



## **PRESS RELEASE**

**The Board of Directors of d'Amico International Shipping S.A. approves 2020 Results:  
'DIS FY'20 RESULTS SUBSTANTIALLY IMPROVED RELATIVE TO THE PRIOR YEAR:  
NET PROFIT OF US\$ 16.6 M IN FY'20 VS. NET LOSS OF US\$ 27.5 M IN FY'19;  
ADJUSTED NET PROFIT OF US\$ 22.5 M IN FY'20 VS. NET LOSS OF US\$ 7.7 M IN FY'19;  
EBITDA OF US\$ 127.3 M IN FY'20, 22.1% INCREASE YEAR-ON-YEAR;  
STRONG OPERATING CASH FLOW OF US\$ 84.1 M IN FY' 20 VS. US\$ 59.3 M IN FY'19.'**

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### **FULL-YEAR 2020 RESULTS**

- Time charter equivalent earnings (TCE) of US\$ 257.8 million (US\$ 258.3 million in FY'19)
- Gross operating profit/EBITDA of US\$ 127.3 million (49.4% on TCE) (US\$ 104.2 million in FY'19)
- Net result of US\$ 16.6 million (US\$ (27.5) million in FY'19)
- Adjusted Net result (excluding IFRS 16 and non-recurring) of US\$ 22.5 million (US\$ (7.7) million in FY'19)
- Cash flow from operating activities of US\$ 84.1 million (US\$ 59.3 million in FY'19)
- Net debt of US\$ 561.5 million (US\$ 465.1 million excluding IFRS16) as at 31 December 2020 (US\$ 682.8 million and US\$ 560.0 excluding IFRS 16, as at 31 December 2019)

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### **FOURTH QUARTER 2020 RESULTS**

- Time charter equivalent earnings (TCE) of US\$ 53.6 million (US\$ 72.2 million in Q4'19)
- Gross operating profit/EBITDA of US\$ 23.8 million (US\$ 34.9 million in Q4'19)
- Net result of US\$ 1.2 million (US\$ 4.9 million in Q4'19)
- Adjusted Net result (excluding IFRS 16 and non-recurring) of US\$ (3.6) million (US\$ 7.4 million in Q4'19)

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**Luxembourg – March 11<sup>th</sup>, 2021** – The Board of Directors of d'Amico International Shipping S.A. (Borsa Italiana: "DIS") (hereinafter : "the Company", "d'Amico International Shipping" or the "Group"), a leading international marine transportation company operating in the product tanker market, today examined and approved the Company's draft 2020 full year statutory and consolidated financial results.

### **MANAGEMENT COMMENTARY**

Paolo d'Amico, Chairman and Chief Executive Officer of d'Amico International Shipping commented:

*'In 2020, we experienced an extremely volatile product tanker market. During the first half of the year, freight rates rose to record highs as the drop in oil demand caused by COVID-19, 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, thus generating a spike in product tanker freight rates. 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.'*



*In this very volatile market, I am proud to report a profitable full-year result for DIS. In fact, our company generated a **Net profit of US\$ 16.6 million in 2020** vs. a Net loss of US\$ (27.5) million in 2019. Excluding some non-recurring effects from both periods, our **Adjusted net result** would have amounted to US\$ 22.5 million in 2020 vs. US\$ (7.7) million of last year, corresponding to an **increase of US\$ 30.2 million year-on-year**.*

***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 proportion 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).*

*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. According to the IEA, over the next few years, Europe and all the regions of the southern hemisphere are expected to remain reliant on product imports from the United States, Russia, the Middle East and China.*

***On the supply side, growth is expected to be extremely constrained**. 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. This should contribute to an even slower fleet growth over the next two years.*

*I am confident DIS is today well positioned to confront a near-term soft patch in the market and we can look at a bright future ahead. In fact, 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) and a solid financial structure. In 2019, we completed our US\$ 755 million investment plan in eco newbuildings and*



today we have no further capital commitments (excluding maintenance Capex). Also, 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; through investments in technology and improvements in our processes, we have managed to cut our costs whilst always ensuring a top-quality service both onboard and onshore. Thanks to this strategy, we have today a very competitive cost structure and a low breakeven relative to most of our peers.

As we look forward to a positive future for our industry and our company, I would like to thank once again all our stakeholders for their continued support and trust.'

Carlos Balestra di Mottola, Chief Financial Officer of d'Amico International Shipping commented:

'In 2020, DIS posted a **Net profit of US\$ 16.6 million** vs. a Net result of US\$ (27.5) million recorded in 2019 and an **adjusted Net profit (excluding IFRS 16 and some non-recurring effects) of US\$ 22.5 million in 2020** vs. a Net result of US\$ (7.7) million recorded last year. We achieved a **daily spot rate of US\$ 16,771 in 2020** vs. US\$ 13,683 in the previous year, thanks to the better market conditions experienced in the first part of the year. Thanks to our prudent commercial strategy, we reached a time-charter coverage of 61.9% in 2020 at an average daily rate of US\$ 16,429, which helped us navigate through the challenging market of the second half of the year, achieving a **total daily average rate (which includes both spot and time-charter contracts) of US\$ 16,560 in 2020** compared with US\$ 14,239 in 2019 (16.3% increase year-on-year).

DIS' EBITDA amounted to US\$ 127.3 million 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.

Thanks to the sound financial and liquidity position we have today, in February 2021 we announced the exercise of a purchase option on a '05-built MR vessel, which 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 and a purchase obligation at the end of the 5th year. This transaction is fully in line with our strategy of deleveraging DIS' balance sheet and reducing our financial break-even, as the previous lease was substituted with a bank-loan financing at a much lower leverage and at a substantially lower cost of debt.

Today, we are still facing a challenging market and we have a cautious approach to 2021 and to the first half of the year especially. However, the longer-term fundamentals of our industry are still extremely favourable both on the demand and the supply side and we therefore maintain a very positive outlook for the future, as a rebound in economic activity, propelled also by the strong fiscal and monetary stimulus in the leading world economies, will drive a strong upswing in oil consumption, which will eventually lead to a sustainable recovery in freight rates.



*DIS is now a financially solid company, operating one of the most modern fleets of product tankers, at a relatively low breakeven, and thanks also to a proven commercial strategy, we can count 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. We look forward to generating substantial value for our shareholders in the future.'*

## **FINANCIAL REVIEW**

### **SUMMARY OF THE RESULTS IN THE FOURTH QUARTER AND TWELVE MONTHS OF 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 unprecedented 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**

**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<sup>1</sup>** compared with US\$ 13,683 achieved in 2019<sup>2</sup>. 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)<sup>3</sup> 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 dollars)	2019					2020				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Spot	13,583	13,074	11,616	17,242	<b>13,683</b>	17,354	25,118	12,866	11,699	<b>16,771</b>
Fixed	14,604	14,398	14,819	15,130	<b>14,760</b>	15,864	16,236	16,038	17,866	<b>16,429</b>
Average	14,057	13,710	13,264	15,965	<b>14,239</b>	16,391	19,555	14,864	15,192	<b>16,560</b>

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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.



**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**.

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<sup>4</sup>) and from the same period of

<sup>4</sup> US\$ (1.3) million loss on disposal, US\$ (1.6) million mainly due to realized and unrealized loss on Interest rates swap agreements.



2019 (US\$ (2.3) million<sup>5</sup>), 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.**

#### **CASH FLOW AND NET INDEBTEDNESS**

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

**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.

**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.

#### **SIGNIFICANT EVENTS OF THE PERIOD**

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

<sup>5</sup> 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.



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 December 2020, 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 barrel, 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 unprecedented 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.



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- **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.

#### ***GLENDIA 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.

#### ***GLENDIA 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
<b>Total</b>	<b>6.0</b>	<b>28.0</b>	<b>6.0</b>	<b>40.0</b>	<b>6.0</b>	<b>26.0</b>	<b>6.0</b>	<b>38.0</b>

\* 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.

## **OTHER RESOLUTIONS**

### **2020 CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE REPORT AND CONVENING OF THE ANNUAL SHAREHOLDER'S MEETING**

The Board of Directors considered and approved also the 2020 Company's report on corporate governance and ownership structure and decided to convene the Company's Annual General Shareholders' Meeting on the 20<sup>th</sup> day of April 2021 (the AGM). The AGM will be called to resolve, among other things on: i) the approval of the statutory and consolidated financial statements as at 31<sup>st</sup> December 2020; ii) the appointment of the members of the Board of Directors; and iii) the renewal of the authorization to repurchase Company's own shares. The AGM convening notice and all the pertaining supporting documentation will be available at the public's disposal according to the provisions of laws and regulations which are applicable to the Company.

### **REPORT ON 2020 REMUNERATIONS AND 2021 GENERAL REMUNERATION POLICY**

The Board of Directors, upon recommendation of the Nomination & Remuneration Committee, further resolved to approve the Company's Report on 2020 Remunerations and the 2021 General Remuneration Policy regarding the executive directors of the Company and the d'Amico International Shipping Group's key management personnel (the "2021 Remuneration Report").

In accordance with articles 7bis and 7ter of the Luxembourg Grand Ducal Law n. 562 of August 1<sup>st</sup> 2019, the 2021 Remuneration Report will be further submitted to the non-binding considerations and evaluations of the AGM.

### **RENEWAL OF THE AUTHORIZATION TO THE BOARD OF DIRECTORS TO REPURCHASE THE OWN SHARES OF THE COMPANY**

The board of directors of d'Amico International Shipping S.A. in view of the forthcoming expiry date of the buy-back programme which has been approved by the annual general meeting of shareholders held on the 20<sup>th</sup> of April 2016, today approved a proposal on the renewal of the authorization to purchase and dispose Company's own shares that will be submitted for the relevant authorization to the annual general meeting of Shareholders of the Company to be held on 20<sup>th</sup> of April 2021 pursuant to article 430-15 *et seq.* of the Luxembourg law of August 10, 1915 concerning commercial companies, as amended from time to time (the "Luxembourg Law"), to article 8 of the Company's Articles of Association, to the relevant provisions of the EU Reg. no 596/2014 and its delegated and implementing acts (the "Market Abuse Regulation") together with the applicable Italian and Luxembourg laws, regulations and the best market practices which are accepted on the Italian regulated market and currently authorized or authorized in future by the applicable laws and regulations. The proposal of the Board concerns the repurchase, in one or more tranches, and the disposal of own shares based, without limitation, on the following purposes and considerations:



- **Purposes of the repurchase**

i) to constitute - in conformity with the market practices accepted or to be implemented in the future on the Italian regulated market - an “inventory of treasury shares” available eventually as a means of payment, exchange, transfer, contribution, assignment or other action of disposal within the framework of transactions linked to the Company & subsidiaries’ operation and of any projects constituting an effective opportunity of investment in line with the strategic policy of the Company such as agreements with strategic partners, acquisition of shareholdings or shares’ packages or other transactions of extraordinary finance that imply the allocation or assignment of Own Shares (like merger, demerger, issuance of convertible debentures or warrant, etc.) and more widely for any purposes as may be permitted under applicable laws and regulations in force including but not limited to the purpose of putting the Company in a position to offer own shares, including those already held by the Company, for distribution to the Company and its subsidiaries and controlling companies’ directors, officers or employees whether or not pursuant to the implementation of a stock option plan as approved and /or amended from time to time by the Company;

ii) to put the Company in a position to be able to intervene on the market in order to sustain the stock’s liquidity or investment policies in conformity with the market practices accepted on the Italian regulated market by providing support for the price of the Company’s shares during a limited time period if they come under selling pressure, thus alleviating sales pressure generated by short term investors and maintaining an orderly market;

iii) to help to stabilize the market price of the Company’s shares, if deemed appropriate and/or necessary, according to article 5 and ff. of the Market Abuse Regulation and/or any other applicable law and provision.

- **Maximum number of shares to be repurchased**

The proposal to the shareholders concerns the renewal of the authorization to the Board of Directors to repurchase, in one or more tranches, up to a maximum number of n. 186,157,950 ordinary shares of the Company including the own shares already repurchased and held in the Company’s portfolio in compliance with article 430-15 of the Luxembourg Law.

**At the time of the Board of Directors meeting the Company holds n. 18,326,911 own shares (corresponding to 1.48% of the Company’s outstanding share capital) without voting and dividend rights.**

- **Authorized period**

The authorization to repurchase own shares in one or more tranches is required for a maximum period of five (5) years from the date of the relevant shareholder’s meeting resolving upon the renewal of the authorization. The disposal by the Board of Directors of own shares already repurchased and/or of those that will be repurchased pursuant to the Shareholders’ authorization shall not be subject to any time limits.

- **Maximum and minimum consideration**

The Board of Directors proposes to the shareholders to fix the minimum and maximum consideration for the repurchase of the own shares, in accordance with applicable laws and regulations, as follows:

(i) at a minimum price of no more than 10% below the shares’ official price reported in the trading session on the day before carrying out each individual transaction;

(ii) at a maximum price of no more than 10% above the shares’ official price reported in the trading session on the day before carrying out each individual transaction;



- **Maximum potential outlay on purchases**

According to Luxembourg Law the amount of the available reserves and distributable earnings shall be sufficient for the scheduled repurchase of the own shares fully paid-up, so that the acquisitions shall not have the effect of reducing the net assets below the amount mentioned in paragraph 1 & 2 of article 461-2 of the Luxembourg Law (i.e. the aggregate of the subscribed capital and the reserves which may not be distributed according to the law or to the Articles of Association).

- **Procedures and modalities**

The Board of Directors proposes to the shareholders that the own shares' repurchase and disposal transactions be executed in one or more tranches on the regulated market managed and organized by Borsa Italiana S.p.A. in compliance with the relevant applicable laws and regulations in force.

The modalities and procedures (the "Parameters") to be observed for each repurchase or sale of Own Shares by the Company shall be approved by the Board of Directors which is authorized, with option to delegate, to cause the transactions to be effected and publicized. In any case, each repurchase shall be executed and publicized in accordance with Luxembourg and Italian laws and regulations where applicable as well as according to the relevant provisions regarding exemptions from market abuse for buy-back programs and stabilization of financial instruments.

*At 14.00pm CET, 08.00am EST today a conference call will be held with the financial community during which the Group's economic and financial results will be discussed. It is possible to connect to the call by dialing the following numbers: from Italy + 39 02 8058811, from UK +44 808 23 89 561, from US +1 866 63 203 28. The presentation slides can be downloaded before the conference call from the Investor Relations page on DIS web site: <http://investorrelations.damicointernationalshipping.com/>*

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This Press release relating to FY'20 Results has been notably prepared in accordance with provisions of Art. 3 of the Luxembourg Law dated 11 January 2008, as amended and/or supplemented from time to time, which transposed Directive 2004/109/EC of the European Parliament and of Council of 15 December 2004 in the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market. The integral document pertaining thereto will be deposited and available within the terms prescribed by the applicable laws and regulations at the Company's registered office and website (<http://investorrelations.damicointernationalshipping.com/>). The document is also filed through eMarketSDIR and STORAGE at Borsa Italiana S.p.A. and at Commissione Nazionale per le Società e la Borsa (CONSOB) and with the Commission de Surveillance du Secteur Financier (CSSF) and Société de la Bourse de Luxembourg S.A. in its quality of Company's storage Officially Appointed Mechanism.



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*d'Amico International Shipping S.A. is a subsidiary of d'Amico Società di Navigazione S.p.A., one of the world's leading privately owned marine transportation companies, and operates in the product tankers sector, comprising vessels that typically carry refined petroleum products, chemical and vegetable oils. d'Amico International Shipping S.A. controls, either through ownership or charter arrangements, a modern, high-tech and double-hulled fleet, ranging from 35,000 and 51,000 deadweight tons. The Company has a history and a long tradition of family enterprise and a worldwide presence with offices in key market maritime centres (London, Dublin, Monaco and Singapore). The company's shares are listed on the Milan Stock Exchange under the ticker symbol 'DIS'.*

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**ANNEX**

**CONSOLIDATED INCOME STATEMENT**

<i>US\$ Thousand</i>	<b>2020</b>	<b>2019</b>
Revenue	316,314	353,534
Voyage costs	(58,538)	(95,202)
<b>Time charter equivalent earnings*</b>	<b>257,776</b>	<b>258,332</b>
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)
<b>EBITDA *</b>	<b>127,268</b>	<b>104,226</b>
Depreciation and impairment	(71,745)	(89,201)
<b>EBIT *</b>	<b>55,523</b>	<b>15,025</b>
Financial income	1,235	823
Financial (charges)	(39,865)	(44,968)
Profit share of equity-accounted investment	-	1,243
Reversal of impairment of financial assets	-	934
Loss on disposal of financial investment	(70)	-
<b>Profit/ (loss) before tax</b>	<b>16,823</b>	<b>(26,943)</b>
Tax	(267)	(584)
<b>Net profit / (loss)</b>	<b>16,556</b>	<b>(27,527)</b>
<b>Basic earnings per share in US\$(1)</b>	<b>0.013</b>	<b>(0.026)</b>

\*see Alternative Performance Measures on page 30

**CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**

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

(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

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



## CONSOLIDATED STATEMENT OF CASH FLOWS

<i>US\$ Thousand</i>	2020	2019
<b>Profit (Loss) for the period</b>	<b>16,556</b>	<b>(27,527)</b>
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 v/ related party	-	(934)
Loss on disposal of a financial investment	70	-
Other non-cash changes	(5)	(607)
<b>Cash flow from operating activities before changes in working capital</b>	<b>128,679</b>	<b>105,792</b>
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)
<b>Net cash flow from operating activities</b>	<b>84,128</b>	<b>59,274</b>
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
<b>Net cash flow from investing activities</b>	<b>43,822</b>	<b>(40,425)</b>
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)
<b>Net cash flow from financing activities</b>	<b>(100,173)</b>	<b>(16,452)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>27,777</b>	<b>2,397</b>
Cash and cash equivalents net of bank overdrafts at the beginning of the year	17,517	15,120
<b>Cash and cash equivalents net of bank overdrafts at the end of the year</b>	<b>45,294</b>	<b>17,517</b>
Cash and cash equivalents	62,071	33,598
Bank overdrafts	(16,777)	(16,081)



*The manager responsible for preparing the company's financial reports, Mr. 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.*

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*Carlos Balestra di Mottola  
Chief Financial Officer*



## **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).