Amico International Shipping S.A.	d'Amico Società di Nav. S.p.A.	d'Amico Tankers Monaco SAM	d'Amico Tankers d.a.c.	d'Amico International S.A.	Key management*
Revenue	**109,040**					
of which						
Dividend	109,040	-	-	-	109,040	-
General & administrative costs	**(2,106,108)**					
of which						
Personnel cost / director fees	(474,762)	-	-	-	-	(474,762)
Personnel cost / LTI	(120,703)	-	-	-	-	(120,703)
Services agreement	(253,439)	(174,484)	(78,955)	-	-	-
Depreciation	**(28,155)**					
of which						
Depreciation of RoU	(28,155)	-	-	-	(28,155)	-
Net financial income (charges)	**202,835**					
of which						
Net Financial interest	202,834	-	-	202,834	-	-
Financial lease interest cost	(4,092)	-	-	-	(4,092)	-
Total		**(174,484)**	**(78,955)**	**311,874**	**(32,247)**	**(595,465)**

* Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any directors (whether executive or otherwise) of the entity.

The effects, by legal entity, of related party transactions on the Company's income statement for the 2017 were the following:

US$	d'Amico International Shipping S.A.	d'Amico Società di Nav. S.p.A.	d'Amico Tankers Monaco SAM	d'Amico Tankers d.a.c.	d'Amico International S.A.	Key Management*
Revenue	**150,000**					
of which						
Dividend	150,000	-	-	150,000	-	-
Gen.&administrative costs	**(1,619,608)**					
of which						
Personnel cost (directors)	(543,346)	-	-	-	-	(543,346)
Services agreement	(248,088)	(168,750)	(79,338)	-	-	-
Depreciation	**(32,331)**					
of which						
Depreciation of RoU	(28,081)	-	-	-	(28,081)	-
Net financial income (charges)	**(2,948,305)**					
of which						
Net Financial interest	2,975,709	-	-	3,338,810	(363,101)	-
Financial lease interest cost	(5,263)	-	-	-	(5,263)	-
Total		**(168,750)**	**(79,338)**	**3,488,810**	**(396,445)**	**(543,346)**

* Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any directors (whether executive or otherwise) of the entity.

The effect, by legal entity, of related-party transactions on the Company's Statement of Financial Position as at 31 December 2020 are as follows:

US$	d'Amico International Shipping S.A.	d'Amico Tankers d.a.c.	d'Amico International S.A.	d'Amico Società di Navigazione S.p.A.	Eco Tankers Ltd
Non-current financial receivable	**5,000,000**				
of which related party	*5,000,000*	*5,000,000*	-	-	-
Current financial receivable	**544,382**				
of which related party	*544,382*	544,382	-	-	-
Receivables and other current assets	**50,769**				
of which related party	-	-	-	-	-
Non-current liabilities	**31,908**				
of which related party	*31,908*	-	31,908	-	-
Current liabilities	**4,910,996**				
of which related party	*4,341,758*	-	30,244	2,288	4,309,226
Total		**5,544,382**	**(62,152)**	**(2,288)**	**(4,309,226)**

The effect, by legal entity, of related-party transactions on the Company's Statement of Financial Position as at 31 December 2019 were as follows:

US$	d'Amico International Shipping S.A.	d'Amico Tankers d.a.c.	d'Amico International S.A.	d'Amico Shipping Italia SpA	d'Amico Dry d.a.c.	Eco Tankers. Ltd.
Non-current financial receivable	**10,000,000**					
of which related party	*10,000,000*	10,000,000	-	-	-	-
Current financial receivable	**5,403,375**					
of which related party	*5,403,375*	5,403,375	-	-	-	-
Receivables and other current assets	**71,247**					
of which related party	*26,116*	-	5,450	13,215	7,451	-
Non-current liabilities	**58,604**					
of which related party	*58,604*	-	58,604	-	-	-
Current liabilities	**15,752,247**					
of which related party	*9,319,612*	-	5,062,612	-	-	4,257,000
Total		**15,403,375**	**(5,115,766)**	**13,215**	**7,451**	**(4,257,000)**

A settlement of US$ 5,0 million financial receivable and US$ 5,0 financial payable occurred cash between two related parties in January 2020.

19. ULTIMATE HOLDING COMPANY

The immediate parent company of d'Amico International Shipping S.A. is d'Amico International S.A., a company incorporated in Luxembourg.

The ultimate holding company is d'Amico Società di Navigazione S.p.A., incorporated in Italy, which controls d'Amico International S.A.

20. GUARANTEES AND COMMITMENTS

d'Amico International Shipping S.A. has provided guarantees to its subsidiary company, d'Amico Tankers d.a.c., in respect of the US$ 279.0 million (originally US$ 250.0 million) facility at Crédit Agricole Corporate & Investment Bank, the US$ 29.0 million (originally US$ 58.0 million) MPS Capital Services Banca per le Imprese SpA facility, the US$ 45.08 million Banca IMI SpA facility, the US$ 19.5 million ABN AMRO Bank N.V. facility, the US$ 41.6 million Tokyo Century Corporation facility, the US$ 21.8 million Tokyo Century Corporation facility, the US$ 10.5 million Tokyo Century Corporation for financing general working capital, the US$ 16.3 million DNB Bank ASA facility, the US$ 15.6 million ING Bank N.V. London Branch facility and the US$ 28.9 million Crédit Agricole Corporate & Investment Bank and ING Bank N.V. London Branch facility. The total amount outstanding in respect of these facilities at 31 December 2020 amounted to US$ 274.7million as the guarantees agreements are continuing and are extended to the ultimate balance of sums payable, regardless of any intermediate payment or discharge in whole or in part (31 December 2019: US$ 323.1million).

Earning per share (e.p.s.)

US$ Thousand	2020	2019
Basic e.p.s.	(0.0016)	0.0012
Diluted e.p.s.	(0.0016)	0.0012
Weighted average number of ordinary shares used as the denominator in calculating basic e.p.s.	1,230,923,922	1,062,413,650
Adjustment for calculation of diluted e.p.s.	-	-
Weighted average number of ordinary shares used as the denominator in calculating diluted e.p.s.	1,230, 923,922	1,062,413,650

21. NON-ADJUSTING EVENTS AFTER THE END OF THE PERIOD

Executed buyback program: On 14 January 2021, d'Amico International Shipping S.A. announced that during the period between 5 January and 13 January 2021, n. 1,543,118 own shares (representing 0.124% of the outstanding share capital of the Company) were repurchased on the regulated market managed by Borsa Italiana S.p.A. at the average price of Euro 0.0949 and for a total consideration of Euro 146,469.26.

On 25 January 2021, d'Amico International Shipping S.A. announced that during the period between 14 January and 22 January 2021, n. 1,305,897 own shares (representing 0.105% of the outstanding share capital of the Company) were repurchased on the regulated market managed by Borsa Italiana S.p.A. at the average price of Euro 0.0936 and for a total consideration of Euro 122,217.85. As at 22 January 2021, d'Amico International Shipping S.A. held nr. 18,326,911 own shares, representing 1.48% of its outstanding share capital.

The transactions were made and coordinated by an independent equity broker duly engaged for this purpose, Equita SIM S.p.A., in compliance with the Board of Directors resolution of 13 November 2019 and under the authorization to purchase own shares approved by DIS Shareholders' Meeting on 20 April 2016 (as reminded by means of a press release issued on 13 November 2019).

The manager responsible for preparing the Company's financial reports, Mr. Antonio Carlos Balestra di Mottola, in his capacity of Chief Financial Officer of d'Amico International Shipping SA (the "Company") declares to the best of his knowledge, that the consolidated and statutory financial statements prepared in accordance with the applicable set of accounting standards as published in this report, give a true and fair view of the assets, liabilities, financial position and income statement of the Company and its consolidated subsidiaries and that the report on operation and the management report include a fair review of the development and performance of the business and the position of the Company and its consolidated subsidiaries, together with a description of the principal risks and uncertainties that they face.

11 March, 2021

Antonio Carlos Balestra di Mottola, Chief Financial Officer

AUDITORS' REPORTS

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To the Shareholders of
d'Amico International Shipping S.A.
25C Boulevard Royal
L-2449 Luxembourg

Livange, 11 March 2021

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **d'Amico International Shipping S.A.** and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, 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, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "*Commission de Surveillance du Secteur Financier*" ("CSSF"). Our responsibilities under the EU Regulation N°537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "*réviseur d'entreprises agréé*" for the Audit of the consolidated Financial Statements » section of our report.

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Capital Social 51.000 EUR

We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. 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 the 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.

Valuation of the vessel fleet recoverable amounts

The Property Plant and Equipment caption, including mostly the vessels represents the most significant caption of the total assets for a net book amount of US$ thousand 901,765 as at 31 December 2020.

Management's assessment on the value in use of the vessels fleet requires significant judgement as those estimates are based on the future cash flows. We focused on the area as management is required to exercise considerable judgement because of the inherent complexity in this estimation.

When there is an indication of impairment, management calculates the value in use of the group's cash generating unit (CGU). Due to the significant remaining life of the Group's vessels, management need to make key assumptions involving significant estimates with respect to a) expected future rates, b) expected future operating costs, and c) cost of capital.

Reference is made to note 14 ("Property, plant and equipment") in the consolidated financial statements.

How our audit addressed the Key Audit Matter

Our audit procedures related to estimates of the value of vessel fleet recoverable amounts included the following, among others:

- We obtained an understanding of Management's process and controls related to the identification of the impairment indicators and the impairment test of the vessels;
- We evaluated Management's methodology used to estimate the recoverable amount of the vessels in respect to the identification of the cash generating units (CGU) and the value in use of the vessels;
- We reviewed the reasonableness of the key assumptions used by reference to available data, such as broker estimates, operating costs, estimated future capital expenditure, vessel useful life, residual value and consumer price index, as well as competitor analysis;
- We recomputed the discount rate with reference to weighted average cost of capital (WACC) used in the Management's estimates and compared with peers' benchmark;
- We re-executed the calculations of value in used prepared by Management to check its mathematical accuracy;
- We considered the appropriateness of the disclosures in Note 14 to the consolidated financial statements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the consolidated management report and the Corporate Governance Statement but does not include the consolidated financial statements and our report of "réviseur d'entreprises agréé" 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 this fact. We have nothing to report in this regard.

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Responsibilities of the Board of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by the European Union and for such internal control as the Board of Directors 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, the Board of Directors 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 the Board of Directors 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.

Responsibilities of the "réviseur d'entreprises agréé" for the Audit of the Consolidated Financial Statements

The objectives of our audit 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 a report of "réviseur d'Entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, 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 the Board of Directors.

- Conclude on the appropriateness of Board of Directors' 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 report of "réviseur d'entreprises agréé" 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 report of "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.

- 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 and 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, actions taken to eliminate threats or safeguards applied.

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 report unless law or regulation precludes public disclosure about the matter.

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Report on Other Legal and Regulatory Requirements

We have been appointed as "*reviseur d'entreprises agrée*" by the General Meeting of the Shareholders on April 21, 2020 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is four years.

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement, as published on the Company's website https://en.damicointernationalshipping.com/, is the responsibility of the Board of Directors. The information required by Article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent, at the date of this report, with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in the EU Regulation No 537/2014 were not provided and that we remained independent of the Group in conducting the audit.

MOORE Audit S.A.

Raphael LOSCHETTER
Réviseur d'Entreprises Agréé

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To the Shareholders of
d'Amico International Shipping S.A.
25C Boulevard Royal
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Livange, 11 March 2021

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **d'Amico Shipping International S.A.** (the "Company"), which comprise the statement of financial position as at 31 December 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, 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 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "*Commission de Surveillance du Secteur Financier*" ("CSSF"). Our responsibilities under the EU Regulation N°537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "*réviseur d'entreprises agréé*" for the Audit of the Financial Statements » section of our report.

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Capital Social 51.000 EUR

We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standard Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. 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 financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of the investments in subsidiaries

The Company has investments in subsidiaries of US $ 407.073.528 as at 31 December 2020. Management's assessment of the recoverable amount of investments in subsidiaries requires significant judgement in the determination of the level at which the investments in subsidiaries are tested for impairment taking into account the substance of the business activity.

Moreover, the determination of the recoverable value requires significant estimates as it relates to the estimation of the net present value of the underlying assets of the subsidiaries.

We focused on this area due to the inherent complexity and judgement in the estimate for the recoverable amount of the investments in subsidiaries and the materiality of the balance.

How our audit addressed the Key Audit Matter

Our audit procedures related to estimates of the investments in subsidiaries included the following, among others:

- We obtained an understanding of Management's process and controls related to the identification of the impairment indicators and the impairment test of the investments in subsidiaries;

- We evaluated Management's methodology used to estimate the recoverable amount of the investments in subsidiaries, including of the cash generating units of underlying assets of the subsidiaries, their interdependency with the cash flows and the value in use of the underlying assets;

- We reviewed the reasonableness of the key assumptions used by reference to available data, such as broker estimates, operating costs, estimated future capital expenditure, assets useful life, residual value and consumer price index, as well as competitor analysis;

- We recomputed the discount rate with reference to weighted average cost of capital (WACC) used in the Management's estimates and compared with peers' benchmark;

- We re-executed the calculations of value in used prepared by Management to check its mathematical accuracy;

- We considered the appropriateness of the disclosures in Note 8 to the Financial Statements.

Other information

The Board of directors is responsible for the other information. The other information comprises the information stated in the annual report including the management report and the Corporate Governance Statement but does not include the financial statements and our report of "réviseur d'entreprises agréé" 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 this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and Those Charged with Governance for the Financial Statements

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

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In preparing the financial statements, the Board of Directors 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 the Board of Directors 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.

Responsibilities of the "réviseur d'entreprises agréé" for the Audit of the Financial Statements

The objectives of our audit 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 a report of "*réviseur d'entreprises agréé*" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, 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 the Board of Directors.

- Conclude on the appropriateness of Board of Directors' 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 report of "réviseur d'entreprises agréé" 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 report of "réviseur d'entreprises agréé". 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.

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, actions taken to eliminate threats of safeguards applied.

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 report unless law or regulation precludes public disclosure about the matter.

Report on Other Legal and Regulatory Requirements

We have been appointed as "*réviseur d'entreprises agréé*" by the General Meeting of the Shareholders on 21 April 2020 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 4 years.

The management report is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement, as published on the Company's website https://en.damicointernationalshipping.com is the responsibility of the Board of Directors. The information required by Article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in the EU Regulation No 537/2014 were not provided and that we remained independent of the Company in conducting the audit.

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