d'AMICO INTERNATIONAL SHIPPING S.A.

2021 ANNUAL REPORT

CONSOLIDATED AND STATUTORY FINANCIAL STATEMENTS

Year ended 31 December 2021

This document is available on www.damicointernationalshipping.com

d'Amico International Shipping S.A.
Registered office at 25C Boulevard Royal, Luxembourg
RCS B124790
Share capital US$ 62,052,778.45 as at 31 December 2021

LETTER TO SHAREHOLDERS

[•]

BOARD OF DIRECTORS AND AUDITORS

BOARD OF DIRECTORS

Chairman, Chief Executive Officer
Paolo d'Amico

Directors
Antonio Carlos Balestra di Mottola – *Chief Financial Officer*
Cesare d'Amico – Executive Director
Marcel C. Saucy – Non-executive, Lead Independent Director
Tom Loesch – Non-executive, Independent Director
Monique I.A. Maller – Non-executive, Independent Director

INDEPENDENT AUDITORS

MOORE Audit S.A.

KEY FIGURES

Financials

US$ Thousand	**2021**	**2020**
Time charter equivalent (TCE) earnings *	**174,086**	**257,776**
EBITDA *	**64,322**	**127,268**
as % of margin on TCE	*36.95%*	*49.37%*
EBIT *	**(6,902)**	**55,523**
as % of margin on TCE	*(3.96)%*	*21.54%*
Net profit (loss)	**(37,261)**	**16,556**
as % of margin on TCE	*(21.40)%*	*6.42%*
*Adjusted Net profit (loss)***	(29,087)	22,491
Earnings (loss) per share (US$)	(0.030)	0.013
Operating cash flow	31,826	84,128
Gross capital expenditure (CapEx)*	(7,033)	(12,019)
	As at 31 December 2021	**As at 31 December 2020**
Total assets	936,316	1,032,590
Net financial indebtedness*	520,288	561,543
Shareholders' equity	332,382	365,734

**see Alternative Performance Measures on page 35;*

** 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 2021.

OTHER OPERATING MEASURES *

	2021	**2020**
Daily operating measures - TCE earnings* per employment day (US$)[1]	12,996	16,560
Fleet development - Total vessels equivalent	38.1	43.2
- Owned and Bareboat	19.8	22.2
- Chartered	8.1	9.0
- Time chartered-in	10.2	11.9
Vessel equivalent under commercial management	-	0.9
Off-hire days / available vessel days[2] (%)	3.0%	3.9%
Fixed rate contract / available vessel days[3] (coverage %)	47.5%	61.9%

**see Alternative Performance Measures on page 35*

[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.

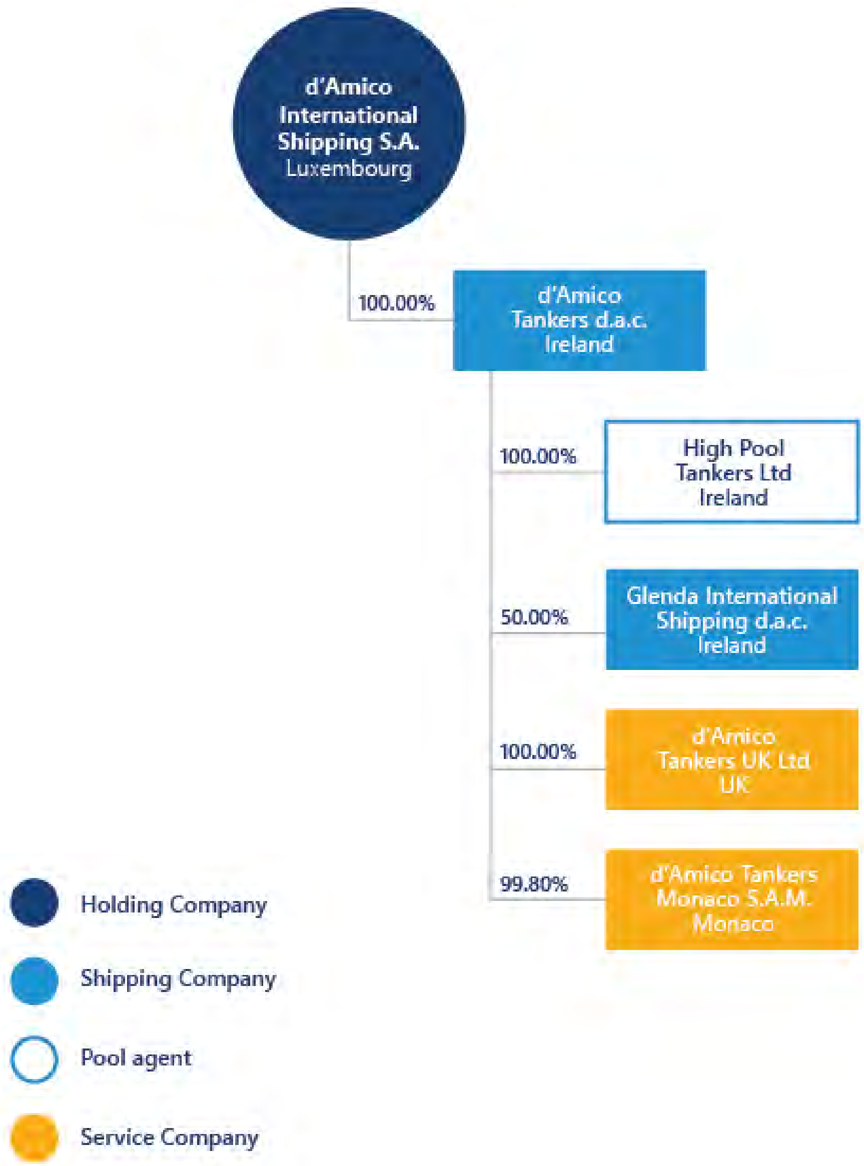
[3] Fixed rate contract days/available vessel days (coverage ratio): this figure represents how many vessel days were employed on time charter contracts, inclusive of off-hire days.

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 as at 31 December 2021:



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. As at 31 December 2021, d'Amico International Shipping controls, mainly through d'Amico Tankers d.a.c. (Ireland), its fully owned subsidiary, a fleet of 37.0 vessels, of which 27.0 owned and bareboat vessels (with purchase obligations), with an average age of approximately 7.1 years, compared to an average in the product tankers industry of 12.3 years for MRs (25,000 – 54,999 dwt) and of 12.3 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 2021, 75.7% 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.

The Group 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, strengthening 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 2021, the Group employed an equivalent of 558 seagoing personnel and 23 onshore personnel.

Fleet

DIS controlled as at 31 December 2021, either through ownership or charter arrangements a modern fleet of 37.0 product tankers (31 December 2020: 40.0 product tankers). 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 2021.

Name of vessel	Dwt	Year built	Builder, Country[4]	IMO classed
LR1 fleet				
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 obligation				
Cielo di Houston	75,000	2019	Hyundai Mipo, South Korea (Vinashin, Vietnam)	-
MR fleet				
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 Valor	46,975	2005	STX, South Korea	IMO II/III
High Priority	46,847	2005	Nakai Zosen, Japan	-
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
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	-

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

Handy-size fleet				
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 2021, d'Amico International Shipping directly employed 37.0 Vessels: 5 LR1s ('Long Range 1'), 9 MRs ('Medium Range') and 3 Handy-size vessels on term contracts at fixed rates, whilst 1 LR, 16 MR and 3 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 2021, 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 2021, the d'Amico Group controlled a wide fleet of owned and chartered-in vessels, of which 37.0 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 Medium Range vessels, which comprises sizes 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 also 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 Focused primarily on the distribution side	Access to more ports than larger vessels Better economies of scale over medium and longer distances versus SR vessels	Better economies of scale over longer haul voyages
Voyages	Only short	Short and long	Short and long
Flexibility	High	High	Medium (LR1) / Low (LR2)
Arbitrage Voyages	No	Yes	Yes
Percentage World fleet [9]	21.0%	48.2%	30.9%

[9] Source: Clarksons Research, as of January 1, 2022. Percentage of total product tankers (4,963 vessels) excludes vessels with stainless steel tanks.

CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

The Company which has been duly incorporated on 9 February 2007 in Luxembourg is organized and governed in compliance with the Luxembourg laws and since its listing on 3 May 2007 on the STAR segment of the Italian Stock Exchange (Euronext Milan) is also subject to disclosure obligations related to corporate actions and periodic information as established both by the Luxembourg laws and the Italian laws as applicable from time to time.

Since its listing, moreover the Company has decided to generally comply with the principles and recommendations of the Italian Corporate Governance Code (available in its latest version at www.borsaitaliana.it), some of which are essential to remain listed on the Euronext STAR Milan segment.

In accordance with article 123-bis of the Italian Legislative Decree No. 58/98 and in line with the recommendations of the Italian Corporate Governance Code, the Company provides a complete and detailed disclosure of its Corporate Governance system and Ownership Structure as at December 31, 2021 in its annual Corporate Governance and Ownership Structure Report (the "Corporate Governance Report"). A specific paragraph of the Corporate Governance Report is dedicated to the takeover bids' legislation as applicable to the Company pursuant to 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")[10].

The Corporate Governance Report is available to everyone at the registered office of the Company and on its website (www.damicointernationalshipping.com) in the relevant Corporate Governance section, where also several other documents regarding the Company's corporate governance system are published.

Moreover, the Corporate Governance Report is disclosed through Borsa Italiana S.p.A. e-Market SDIR circuit, filed with Commissione Nazionale per le Società e la Borsa (CONSOB) and Commission de Surveillance du Secteur Financier (CSSF) and stored both at Société de la Bourse de Luxembourg S.A., in its quality as DIS' Officially Appointed Mechanism (OAM) for the central storage of regulated information and at Borsa Italiana S.p.A. using the e-market STORAGE circuit.

More details on DIS' ownership structure can be found also on its website section dedicated to Investor Relations (http://investorrelations.damicointernationalshipping.com).

[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).

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.

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 reports of violations of the Code itself. Please find below a brief summary of the Code of Ethics main principles.

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: i) the board of directors of the Company has not only preventively adopted (ex-ante adoption) but also efficiently implemented the 231 Model; ii) has appointed a Supervisory Committee that did not omit to exercise its control duties; and iii) the offence was committed by an individual with the fraudulent intention of avoiding the 231 Model efficiently 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 whose procedures are constantly updated with reference to the additional controls specifically required by the 231 Model amended from time to time. Sometimes the effective implementation of the 231 Model also requires the introduction of new procedures where necessary.

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;
- 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 (both the Supervisory Committee e-mail's account as publicized on DIS' website and the **d'Amico whistleblowing platform** identified and publicised for the entire d'Amico Group are a direct channel to be used for reports);
- 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 and service providers within the d'Amico Group.

The Company's 231 Model is constantly updated in accordance both with the internal organizational restructurings and the legislative environment changes regarding the scope of application of the Decree 231.

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 the Decree 231, 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 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. The decision was driven by the changes that have taken place with respect both to the reference organizational framework and to the regulatory framework due to the introduction of new crimes in the Decree 231 and in particular the following new types of offenses: (i) influence peddling; (ii) sports fraud and abusive exercise of gambling and betting activities; (iii) cybersecurity offenses; (iv) tax offenses; (v) crimes introduced in the Decree by Legislative Decree 75/2020 relating to the fight against fraud that damages financial interests of the European Union. The control & risk self-assessment (hereinafter also "CRSA") performed by the Company with the assistance of the Supervisory Committee was carried out through the following activities: detection and mapping of company activities at potential risk of commission of the offenses in scope; analysis of the existing control system and gap analysis with respect to an "optimal" control system; definition of the actions to adapt the existing control system. Due to the fact that the Company is linked to the Italian territory exclusively by virtue of its listing on the Italian Stock Exchange, only those offenses envisaged by the Decree 231, relating to DIS' activities in Italy were identified as in scope and in particular: i) crimes of embezzlement, extortion, undue inducement to give or promise benefits, corruption and abuse of office towards the Public Administrations; ii) corporate crimes, including corruption between private individuals; iii) market abuse crimes; iv) organized crime offenses; and v) inducement not to make statements or to make false statements to the judicial authorities. The control measures analyzed and deemed relevant for the purposes of the analysis of the Internal Control System (ICS), consistently with the *best practices* with respect to the Sensitive Activities identified are the following:

- existence of a Model 231, updated, disseminated and implemented;
- formalization / appointment, functioning of the Supervisory Committee and control / monitoring of its activities;
- formalization and dissemination of Company organization charts and potential changes, also through specific communication to entire organization;
- existence of a formalized, updated and widespread system of Powers and Delegations; existence of a formalized and widespread job description system;
- existence of a formalized and widespread Code of Ethics;
- existence of a formalized, updated and disseminated system of policies and procedures within the organization;
- existence of internal communication channels aimed at disseminating the organizational rules and regulations in place;
- existence of a periodic, systematic and specific information / training program addressed to the employees / contractors of the Company, as well as the adoption and updating of specific training programs on the "231 subject";
- existence and implementation of a disciplinary system;
- existence and implementation of a reporting system (*whistleblowing);*
- existence of contracts regulating existing relationships with third parties.

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. A new training program is going to be launched in 2022 r to explain the new structure of the 231 Model which is now structured in the following seven parts: I) Relation with Public Administration; II) Management of Litigations; III) Human Resources Management; IV) Purchase of goods and service; V) Management of financial flows, gifts and donations; VI) Management of accounts, balance sheets and operation on shares; and VII) Management of inside information.

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.

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 231 Model by promoting the implementation of control procedures for specific actions or acts identified as sensitive;
- periodically check its efficiency and adequacy;
- assesses whether it needs to be updated;
- ensure necessary information flows with other company functions, also by promoting appropriate initiatives for raising awareness and understanding of the 231 Model 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 Decree 231 which are those of autonomous initiative, independence, professionalism, continuity of action, absence of conflicts of interest and integrity.

It should be noted that during 2021 no reports of violations of the 231 Model or of the Code of Ethics were received by the Supervisory Committee neither directly nor through the whistleblowing platform.

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 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.

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 Sustainability 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 attain 14 out of the 17 UN Development goals.

The d'Amico Group's sustainability report places internal and external stakeholders at the centre of its sustainability path. Upon drafting of the third edition of the Sustainability Report, the d'Amico Group has asked for the contribution of its internal and external stakeholders to update the "materiality matrix" through an internal and external survey. Through this materiality analysis, the company has evaluated the sustainability issues to be reported and their strategic nature and with the external survey has evaluated their relevance for its stakeholders.

The objectives that guided the development of the third edition are:

- to strengthen governance on sustainability by increasing the involvement of all the internal company areas and the awareness on accountability issues;
- to update the Group's materiality matrix, that represents the most relevant topics for corporate and business sustainability;

• to consolidate the reporting process and in particular to increase the reporting of policies and performance related to the environmental dimension in terms of fleet characteristics, decarbonisation, waste management and sustainable management of facilities;
• to strengthen the measurement of the Group's contribution to the achievement of the Sustainable Development Goals of the UN Agenda 2030.

ENVIRONMENTAL, HEALTH AND SAFETY RESPONSIBILITIES: 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 onboard and respect for the environment, aiming to eliminate the risk of incidents such as groundings, fires, collisions, and petroleum spills, which could result in considerable economic impact for the Company In this respect, the ultimate holding company in the d'Amico Group, d'Amico Società di Navigazione S.p.A 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.

The Company has a robust quantitative risk management framework, through which it performs a systematic analysis to prevent the development and progression of any unsafe act and condition from becoming an incident. DIS invests in crew and office staff training and preparedness, suitable, adequate and effective ship operation plans, safe navigation emergency procedures, environment and energy management systems, and effective planned maintenance systems, while providing strong support and oversight from shore management. All vessels can count on technologically advanced equipment and the required resources to support the crew in the implementation of the Company's safety and environmental standards for the prevention of Incidents such as grounding and collisions, including environmental pollution. Furthermore, the Company adopts an insurance policy, which covers pollution damages from bunker fuel or cargo (Protecting and indemnity insurance), for up to 1 billion US Dollars.

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, 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 TMSA 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 during all of 2021. Many 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 condition-based maintenance (CBM) through the use of specific tools, techniques, hardware and software systems and tools, with the aim 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 recent pandemic.

The growing trends in digitalization and mobile applications have clearly highlighted the need to modernize our fleet's management tools, 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 was completed in January 2022.

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. In 2021 a further step was achieved in the use of robotics technology using a drone equipped with a certified probe to measure the thickness of steel plates.

New specific environmental (MARPOL) internal audits were 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 performed 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 2020/2021.

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 which presently is ongoing and projected to be completed by the mid-June 2022.

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; it is 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 or for the crew's safety.

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 the implemented environmental compliance plan.

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, reduction of emissions and decarbonization projects

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 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 2021 is under review by the Performance Monitoring Department and will be transmitted pursuant to the EU Regulation 2015/757.

A very similar process is now implemented for all UK voyages. After Brexit the UK has established its own monitoring, reporting and verification Regime. DIS has prepared an addendum to each of its vessels' Monitoring and Reporting Plan to include this new requirement and has submitted the plan for assessment by the suitable Recognised Organisation. Data collection started on January 2022. In 2023 the report shall be submitted for verification and a Document of Compliance shall be issued.

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 ships. 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, starting from 2020 all of DIS' vessels regularly receive the Statement of Compliance relating to the data submitted covering the operation of such ships in the previous calendar year. Currently all vessel data collected for the year 2021 are 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 Optimum. This will definitively enable a more accurate vessel performance analysis to optimize vessel efficiency, leading to bunker savings and gas emission abatement.

Throughout 2020 and 2021 the technical management department of the d'Amico Group has started preparing for DIS' fleet to comply with the GHG reduction short-term measures adopted at the last IMO MEPC 76 in June 2021. The revised Annex VI requires ships to calculate their Energy Efficiency Existing Ship Index (EEXI) and establish an annual operational carbon intensity indicator (CII) and rating. The amendments to MARPOL Annex VI are expected to enter into force on 1 November 2022, with the requirements for EEXI and CII certification becoming effective from 1 January 2023.

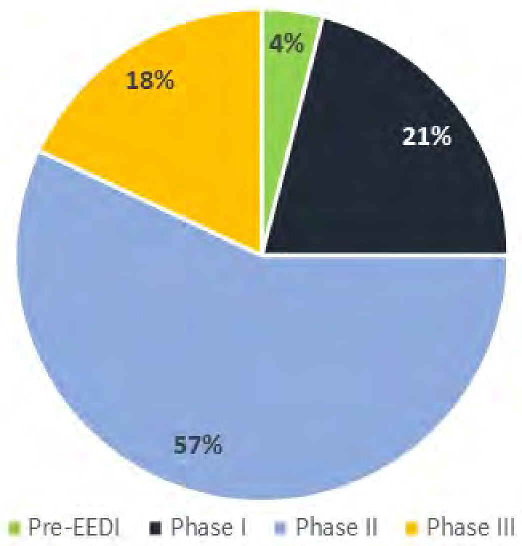
The EEXI requires existing tanker ships reach the same level of efficiency as those built in Phase II of the EEDI from the first annual survey after 1 January 2023.

The phases envisage that the "required EEDI" by type of ship be subject to a gradual percentage reduction with respect to the reference value as follows:
- Phase I (2015-2019): 10% with respect to the reference value;
- Phase II (2020-2024): 20% with respect to the reference value;
- Phase III (2025 onwards): 30% with respect to the reference value.

The primary method of compliance with Phase II for DIS' existing ships is to reduce the power installed rather than by fitting energy saving devices; this approach is adopted in first instance for time scale, and also because the energy saving devices (EDS) are not so effective in reducing the required EEXI; however, to improve the efficiency while complying with the EEXI, the technical management of the Group decided to **combine** both methods: overridable power limit (OPL) with energy saving devices (EDS).

As at the end of 2021 only 25% of DIS' fleet is not compliant with Phase II of the EEDI; for these vessels an installation of overridable power limits (OPL, an equipment reducing the engine's power) will be required.

Breakdown of DIS' fleet by EEDI phase, as at 31 December 2021



The Group established a "carbon war room" through which regular meetings occur with class representatives and original engine manufactures to identify and implement the most advanced and attractive solutions to favor the decarbonization of our fleet. Solutions evaluated include transitional fuels, propulsion systems and energy saving devices.

In June 2021 the technical management department of the d'Amico Group launched a **joint industry project** (JIP) to test **biofuel blends** (B30) derived from advanced second-generation feedstock on board of one of DIS' LR1 product tankers. The trials were conducted from 19 June 2021 to 06 July 2021 with very **positive results on the reduction of CO2 emissions (using the lifecycle analysis, LCA), and on the NOx emissions, which remained stable and within the permitted limits**.

The results of the trials underline that the biofuel blend is **a viable solution to comply with the Fuel EU Regulation** and provided widespread availability of feedstock, it is a possible “drop-in” solution to speed up the decarbonization of the existing tonnage, contributing to reaching the ambitions goals set by the IMO, which currently calls for international shipping to reduce its C02 emission by 50% by 2050.

Based on the results achieved on the M/T Cielo di Rotterdam, **DIS has certified with the Flag administration for all its LR1 vessels to operate permanently with the B30 biofuel blend.**

The plan for 2022 is to certify DIS’ entire Fleet and to test the biofuels B40 and B50, following the same methodology.

With the reference to the other short terms measures, the Carbon Intensity Indicator (CII), the technical management department of the Group conducted an internal study on DIS’ Fleet, using the metric adopted by the annual efficiency ratio (AER), to understand the risk profile related to the size of vessels, type of cargo (heated or not) and particularly difficult trade routes due to severe weather conditions, and in 2021 has launched a project to calculate and monitor in real time the attained CII with the aim of taking prompt corrective actions, as deemed necessary.

Bunker consumption, and related emissions of gases, Energy consumption and related energy efficiencies indicator - Comparison for Owned and Bareboat Fleet and JV, of bunker consumption and related emissions of gases, such as CO2, NOx and SOx, into the atmosphere for the year 2019, 2020 and 2021.

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 – has significantly reduced 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.

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 2021 DIS increased the number of indicators used to assess the efficiency of its fleet. In particular, these new metrics were adopted:

- for energy consumption: the total fuel consumed multiplied by the average LCV (Low calorific value = mega joule per tonne);

- for the Co2 emissions not only the total footprint but also the EEDI (energy efficiency design Index= grams of Co2 per deadweight tonne per nautical miles), the AER (Annual Efficiency Ratio = grams of CO2 per deadweight tonne per nautical mile) and the EEOI (Energy Efficiency Operational Index = grams of CO2 per tonne-mile, which is the amount of cargo transported x nautical miles sailed). The EEDI value reflects how efficient the vessel design is in terms of C02 emissions. It aims to promote the use of efficient equipment, machineries and optimized hull and propeller designs. The smaller the EEDI the more efficient the vessel’s design. The EEOI and AER instead are operational indicators. The EEOI reflects how efficient is the ship’s operational and commercial management. Having in the formula the cargo effectively transported and the fuel oil actually consumed, the EEOI is more representative of the efficiency of the operational management rather than the AER which also uses the fuel actually consumed in the formula but then uses the vessel’s DWT instead of the actual amount of cargo transported. However, the AER has been adopted by the IMO as a metric to measure the carbon emissions of the ships starting from 2023.

- for the SOx emissions, not only the total footprint which posted a strong reduction since 2020, since DIS' vessels started burning fuel oil bunker with sulphur content lower than 0.5% as per IMO regulations, but also Sox per actual tons transported and Sox x total miles sailed.

- For the NOx emissions, not only the total footprint but also the NOx per actual tons transported and NOx x total miles sailed. The NOx calculation does not include the emissions from biofuels since the conversion factor for this type of fuel has not been agreed yet. Anyway, given the very small quantity of this fuel used in 2021, its inclusion would have only a minimal effect on total emissions.

C02 emissions	**2019**	**2020**	**2021**	**Var% 20-21**
CO2 (Millions tons) Scope 1 *total fleet*	0.607	0.578	0.505	-12.6%
AER (g C02/dwt tonne*miles) *total fleet*	6.74	6.44	6.22	-3.4%
EEDI/EEXI (g Co2/dwt tonne* Miles) *total fleet*	4.96	4.96	4.70	-5.2%
EEOI (g C02/tonne* miles) *total fleet*	16.10	16.18	15.78	-2.5%
SOx emissions				
SOx (tons x 1000) *total fleet*	10.86	1.86	1.63	-12.3%
SOx x nautical Miles (kg SOx/miles) *total fleet*	5.88	1.012	1.013	0.1%
SOx x transport Unit (kgSOx/t) *total fleet*	0.749	0.129	0.126	-2.3%
NOx emissions				
NOx (tons x 1000) *total fleet*	11.06	10.52	9.19	-12.7%
NOx x nautical Miles (Kg NOx/miles) *total fleet*	5.99	5.72	5.69	-0.3%
NOx x transport Unit (Kg NOx/t) *total fleet*	0.76	0.73	0.71	-2.7%
Energy consumption				
High Sulphur Heavy fuel Oil (tons x 1000) *total fleet*	159.38	5.27	4.24	-19.5%
Biofuel Oil (tons) total fleet	NA	NA	210.30	
Very Low Sulphur heavy fuel oil (tons x 1000) total fleet	NA	139.83	127.54	-8.8%
Marine gas oil (tons x 1000) total fleet	34.62	39.54	29.49	-25.4%
Total energy consumption (TJ) total fleet[11]	7,933.25	7,634.98	6,668.92	-12.7%
Average energy x tonne of fuel (MJ/Kg)[12]	40.89	41.34	41.29	-0.1%
% of fleet with installed Water ballast treatment system	61.6%	85.3%	93%	
% of fleet certified for the use of Biofuel blends up to B30	0%	0%	21%	

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 fitted with this equipment while the installation is planned on the remaining vessels during their next dry-docks. Furthermore, specific contingency

[11] The total energy consumption was calculated using following LCV (Low Calorific Values) conversions from the Fuel EU regulation:

- MGO: 42,7 MJ/kg.
- VLSFO: 41 MJ/kg.
- HSHFO: 40,5 MJ/kg.
- Bio Fuel: 41,65 MJ/Kg

12 The average energy x tonne of fuel is obtained dividing the total fuel consumed by the total energy consumed

measures are in place to prevent and respond to any failure and improper operation of these systems. During 2021 all ships scheduled for dry-docks have been retrofitted with BWTS in compliance with the USCG requirements.

Climate change related risks and opportunities

Climate change is impacting organizations in various ways, and it is anticipated that these impacts will continue well into the future. Organizations have an increasing need to understand, mitigate and manage climate change risks.

Future Environmental regulations and directives:

1) "Fit for 55" is the European Commission's ambitious plan to put the decarbonisation strategy into practice and lead the EU to reduce greenhouse gas emissions by 55% by 2030. The directive will have a direct impact on maritime reporting through:

   - The Emission Trading System (ETS), which will be extended to maritime transport

The ETS is a proposed directive (still under negotiation and still modifiable) that may apply from 2023 to all vessels over 5000 gross tonnes regardless of flag and to all voyages between ports in the European Economic Area (EEA) and at berth in the EEA. However, only 50% of the CO2 emissions generated from travelling through European waters to and from Europe will be considered.

According to current proposals shipowners will have to buy emissions allowances for 20% of their emissions in 2023, 45% of emissions in 2024, 70% of emissions in 2025 and 100% of emissions in 2026.

The regulations require the shipowner or the entity managing the vessel on behalf of the shipowner to be liable. It also underlines that any polluter pays, therefore the shipowner could pass the cost to the charterer who is responsible for deciding route, fuel and consumption through a contractual agreement between the parties. The monitoring tool will be the EU MRV (Monitoring, Reporting and Verification), which will have to be partially modified, but for which the d'Amico fleet is already compliant since 2017.

   - Fuel EU, which set a maximum limit on the greenhouse gas intensity of fuels used onboard

The Fuel EU is a regulation which will enter into force in 2025. It will apply to all vessels over 5000 gross tonnes calling at EEA ports with the aim of improving the GHG intensity of the fuels they use for those voyages, promoting the use of neutral emission fuels, fuels from renewable sources (such as biofuels) or low carbon fuels, while also accounting for the 'cold ironing' in ports. The requirements will take into account the GHG emissions a fuel generates throughout its lifecycle, from its production to its final consumption by the ship, not just its use by the ship.

Shipowners must calculate the carbon intensity as a quantity of GHG per unit of energy and this calculation must be assessed by a verifier. Companies must provide data on the carbon intensity and sustainability characteristics of biofuels, verified by a voluntary scheme recognised under REDII; furthermore, the verifier must issue a certificate of conformity (certificate of compliance) to ships that comply with the provisions of this regulation.

The Required GHG intensity improvements will start in 2025 and increase every five years until 2050 (2% improvement from 2025; 6% improvement from 2030; 13% improvement from 2035; 26% improvement from 2040; 59% improvement from 2045 and 75% improvement from 2050). Shipping companies that are not compliant with the rules by May 1 of the following year will have to pay a penalty. This money will support a green fuel fund in favour of the deployment of low-carbon and renewable fuels in the maritime sector. The projects financed by this fund should stimulate the production of more renewable and low-carbon fuel for vessels.

   - Energy Taxation Directive (ETD), which will introduce a minimum tax rate on certain fuels

The ETD is the European Union's framework for the taxation of energy products including electricity and most fuels. Unlike the ETS and the Fuel EU, the ETD will be paid by the bunker procurer, and it will apply to all bunkers sold in the EEA, by imposing a tax in the EEA for voyages within the EEA. The taxation will start on January 1, 2023, with a 10-year transition period. The tax is just 12% of what other sectors that use fossil fuels such as gasoline and diesel will be charged, to reduce the risk that shipowners and operators would source bunkers outside the EU.

According to the revised directive ammonia and advanced biofuels used in shipping would be exempt to encourage sustainable alternative fuels.

2) IMO's decarbonization targets. The industry's transition towards a low-carbon economy, driven largely by the IMO's strategy on reduction of greenhouse gas emissions from ships, comes with opportunities as well as risks. Many indicators, i.e: AER, CII and EEXI are coming into force in the next years, forcing shipping companies to report their results on emissions.

Climate change and greenhouse gas emissions may adversely affect DIS' operating results. Therefore, in the last few years DIS, thanks to the d'Amico Group's technical department, has constantly studied and sought new technologies and innovative solutions (such as the testing of biofuels on its vessels) anticipating and when possible foreseeing new industry regulations, to guarantee DIS' commercial relevance.

DIS' commitment to the decarbonization of the shipping industry is also underlined by projects developed with charterers, such as the "Speed optimization project" developed in 2021, which allowed the Group to identify the most efficient speed profile over the entire voyage of a vessel and to meet the required arrival time at the lowest fuel consumption.

DIS thanks to its young, modern eco -fleet guarantees a commercial activity aligned and compliant with the forthcoming EU regulations (as mentioned above in the Environmental risks and compliance section).

Disruption of supply and demand of transported commodities

In 2021 the main commodities transported by DIS were clean refined petroleum products (84.8%), fuel oils (11.5%) and vegoils (3.7%). Climate change could directly or indirectly affect the demand and supply of most of these commodities.

In particular regarding vegoils, the increase in greenhouse gases is leading to an increase in average temperature, with heatwaves and associated droughts that can lead to shortages of water with a domino effect on the crops including vegoil.

Regarding refined petroleum products and fuel oil, a strong decarbonization strategy worldwide to confront climate change, is pushing consumers towards alternative vehicles (full electric or hybrid), which will inevitably impact the global demand for this commodity.

DIS' modern, eco and mostly IMO fleet is operationally versatile and should be better able to confront such challenges. Moreover, DIS has long-term commercial partnerships with the major trading and oil companies which should prove valuable during this transition. For an operator such as DIS, renowned for its excellence in technical management and with long-standing relationships with leading charterers, this transition could therefore also offer attractive opportunities such as the transportation of alternative fuels blends (i.e.: biofuels).

Other Climate change risks

- Re-routing risks:

According to several studies on climate change, because ice continues to melt around the North Pole due to global warming, sea levels are rising, coastal erosion is worsening, and sedimentation patterns are changing. These significant changes and risk of adverse weather conditions may impact sea routes, ship channels and river transits. Therefore, since existing routes are no longer as safe or easy to navigate as they were before, new routes have to be planned. Re-routing may impact positively on costs, but less on rates.

In this regard, while respecting constraints in commercial contracts, DIS has always paid particular attention to determine the best routes and the best speed to optimise each single voyage, to reduce emissions and bunker consumption. Thanks to innovative digitalization projects developed in 2020 and 2021 (Speed - and Route Optimization projects, F.R.I.D.A. - Fleet Reporting Intelligence d'Amico database) and the implementation of the latest software (ABS NS Enterprise, an integrated digital platform), DIS exploits the value of big-data and information as assets to support its operational performance. Big data analysis has therefore become an important decision-making tool for DIS' fleet management, allowing it to evaluate for example the impact of CO2-saving devices, validate the ship's performance model by taking into account weather conditions and to assess the hydrodynamic efficiency of its vessels.

Other projects protecting 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.

The d'Amico Group supports also Battibaleno and the Delphis operation. Battibaleno is an International Non-Profit Association that protects the Mediterranean environment. It was founded in July 1995 with the objective of improving human knowledge and awareness of whales and dolphins regularly seen in the Mediterranean Sea. Every year, thousands of boaters are positioned at predetermined sea coordinates, to assist in making simultaneous observations of cetaceans on the surface of the sea.

The aim of the operation is to obtain a panoramic photo of the sea's surface. This is precious information for the scientific community and for raising awareness among the public about the importance of protecting marine biodiversity.

SOCIAL RESPONSIBILITY, HUMAN RESOURCES AND SOCIAL MATTERS

SOCIAL AND EMPLOYEE MATTERS

As at 31 December 2021, the DIS Group employed a workforce of 558 seagoing and 23 onshore employees.

Throughout 2021 the HR department has continued monitor closely the COVID 19 pandemic, adapting its policies to always be compliant with local regulations, while promoting smart working to protect the health and safety of its employees and their respective families. Flexibility and agility have become priorities for the Company to stimulate a better work-life balance for its employees.

By relying on tools and technologies capable of guaranteeing effective communication and productivity even outside of corporate offices, smart working has become an important tool for our employees to balance work commitments with their family and personal needs. At the same time, it significantly modified the relationship between the employer and employee to a dimension of trust and management by objectives.

Throughout 2021 DIS continued communicating to all its employees the recommendations of the World Health Organization (WHO) relating to the COVID-19 pandemic, on matters such as voyage limitations, including advice and/or directives of local governments. DIS throughout the year continued updating its *Outbreak Management Plan* for the containment of the spread of COVID-19 in the workplace as well as the d'Amico Group's Health and Safety Protocol, detailing safety and hygiene measures to be respected by its employees for a safe and healthy return to office premises.

DIS Group started in 2021 a mental health support program for all crew members. The agreement has been signed with "Mental Health Support & Solutions "(MHSS), who are mental health and wellbeing specialists in the maritime industry.

The d'Amico Group commits to offer an effective support system to all its staff who may be facing personal issues or need support or guidance on how to assist others, as the Covid-19 pandemic has strengthened the need for mental health and wellbeing care.

MHSS runs a 24/7 support line and is available by freephone, WhatsApp, email or SMS. It is run by MHSS professional psychologists, who are native speakers of the same languages as our personnel. Furthermore, the service is entirely confidential and anonymous. Our office is not involved in the crisis line and will receive no information about private conversations.

The MHSS team have sailed/spent time onboard vessels, understanding therefore the complexities of seafaring. Typically, once a contact is made to the support line, that professional will "stay" with the caller until the issue has been resolved. The d'Amico Group through this service encourages everyone to get-to-know the MHSS team.

MHSS' clients include large international vessel owners, managers and operators, as well as countless individual crew members and employees. They support about 5,000 vessels already.

This partnership with MHSS will create a real support network for all the seagoing personnel, providing colleagues and families at home comfort through professional advice and support that is available at any time and in any situation.

In addition to the MHSS service the company has partnered with the 'Sailor's society' to spread awareness about wellness at sea not only for the seafarers but also for their families and the company's shore staff as well. The reason is that seafarers, families, and shore staff, all face different challenges. They depend on one another, not only in a professional sense but also on a human level – giving purpose and meaning to each other's lives. They can either motivate, encourage, and inspire each other or discourage each other, causing anxiety and unease.

New joining procedures have been enforced for seagoing personnel to reduce the risk of COVID-19 infections onboard. A period of 14 days of home and hotel quarantine was established before joining and, in addition, COVID 19 molecular tests (RT-PCR) are required to all seafarers before the quarantine, after the quarantine and in the joining port before boarding the ship.

The development of DIS Group's human capital continued to represent one of the strategic priorities also during 2021, 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 unlawful behavior. 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 strengthening of policies on diversity and inclusion has been one DIS' main achievements in 2021. 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 onshore employees from 10 nations at the end of 2021, in line with the previous year, and remains as last year the same proportion of women to men in the workforce of 43.5% to 56.5%, respectively.

The largest majority of onboard personnel is from India (85%). The rest of the seagoing personnel is recruited mainly in Ukraine (4%), Russia (4%), the Philippines (3%), Italy (1%), being the remaining proportion from Bangladesh, Ethiopia, Indonesia, Latvia, Liberia and Portugal. No women were employed at the end of 2021.

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

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 Company's incentive system, which is aligned with the latest best practices.

d'Amico's Corporate Academy, which gathers all the d'Amico Group's 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 2021, despite the COVID-19 emergency, several e-learning training initiatives were provided for DIS' employees, for a total of 230 hours.

Among the training initiatives, DIS launched in 2021 some courses with The European House Ambrosetti. With this important initiative, the d'Amico Group intends to start a path of inspiration and reflection for its management, to consolidate its mission, strengthen its competitiveness, rethink new managerial skills, and adapt the capabilities of the "organization".

In particular, the initiative's focus has been on how to manage change processes in a context in which the transformation due to innovation, digitalization, energy transition, sustainability, and socio-economic evolution strongly influences business models, organizational models, processes, and skills in the Company.

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 for its shore staff of 96 % in 2021.

In 2021, 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.

Since 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 develops specific career plans for its personnel, which are constantly monitored and updated. The starting point is the cadet strategy, which includes a cooperation with nautical institutes for the education of its cadets, who could become the future officers of its fleet.

RESPECT FOR HUMAN RIGHTS

In 2021 the DIS Group continued to strengthen its practices 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 establishes 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 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 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 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 occurring ashore it should 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 onboard 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 has supported 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 onboard 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 onboard 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 tanker 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. The 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 also to a number of other 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 2021 risk assessment identified six other risk categories as the most significant:

Reputational risk: mainly through media and social media campaign.
Market risk: financial risks related to the market's volatility and cyclicality.
Natural and geopolitical risk: derive mainly from the pandemic and cybercrime.
Asset risk: mainly relating to vessel availability, which could be affected by vessel failures or non-compliance.
People availability risk: referred both to attracting and retaining personnel.
Fraud risk: mainly relating to misappropriation risk and insider-trading risk.

Reputational risk is affected mainly by media campaigns, which includes the risk of negative media by third parties and boycott campaigns; these could have negative commercial implications, entail fines, and lead to third-party surveys/investigations. The mitigation strategies implemented are mainly referred to active press monitoring, also with the support of an advisor; enforcement of employee's accountability; active/reactive communication (press releases). A spokesperson was identified to ensure information is properly communicated.

Market risk derives mainly from fluctuations in freight rates, and from interest rate and exchange rate volatility. 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 using part of its fleet in period contracts at fixed rates and by further hedging of some of the spot market exposure via Freight Future Agreements and bunker hedging. Strong corrections in freight rates can lead to losses and affect our cash balance, as well as our ability to fulfil contracts and could lead to defaults on our loans'. 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 a breach of our loans' financial covenants. Covid-19 had a material direct impact on market freight rates (in the demand for the seaborne transportation of refined petroleum products). Interest rates and exchange rates, which affect respectively the Company's financing cost, are mitigated through interest/exchange rate swaps.

Natural and geopolitical risk derives mainly from the pandemic, cybercrime and piracy.

The ongoing pandemic could lead to unavailability of employees and commercial issues. The mitigation strategies include the definition and preparation of a plan aimed at mitigating the risk of unavailability of critical resources and, consequently, minimizing the operational impact on the continuity of high-priority processes. The vessel contingency plan for Coronavirus and the HR guidelines for employees aim to reduce the pandemic risk for crew and onshore employees.

Some onboard guidelines 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 rules to be followed during repatriation trips in case of suspicious of contagion;
- Guidelines for the recruitment office and rules to be followed by joining crew (quarantine, and PCR tests before joining).

Audits and sailing inspections were particularly affected by travel restrictions and investing in new technologies in the pre COVID period avoided business continuity disruption. The early development and adoption of electronic record books (oil record, garbage record, daily sounding log), allowed DIS to perform remotely the documentations' review, avoiding onboard physical attendance. Investments in Condition Based Maintenance tools allowed DIS to monitor remotely and in real time the health status of its vessels' machineries. The standardization of vessel inspections forms with a specific check list and cross reference to company procedures became a smart guideline permitting DIS to assign the inspection to the top 2 officers onboard. Moreover, we were actively involved in the first pilot project with Rina and Liberia on how to conduct the class/annual survey remotely. Today the "remote survey" is a common practice. Further specific solutions adopted to mitigate the risk relating to the pandemic include a standard COVID19 clause added to MoAs and charter parties; dematerialization; encourage productivity of home office work through adequate IT and communication tools.

Cybercrime could affect security and business continuity. It could influence ICT services availability (system; network; data centre) and data confidentiality. A cyber security contingency plan, a disaster recovery and business continuity plan, a crisis management team and an emergency plan have been shared with employees, together with a training program and a periodical bulletin.

Political conditions and unexpected events traditionally affect our business. These could imply sanctions, extra costs and reductions in performance. The mitigation strategies include guidelines, technical support, and other specific solutions, including appropriate dry-dock planning taking into account seasons and location, adoption of technology for vessel performance monitoring, double communication systems (different bands), technological providers of weather-news and adoption of an optimum-ship-routing system.

Piracy risk 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 Southern Red Sea/ Gulf of Aden, and in the Gulf of Guinea.
In this respect, DIS has taken measures to:

minimize the risk during transit in the Gulf of Aden, to promote safer navigation;
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:

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);
kidnap and ransom insurance, which covers the perils of kidnap, wrongful detention, hijacking;
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);
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.

Asset risk relates to the potential unavailability of the vessel to generate revenues due to failure, collision or grounding.

Ship collision and grounding are serious casualties which could lead to the total loss of the vessel. Damages to the ship as well as the total loss or constructive total loss of the vessel are covered by the Hull & Machinery Policy up to the agreed insured value of the vessel less the agreed deductible. Salvage charges are covered by the H&M cover as well. Business Interruption following a collision, or a grounding event, is covered by the Loss of Hire and/or Strike Shipboard cover.

The Company adopts a planned maintenance system (PMS), 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 PMS includes scheduled technical inspections and the appropriate management of critical (spare parts - engines). The d'Amico Group has established preferred yards in key trade areas based on 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. A Company representative is always onsite to monitor the quality of the work performed and the progress of the whole project, and ready to promptly address any issues. To monitor the performance, DIS has established as a key performance indicator, the "Dry-dock planning performance", to monitor and control costs and delays. 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. The Company's aim is to maintain and operate the ships in compliance with the applicable rules and regulations (Flag Administration/Class/shipping industries requirements/local and international regulation and conventions/makers instructions) and any relevant additional requirements, procedures and standards established by the Company.

The people availability risk relates to the Company's ability to both attract and retain employees. The risk is mitigated through external and internal communication plans, together with proper compensation and professional development programs including through training.

During 2021, the 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 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 onboard 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.

In addition to the fraud risks outlined in other sections of the Company's annual report, such risks relate mainly to the misappropriation risk and insider-trading risk. Misappropriation of ICT assets could imply data confidentiality breaches. The Company's encryption policy reduces this risk to an acceptable level. Misappropriation could also result from the payment to a wrong counterparty. The Group procedures including the segregation of duties in the management of the ledgers and chart of accounts and in the approval, recording and payment of invoices, reduce this risk to an acceptable level.

The insider trading risk could generate administrative responsibilities for the Company. The Organizational Model (L.D. 231), the management of an insider register, staff training on market abuse regulation, the use of non-disclosure agreements for third parties and the maintenance of records of third parties receiving financial forecasts, reduce the risk to an acceptable level.

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 a high 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.

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 2021, 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. DIS also organized several one-on-one virtual meetings 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 information on DIS' shares, 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 2021, d'Amico International Shipping S.A.'s share capital consisted of 1,241,055,569 ordinary shares, corresponding to a market capitalization of €115,547,858.18. The Company's shares are listed on Borsa Italiana SpA, in the STAR segment.

In Q1 2021, thanks to the initial expectations of a better freight tanker market later in the year and to a general positive momentum in the equity markets, DIS' share price increased by 22.7% relative to the closing price of 2020 and reached an intra-year high of €0.1154 on 26 March 2021. However, the challenging markets experienced in 2021 due also to the many contagion waves caused by the onset of several COVID-19 variants, led to a 15.5% correction in DIS' share price in the last three quarters of 2021. DIS' share price closed 2021 at €0.0945, having risen by a modest 3.7% during the year. The average daily traded volume during the year was of 1.8 million shares, 41% lower than the previous year.

In addition, in Q1 2021, 2,849,015 own shares (representing 0.23% of the outstanding share capital of the Company) were repurchased on the regulated market managed by Borsa Italiana S.p.A. at the average share price of Euro 0.0943, for a total consideration of Euro 268,687.11. As at 31 December 2021, d'Amico International Shipping S.A. held 18,326,911 own shares, representing 1.48% of the issued share capital.

FINANCIAL CALENDAR

The Company's 2022 Financial Calendar is as follows:

2021 Annual Financial Statements	March	Thursday 10
Annual General Meeting	April	Tuesday 19
2022 First Interim Management Statements	May	Thursday 05
2022 Half Year Report	July	Thursday 28
2022 Third Interim Management Statements	November	Thursday 10

ALTERNATIVE PERFORMANCE MEASURES (APM)

Along with the most directly comparable IFRS measures, DIS' management regularly uses Alternative Performance Measures, as they provide helpful additional information for readers 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).

Contract of affreightment (COA)

An agreement between an owner and a charterer which obliges the owner to provide a vessel to the charterer to move specific quantities of cargo, at a fixed rate, over a stated time period but without designating specific vessels or voyage schedules, thereby providing the owner with greater operating flexibility than with voyage charters alone.

Disponent Owner
The company that controls a vessel, replacing the registered owner, either through a time-charter or a bareboat charter.

Fixed-rate contracts
For DIS these usually refer to revenues generated through time-charter contracts or contracts of affreightment (please refer to definitions in this section). Bareboat charter contracts are also usually fixed rate contracts but DIS controls rather than employs vessels through such contracts.

Spot charter or Voyage charter
A contract type through which a registered owner (owner) or disponent owner (please refer to definition in this section) is paid freight for transporting cargo from a loading port to a discharging port. The charterer pays the vessel owner or disponent owner on a per-ton or lump-sum basis. The payment for the use of the vessel is known as freight. The owner or disponent owner is responsible for paying voyage expenses. Typically, the charterer is responsible for any delay at the loading or discharging ports. A ship-owner or bareboat charterer operating its vessel on voyage charter is responsible for the technical management of the vessel, including crewing, and therefore also for its operating expenses.

Time charter
Is a contract type through which the registered owner (owner) or disponent owner (please refer to definition within this section) is paid usually monthly in advance charter hire at an agreed daily rate for a specified period of time (usually a fixed rate contract). With such contracts the charterer is responsible for paying the voyage expenses and additional voyage insurance. A ship-owner or bareboat charterer operating its vessel on time-charter is responsible for the technical management of the vessel, including crewing, and therefore also for its operating expenses.

SUMMARY OF THE RESULTS IN THE FOURTH QUARTER AND FY 2021

In the fourth quarter of the year, the tanker market continued to face challenges amid weak demand, especially in the crude sector. Competition for the transportation of clean cargoes from new building crude tankers in their maiden voyages had a negative effect on product tanker freight rates. Furthermore, the sharp drawdown in oil stocks throughout last year dampened trading activity but will eventually create a pent-up demand for transportation as inventories have to be replenished.

Nonetheless, the clean tanker market improved during 2021 as volumes traded steadily recovered since their mid-2020 low point. The muted fleet growth because of declining newbuilding deliveries and a surge in scrapping also supported the markets. In detail, scrapping of product tanker in 2021 rose to 3.7 million dwt, up from 1.0 million dwt the previous year.

Despite the surge in the number of Omicron cases in the last months of 2021, oil demand defied expectations rising by 1.5 million b/d in Q4, to reach 100.2 million b/d. In their most recent report, the IEA has raised their global demand estimates by 200,000 b/d for 2021 – resulting in a 5.6 million b/d annual growth.

The global refining industry ended 2021 on a high note, with both runs and margins improving. Refinery throughputs averaged 79.9 million b/d in Q4 2021, up 4.3 million b/d relative to the same quarter the previous year. In 2021, global refining capacity fell for the first time in 30 years, by 730,000 b/d, as new capacity was outweighed by closures.

OECD industry oil stocks declined by a steep 60 million barrels in December, led by large draws in middle distillates across all regions. As at the end of 2021, oil inventories stood at 2,680 million barrels, 355 million barrels lower than a year ago and at their lowest level in seven years. Stocks covered 59.6 days of forward demand, a decrease of 0.9 days from a month earlier and 3.2 days below the historical average. Refined product stocks were of 1,378 million barrels as at the end of 2021, having declined by 131 million barrels since their pre-COVID levels at the end of 2019.

The IEA estimate that during Q4 2021 higher natural gas prices increased demand for oil compared to normal seasonal trends in Europe by between 250,000 b/d and 300,000 b/d (roughly 200,000 b/d gasoil, 30,000 b/d fuel oil and 50,000 b/d in other products). In OECD Asia, fuel switching led to an increase in oil demand of 50-100,000 b/d. In other countries, such as Brazil, China and India, low precipitations and tensions in the coal market provided some support to gasoil demand.

The one-year time-charter rate is always the best indicator of spot market expectations and as at the end of December 2021 was assessed at around US$ 13,500 per day for a conventional MR2, with an Eco MR2 assessed at a premium of around US$ 2,000 / 2,500 per day.

In 2021, DIS recorded a Net loss of US$ (37.3) million vs. a Net profit of US$ 16.6 million posted in 2020. Such negative variance is attributable to a **much weaker product tanker market relative to the prior year**. Excluding results on disposal and non-recurring financial items from 2021 and 2020, as well as the asset impairment and the effects of IFRS 16, DIS' Net result would have amounted to US$ (29.1) million in 2021 compared with US$ 22.5 million recorded in the previous year. In Q4 2021, DIS posted a Net loss of US$ (8.3) million vs. a Net profit of US$ 1.1 million registered in the fourth quarter of last year. Excluding non-recurring items from both Q4 2021 and Q4 2020, the Net result would have been of US$ (6.5) million and US$ (3.6) million respectively.

DIS generated an EBITDA of US$ 64.3 million in 2021 vs. US$ 127.3 million achieved in 2020, whilst its operating cash flow was positive for US$ 31.8 million compared with US$ 84.1 million generated in the previous year.

In terms of spot performance, **DIS achieved a daily spot rate of US$ 11,004 in 2021** vs. US$ 16,771 in 2020, as a result of the much weaker market relative to the same period of last year. **In the fourth quarter of the year, DIS' daily spot rate was of US$ 12,055** vs. US$ 11,699 achieved in Q4 2020.

At the same time, 47.5% of DIS' total employment days in 2021, were covered through 'time-charter' contracts at an average daily rate of US$ 15,194 (2020: 61.9% coverage at an average daily rate of US$ 16,429). 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 negative cycles. **DIS' total daily average rate (which includes both spot and time-charter contracts) was of US$ 12,996 in 2021** compared with US$ 16,560 achieved in the previous year.

OPERATING PERFORMANCE

US$ Thousand	**2021**	**2020**
Revenue	246,455	316,314
Voyage costs	(72,369)	(58,538)
Time charter equivalent earnings*	**174,086**	**257,776**
Bareboat charter revenue	888	-
Total net revenue	**174,974**	**257,776**
Time charter hire costs	(3,395)	(13,961)
Other direct operating costs	(91,107)	(102,387)
General and administrative costs	(14,006)	(12,857)
Result from disposal of vessels	(2,144)	(1,303)
EBITDA*	**64,322**	**127,268**
Depreciation and impairment	(71,224)	(71,745)
EBIT*	**(6,902)**	**55,523**
Financial income	2,048	1,235
Financial (charges)	(31,962)	(39,865)
Loss on disposal of financial investment	-	(70)
Profit (loss) before tax	**(36,816)**	**16,823**
Taxes	(445)	(267)
Net profit (loss)	**(37,261)**	**16,556**

**see Alternative Performance Measures on page 35*

Revenue was of US$ 246.5 million in 2021 compared with US$ 316.3 million realized in the previous year. The decrease in gross revenue compared with the previous year is attributable mainly to the lower freight rates and the lower number of vessels operated on average by DIS (2021: 38.1 vs. 2020: 43.2). The percentage of off-hire days in 2021 (3.0%) was slightly lower than in the previous year (3.9%).

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$ (72.4) million in 2021 compared with US$ (58.5) million in 2020. The higher costs reflect DIS' higher exposure to the spot market and higher bunker prices, relative to the same period of last year.

Time charter equivalent earnings were of US$ 174.1 million in 2021 vs. US$ 257.8 million in 2020. The total amount for 2020 included US$ 6.2 million 'time charter equivalent earnings' generated by vessels under commercial management at the time (there was no income generated from such contracts in 2021), which was offset by an almost equivalent amount reported under 'time-charter hire costs'.

In detail, DIS realized a **daily average spot rate of US$ 11,004 in 2021** compared with US$ 16,771 achieved in 2020[13] (Q4 2021 US$ 12,055 vs. Q4 2020 US$ 11,699). Such negative variance relative to the previous year is attributable to the much weaker market conditions.

In 2021, DIS maintained a **good level of 'coverage'**[14] (fixed-rate contracts), securing an average of **47.5%** (2020: 61.9%) of its available vessel days at a **daily average fixed rate of US$ 15,194** (2020: US$ 16,429). In addition to securing

[13] 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.

[14] 2021 coverage ratio (%) and daily average covered rate include a bareboat charter out contract on an LR1 vessel owned by d'Amico Tankers d.a.c., inclusive of an assumed daily Opex of US$ 6,700 (in line with DIS' actual costs), in order to express this bareboat contract in time-charter equivalent terms. The gross revenue of this bareboat contract is reported under 'bareboat charter revenue' in the Income Statement.

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)[15, 16] was US$ 12,996 in 2021 vs. US$ 16,560 in 2020 (Q4 2021 US$ 13,165 vs. Q4 2020 US$ 15,192).

DIS TCE daily rates (US dollars)	2020					2021				
	Q1	*Q2*	*Q3*	*Q4*	***FY***	*Q1*	*Q2*	*Q3*	*Q4*	***FY***
Spot	17,354	25,118	12,866	11,699	**16,771**	9,923	12,720	9,248	12,055	**11,004**
Fixed	15,864	16,236	16,038	17,866	**16,429**	15,842	15,231	15,163	14,493	**15,194**
Average	16,391	19,555	14,864	15,192	**16,560**	12,853	13,893	12,113	13,165	**12,996**

Bareboat charter revenue was US$ 0.9 million in 2021 and it refers to the bareboat charter out contract fixed in October 2021 on one of d'Amico Tankers d.a.c.'s LR1 vessels.

Time charter hire costs. IFRS 16 Leases is effective for annual periods beginning on or after 1 January 2019 and was 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$ 49.6 million in 2021 and by US$ 57.5 million in 2020, as within the Income Statement, these costs were replaced with other direct operating costs, interest and depreciation.

The total amount for 2020 included also US$ 6.2 million in hire costs in relation to vessels under commercial management (0.9 average equivalent vessels), which was 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; there was no income or related costs generated from such contracts in 2021. Excluding the cost related to the vessels under commercial management and the effect of IFRS 16, DIS' 2021 'time-charter hire costs' would have amounted to US$ (53.0) million, lower than the US$ (65.3) million of last year. In fact, DIS operated a lower number of chartered-in vessels in 2021 (10.2 equivalent ships) relative to the prior year (11.9 equivalent ships).

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$ 22.5 million in 2021 (US$ 26.3 million increase in 2020), as within the Income Statement, time-charter hire costs are replaced by other direct operating costs, interest and depreciation. Excluding the effects of IFRS 16, DIS' 'other direct operating costs' would have amounted to US$ (68.6) million in 2021 vs. US$ (76.1) million in 2020. In 2021, the Company operated a smaller fleet of owned and bareboat vessels relative to the same period of last year (2021: 27.9 vs. 2020: 31.2). 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 'top-quality' fleet represents an essential part of d'Amico's vision and strategy.

General and administrative costs amounted to US$ (14.0) million in 2021 vs. US$ (12.9) million in 2020. These costs relate mainly to onshore personnel, together with office costs, consultancies, travel expenses and others.

Result on disposal of vessel was negative for US$ (2.1) million in 2021 vs. US$ (1.3) million in the prior year. The

[15] 2021 total daily average TCE includes a bareboat charter out contract on an LR1 vessel owned by d'Amico Tankers d.a.c., inclusive of an assumed daily Opex of US$ 6,700 (in line with DIS' actual costs), in order to express this bareboat contract in time-charter equivalent terms. The gross revenue of this bareboat contract is reported under 'bareboat charter revenue' in the Income Statement.

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

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$ 64.3 million in 2021 compared with US$ 127.3 million in 2020, reflecting the weaker freight markets experienced in 2021.

Depreciation, impairment, and impairment reversal amounted to US$ (71.2) million in 2021 vs. US$ (71.7) million in 2020. The amount of 2021 includes US$ (6.4) million impairment booked on two vessels owned by d'Amico Tankers d.a.c., one of which (M/T High Venture) was sold in the last quarter of the year, whilst the other one (M/T High Valor) was sold in January 2022 and classified as 'asset held for sale' (in accordance with IFRS 5) at the end of the period, with the difference between its fair value less cost to sell and its book value charged to the Income Statement. The amount for 2020 included 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 Q4 2020.

EBIT was of US$ (6.9) million in 2021 compared with US$ 55.5 million in 2020.

Net financial income was of US$ 2.0 million in 2021 vs. US$ 1.2 million in 2020. The 2021 amount comprises mainly US$ 1.7 million unrealized gain in relation to the ineffective part of DIS' interest rate swap agreements, US$ 0.4 million commercial foreign exchange gain, as well as bank interest income on funds held with financial institutions on deposit and current accounts. 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.

Net financial charges amounted to US$ (32.0) million in 2021 vs. US$ (39.9) million in 2020. The 2021 amount comprises mainly US$ (31.7) 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$ (0.2) million of realized losses on freight derivative instruments and foreign exchange derivative instruments used for hedging purposes. The amount recorded in the previous year included 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.

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

DIS recorded a ***Loss before tax*** of US$ (36.8) million in 2021 vs. Profit before tax of US$ 16.8 million in 2020.

Income taxes amounted to US$ (0.4) million in 2021 vs. US$ (0.3) million in 2020.

Due to the challenging market experienced in the year, **DIS recorded a *Net loss* of US$ (37.3) million in 2021** vs. a Net profit of US$ 16.6 million achieved in 2020. Excluding results on disposals and non-recurring financial items from 2021 (US$ 0.7 million[17]) and from 2020 (US$ (2.9) million[18]), as well as the asset impairment (US$ (6.4) million in 2021 and US$ (2.2) million in 2020) and the net effects of IFRS 16 from both periods (2021: US$ (1.0) million and 2020: US$ US$ (0.8) million), **DIS' Net result would have amounted to US$ (29.1) million in 2021** compared with US$ 22.5 million recorded in the previous year.

[17] US$ (2.1) million loss on disposal, US$ 1.7 million mainly due to unrealized gain on Interest rates swap agreements, and US$ (0.2) million unrealized losses on freight derivative instruments and foreign exchange derivative instruments used for hedging purposes.

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

US$ Thousand	As at 31 December 2021	As at 31 December 2020
ASSETS		
Non-current assets	831,283	918,187
Current assets	94,836	114,403
Assets held for sale	10,197	-
Total assets	**936,316**	**1,032,590**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity	332,382	365,734
Non-current liabilities	466,111	539,382
Current liabilities	135,487	127,474
Banks associated to assets held-for-sale	2,336	-
Total liabilities and shareholders' equity	**936,316**	**1,032,590**

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 2021). According to the valuation report provided by a primary broker, the estimated market value of DIS' owned and bareboat fleet as at 31 December 2021 was of US$ 727.8 million, of which US$ 717.5 million refer to vessels classified as 'Non-current assets'.

Gross Capital expenditures (Capex) were of US$ 7.0 million in 2021 vs. US$ 12.0 million in 2020. These amounts include mainly the capitalised dry-dock costs pertaining to owned and bareboat vessels.

Total current assets as at 31 December 2021 amounted to US$ 105.0 million. As at the same date, in addition to the working capital items (inventories and trade receivables amounting to US$ 11.6 million and US$ 37.1 million, respectively), current assets include 'cash and cash equivalent' of US$ 43.4 million and US$ 0.1 million relating to funds deposited by d'Amico Tankers d.a.c. with financial institutions in respect of interest rate swap contracts.

Total current assets include also *Assets held-for-sale*. The amount of US$ 10.2 million refers to a vessel owned by d'Amico Tankers d.a.c., included in the category 'Assets held for sale' (in accordance with IFRS 5) as at 31 December 2021, with the difference between its fair value and its book value charged to the Income Statement. Following the impairment allocation, a net carrying value of US$ 10.2 million was transferred to this line of the Statement of Financial Position as at the end of the period.

Non-current liabilities were of US$ 466.1 million as at 31 December 2021 and mainly consist of the long-term portion of the debt due to banks (disclosed under the Net Indebtedness section of the report) and of lease liabilities.

Total 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 2021, working capital items amounting to US$ 27.7 million (mainly relating to trade and other payables), US$ 36.5 million lease liabilities, and US$ 4.8 million other current financial liabilities.

Shareholders' equity amounted to US$ 332.4 million as at 31 December 2021 (US$ 365.7 million as at 31 December 2020). The variance relative to year-end 2020 is due to the Net result generated in 2021, partially offset by the change in the valuation of cash-flow hedges.

NET INDEBTEDNESS *

DIS' Net debt as at 31 December 2021 amounted to **US$ 520.3 million** compared to US$ 561.5 million as at 31 December 2020. Due to the application of IFRS 16 these balances include from 1 January 2019 an additional liability, the lease liability, amounting to US$ 80.5 million as at the end of December 2021 vs. US$ 96.4 million as at the end of 2020. The net debt (excluding the IFRS16 effect) / fleet market value ratio was of 60.4% as at 31 December 2021 vs. 65.9% as at 31 December 2020, 64.0% as at the end of 2019 and 72.9% as at the end of 2018.

US$ Thousand	**As at 31 December 2021**	**As at 31 December 2020**
Liquidity - *Cash and cash equivalents*	43,415	62,071
Other current financial assets	2,638	2,565
Other current financial assets – related party **	36	2,160
Total current financial assets	**46,089**	**66,796**
Bank loans and other lenders – current	68,870	46,523
Liabilities from financial lease – current	36,480	43,411
Other current financial liabilities – 3rd parties	4,765	6,824
Other current financial liabilities – related party **	-	4,309
Total current financial debt	**110,115**	**101,067**
Net current financial debt	**64,026**	**34,271**
Other non-current financial assets – third parties	9,849	12,110
Total non-current financial assets	**9,849**	**12,110**
Bank loans - non-current	226,771	263,089
Liabilities from financial lease - non-current	237,478	269,941
Other non-current financial liabilities – 3rd parties	1,862	6,352
Total non-current financial debt	**466,111**	**539,382**
Net non-current financial debt	**456,262**	**527,272**
Net financial indebtedness	**520,288**	**561,543**

* *See Alternative Performance Measures on page 35*
** *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$ 46.1 million as at the end of December 2021. The total amount comprises *Cash and cash equivalents* of US$ 43.4 million, and the current portion of deferred losses on disposal on sale and leaseback transactions, amounting to US$ 2.7 million.

Total Non-Current Financial Assets comprise mainly deferred losses on disposal on sale and leaseback transactions.

The total outstanding bank debt (*Bank loans*) as at 31 December 2021 amounted to US$ 295.6 million, of which US$ 68.9 million is due within one year. In addition to some short-term credit lines, DIS' debt as at 31 December 2021 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$ 102.8 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 in 2005, with an outstanding debt of US$ 20.6 million;

(iii) DnB NOR Bank 5-years term-loan facility to finance 1 MR vessel built in 2012, with an outstanding debt of US$ 11.8 million;

(iv) ING 5-years term-loan facility to finance 1 MR vessel built in 2012, with an outstanding debt of US$ 11.3 million;
(v) ABN Amro 5-years term-loan facility to finance 3 Handysize vessels built respectively in 2014, 2015 and 2016, with an outstanding debt of US$ 43.0 million;
(vi) Banca IMI (Intesa Group) 7-years term-loan facility to finance 1 Handy-size vessels built in 2016, with a total outstanding debt of US$ 14.3 million;
(vii) Skandinaviska Enskilda Banken 5-years term-loan facility to finance 1 LR1 vessel built in 2017, with an outstanding debt of US$ 20.0 million;
(viii) Century Tokyo Leasing 6-years term-loan facility to finance 1 Handy-size vessel built in 2016 and 1 MR vessel built in 2017, with a total outstanding debt of US$ 29.6 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$ 17.8 million, to finance 4 Glenda International Shipping d.a.c. vessels built between 2010 and 2011.

Lease liabilities include the leases on M/T High Fidelity, M/T High Discovery, 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 2021, US$ 80.5 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 2021, **DIS' net cash flow was negative for US$ (18.9) million** vs. US$ 27.8 million in 2020.

US$ Thousand	**2021**	**2020**
Cash flow from operating activities	**31,826**	84,128
Cash flow from investing activities	**6,653**	43,822
Cash flow from financing activities	**(57,367)**	(100,173)
Change in cash balance	**(18,888)**	**27,777**
Cash and cash equivalents net of bank overdrafts at the beginning of the year*	**45,294**	**17,517**
Cash and cash equivalents at the end of the year	43,415	62,071
Bank overdrafts at the end of the year	(17,009)	(16,777)
Cash and cash equivalents net of bank overdrafts at the end of the year	**26,406**	**45,294**

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

Cash flow from operating activities was positive, amounting to US$ 31.8 million in 2021 vs. US$ 84.1 million in 2020. This negative variance is attributable to the much weaker spot market in 2021 relative to the previous year.

The net ***Cash flow from investing activities*** was positive for US$ 6.7 million in 2021 (US$ 43.8 million in 2020). The 2021 amount comprises mainly the costs relating to drydocks which occurred in the period, partially off-set by the reimbursement of US$ 3.2 million of a sellers' credit relating to the sale and TC-back of two MRs in 2017 and by US$ 10.5 million generated from the sale of M/T High venture in Q4 2021. The 2020 amount comprised 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.

Cash flow from financing activities was negative, amounting to US$ (57.4) million in 2021. This figure comprises mainly: (i) US$ (91.9) million in bank debt repayments (of which: US$ (2.5) million were due to the reimbursement of the loan, including the balloon, for the M/T High Venture, sold in Q4 2021; US$ (58.0) million were due to the reimbursement of the facilities on M/T Cielo di Gaeta, M/T Cielo di Ulsan, M/T Cielo di Hanoi, and M/T Cielo Bianco, whose debt was due to expire in 2022 and was entirely refinanced in Q4 2021); ii) US$ 76.8 million bank debt drawdown, deriving from a US$ 3.8 million refinancing with Crédit Agricole of M/T High Priority (a MR vessel, which was leased by d'Amico Tankers as at 31 December 2020 and whose purchase option was exercised on 5 February 2021), a US$ 10.0 million draw-down on the hot-money credit line with Banca Intesa, and US$ 63.0 million related to the refinancing of the facilities on M/T Cielo di Gaeta, M/T Cielo di Ulsan, M/T Cielo di Hanoi, and M/T Cielo Bianco; iii) US$ (43.9) million repayment of lease liabilities, including US$ (9.6) million deriving from the exercise of the purchase option on M/T High Priority; (iv) US$ (0.3) million acquisition of DIS' treasury shares.

QUARTERLY RESULTS

FOURTH QUARTER RESULTS

US$ Thousand	Q4 2021	Q4 2020
Revenue	65,120	66,635
Voyage costs	(22,031)	(13,015)
Time charter equivalent earnings*	**43,089**	**53,620**
Bareboat charter revenue	888	-
Total net revenue	**43,977**	**53,620**
Time charter hire costs	(880)	(1,829)
Other direct operating costs	(22,352)	(23,752)
General and administrative costs	(3,778)	(3,605)
Result from disposal of vessels	(533)	(603)
EBITDA*	**16,434**	**23,831**
Depreciation and impairment	(16,402)	(14,104)
EBIT*	**32**	**9,727**
Financial income	(88)	985
Financial (charges)	(7,987)	(9,498)
Profit (loss) before tax	**(8,043)**	**1,214**
Income taxes	(288)	(64)
Net profit (loss)	**(8,331)**	**1,150**

* *See Alternative Performance Measures on page 35*

MARKET AND KEY OPERATING MEASURES REVIEW BY QUARTER *

	Q1	Q2	Q3	Q4	FY
Total vessel equivalent					
2021	**38.8**	**38.0**	**38.0**	**37.7**	**38.1**
2020	**46.0**	**44.4**	**41.9**	**40.4**	**43.2**
Off-hire days/available vessel days (%)					
2021	**4.5%**	**4.1%**	**0.6%**	**2.8%**	**3.0%**
2020	**1.8%**	**3.5%**	**5.6%**	**5.1%**	**3.9%**
TCE earnings per employment day (US$)					
2021	**12 853**	**13 893**	**12 113**	**13 165**	**12 996**
2020	**16 391**	**19 555**	**14 864**	**15 192**	**16 560**

* *See Alternative Performance Measures on page 35*

FINANCIALS BY QUARTER

The 2021 quarterly financials largely reflect the performance of freight markets during that period.

US$ Thousand	Q1	Q2	Q3	Q4	FY
Revenue	59,121	62,916	59,298	65,120	246,455
Voyage costs	(16,365)	(16,781)	(17,192)	(22,031)	(72,369)
Time charter equivalent earnings*	**42,756**	**46,135**	**42,106**	**43,089**	174,086
Bareboat charter revenue	-	-	-	888	888
Total net revenue	**42,756**	**46,135**	**42,106**	**43,977**	**174,974**
Time charter hire costs	(259)	(1,361)	(895)	(880)	(3,395)
Other direct operating costs	(24,477)	(21,714)	(22,564)	(22,352)	(91,107)
General and administrative costs	(3,340)	(3,650)	(3,238)	(3,778)	(14,006)
Result on disposal of vessels	(528)	(545)	(538)	(533)	(2,144)
EBITDA*	**14,152**	**18,865**	**14,871**	**16,434**	**64,322**
Depreciation and impairment	(16,428)	(16,203)	(22,191)	(16,402)	(71,224)
EBIT*	**(2,276)**	**2,662**	**(7,320)**	**32**	**(6,902)**
Net Financial income	773	246	1,117	(88)	2,048
Net Financial (charges)	(8,194)	(8,229)	(7,552)	(7,987)	(31,962)
Profit (loss) before tax	**(9,697)**	**(5,321)**	**(13,755)**	**(8,043)**	**(36,816)**
Income taxes	(71)	(90)	4	(288)	(445)
Net profit (loss)	**(9,768)**	**(5,411)**	**(13,751)**	**(8,331)**	**(37,261)**

* *See Alternative Performance Measures on page 35*

The following table shows the **Net Debt** as at the end of the fourth quarter compared with the figures at end of the third quarter of 2021:

US$ Thousand	**As at 31 December 2021**	**As at 30 September 2021**
Total current financial assets	46,089	45,306
Total current financial debt	110,115	133,092
Net current financial debt	**64,026**	**87,786**
Total non-current financial assets	9,849	10,346
Total non-current financial debt	466,111	461,746
Net non-current financial debt	**456,262**	**451,400**
Net financial indebtedness*	**520,288**	**539,186**

* *See Alternative Performance Measures on page 35*

SIGNIFICANT EVENTS IN THE YEAR

In 2021, the main events for the d'Amico International Shipping Group were the following:

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 share price of Euro 0.0949, 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 share price of Euro 0.0936, 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 issued share capital.

The transactions were executed 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 updated by means of a press release issued on 13 November 2019).

Medium-to-Long Term Incentive Plan: With reference to the management of the bonus relating to the conclusion of the first cycle (vesting period 2019-2020) of the Medium-to-Long Term Incentive Plan adopted by the Company, (hereinafter the LTI Plan), since DIS reached the objectives set, the Beneficiaries were rewarded with the relevant "cash" portion of the bonus with the final balance paid in shares, through a deferred allocation over two years and in two tranches with the first one in 2022, according to the provisions of the Plan's Information Document (published in the Corporate Governance section of DIS' website).

Buyback programme: On 6 May 2021, the Board of Directors of d'Amico International Shipping S.A. resolved to start an own shares buy-back programme pursuant to the new authorization recently issued by the annual general meeting of shareholders held on 20 April 2021 (the "Programme"). As per the shareholders' new authorization, the Company can repurchase up to 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).

According to the resolution of the Board of Directors the maximum value of own shares that can be repurchased under the Programme cannot exceed Euro 45,000,000.00.

The authorization to repurchase and sell the Company's own shares in one or more tranches has been granted to the Board of Directors, with the option to delegate, for a maximum period of five (5) years from April 20th, 2021 (i.e., date of the relevant shareholder's meeting approving the renewal of the authorization) and thus expiring on April 20th, 2026.

Regarding the Programme's implementation, the Company confirms that the repurchase and disposal of own shares shall be carried out in one or more tranches on the regulated market managed and organized by Borsa Italiana S.p.A. in accordance with the relevant provisions of the Market Abuse Regulation, so as to assure a fair deal to all the shareholders and will be executed and coordinated by Equita Sim S.p.A., an equity broker that was duly engaged for this purpose by the CFO, who will act completely independently and without any influence from the Company regarding the moment of such repurchases and disposals, in accordance with the relevant applicable laws and of the above mentioned Shareholders' new authorization. In all cases, each transaction shall be executed and publicized in accordance with Luxembourg and/or Italian laws and regulations where applicable, as well as according to the relevant provisions concerning exemptions from market abuse applicable legislation for buyback programs and stabilization of financial instruments. In particular, any authorized own shares sales operations shall be carried out at any time, not being subject to any time limit and notably to pursue the purposes of the Programme.

Fourth exercise period of DIS' Ordinary shares warrants 2017-2022: On 31 May 2021, d'Amico International Shipping S.A. confirmed that the holders of "d'Amico International Shipping's Warrants 2017 – 2022", ISIN code n. LU1588548724 (the "Warrants") could apply for their Warrants to be exercised on any Banking Day (days on which banks in Luxembourg and in Italy are generally open for business as defined in the terms and conditions of the

Warrants) starting from 1st June, 2021 until 30th June, 2021, both dates included (the "Fourth Exercise Period"), with the right to subscribe for newly issued ordinary shares of DIS admitted to trading on the MTA market organized and managed by Borsa Italiana S.p.A., each without par value and with the same rights and features as DIS' ordinary shares outstanding at the issue date (the "Warrant Shares"), in the ratio of one (1) ordinary DIS share for one (1) Warrant exercised. The exercise price for the Fourth Exercise Period amounted to EUR 0.382 (zero point three hundred and eighty-two Euros) per Warrant Share.

Capital increase following the fourth exercise period of DIS' Ordinary shares warrants 2017-2022: on 2 July 2021 following the completion of the Fourth Warrants exercise period, in which 343 Warrants were exercised, leading to the issuance of 343 new ordinary shares, the Company's share capital amounted to US$ 62,052,667.45, divided into 1,241,053,349 shares with no nominal value.

Fifth exercise period of DIS' ordinary shares warrants 2017-2022: On 27 December 2021, d'Amico International Shipping S.A. announced that the fifth additional exercise period of the "d'Amico International Shipping's Warrants 2017 – 2022" (the "Warrants"), ISIN code n. LU1588548724 had ended (the "Fifth Additional Exercise Period"). During this Fifth Additional Exercise Period no. 2,220 Warrants were exercised at the price of Euro 0.397 per ordinary share, resulting in the subscription of n. 2,220 Warrant Shares – on the basis of a ratio of one (1) Warrant Share, for each one (1) Warrant exercised – admitted to trading on the Euronext STAR Milan 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 amounted to US$ 62,052,778.45, represented by 1,241,055,569 ordinary shares without nominal value. The Warrant Shares have the same ISIN code of DIS' ordinary shares already outstanding (LU0290697514) and were issued, in compliance with the Terms and Conditions of the Warrants, on 29 December 2021, making them available to those Warrant holders who validly exercised their Warrants, through the settlement centralized management system operated by Euroclear Bank S.A./N.V. and Clearstream Banking S.A. (together the "ICSDs").

Capital increase following the fifth exercise period of DIS' Ordinary shares warrants 2017-2022: on 29 December 2021 following the completion of the Fifth Warrants exercise period, in which 2,220 Warrants were exercised, leading to the issuance of 2,220 new ordinary shares, the Company's share capital amounted to US$ 62,052,778.45, divided into 1,241,055,569 shares with no nominal value.

Signature of three new facilities, including DIS' first sustainability-linked loan, for the refinancing of all DIS' debt maturing in 2022: On 30 December 2021, d'Amico International Shipping S.A. announced that its fully-owned operating subsidiary d'Amico Tankers D.A.C. (Ireland) ("d'Amico Tankers" or "Subsidiary"), had already signed contracts with leading banks to refinance all its loans maturing in 2022 with their related balloons. In detail:

- d'Amico Tankers signed a US$43.0 million 5-year term loan facility with ABN Amro Bank N.V., to refinance the bank loans maturing in 2022 on MT Cielo di Ulsan, MT Cielo di Hanoi, and MT Cielo di Gaeta. All three tranches of this new facility have been drawn down, with the respective previous financings reimbursed. This is also DIS' first sustainability-linked loan, with its margin adjusted based on the CO_2 emissions of d'Amico Tankers' fleet and associated AER (annual efficiency ratio) indicator relative to the AER trajectory established by the Poseidon Principles for the type of vessels controlled by our Subsidiary.
- d'Amico Tankers signed a US$20.0 million 5-year term loan facility with Skandinaviska Enskilda Banken (SEB), to refinance the bank loan maturing in 2022 on MT Cielo Bianco. This facility has been drawn down and the previous financing reimbursed.
- d'Amico Tankers signed a US$15.5 million 5-year term loan facility with Banco BPM S.p.A., to refinance the bank loan maturing in 2022 on MT Cielo di Salerno. This loan has been drawn down and the previous financing reimbursed in January 2022.

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 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-out contract 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 a further 6 months, starting from March 2021.

In March 2021, d’Amico Tankers d.a.c. extended a time charter-out contract with an oil-major for one of its Handy-size vessels for 12 months, starting from the end of May 2021.

In April 2021, d’Amico Tankers d.a.c. fixed one of its Handy-size vessels with a leading trading house for 12 months with an option for further 12 months, starting from the end of April 2021.

In May 2021, d’Amico Tankers d.a.c. fixed one of its MR vessels with a leading trading house for 12 months with an option for further 12 months, starting from the end of May 2021, extended a time charter-out contract with an oil-major for one of its MR vessels for 24 months, starting from mid-September 2021 and extended a time charter-out contract with a leading trading house for one of its LR1 vessels for 6 months, starting from mid-September 2021.

In June 2021 d’Amico Tankers d.a.c. extended a time charter-out contract with an oil-major for one of its LR1 vessels for 6 months with an option for a further 6 months, starting from mid-July 2021 and fixed one of its MR vessels with a leading trading house for 12 months with an option for further 12 months starting mid-June 2021.

In July 2021, d’Amico Tankers d.a.c. fixed one of its Handy-size vessels with a reputable counterparty for 6 months with an option for a further 3 months, starting from July 2021.

In September 2021 d’Amico Tankers d.a.c. fixed one of its LR1 vessels with a leading trading house for 6 months with an option for further 6 months, starting in September 2021.

In October 2021, d’Amico Tankers d.a.c. extended a time charter out contract with a leading trading house on one of its MR vessels for 6 months with an option for further 6 months.

In November 2021, d’Amico Tankers d.a.c. fixed one of its LR1 vessels with a leading trading house for 6 months with an option for further 6 months, starting in November 2021.

In December 2021, d’Amico Tankers d.a.c. extended a time charter out contract with an oil major for one of its LR1 vessels for 6 months with an option for further 3 months, starting in January 2022

‘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.

‘**Bareboat Charter-Out’ Fleet**: In October 2021, d’Amico Tankers d.a.c. fixed one of its LR1 vessels on a 5-year bareboat charter contract with a reputable industrial counterparty. In addition, the bareboat charterer has the option to extend the contract for two further years.

Vessel Sale: In October 2021, d’Amico Tankers d.a.c signed a memorandum of agreement for the sale of the M/T High Venture, a 51,087 dwt MR product tanker vessel, built in 2006 by STX, South Korea, for a consideration of US$ 10.7 million.

Vessel Sale: In December 2021, d’Amico Tankers d.a.c signed a memorandum of agreement for the sale of the M/T High Valor, a 46,975 dwt MR product tanker vessel, built in 2005 by STX, South Korea, for a consideration of US$ 10.3 million.

SIGNIFICANT EVENTS SINCE THE END OF THE PERIOD AND BUSINESS OUTLOOK

'**Time Charter-Out' Fleet**: In January 2022, d'Amico Tankers d.a.c. extended a time charter-out contract with a reputable counterparty for one of its Handy-size vessels for 6 months.

Ukraine war: The impact of the Ukrainian war in our markets is still difficult to evaluate since the scenario is evolving rapidly. On the one hand the potential for a reduction in the supply of oil is a source of concern, on the other hand, this could generate an increase in ton-mile demand for the seaborne transportation of both crude and refined products, as imports of these commodities by Europe might need to be sourced from further away. We currently do not have receivables outstanding from Russian companies. As at the end of February 2022, 5.3% our seafarers were Ukrainian nationals and 3.0% were Russian nationals. On eight of DIS' vessels technically managed by the d'Amico Group we have both Ukrainian and Russian nationals. These seafarers have in most cases known one another for some time and have good relationships. Our crew members have nonetheless been trained to resolve conflicts, if these were to arise, and all our seafarers benefit from a mental care service if required.

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

	As at 31 December 2021				As at 10 March 2022			
	LR1	**MR**	**Handysize**	**Total**	**LR1**	**MR**	**Handysize**	**Total**
Owned	5.0	8.0	6.0	19.0	5.0	7.0	6.0	18.0
Bareboat chartered*	1.0	7.0	-	8.0	1.0	7.0	-	8.0
Long-term time chartered	0.0	9.0	-	9.0	0.0	9.0	-	9.0
Short-term time chartered	0.0	1.0	-	1.0	0.0	1.0	-	1.0
Total	6.0	25.0	6.0	37.0	6.0	24.0	6.0	36.0

* with purchase obligation

BUSINESS OUTLOOK

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, (v) the product tankers' fleet growth rate, (vi) the efficiency of the fleet due to among other factors, congestion and average sailing speeds and (vii) average sailing distances. Some of the factors that could drive a recovery in the product tankers market in the medium-term are detailed below:

Product Tanker Demand

- In their January '22 report, the IMF projected that global growth should moderate from 5.9% in 2021 to 4.4% in 2022—cutting their 2022 forecasts by half a percentage point. The revision largely reflected reduction in growth forecasts of 1.2% for the US economy and of 0.8% for China. The lower forecasts for China deriving mainly from the pandemic-induced disruptions related to their zero-tolerance COVID-19 policy and protracted financial stress among property developers. Global growth is expected to slow further to 3.8% in 2023.

- According to the IEA, OECD commercial oil stocks declined by a steep 60 million barrels (1.9 million b/d) in December '21, led by large draws in middle distillates across all regions. Inventories as at the end of 2021 were 355 million barrels lower than one year prior, with product stocks accounting for 50% of the decline. Total oil stocks in OECD Asia and Europe in December fell to historical lows, based on their records dating back to 1984, following a strong rise in demand partly caused by natural gas to oil switching. At 2,680 million barrels, inventories at the end of 2021 stood 255 million barrels below the 2016-2020 average, and at the lowest level in more than seven years. In terms of forward demand, industry oil stocks covered 59.6 days at end-December 2021, a decrease of 0.9 days over the month and 3.2 days below the 2016-2020 average. Preliminary data point to further declines in January of 13.5 mb, contrary to the normal seasonal trend.

- Refined product stocks are also well below their 2016-2020 averages, having declined to 1,376 million barrels at the end of 2021, 131 million barrels below their pre-COVID levels at the end of 2019.

- According to the IEA's February 2022 report, the global refining industry has underperformed relative to demand for the past six quarters. This is expected to turn in 2022 with the 3.8 million b/d forecasted increase in throughput exceeding demand growth of 3.2 million b/d. Q4 2022 runs are forecast to reach 82.7 million b/d, 2.8 million b/d higher than in 2021 and exceeding pre-covid levels by around 1.0 million b/d.

- The IEA in its latest February '22 report predicted oil supply will grow by a significant 6.3 million b/d in '22 to reach 101.5 million b/d. Increase from non-OPEC countries should amount to 2.0 million b/d of which 1.2 million b/d from the US. The situation in Ukraine which could result in sanctions being imposed on Russian oil, represents a threat to this oil supply picture.

- According to IEA's February 2022 report, world oil demand is projected to increase by 3.2 million b/d in 2022 following a rise of 5.6 mb/d in 2021. The milder-than-expected negative impact of the Omicron variant on demand has been largely offset by additional consumption stemming from a cold snap in the US and a continued switch to oil from gas in some industrial sectors.

- In their January 2022 outlook, Clarksons estimates that in 2022 product tanker demand will grow by 7.3%, well above the expected increase in fleet supply (see below).

- More than 70% of new refining capacity in the next four years will be located east of Suez. The IEA estimates that around 800,000 b/d of refining capacity has been closed in North America since the pandemic began. Engen have announced the conversion of their 120,000 b/d refinery in Durban (responsible for approximately 17% of the country's fuel production) into a terminal/storage facility. In the long run, recovering demand and structural shifts in the refining landscape are likely to boost long-haul product trades.

Product Tanker Supply

- At the beginning of the year, Clarksons estimated 97 MRs and LR1s would be delivered in 2021, whilst only 75 such vessels were delivered last year.

- In their January 2022 outlook, Clarksons estimates this year the product tanker fleet will grow by only 1.3%.

- A large number of demolition yards were temporarily shut in 2020 during the pandemic. However, the rebound in steel prices has improved demand for tonnage recycling. Demolition is expected to continue at a significant pace in the near future, as long as freight markets remain weak. Tanker demolition rose to the second highest annual total of the last 18 years in 2021, with 147 vessels, equivalent to 14.3 million dwt, scrapped.

- Crude tanker recycling in 2021 rose to 10.6 million dwt, up from 2.2 million dwt the previous year, whilst product tanker scrapping rose to 3.7 million dwt in 2021, up from 1.0 million dwt the previous year. Scrapping in the MR and LR1 segments reached 2.45 million dwt in 2021 compared with 440,000 dwt in 2020.

- According to Clarksons, new building prices for MR and LR1 have increased by just over 15% in 2021. This is attributable mostly to a reduction in tanker new building slots, due to sizeable orders in other sectors, and to an increase in the price of steel.

- According to Clarksons as at the end of January'22, 6.2% of the MR and LR1 fleet was over 20 years old (in dwt), whilst the orderbook in these segments represented only 3.8% of the trading fleet (in dwt). As at the same date 28.7% of the MR and LR1 fleet (in dwt) was more than 15 years-old and this percentage should continue rising fast over the coming years.

- 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 76) in June 2021, measures were adopted which will be enforceable from 1 November 2022, requiring operators to measure their vessels' energy efficiency existing ship index (EEXI), reflecting their technical efficiency, and their carbon intensity indicator (CII), assessing how efficiently they are managed. Both measures aim to cut emissions progressively from 2023 to 2030.

- The expected technological change required to meet increasingly demanding environmental regulation is reducing appetite for new building orders, since such vessels could be obsolete soon after delivery. Furthermore, the increase in new building costs and decrease in yard availability is also negatively affecting the appetite for new orders.

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To the Shareholders of
d'Amico International Shipping S.A.
25C Boulevard Royal
L-2449 Luxembourg

Livange, 10 March 2022

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 31 December 2021, 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 31 December 2021, 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.

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 821,434 as at 31 December 2021.

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 12 ("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 tested 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 12 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.

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.

The Board of Directors is responsible for presenting and marking up the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format (“ESEF Regulation”).

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.

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- 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.

- Assess whether the consolidated financial statements have been prepared, in all material aspects, in compliance with requirements laid down in the ESEF Regulation.

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.

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 five 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.

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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.

We have checked the compliance of the consolidated financial statements of the Group as at 31 December 2021 with relevant statutory requirements set out in the ESEF Regulation that are applicable to consolidated financial statements.

For the Group it relates to:

- Consolidated financial statements prepared in XHTML format;
- The XBRL markup of the consolidated financial statements using the core taxonomy and the common rules on markups specified in the ESEF Regulation.

In our opinion, the consolidated financial statements of the Group as at 31 December 2021, have been prepared in all material aspects, in compliance with the requirements laid down in the ESEF Regulation.

MOORE Audit S.A.

Raphael LOSCHETTER
Réviseur d'Entreprises Agréé

D’AMICO INTERNATIONAL SHIPPING GROUP
CONSOLIDATED FINANCIAL STATEMENTS
Year ended 31 December 2021

Consolidated Income Statement

US$ Thousand	Note	2021	2020
Revenue	(3)	246,455	316,314
Voyage costs	(4)	(72,369)	(58,538)
Time charter equivalent earnings*	(5)	**174,086**	**257,776**
Bareboat charter revenue	(3)	888	-
Total net revenue		**174,974**	**257,776**
Time charter hire costs	(6)	(3,395)	(13,961)
Other direct operating costs	(7)	(91,107)	(102,387)
General and administrative costs	(8)	(14,006)	(12,857)
Result from disposal of vessels	(9)	(2,144)	(1,303)
EBITDA *		**64,322**	**127,268**
Depreciation and impairment	(12), (13)	(71,224)	(71,745)
EBIT *		**(6,902)**	**55,523**
Financial income	(10)	2,048	1,235
Financial (charges)	(10)	(31,962)	(39,865)
Loss on disposal of financial investment		-	(70)
Profit (loss) before tax		**(36,816)**	**16,823**
Tax	(11)	(445)	(267)
Net profit (loss)		**(37,261)**	**16,556**
Basic earnings per share in US$(1)		**(0.030)**	**0.013**

**see Alternative Performance Measures on page 35*

Consolidated Statement of Other Comprehensive Income

US$ Thousand	2021	2020
Profit (loss) for the period	(37,261)	16,556
Items that can subsequently be reclassified into Profit or Loss		
Movement in valuation of Cash flow hedges	4,251	(2,458)
Movement in conversion reserve	7	141
Total comprehensive result for the period	**(33,003)**	**14,239**
Basic comprehensive income (loss) per share in US$(1)	(0.027)	0.012

The notes from page 65 to 102 form an integral part of these consolidated financial statements

(1) Basic earnings per share (e.p.s.) in 2021 was calculated on an average number of 1,222,912,808 outstanding shares, while in 2020 it was calculated on an average number of 1,230,923,922 outstanding shares. There was no dilution effect either in 2021 or in 2020 e.p.s.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

US$ Thousand	Note	As at 31 December 2021	As at 31 December 2020
ASSETS			
Property, plant and equipment (PPE) and Right-of-use assets (RoU)	(12)	821,434	901,765
Investments in jointly controlled entities	(14)	-	4,312
Other non-current financial assets	(15)	9,849	12,110
Total non-current assets		**831,283**	**918,187**
Inventories	(16)	11,643	8,885
Receivables and other current assets	(17)	37,104	38,722
Other current financial assets	(15)	2,674	4,725
Cash and cash equivalents	(18)	43,415	62,071
Current Assets		**94,836**	**114,403**
Assets held for sale	(13)	10,197	-
Total current assets		**105,033**	**114,403**
TOTAL ASSETS		**936,316**	**1,032,590**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	(19)	62,053	62,053
Accumulated losses	(19)	(80,568)	(43,307)
Share Premium	(19)	368,823	368,853
Other reserves	(19)	(17,926)	(21,865)
Total shareholders' equity		**332,382**	**365,734**
Banks and other lenders	(20)	226,771	263,089
Non-current lease liabilities	(21)	237,478	269,941
Other non-current financial liabilities	(15)	1,862	6,352
Non-current liabilities		**466,111**	**539,382**
Banks and other lenders	(20)	66,534	46,523
Current lease liabilities	(21)	36,480	43,411
Payables and other current liabilities	(22)	27,665	26,367
Other current financial liabilities	(15)	4,765	11,133
Current tax payable	(23)	43	40
Current liabilities		**135,487**	**127,474**
Banks associated to assets held-for-sale	(13)	2,336	-
Total current liabilities		**137,823**	**127,474**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**936,316**	**1,032,590**

10 March 2022

On behalf of the Board

Paolo d'Amico
Chairman, Chief Executive Officer

Antonio Carlos Balestra di Mottola
Chief Financial Officer

The notes from page 65 to 102 form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

US$ Thousand	2021	2020
Profit (loss) for the period	**(37,261)**	**16,556**
Depreciation and amortisation	64,802	69,522
Impairment	6,422	2,223
Current and deferred income tax	445	267
Net lease cost	17,131	19,870
Other financial charges (income)	12,783	18,873
Result on disposal of fixed assets	2,144	1,303
Balance on disposal of investments	-	70
Other non-cash changes	(23)	(5)
Cash flow from operating activities before changes in working capital	**66,443**	**128,679**
Movement in inventories	(2,758)	1,194
Movement in amounts receivable	(1,570)	6,680
Movement in amounts payable	419	(16,584)
Taxes paid	(389)	(622)
Net cash payment for the interest portion of the IFRS16 related lease liability	(17,130)	(19,866)
Net interest paid	(13,189)	(15,353)
Net cash flow from operating activities	**31,826**	**84,128**
Acquisition of fixed assets	(7,033)	(12,019)
Proceeds from disposal of fixed assets	10,486	55,331
Deferred cash-in from the sale of fixed assets	3,200	-
Movement in financing to equity accounted investee	-	510
Net cash flow from investing activities	**6,653**	**43,822**
Share capital increase	1	8
Other changes in shareholders' equity	(31)	(858)
Purchase of treasury shares	(336)	-
Shareholder's financing	-	(5,000)
Net movement in other financial receivables	2,023	2,263
Net movement in other financial payables	-	(2,699)
Bank loan repayments	(91,878)	(104,850)
Bank loan drawdowns	76,756	47,742
Repayments of principal portion of leases	(43,902)	(36,779)
Net cash flow from financing activities	**(57,367)**	**(100,173)**
Net increase (decrease) in cash and cash equivalents	**(18,888)**	**27,777**
Cash and cash equivalents net of bank overdrafts at the beginning of the year	45,294	17,517
Cash and cash equivalents net of bank overdrafts at the end of the year	**26,406**	**45,294**
Cash and cash equivalents	43,415	62,071
Bank overdrafts	(17,009)	(16,777)

The notes from page 65 to 102 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 2021	**62,053**	**(43,307)**	**368,853**	**(16,155)**	**(5,710)**	**365,734**
Share capital increase	*-	-	1	-	-	1
Treasury shares	-	-	-	(336)	-	(336)
Other changes	-	-	(31)	17	-	(14)
Total comprehensive income	-	(37,261)	-	7	4,251	(33,003)
Balance as at 31 December 2021	**62,053**	**(80,568)**	**368,823**	**(16,467)**	**(1,459)**	**332,382**

* Following the exercise of the warrants, on 1 July and on 29 December 2021 the Share capital increased by US$ 128; that amount falls below DIS' US$ thousand reporting threshold.

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**

The notes from page 65 to 102 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 the 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, which is 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 2021.

Subsidiaries

Subsidiaries are 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 Group's net 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; 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 on a line adjacent to the '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 its joint arrangements, including legal form, terms of the contractual arrangements and other relevant facts and circumstances.

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 12.

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 our latest estimates of such expenses for each specific voyage.

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 25.

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 revenue recognition under this principle.

All of DIS' revenues from contracts with its customers are recognised over time. As recognised in detail in the Alternative Performance Measures section of this report for "Spot voyages", freight is paid at voyage completion, for moving cargo from the loading to the discharging port and revenues are recognized during such laden voyages. 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 loading and discharging a vessel. An allowance as per IFRS 9 requirements is made for the part of the demurrage revenue which the Company estimates will not be collectible (please refer to note 25).

The application of the IFRS 15 standard includes five steps for recognising revenue:

1) Identification of the contract;
2) Identification of the performance obligations in the contract. From this analysis the Group concluded that IFRS15 would only apply to Spot contract revenues for the transport of refined petroleum products from a loading port to a discharge port; IFRS 15 does not apply to time-charter revenues since they fall under another standard;
3) Determination of 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) Allocation of the transaction price to the performance obligation. This occurs on a load-to-discharge basis;
5) Recognition of revenue when a performance obligation is satisfied. This occurs on a load to discharge basis. In particular, revenue is recognised over time based on the duration of the spot voyage. Demurrage revenue is considered a variable consideration which depends on the demurrage rate and the delay to the load and discharge operations; the performance obligation is satisfied over time based on the duration of the spot voyage] and the amount is invoiced after discharging.

The standard also provides that specific principles apply when there is a contract modification, accounting for contract costs and accounting for refunds and warranties. When a repositioning is required for a vessel to satisfy its performance obligation (with no additional benefit from such voyage), these costs are 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 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 and director 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 some 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
To 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 before expenditures relating to its last dry-docking have been fully amortised, such residual balance is written off.

For new buildings and other vessels acquired, the initial dry-docking asset is separated and capitalized separately. The cost of such asset 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, is considered as a single cash-generating unit (CGU), and is reviewed regularly to assess whether there in any indication of impairment. 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, 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 such a difference is determined not to be temporary. 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 by 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 2.8% and 9.8%, with a weighted average rate of 5.1%.

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) if 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 regards 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 freight 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 the risk of default by assigning a probability for each set window of payment, on an ongoing basis. An increase in the 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 arising from 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; a revision of the Plan, to include also elements connected with the Fleet's environmental performance, was incorporated in November 2021. 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 was 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 six targets that aim to measure DIS' financial performance while accounting for the risks taken, the soundness of the contract coverage strategy, the cost efficiency of the management structure and environmental footprint of its vessels. In particular, the six targets measured are:

i) the adjusted ROCE (60% 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 (15% 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 (7.5% of the pool), which attempts to measure how efficient is the Group's cost structure;
iv) the percentage change in the daily operating costs (7.5% of the pool), which attempts to measure how efficient is the Group's owned and bareboat fleet cost structure;
v) CO^2 per ton-miles for owned and bareboat vessels operated on the spot market (5% of the pool), which attempts to measure how efficient is the Group's management of its owned and bareboat fleet operated on the spot market in terms of CO^2 emissions. This measure will depend on DIS vessels' technical features as well as on how efficiently they are operated; DIS can only influence the operational efficiency of vessels which are not employed through time-charter contracts;
vi) CO^2 per ton-miles for all owned and bareboat vessels (5% of the pool), which attempts to measure how efficient is the Group's fleet in terms of CO^2 emissions, irrespective of how it is managed. This measure will depend only on DIS vessels' technical features.

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 oils, operating in only one business segment, Product Tankers. Furthermore, the Group only has one geographical segment, employing all 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 19.

Accounting principles

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

Accounting principles adopted from 1 January 2021

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 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 20 and 21).

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 12 and 20).

3. REVENUE, INCLUDING BAREBOAT CHARTER REVENUE

US$ Thousand	**2021**	**2020**
Revenues from voyage-charter (spot) – freight and demurrage	141,061	133,031
Revenue from leases (time-charter)	73,501	118,390
Revenue from subleasing of RoU (time-charter)	30,943	62,047
Other revenues	951	2,846
Revenue, excluding bareboat charter revenue	**246,455**	**316,314**
Bareboat charter revenue*	**888**	-
Total revenue	247,343	316,314

**see also Alternative Performance Measures on page 35*

Revenue represents vessel income comprising time charter hire, freight, demurrage and bareboat hire and is recognized over time. DIS has only one revenue stream and it originates from the employment of its 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.

Bareboat charter revenue represents vessel income from the employment of a vessel through a bareboat hire contract; in such contracts the charterer is responsible for vessel's technical management, including the payment of its crew costs. Bareboat charter revenue in 2021 was of US$ 0.9 million, entirely generated during Q4, while no vessel was employed through bareboat contracts in 2020.

In 2021, one customer contributed to the generation of US$ 37.9 million in revenues, equivalent to around 15.4% of the Group's total. In 2020, one customer contributed to the generation of US$ 63.4 million in revenues, equivalent to around 20.0% of the Group's total (see also note on credit risk in note 25). The Company's 5 biggest customers accounted for US$ 108.1 million of the Group's revenues in 2021, corresponding to 43.9% of the total. The Company's 5 biggest customers accounted for US$ 169.3 million of the Group's revenues in 2020, corresponding to 53.5% of the total.

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$ 0.7 million as at the end of 2021 (US$ 0.3 million as at 31 December 2020) and will be amortised throughout the term of the relevant contracts.

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

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	**2021**	**2020**
Bunkers (fuel)	(43,348)	(35,677)
Commissions payable	(6,085)	(7,130)
Port charges	(19,436)	(14,572)
Other	(3,500)	(1,159)
Total	(72,369)	(58,538)

Voyage costs arise from the employment, directly 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. Bunkers are supplied through the related party Rudder S.A.M., which charges a commission of between US$2.0 and US$5.0 per metric ton, depending on payment terms; bunker cost calculations are based on the first-in-first-out method and depend 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 voyage such as surveys, tank cleaning, and additional insurance.

5. TIME CHARTER EQUIVALENT EARNINGS

US$ Thousand	**2021**	**2020**
Time charter equivalent earnings*	174,086	257,776

**see also Alternative Performance Measures on page 35*

Time-charter equivalent earnings represent revenue, excluding bareboat charter revenue, less voyage costs. In 2021 vessel days on fixed rate contracts represented about 47.5% of total available vessel days (61.9% in 2020).

6. TIME CHARTER HIRE COSTS

US$ Thousand	2021	2020
Time-charter hire costs	(3,395)	(13,961)

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 contract's inception (short-term leases; please refer also to note 1).

7. OTHER DIRECT OPERATING COSTS

US$ Thousand	2021	2020
Crew costs	(38,806)	(41,178)
Technical expenses	(11,229)	(12,888)
Luboil	(2,250)	(2,765)
Technical and quality management	(10,549)	(12,075)
Insurance	(3,819)	(5,929)
Service costs related to leased vessels	(22,511)	(26,256)
Other costs	(1,943)	(1,296)
Total	(91,107)	(102,387)

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 2021, d'Amico International Shipping SA and its subsidiaries employed an equivalent of 558 seagoing personnel and 23 onshore personnel (as at 31 December 2020: 600 seagoing personnel and 24 onshore personnel); the average number of seagoing personnel in 2021 was 594 (2020: 650), while the average number of onshore personnel was 24.8 (2020: 24.5). 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	2021	2020
Personnel	(5,654)	(5,266)
Other general and administrative costs	(8,352)	(7,591)
Total	(14,006)	(12,857)

Personnel costs relate to onshore personnel salaries, as well as in 2021, US$ 0.9 million relating to director fees and US$ 1.0 million relating to remuneration earned by senior managers including the CEO, COO, CFO and other managers with strategic responsibilities (2020: US$ 1.0 million of director fees and US$ 0.8 million for senior managers); in 2020 personnel cost included also US$ 0.1 million relating to the Long-Term Incentive Plan ("LTI Plan") adopted in 2019, whose beneficiaries include the key managers and executive directors of DIS. In 2021 the conditions to activate the LTI Plan's bonus pool were not realised. Please refer to note 1, Equity Compensation Plan (Share Based Payments), for full details and disclosure of calculations for this plan; DIS' shares serving the LTI Plan, are those held in portfolio by the Company as at 10 March 2022.

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's companies. They include in 2021 intra-group management fees on brand and trademark, IT, legal and internal audit services amounting to US$ 5.9 million (US$ 5.1 million in 2020) (see also note 26). They also include negligible expenses relating to short-term leases, relating mainly to office equipment.

9. RESULT FROM DISPOSAL OF FIXED ASSETS

US$ Thousand	2021	2020
Net profit (loss) on disposal of vessel	(2,144)	(1,303)

The amount in 2021 refers to the amortisation (over the duration of the lease) of the deferred result on the disposal of all leased-back vessels.

The amount 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.

10. NET FINANCIAL INCOME (CHARGES)

US$ Thousand	2021	2020
Financial income		
Loans and receivables at amortised cost		
Interest Income	32	86
Realised gains on derivative instruments	-	606
Realised exchange differences	360	-
At fair value through income statement		
Unrealised gains on derivative instruments	1,656	543
Unrealised exchange differences	-	-
Total financial income	2,048	1,235
Financial charges		
Financial liabilities measured at amortised cost		
Interest expense and financial fees	(14,592)	(16,830)
Financial lease cost	(17,139)	(19,871)
Realised losses on derivative instruments	(231)	-
Realised exchange differences	-	(516)
At fair value through income statement		
Unrealised losses on derivative instruments	-	(2,648)
Total financial charges	(31,962)	(39,865)
Net financial charges	(29,914)	(38,630)

In 2021, financial income includes realized interest income amounting to US$0.03 million deriving from funds held with financial institutions on deposit and current accounts, and lease income (on non-shipping right-of-use items), as well as realised foreign exchange differences of US$ 0.4 million; the unrealised amount of US$ 1.7 million represents positive changes in the fair value of the ineffective portion of hedging interest-rate swaps amounting to US$ 0.2 million, and of the non-hedging interest rate swaps, amounting to US$ 1.5 million.

Financial charges in 2021 include realised interest expenses and financial fees amounting to US$14.6 million, comprising US$ 12.8 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$ 1.8 million in financial fees or amortisation of such fees. Realised financial charges in 2021 include also US$ 17.1 million interest implicit in leases and US$ 0.2 million realised losses on hedging foreign exchange and freight-forward agreements. No unrealised losses were recorded in 2021.

In 2020, financial income includes realised interest income amounting to US$0.1 million deriving from funds held with financial institutions on deposit and current accounts, and lease income on non-shipping right-of-use items, as well as realised gains of US$ 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 the 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. Information about the type and nature of the cash-flow hedges is included in note 25.

11. TAX

d'Amico Tankers d.a.c. (DTL), 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 2021 tonnage tax provision for d'Amico Tankers d.a.c. and Glenda International Shipping d.a.c. amounted to US$ 0.2 million (2020: 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 2021, accumulated tax losses to be carried forward, amounting to approximately € 55.5 million (equivalent to US$ 62.9 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 2021 generated a tax charge of US$ 7.06 thousand (2020: US$ 5.6 thousand) and is reported under General and administrative costs.

US$ Thousand	**2021**	**2020**
Current tax:		
Taxation at corporate tax rates	(215)	(27)
Tonnage Tax	(222)	(245)
Net wealth tax / other tax	(8)	5
Total current tax	(445)	(267)
Profit (loss) before tax	(36,816)	16,823
Theoretical income tax (tax rate 24.94%)	9,182	(4,916)
- not subject to income tax (due to Tonnage Tax regime)	(9,862)	4,262
- impact of overseas tax rates	141	54
- effect of temporary differences	324	572
Taxation at corporate tax rates	(215)	(28)

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

US$ thousand	Fleet	Other	Total PPE	RoU	Total PPE & RoU
At 1 January 2021					
Cost or valuation	775,269	2,936	778,205	394,508	1,172,713
Accumulated depreciation and impairment	(190,138)	(2,901)	(193,039)	(77,909)	(270,948)
Net book amount	**585,131**	**35**	**585,166**	**316,599**	**901,765**
Period ended 31 December 2021					
Reclassification of cost	-	163	163	-	163
Reclassification of accumulated depreciation	-	(163)	(163)	-	(163)
Addition – assets	5,867	235	6,102	9,065*	15,167
Change in contractual terms	-	-	-	(3,666)	(3,666)
Transfer between RoU and PPE - asset	15,595	-	15,595	(13,195)	2,400
Transfer between RoU and PPE -	(2,283)	-	(2,283)	2,283	-
Impairment upon reclassification to AHFS	(6,422)	-	(6,422)	-	(6,422)
Transfer to AHFS - asset	(71,512)	-	(71,512)	-	(71,512)
Transfer to AHFS - depreciation fund	50,893	-	50,893	-	50,893
Disposal - RoU	-	-	-	(12,161)	(12,161)
Disposal - RoU depreciation fund	-	-	-	10,634	10,634
Write-off - RoU&PPE	-	(2,763)	(2,763)	(841)	(3,604)
Write-off - RoU&PPE depreciation fund	-	2,763	2,763	-	2,763
Depreciation charge	(30,804)	(14)	(30,818)	(33,983)	(64,801)
Exchange differences	-	-	-	(22)	(22)
Closing net book amount	**546,465**	**256**	**546,721**	**274,713**	**821,434**
At 31 December 2021	-				
Cost or valuation	725,219	571	725,790	373,688	1,099,478
Accumulated depreciation and impairment	(178,754)	(315)	(179,069)	(98,975)	(278,044)

* includes inception of lease US$ 8,134 thousand

PROPERTY, PLANT AND EQUIPMENT

US$ thousand	Fleet - Vessels	Fleet - Dry-docks	Other	Total PPE
At 1 January 2021				
Cost or valuation	765,780	9,489	2,936	778,205
Accumulated depreciation and impairment	(186,704)	(3,434)	(2,901)	(193,039)
Net book amount	**579,076**	**6,055**	**35**	**585,166**
Period ended 31 December 2021				
Reclassification of cost	-	-	163	163
Reclassification of accumulated depreciation	-	-	(163)	(163)
Addition – assets	-	5,867	235	6,102
Transfer from RoU - asset	13,195	2,400		15,595
Transfer from RoU - depreciation fund	(2,073)	(210)	-	(2,283)
Impairment upon recalssification to AHFS	(6,422)	-	-	(6,422)
Transfer to AHFS - asset	(66,272)	(5,240)	-	(71,512)
Transfer to AHFS - depreciation fund	48,635	2,258	-	50,893
W/O - asset	-	-	(2,763)	(2,763)
W/O - depreciation fund	-	-	2,763	2,763
Depreciation charge	(28,605)	(2,199)	(14)	(30,818)
Exchange differences	-	-	-	-
Closing net book amount	**537,534**	**8,931**	**256**	**546,721**
At 31 December 2021				-
Cost or valuation	712,703	12,516	571	725,790
Accumulated depreciation and impairment	(175,169)	(3,585)	(315)	(179,069)

RIGHT-OF-USE ASSETS

US$ thousand	Fleet - RoU Vessels ex-IAS17	Fleet - Other RoU Vessels	Fleet - RoU Dry-dock	RoU Other	Total RoU
At 1 January 2021					
Cost or valuation	244,080	140,688	6,756	2,984	394,508
Accumulated depreciation	(24,229)	(50,988)	(1,313)	(1,379)	(77,909)
Net book amount	**219,851**	**89,700**	**5,443**	**1,605**	**316,599**
Period ended 31 December 2021					
Additions	-	8,134*	931	-	9,065
Change in contractual terms	(1,823)	(1,832)	-	(11)	(3,666)
Write-off	-	-	(841)	-	(841)
Disposal of RoU	-	(10,602)	(1,559)	-	(12,161)
Disposal of RoU depreciation fund	-	10,602		32	10,634
Transfer to PPE - asset	(13,195)	-	-	-	(13,195)
Transfer to PPE - depreciation fund	2,073	-	210	-	2,283
Depreciation charge	(8,842)	(23,481)	(1,051)	(609)	(33,983)
Exchange differences	-	-	-	(22)	(22)
Closing net book amount	**198,064**	**72,521**	**3,133**	**995**	**274,713**
At 31 December 2021					
Cost or valuation	229,062	136,388	5,287	2,951	373,688
Accumulated depreciation	(30,998)	(63,867)	(2,154)	(1,956)	(98,975)

* inception of lease, reported under financing cash-flow

For comparison purpose here below are reported the relevant values for the year 2020:

US$ thousand	Fleet	Other	Total PPE	RoU	Total PPE & RoU
At 1 January 2020					
Cost or valuation	786,878	2,927	789,805	397,404	1,187,209
Accumulated depreciation and impairment	(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 and impairment	(190,138)	(2,901)	(193,039)	(77,909)	(270,948)

FLEET

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

The net book value of DIS' property plant and equipment and right of use assets as at 31 December 2021, amounts to US$ 821.4 million, comprising right of use assets amounting to US$ 274.7 million and of property plant and amounting to US$ 546.7 million.

The net book value of DIS' Fleet (the Group's shipping related assets, owned or leased) amounts to US$820.2 million as at 31 December 2021, and consists of the net book value of the Fleet on the water and associated dry-docks, amounting to US$ 546.5 million, as well as the capitalised and depreciated value of DIS' shipping related lease obligations and associated dry-docks (Rights of Use assets, as per IFRS 16), amounting to US$273.7 million. A detailed description of the Fleet is provided in the relevant section of the management report.

The value of other non-shipping related PPE and ROU assets as at 31 December 2021 amounts to US$ 1.2 million and comprise mostly office rental lease obligations and the net book value of fixture, fittings and office equipment.

The net book value of leased vessels for which a purchase obligation or a bargain purchase option exists, amount to US$ 198.7 million as at 31 December 2021.

In the month of February 2021, DIS' operating subsidiary, d'Amico Tankers d.a.c., exercised its purchase option on the M/T High Priority, 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 and a purchase obligation at the end of the 5th year.

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

Vessel 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

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 2021, relate to instalments paid to the yard for dry-docks, for both PPE and RoU assets corresponding to US$ 5.9 million and US$ 0.9 million, respectively. During 2021 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 2021 amounts to US$ 727.8 million and includes DTL's owned vessels, DTL's bareboat vessels 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's 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; (ii) Useful economic life 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 6.05%, 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 2.1%, equal to the last ten years' average US core consumer price index (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 gradual recovery only from the second-half of 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. Management notes that the calculations are particularly sensitive to changes in the key assumptions for future charter rates and discount rates.

At the reporting date the value-in-use calculation is higher than the net book value of the vessels. The headroom of the Fleet's Cash Generating Unit (CGU) against its net book value as at 31 December 2021 was estimated to amount to US$ 192.9 million, of which US$ 62.4 million relating to owned vessels and US$ 130.5 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$ 64.6 million / US$ (64.6) million, respectively (2020: US$ 72.5 million / US$ (72.5) 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$ 79.4 million (2020: US$ 82.3 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$ 90.5 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

In the second half of 2021 management transferred two vessels it planned to sell within the following twelve months to 'Assets held-for-sale', in accordance with IFRS 5, the M/T High Venture and the M/T High Valor, recognising an impairment totalling US$ 6.4 million upon transfer.

Please refer also to the management report for further information (more details in note 13).

OTHER ASSETS

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

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

US$ thousand	**2021**	**2020**
At 1 January		
Cost or valuation	-	59,631
Transfer from PPE	20,683	12,146
Disposals / sales	(10,486)	(55,110)
Transfer to Fleet	-	(16,667)
At 31 December		
Closing net book amount	10,197	-

US$ Thousand	As at 31 December 2021	As at 31 December 2020
Liabilities related to assets held-for-sale	2,336	-

As at 31 December 2021, the assets held-for-sale amounted to US$10.2 million and related to the remaining vessel of the two, which the company had classified as held-for-sale during the year; this vessel was delivered to its buyers in early January 2022 (please refer also to note 12). The liability relating to such asset, corresponding to the residual bank loan balance, amounts to US$ 2.3 million as at 31 December 2021.

No vessels were recorded as "Assets held-for-sale" as at 31 December 2020, therefore no liabilities relating to such assets existed as at the same date.

14. INVESTMENT IN JOINTLY CONTROLLED ENTITIES

US$ thousand	As at 31 December 2021	As at 31 December 2020
Eco Tankers Limited	-	4,312
DM Shipping d.a.c	-	-
Equity accounted investments	-	4,312

As at 31 December 2021, there was no investments accounted for using the equity method; Eco Tankers was struck-off Malta's business register in June 2021.

15. OTHER FINANCIAL ASSETS (LIABILITIES)

US$ Thousand	As at 31 December 2021			As at 31 December 2020		
	Non-current	Current	Total	Non-current	Current	Total
Fair value of derivative instruments	451	169	620	320	237	557
Financial receivable	67	157	224	48	2,160	2,208
Deferred tax asset	-	-	-	54	-	54
Deferred loss on leased assets	9,331	2,348	11,679	11,688	2,328	14,016
Total other financial assets	9,849	2,674	12,523	12,110	4,725	16,835
Fair value of derivative instruments	(1,208)	(3,668)	(4,876)	(5,406)	(5,639)	(11,045)
Other financial liabilities	(39)	(862)	(901)	(57)	(5,352)	(5,409)
Deferred profit on leased assets	(615)	(235)	(850)	(889)	(142)	(1,031)
Total other financial liabilities	(1,862)	(4,765)	(6,627)	(6,352)	(11,133)	(17,485)

As at 31 December 2021, other non-current financial assets amount to US$ 9.8 million (31 December 2020: US$ 12.1 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$ 9.3 million (31 December 2020: US$ 11.7 million), Interest Rate Swaps hedging instruments valued at US$ 0.5 million, and finance lease receivables (sublease of office space by the subsidiary d'Amico Tankers UK Ltd) of US$ 0.1 million.

Total current financial receivable of US$ 2.7 million as at 31 December 2021 (31 December 2020: US$ 4.7 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 2020: US$2.3 million), Interest Rate Swaps hedging instruments valued at US$ 0.2 million (31 December 2020: US$ 2.2 million), and deposit of collateral funds with financial institutions amounting to US$0.1 million (31 December 2020: 2.1 million). The Group's exposure to various risks associated with financial instruments and the derivative instruments' fair value calculation techniques are discussed within note 25.

As at 31 December 2021, other non-current financial liabilities totalling US$ 1.8 million (31 December 2020: US$ 6.4 million) include mainly the fair value of interest-rate-swap hedging instruments amounting to US$ 1.2 million (31 December 2020: US$ 5.4 million) and US$ 0.6 million deferred profit on the disposal of vessels sold and leased back (31 December 2020: US$ 0.9 million).

As at 31 December 2021, other current financial liabilities totalling US$ 4.8 million (31 December 2020: US$11.1 million), comprise the fair value of interest-rate-swap hedging instruments amounting to US$ 3.7 million (31 December 2020: US$5.6 million), other current financial liabilities amounting to US$ 0.9 million (31 December 2020: US$5.4 million), including US$ 0.8 million financial interest accrued on bank loans and overdrafts (31 December 2020: US$ 1.0 million; as that date, other current financial liabilities included also US$ 4.3 million advance on future capital distributions upon liquidation from Eco Tankers Limited, please refer also to note 14).

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).

16. INVENTORIES

US$ Thousand	**As at 31 December 2021**	**As at 31 December 2020**
Inventories	11,643	8,885

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.

17. RECEIVABLES AND OTHER CURRENT ASSETS

US$ Thousand	**As at 31 December 2021**	**As at 31 December 2020**
Contractual receivables	20,970	24,720
Contract assets (accruals)	9,859	4,117
Prepayments (TC) charters, other receivables & accruals	4,745	4,287
Other debtors	1,530	5,598
Total	37,104	38,722

As at 31 December 2021, receivables and other current assets include contractual receivables amounting to US$ 21.0 million (31 December 2020: US$ 24.7 million), net of allowance for credit losses of US$ 0.2 million (31 December 2020: US$ 0.7 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. Details about the Group's impairment policies and the calculation of the loss allowance are described under note 25.

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$ 9.9 million as at 31 December 2021 (US$ 4.1 million as at 31 December 2020). 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 2021 will be invoiced during the month of January 2022.

Other prepayments, receivables and accruals amount to US$ 4.7 million (US$ 4.3 million as at 31 December 2020) and represent prepayments for TC-in contracts, other prepayments, and rebillable expenses.

Other debtors amount to US$ 1.5 million consists of non-trade receivables and agency advances (31 December 2020: other debtors amounted to US$ 5.6 million, including US$3.2 million receivable from the sale of the M/T High Endurance and M/T High Endeavour).

The ageing of trade receivables is disclosed below.

US$ Thousand	**As at 31 December 2021**	**As at 31 December 2020**
0-60 days	14,697	16,865
61-90 days	2,301	725
91-120 days	1,237	3,704
>120 days	2,735	3,426
Total	20,970	24,720

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 25.

18. CASH AND CASH EQUIVALENTS

US$ Thousand	**As at 31 December 2021**	**As at 31 December 2020**
Cash and cash equivalents	43,415	62,071

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.

19. SHAREHOLDERS' EQUITY

Changes in 2021 Shareholders' equity items are detailed in the relevant statement.

Share capital

In 2021 the share capital of the Company increased twice: on 1 July it increased by 343 shares (US$ 17.15) as a result of the exercise of an equivalent number of warrants, at a share price of € 0.382; on 29 December it increased by 2,220 shares (US$ 111.00) as a result of the exercise of an equivalent number of warrants, at a share price of € 0.397 (please refer to the Terms and Conditions for the exercise of the Warrants). The total amount of the aforesaid capital increases, including the share premium, was of US$ 128.15.

As at 31 December 2021, the share capital of d'Amico International Shipping amounted to US$ 62,052,778.45 corresponding to 1,241,055,569 ordinary shares with no nominal value (31 December 2020: US$ 62,052,650.30 corresponding to 1,241,053,006 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 2021, the item includes previous year and current year net results, as well as deductions for approved dividends.

Share premium reserve

The share premium reserve initially arose as a result of the Group's IPO and related increase of share capital in May 2007 and thereafter as a result of further capital increases, of which the latest occurred in December 2021. By statutory provision these reserves are available for distribution. Certain costs and charges connected with the listing process and further capital raises (mainly bank commissions and related advisory fees and charges), have been deducted from the share premium reserve and are reported under "Other changes" within the consolidated Statement of changes in equity.

Other reserves

The other reserves include the following items:

US$ Thousand	As at 31 December 2020	Movement in 2021	As at 31 December 2021
Total Other reserves	**(21,865)**	**3,939**	**(17,926)**
Hedging reserve (trough OCI)	(5,710)	4,251	(1,459)
Other reserves	(16,155)	(312)	(16,467)
of which			
Treasury shares	*(18,980)*	*(336)*	*(19,316)*
Retranslation reserve (through OCI)	*(225)*	*7*	*(218)*
Legal and Consolidation reserves	*3,050*	*(21)*	*3,029*
Share based payment reserve	*-*	*38*	*38*

Treasury shares

Treasury shares as at 31 December 2021 consist of 18,326,911 ordinary shares, with a book value of US$ 19.3 million, corresponding to 1.48% of the issued shares as at the same date. These shares were acquired as part of DIS' authorised own shares buyback programmes. A new own shares buyback programme was authorised by the last Annual General meeting of the shareholders held on 20 April 2021, and subsequently enacted by the DIS' Board on 6 May 2021, allowing the Company to purchase up to 186,157,950 of its own ordinary shares (including the Own Shares already repurchased and held in the Company's portfolio, in compliance with Article 430-15 of the Luxembourg Law). The purpose of the new programme is the same as that of the previous programme that terminated in April 2021. In 2021, DIS purchased 2,849,015 own shares.

Hedging reserve

The cash-flow hedge reserve is not distributable and arose from the movement in the value of the effective portion of DIS' interest rate swap agreements connected to some of its bank facilities. Details of the fair value of the derivative financial instruments are set out in note 25.

Retranslation 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 Luxembourg Law. The balance is not distributable.

20. BANKS AND OTHER LENDERS

US$ Thousand	As at 31 December 2021	As at 31 December 2020
Banks and other lenders - *Non-current liabilities*	226,771	263,089
Banks and other lenders - *Current liabilities*	66,534	46,523
Total	293,305	309,612

Bank loans outstanding as at 31 December 2021 comprised the following facilities:

Lender / Details	Asset	Repayment terms	interest%	Loan-to-value covenant	Financial covenants	Short-term	Long-term	Total 31 Dec. 2021
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	17/27 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 > 25%	7,787	94,976	102,763
Crédit Agricole CIB & ING Bank N.V. London Branch/ November 2020 US$ 29.0m Term Loan Facility	High Priority	9 consecutive quarterly instalments, no balloon at maturity	US$ LIBOR + 2.50%	< 76.9%	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	1,669	680	2,349
	High Wind	20 consecutive quarterly instalments + US$ 10.91m balloon at maturity	US$ LIBOR + 2.00%-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	14,701	15,963
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	10,347	11,823
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	9,927	11,345
Skandinaviska Enskilda Banken AB/ December 2021 US$ 20m Term Loan Facility	Cielo Bianco	20 consecutive quarterly instalments + US$ 12.4m balloon at maturity	US$ LIBOR + 2.4 % or + 2.3% according to vessel employment	< 76.9%	Liquid assets > US$ 25m Net Worth > US$ 100m Equity ratio > 25%	1,520	18,480	20,000
Banca IMI SpA/ October 2014 US$ 45.080m Term Loan Facility	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%	1,506	12,753	14,259
ABN Amro N.V./ December 2021 US$43m Term Loan Facility (Sustainability Linked Loan)	Cielo di Gaeta	20 consecutive quarterly instalments + US$ 6.2m balloon at maturity	US$ LIBOR + 2.4 %[1]	< 76.9%	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	1,555	12,470	14,025
	Cielo di Hanoi	20 consecutive quarterly instalments + US$ 8.5m balloon at maturity	US$ LIBOR + 2.4 %[1]	< 76.9%	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	1,292	13,658	14,950
	Cielo di Ulsan	20 consecutive quarterly instalments + US$ 7.5m balloon at maturity	US$ LIBOR + 2.4 %[1]	< 76.9%	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	1,302	12,723	14,025
Tokyo Century Corporation/ December 2014 US$ 41.6m Term Loan Facility	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%	13,860	-	13,860
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	13,431	14,883
Tokyo Century Corporation/ August 2016 US$ 10.47m General Working Capital Facility	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%	812	-	812
Banca Intesa / Hot Money	n.a.	n.a.	n.a.	n.a.	n.a.	10,000	-	10,000
Bank of Ireland/ Overdraft for working capital	n.a.	n.a.	n.a.	n.a.	n.a.	5,634	-	5,634
Banco Popolare/ Overdraft	n.a.	n.a.	n.a.	n.a.	n.a.	2,076	-	2,076
MPS / Overdraft	n.a.	n.a.	n.a.	n.a.	n.a.	5,548	-	5,548

GIS								
Standard Chartered Bank/ September 2020 US$ 45m Term Loan Facility [2]	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	14,063	17,813
UniCredit SpA/ Overdraft for working capital	n.a.	n.a.	n.a.	n.a.	n.a.	3,752	-	3,752
Financial fees						(1,138)	(1,437)	(2,575)
Total as at 31 December 2021						**66,534**	**226,771**	**293,305**

1. Sustainability linked loan including a premium or penalty of up to 5bps in the margin depending on d'Amico Tanker's owned and bareboat fleet AER indicator relative to some established targets.
2. 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.

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 > 25%	7,787	102,764	110,551
Crédit Agricole CIB & ING Bank N.V. ondon 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 > 25%	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%	3,011	27,764	30,775
ABN Amro Bank 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
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 SpA/ 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 [1]	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 as at 31 December 2020						46,523	263,089	309,612

1. 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.

All bank loans are guaranteed by d'Amico International Shipping S.A. and comply with their respective covenants in both the 2021 and 2020 financial years.

21. 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 2021	As at 31 December 2020
Total future minimum lease payments (gross investment)	331,439	396,823
due within one year	51,297	61,657
due in one to five years	196,047	197,448
due over five years	84,095	137,718
Principal repayments of minimum lease payments	273,958	313,352
due within one year	36,480	43,411
due in one to five years	160,685	148,160
due over five years	76,793	121,781
Finance charge included in the minimum lease payments	57,481	83,471
of which pertaining to the period	17,139	19,871

The carrying amount of the assets held under finance leases, as well as the main lease terms, are disclosed under note 12; 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 the 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.

22. PAYABLES AND OTHER CURRENT LIABILITIES

US$ Thousand	As at 31 December 2021	As at 31 December 2020
Trade payables	24,043	23,030
Other creditors	1,164	935
Accruals & deferred income	2,458	2,402
Total	27,665	26,367

Payables and other current liabilities as at 31 December 2021 as well as at 31 December 2020, 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 25.

23. CURRENT TAX PAYABLE

US$ Thousand	As at 31 December 2021	As at 31 December 2020
Current tax liabilities	43	40

The balance at the end of 2021 and at the end of 2020 relates to the income taxes payable by DIS' subsidiaries and the net wealth tax payable by the holding company.

24. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

US$ Thousand	As at 31 December 2020	NET CASH-FLOWS	NON-CASH CHANGES							As at 31 December 2021
			Amortised financial fees	Lease cost	Change in contractual terms	Inception of lease	Derivatives P&L Realised movements	Derivatives P&L Unrealised movements	Cash-flow hedge OCI	
Lease liabilities	313,352	(61,040)	-	17,138	(3,626)	8,134	-	-	-	273,958
Banks and other lenders	309,612	(14,889)	918	-	-	-	-	-	-	295,641
Liabilities from derivative instruments	10,488	(557)	-	-	-	-	231	(1,656)	(4,251)	4,255

25. 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 regular 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 MARKETS 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 a 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, 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 2021, foreign currency payments amounted to an equivalent of US$ 27.8 million, representing 15.3 % of total operational, administrative, financial and fiscal expenses, of which 11.9 % related to Euro transactions. Other foreign currencies do not represent a significant portion of DIS' cash flows.

US$ Thousand	**2021**		**2020**	
	+ 10%	**- 10 %**	**+ 10 %**	**-10 %**
US$ / Ccy	2,678	(2,678)	2,458	(2,458)

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$ 2.7 million in the Group's 2021 net result (US$ +/- 2.5 million in 2020). 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 is recognised under other comprehensive income. For 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 portion of the loan's interest expense, it improves the predictability of future interest costs, to 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 ongoing 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

	2021		**2020**	
US$ Thousand	***i*+1%**	***i*-1%**	***i*+1%**	***i*-1%**
	Increase	Decrease	Increase	Decrease
Interest rate cost	355	(355)	(1,016)	1,016
Interest rate swap year-end valuation	3,648	(3,648)	4,677	(4,677)

With all other variables constant, an increase in the level of interest rates of 100 basis points would increase net financial charges by US$ 0.4 million (US$ 1.0 million in 2020) while a reduction in interest rates of 100 basis points would decrease net financial charges by US$ 0.4 million (US$ 1.0 million in 2020). As at 31 December 2021, had interest rates been 100 bp higher/lower, with all other variables constant, the valuation of the swaps would have increased by US$ 3.6 million or decreased by US$ 3.6 million, respectively (2020: US$ 4.7 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 2021.

US$ Thousand	Loans and receivables	Derivative instruments	Total	Fair Value Level 1	Fair Value Level 2	Total
	31 December 2021					
Assets						
Non-current financial assets	9,782	451	10,233	-	451	451
Receivables and other current assets	37,104	-	37,104	-	-	-
Other current financial assets	2,505	169	2,674	-	169	169
Cash and cash equivalents						
Liabilities						
Banks and other lenders	293,305	-	293,305	-	-	-
Liabilities from leases	273,958	-	273,958	-	-	-
Other non-current financial liabilities	654	1,208	1,862	-	1,208	1,208
Payables and other current liabilities	27,665	-	27,665	-	-	-
Other current financial liabilities	1,097	3,668	4,765	-	3,668	3,668

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.

US$ Thousand	Loans and receivables	Derivative instruments	Total	Fair Value Level 1	Fair Value Level 2	Total
	31 December 2020					
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 Level 2 financial instruments in the above tables refer to derivative instruments held at fair. Counterparties to these derivatives are financial institutions which are rated from A1 to Ba2 (Moody's). 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 their short-term nature.

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

In 2021, the realised losses amounted to US$ 0.2 million (FFA and foreign exchange hedging derivatives); unrealised gains in 2021 amounted to US$ 1.7 million (IRS) (2020: US$ 2.6 million (IRS)) while no unrealised losses were recorded (2020: realised gains US$ 0.6 million (FFA), realised losses US$ 3.8 million (IRS).

Derivative instruments

Interest rate swaps

As at 31 December 2021, d'Amico Tankers d.a.c. had in place twenty four interest rate swap contracts (IRS) to hedge the risk relating to interest rates on bank financing. Twenty 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: three with Bank of Ireland, five 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., two with MPS Capital Services Banca per le Imprese S.p.A., one with DnB Bank ASA and four with Skandinaviska Enskilda Banken AB. Four of these interest rate swaps are not linked to specific loans and changes in their fair value is recognized in profit or loss; they are contracted with the following counterparties: two with ING Bank N.V., one with Intesa Sanpaolo S.p.A. and one with Crédit Agricole Corporate and Investment Bank. 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 2021 and 2020:

	2021		2020	
US$ Thousand	**Profit or Loss**	**Δ Equity Reserve**	**Profit or Loss**	**Δ Equity Reserve**
Interest rate swaps, year-end valuation	(1,656)	4,251	(2,107)	(2,458)
Total	(1,656)	4,251	(2,107)	(2,458)

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 15).

Forward currency contracts

As at 31 December 2021, the DIS Group had hedging arrangement in place to cover exchange rate fluctuations for a notional amount of EUR 8.4 million (as at 31 December 2020 notional amount of EUR 5.6 million).

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 2021 and 2020:

	2021		2020	
US$ Thousand	**Profit or Loss**	**Δ Equity Reserve**	**Profit or Loss**	**Δ Equity Reserve**
Forward currency contract, year-end valuation	219	-	137	-
Total	219	-	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 15).

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 A1 to Ba2 (Moody's).

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 ongoing basis. The recovery of demurrage income and expenses incurred on behalf of charterers is followed by a dedicated team. DIS' customers include several 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 it 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 2021 represented approximately 55.8% of its revenues (2020: 62.3%). As at 31 December 2021, 29.1% of the total trade receivables were due from the Group's ten largest customers (as at year-end 2020: 43.0%). 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 behalf of charterers. Each of these receivables are regularly monitored on an individual basis.

To measure the expected credit losses, management has used time-slots risk indices for overdue demurrages as per the table below (please also refer to the accounting principles). The following tables show relevant data for 2021:

US$ Thousand	**< 30 days**	**30<days < 60**	**60<days <90**	**90<days < 120**	**> 120 days**	**Total**
Demurrage receivable	1,414	1,166	1,201	870	615	5,266
Percentage of risk of overdue receivables	3.6%	4.0%	4.5%	5.5%	6.8%	-
YE '21 provision for life-time credit loss (gross interest)	51	47	54	48	42	241
YE '21 life-time impairment of credits under legal dispute	-	-	-	-	-	-

The following tables show relevant data for 2020:

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

As at year-end 2021 total bad debt provision has decreased by US$ 0.5 million relative to 31 December 2020; the total allowance for trade and other receivables losses as at 31 December 2021 amounted to US$ 0.2 million (2020: US$ 0.7 million).

The Group has significant cash deposits with the following banks, which have the following S&P credit ratings: Credit Agricole Bank (Aa3), JP Morgan (A2), Intesa Sanpaolo (Baa1), ABN Amro (A1), Standard Chartered Bank (BBB+), DNB (Aa2) and Bank of Ireland (Baa1); ratings from Moody's.

Other financial assets as at 31 December 2021 (not taking into consideration the unamortized deferred losses on the sale and leasebacks of vessels) are mainly made up of the US$ 0.6 million fair value of derivative instruments and US$ 0.1 million deposits of collateral funds (please also refer to note 15 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 spot 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 the Group's 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 20 and 21).

The following tables detail for the years 2021 and 2020, respectively, the Group's prospective cashflows for its financing liabilities based on contractual repayment terms. The tables have been drawn-up based on undiscounted cash-flows on the earliest date in which the Group can be required to pay.

	As at 31 December 2021				
US$ Thousand	< 1 y	1-2 y	2-5 y	> 5 y	Total
Total banks and other lenders	66,534	129,957	96,814	-	293,305
Banks financing assets held-for-sale	2,336	-	-	-	2,336
Leasing	36,480	38,193	122,492	76,793	273,958
Total	105,350	168,150	219,306	76,793	569,599

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

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.

26. 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 d'Amico International Shipping S.A. and its subsidiaries, companies belonging to the d'Amico Group, and joint ventures of the d'Amico International Shipping Group. Moreover, members of 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 for the Group for 2021 and 2020 with these related parties, are the following:

US$ Thousand	2021 Total	2021 Of which related parties	2020 Total	2020 Of which related parties
Revenue	246,455	8,278	316,314	6,500
Voyage costs	(72,369)	(327)	(58,538)	(296)
Bareboat charter revenue	888	-	-	-
Time charter hire costs	(3,395)	-	(13,961)	-
Other direct operating costs	(91,107)	(7,312)	(102,387)	(8,251)
General and administrative costs	(14,006)	(5,862)	(12,857)	(5,120)
Result from disposal of vessels	(2,144)	-	(1,303)	-
Depreciation and impairment	(71,224)	(505)	(71,745)	(581)
Net financial income (charges)	(29,914)	(49)	(38,630)	(112)

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 2021 and 31 December 2020, are the following:

US$ Thousand	As at 31 December 2021 Total	As at 31 December 2021 Of which related parties	As at 31 December 2020 Total	As at 31 December 2020 Of which related parties
ASSETS				
Non-current assets				
Property, plant and equipment and Right-of-use assets	821,434	720	901,765	1,164
Other non-current financial assets	9,849	67	12,110	48
Current assets				
Inventories	11,643	-	8,885	-
Receivables and other current assets	37,104	4,020	38,722	1,401
Other current financial assets	2,674	36	4,725	17
Cash and cash equivalents	43,415	-	62,071	-
Assets held for sale	10,197	-	-	-
LIABILITIES				
Non-current liabilities				
Banks and other lenders	226,771	-	263,089	-
Non-current lease liabilities	237,478	672	269,941	790
Other non-current financial liabilities	1,862	-	6,352	-
Current liabilities				-
Banks and other lenders	66,534	-	46,523	-
Liabilities from leases	36,480	126	43,411	526
Payables and other current liabilities	27,665	5,581	26,261	1,362
Other current financial liabilities	4,765	-	11,133	4,309
Current taxes payable	43	-	40	-
Banks associated with assets held-for-sale	2,336	-	-	-

The effects, by legal entity, of related party transactions on the Group's consolidated Income Statement for 2021 are the following:

US$ Thousand	d'Amico International Shipping (consolidated)	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	d'Amico. Shipping USA	Ishima Pte.Ltd.	Rudder SAM	COGEMA SAM	St.Andrews Estates Limited sarl
Revenue	**246,455**										
of which											
Freight out	8,278	-	-	-	-	8,278	-	-	-	-	-
Voyage costs	**(72,369**)										
of which											
Bunkers	(300)	-	-	-	-	-	-	-	(300)	-	-
Commissions	(27)	-	-	-	-	(27)	-	-	-	-	-
Other direct operating costs	**(91,107)**										
of which											
Technical management expenses and SQE	(7,312)	-	-	-	(6,918)	-	-	(394)	-	-	-
General & Administrative costs	**(14,006)**										
of which											
Service agreement - Consultancy	(5,862)	(150)	-	-	(1,704)	(1,827)	(1,022)	-	-	(1,159)	-
Depreciation and impairment	**(71,224)**										
of which											
Depreciation of RoU	(505)	-	(107)	(28)	-	-	-	-	-	-	(370)
Net financial income (charges)	**(29,914)**										
of which											
Interest income (charge)	(49)	7	(45)	(3)	-	-	-	-	-	-	(8)
Total		(143)	(152)	(31)	(8,622)	6,424	(1,022)	(394)	(300)	(1,159)	(378)

Additional related-party transactions include payments to the directors and key managers of DIS Group totalling US$ 1.9 million (2020: US$ 1.8 million).

The following table shows the effects, by legal entity, of related party transactions on the Group's consolidated income statement for the year 2020:

US$ Thousand	d'Amico International Shipping (consolidated)	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.Andrews Estates Limited sarl
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 effects, by legal entity, of significant related party transactions (net annual P&L effect of transactions with the related party of more than US$100k) on the Group's consolidated Statement of Financial Position as at 31 December 2021, were as follows:

US$ Thousand	d'Amico International Shipping S.A. (consolidated)	d'Amico Shipping UK Ltd.	d'Amico Dry d.a.c.	d'Amico International S.A.	d'Amico Societa' di Navigazione SpA	d'Amico Shipping Singapore Pte.Ltd.	Glenda International Shipping d.a.c.	Ishima Pte.Ltd.	Rudder SAM
Right-of-use assets	**274,713**								
of which related party	720	-	698	22	-	-	-	-	-
Other non-current financial assets	**9,849**								
of which related party	67	67	-	-	-	-	-	-	-
Receivables and other current assets	**37,104**								
of which related party	4,020	29	-	-	19	3,927	31	14	-
Other current financial assets	**2,674**								
of which related party	36	36	-	-	-	-	-	-	-
Non-current Liabilities from leases	**237,478**								
of which related party	672	-	672	-	-	-	-	-	-
Current Liabilities from leases	**36,480**								
of which related party	126	-	97	29	-	-	-	-	-
Payables and other current liabilities	**27,665**								
of which related party	5,581	-	158	-	2,206	309	20	208	2,680
Other current financial liabilities	**4,765**								
of which related party	-	-	-	-	-	-	-	-	-
Total		132	(229)	(7)	(2,187)	3,618	11	(194)	(2,680)

The effects, by legal entity, of significant related party transactions 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. (consolidated)	d'Amico Shipping UK Ltd.	d'Amico Dry d.a.c.	d'Amico International S.A.	d'Amico Societa' di Navigazione SpA	d'Amico Shipping Singapore	Eco Tankers Limited	Glenda International Shipping d.a.c.	Rudder SAM	St.Andrews Estates Limited sarl
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)

27. COMMITMENTS AND CONTINGENCIES

Capital commitments

Apart from scheduled dry-docks, no capital commitments existed as at 31 December 2021 nor as at 31 December 2020, since the last vessel which was part of DIS' 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 2021	As at 31 December 2020
Total within one year	1.0	2.1

As at 31 December 2021 the Group time-chartered-in 1 vessel equivalent with a term at inception shorter than one year (31 December 2020: the Group time-chartered-in 3 vessel equivalents with a term at inception shorter than one year).

Ongoing disputes

The Group is currently involved in several ongoing 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.

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 if vessels are sold and the Group fails to comply with the ongoing requirements to remain within the regime.

Joint ventures, contingent liabilities and commitments

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.

28. 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 2021 d'Amico Tankers d.a.c. was the only participant in HPT, holding 100% of the company's shares); Eco Tankers Ltd (ETL) was struck-off the Maltese Companies' Register in June 2021.

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

Interest in Jointly Controlled Entities

The Group has a 50% equity share (significant interests) in the ownership - with equivalent voting power - of the jointly controlled entity Glenda International Shipping d.a.c. (Ireland), a jointly controlled operation with the Glencore Group. During 2021 there was no change in the Group's ownership or voting interests in the joint venture Glenda International Shipping d.a.c.

The jointly controlled entity has 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:

	GLENDA INTERNATIONAL SHIPPING D.A.C.	
SUMMARY BALANCE SHEET	***31 Dec.2021***	***31 Dec.2020***
Non-current assets	106,593	111,516
Current assets	3,188	7,040
Net equity	73,991	73,021
Non-current liabilities	27,715	35,191
Current liabilities	8,075	10,344
SUMMARY INCOME STATEMENT	**2021**	**2020**
Time Charter Equivalent Earnings	18,638	21,572
Other direct operating costs	(9,298)	(8,603)
General and administrative costs	(161)	(284)
Depreciation and impairment	(7,130)	(7,708)
Financial costs	(1,256)	(1,226)
Tax	(18)	(31)
Result of the period	775	3,721

29. NON-ADJUSTING SUBSEQUENT EVENTS

'Time Charter-Out' Fleet: In January 2022, d'Amico Tankers d.a.c. extended a time charter-out contract with a reputable counterparty for one of its Handy-size vessels for 6 months.

Ukraine war: The impact of the Ukrainian war in our markets is still difficult to evaluate since the scenario is evolving rapidly. On the one hand the potential for a reduction in the supply of oil is a source of concern, on the other hand, this could generate an increase in ton-mile demand for the seaborne transportation of both crude and refined products, as imports of these commodities by Europe might need to be sourced from further away. We currently do not have receivables outstanding from Russian companies. As at the end of February 2022, 5.3% our seafarers were Ukrainian nationals and 3.0% were Russian nationals. On eight of DIS' vessels technically managed by the d'Amico Group we have both Ukrainian and Russian nationals. These seafarers have in most cases known one another for some time and have good relationships. Our crew members have nonetheless been trained to resolve conflicts, if these were to arise, and all our seafarers benefit from a mental care service if required.

EARNINGS PER SHARE (E.P.S.)

US$ Thousand	**2021**	**2020**
Basic e.p.s.	0.030	0.013
Diluted e.p.s.	0.030	0.013
Weighted average number of ordinary shares used as the denominator in calculating basic e.p.s.	1,222,912,808	1,230,923,922
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.	1,222,912,808	1,230,923,922

D'AMICO INTERNATIONAL SHIPPING S.A.
MANAGEMENT REPORT AND STATUTORY FINANCIAL STATEMENTS
Year ended 31 December 2021

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$ 62,052,778.45 as at 31 December 2021

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..

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, 2020 and 2021, aimed at financing the subsidiaries' fleet expansion and to strengthen the Company's balance sheet.

The Corporate Governance Report is available to everyone at the registered office of the Company and on its website (www.damicointernationalshipping.com) in the relevant Corporate Governance section.

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

Operating Performance

In 2021 the Company recorded a net profit of US$ 5.1 million. The Company's Income Statement is summarized in the following table.

US$ Thousand	**2021**	**2020**
Investment income (dividends)	1,515	109
Investment income (profit on disposal)	1,358	-
Personnel costs	(606)	(855)
Other general and administrative costs, including depreciation and tax	(1,445)	(1,267)
Financial income (charges)	4,256	(96)
Net Profit (Loss)	**5,078**	**(2,109)**

Investment income totalling US$ 2.9 million was received in 2021.

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

Financial income results mainly from the issue of financial guarantees on bank loans for the benefit of its fully controlled subsidiary, d'Amico Tankers DAC.

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 2021**	**31 December 2020**
Non-current assets	404,150	412,127
Current assets	9,150	984
Total assets	**413,300**	**413,111**
Shareholders' Equity	408,972	404,222
Non-current liabilities	-	32
Current Liabilities	4,328	8,857
Total liabilities and shareholders' equity	**413,300**	**413,111**

- The Company's Non-current assets of US$ 404.2 million as at 31 December 2021, represents the book-value of the investment in d'Amico Tankers d.a.c. (DTL)— the key operating subsidiary of the Group;
- Current assets of US$ 9.2 million mainly include US$ 4.1 million financial and commercial receivables from the subsidiary d'Amico Tankers d.a.c.;
- Current liabilities of US$ 4.3 million include mainly a bank overdraft with Unicredit of US$ 3.8 million.

SIGNIFICANT EVENTS IN THE YEAR

In 2021, the main events for the d'Amico International Shipping Group were the following:

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 share price of Euro 0.0949, 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 share price of Euro 0.0936, 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 issued share capital.

The transactions were executed 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 updated by means of a press release issued on 13 November 2019).

Medium-to-Long Term Incentive Plan: With reference to the management of the bonus relating to the conclusion of the first cycle (vesting period 2019-2020) of the Medium-to-Long Term Incentive Plan adopted by the Company, (hereinafter the LTI Plan), since DIS reached the objectives set, the Beneficiaries were rewarded with the relevant "cash" portion of the bonus with the final balance paid in shares, through a deferred allocation over two years and in two tranches with the first one in 2022, according to the provisions of the Plan's Information Document (published in the Corporate Governance section of DIS' website).

Buyback programme: On 6 May 2021, the Board of Directors of d'Amico International Shipping S.A. resolved to start an own shares buy-back programme pursuant to the new authorization recently issued by the annual general meeting of shareholders held on 20 April 2021 (the "Programme"). As per the shareholders' new authorization, the Company can repurchase up to 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).

According to the resolution of the Board of Directors the maximum value of own shares that can be repurchased under the Programme cannot exceed Euro 45,000,000.00.

The authorization to repurchase and sell the Company's own shares in one or more tranches has been granted to the Board of Directors, with the option to delegate, for a maximum period of five (5) years from April 20th, 2021 (i.e., date of the relevant shareholder's meeting approving the renewal of the authorization) and thus expiring on April 20th, 2026.

Regarding the Programme's implementation, the Company confirms that the repurchase and disposal of own shares shall be carried out in one or more tranches on the regulated market managed and organized by Borsa Italiana S.p.A. in accordance with the relevant provisions of the Market Abuse Regulation, so as to assure a fair deal to all the shareholders and will be executed and coordinated by Equita Sim S.p.A., an equity broker that was duly engaged for this purpose by the CFO, who will act completely independently and without any influence from the Company regarding the moment of such repurchases and disposals, in accordance with the relevant applicable laws and of the above mentioned Shareholders' new authorization. In all cases, each transaction shall be executed and publicized in accordance with Luxembourg and/or Italian laws and regulations where applicable, as well as according to the relevant provisions concerning exemptions from market abuse applicable legislation for buyback programs and stabilization of financial instruments. In particular, any authorized own shares sales operations shall be carried out at any time, not being subject to any time limit and notably to pursue the purposes of the Programme.

Fourth exercise period of DIS' Ordinary shares warrants 2017-2022: On 31 May 2021, d'Amico International Shipping S.A. confirmed that the holders of "d'Amico International Shipping's Warrants 2017 – 2022", ISIN code n. LU1588548724 (the "Warrants") could apply for their Warrants to be exercised on any Banking Day (days on which banks in Luxembourg and in Italy are generally open for business as defined in the terms and conditions of the

Warrants) starting from 1st June, 2021 until 30th June, 2021, both dates included (the "Fourth Exercise Period"), with the right to subscribe for newly issued ordinary shares of DIS admitted to trading on the MTA market organized and managed by Borsa Italiana S.p.A., each without par value and with the same rights and features as DIS' ordinary shares outstanding at the issue date (the "Warrant Shares"), in the ratio of one (1) ordinary DIS share for one (1) Warrant exercised. The exercise price for the Fourth Exercise Period amounted to EUR 0.382 (zero point three hundred and eighty-two Euros) per Warrant Share.

Capital increase following the fourth exercise period of DIS' Ordinary shares warrants 2017-2022: on 2 July 2021 following the completion of the Fourth Warrants exercise period, in which 343 Warrants were exercised, leading to the issuance of 343 new ordinary shares, the Company's share capital amounted to US$ 62,052,667.45, divided into 1,241,053,349 shares with no nominal value.

Fifth exercise period of DIS' ordinary shares warrants 2017-2022: On 27 December 2021, d'Amico International Shipping S.A. announced that the fifth additional exercise period of the "d'Amico International Shipping's Warrants 2017 – 2022" (the "Warrants"), ISIN code n. LU1588548724 had ended (the "Fifth Additional Exercise Period"). During this Fifth Additional Exercise Period no. 2,220 Warrants were exercised at the price of Euro 0.397 per ordinary share, resulting in the subscription of n. 2,220 Warrant Shares – on the basis of a ratio of one (1) Warrant Share, for each one (1) Warrant exercised – admitted to trading on the Euronext STAR Milan 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 amounted to US$ 62,052,778.45, represented by 1,241,055,569 ordinary shares without nominal value. The Warrant Shares have the same ISIN code of DIS' ordinary shares already outstanding (LU0290697514) and were issued, in compliance with the Terms and Conditions of the Warrants, on 29 December 2021, making them available to those Warrant holders who validly exercised their Warrants, through the settlement centralized management system operated by Euroclear Bank S.A./N.V. and Clearstream Banking S.A. (together the "ICSDs").

Capital increase following the fifth exercise period of DIS' Ordinary shares warrants 2017-2022: on 29 December 2021 following the completion of the Fifth Warrants exercise period, in which 2,220 Warrants were exercised, leading to the issuance of 2,220 new ordinary shares, the Company's share capital amounted to US$ 62,052,778.45, divided into 1,241,055,569 shares with no nominal value.

Signature of three new facilities, including DIS' first sustainability-linked loan, for the refinancing of all DIS' debt maturing in 2022: On 30 December 2021, d'Amico International Shipping S.A. announced that its fully-owned operating subsidiary d'Amico Tankers D.A.C. (Ireland) ("d'Amico Tankers" or "Subsidiary"), had already signed contracts with leading banks to refinance all its loans maturing in 2022 with their related balloons. In detail:

- d'Amico Tankers signed a US$43.0 million 5-year term loan facility with ABN Amro Bank N.V., to refinance the bank loans maturing in 2022 on MT Cielo di Ulsan, MT Cielo di Hanoi, and MT Cielo di Gaeta. All three tranches of this new facility have been drawn down, with the respective previous financings reimbursed. This is also DIS' first sustainability-linked loan, with its margin adjusted based on the CO2 emissions of d'Amico Tankers' fleet and associated AER (annual efficiency ratio) indicator relative to the AER trajectory established by the Poseidon Principles for the type of vessels controlled by our Subsidiary.
- d'Amico Tankers signed a US$20.0 million 5-year term loan facility with Skandinaviska Enskilda Banken (SEB), to refinance the bank loan maturing in 2022 on MT Cielo Bianco. This facility has been drawn down and the previous financing reimbursed.
- d'Amico Tankers signed a US$15.5 million 5-year term loan facility with Banco BPM S.p.A., to refinance the bank loan maturing in 2022 on MT Cielo di Salerno. This loan has been drawn down and the previous financing reimbursed in January 2022.

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 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-out contract 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 a further 6 months, starting from March 2021.

In March 2021, d'Amico Tankers d.a.c. extended a time charter-out contract with an oil-major for one of its Handy-size vessels for 12 months, starting from the end of May 2021.

In April 2021, d'Amico Tankers d.a.c. fixed one of its Handy-size vessels with a leading trading house for 12 months with an option for further 12 months, starting from the end of April 2021.

In May 2021, d'Amico Tankers d.a.c. fixed one of its MR vessels with a leading trading house for 12 months with an option for further 12 months, starting from the end of May 2021, extended a time charter-out contract with an oil-major for one of its MR vessels for 24 months, starting from mid-September 2021 and extended a time charter-out contract with a leading trading house for one of its LR1 vessels for 6 months, starting from mid-September 2021.

In June 2021 d'Amico Tankers d.a.c. extended a time charter-out contract with an oil-major for one of its LR1 vessels for 6 months with an option for a further 6 months, starting from mid-July 2021 and fixed one of its MR vessels with a leading trading house for 12 months with an option for further 12 months starting mid-June 2021.

In July 2021, d'Amico Tankers d.a.c. fixed one of its Handy-size vessels with a reputable counterparty for 6 months with an option for a further 3 months, starting from July 2021.

In September 2021 d'Amico Tankers d.a.c. fixed one of its LR1 vessels with a leading trading house for 6 months with an option for further 6 months, starting in September 2021.

In October 2021, d'Amico Tankers d.a.c. extended a time charter out contract with a leading trading house on one of its MR vessels for 6 months with an option for further 6 months.

In November 2021, d'Amico Tankers d.a.c. fixed one of its LR1 vessels with a leading trading house for 6 months with an option for further 6 months, starting in November 2021.

In December 2021, d'Amico Tankers d.a.c. extended a time charter out contract with an oil major for one of its LR1 vessels for 6 months with an option for further 3 months, starting in January 2022

'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.

'**Bareboat Charter-Out' Fleet**: In October 2021, d'Amico Tankers d.a.c. fixed one of its LR1 vessels on a 5-year bareboat charter contract with a reputable industrial counterparty. In addition, the bareboat charterer has the option to extend the contract for two further years.

Vessel Sale: In October 2021, d'Amico Tankers d.a.c signed a memorandum of agreement for the sale of the M/T High Venture, a 51,087 dwt MR product tanker vessel, built in 2006 by STX, South Korea, for a consideration of US$ 10.7 million.

Vessel Sale: In December 2021, d'Amico Tankers d.a.c signed a memorandum of agreement for the sale of the M/T High Valor, a 46,975 dwt MR product tanker vessel, built in 2005 by STX, South Korea, for a consideration of US$ 10.3 million.

SIGNIFICANT EVENTS SINCE THE END OF THE PERIOD AND BUSINESS OUTLOOK

'**Time Charter-Out' Fleet**: In January 2022, d'Amico Tankers d.a.c. extended a time charter-out contract with a reputable counterparty for one of its Handy-size vessels for 6 months.

Ukraine war: The impact of the Ukrainian war in our markets is still difficult to evaluate since the scenario is evolving rapidly. On the one hand the potential for a reduction in the supply of oil is a source of concern, on the other hand, this could generate an increase in ton-mile demand for the seaborne transportation of both crude and refined products, as imports of these commodities by Europe might need to be sourced from further away. We currently do not have receivables outstanding from Russian companies. As at the end of February 2022, 5.3% our seafarers were Ukrainian nationals and 3.0% were Russian nationals. On eight of DIS' vessels technically managed by the d'Amico Group we have both Ukrainian and Russian nationals. These seafarers have in most cases known one another for some time and have good relationships. Our crew members have nonetheless been trained to resolve conflicts, if these were to arise, and all our seafarers benefit from a mental care service if required.

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

	As at 31 December 2021				As at 10 March 2022			
	LR1	**MR**	**Handysize**	**Total**	**LR1**	**MR**	**Handysize**	**Total**
Owned	5.0	8.0	6.0	19.0	5.0	7.0	6.0	18.0
Bareboat chartered*	1.0	7.0	-	8.0	1.0	7.0	-	8.0
Long-term time chartered	0.0	9.0	-	9.0	0.0	9.0	-	9.0
Short-term time chartered	0.0	1.0	-	1.0	0.0	1.0	-	1.0
Total	6.0	25.0	6.0	37.0	6.0	24.0	6.0	36.0

* with purchase obligation

BUSINESS OUTLOOK

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, (v) the product tankers' fleet growth rate, (vi) the efficiency of the fleet due to among other factors, congestion and average sailing speeds and (vii) average sailing distances. Some of the factors that could drive a recovery in the product tankers market in the medium-term are detailed below:

Product Tanker Demand

- In their January '22 report, the IMF projected that global growth should moderate from 5.9% in 2021 to 4.4% in 2022—cutting their 2022 forecasts by half a percentage point. The revision largely reflected reduction in growth forecasts of 1.2% for the US economy and of 0.8% for China. The lower forecasts for China deriving mainly from the pandemic-induced disruptions related to their zero-tolerance COVID-19 policy and protracted financial stress among property developers. Global growth is expected to slow further to 3.8% in 2023.

- According to the IEA, OECD commercial oil stocks declined by a steep 60 million barrels (1.9 million b/d) in December '21, led by large draws in middle distillates across all regions. Inventories as at the end of 2021 were 355 million barrels lower than one year prior, with product stocks accounting for 50% of the decline. Total oil stocks in OECD Asia and Europe in December fell to historical lows, based on their records dating back to 1984, following a strong rise in demand partly caused by natural gas to oil switching. At 2,680 million barrels, inventories at the end of 2021 stood 255 million barrels below the 2016-2020 average, and at the lowest level in more than seven years. In terms of forward demand, industry oil stocks covered 59.6 days at end-December 2021, a decrease of 0.9 days over the month and 3.2 days below the 2016-2020 average. Preliminary data point to further declines in January of 13.5 mb, contrary to the normal seasonal trend.

- Refined product stocks are also well below their 2016-2020 averages, having declined to 1,376 million barrels at the end of 2021, 131 million barrels below their pre-COVID levels at the end of 2019.

- According to the IEA's February 2022 report, the global refining industry has underperformed relative to demand for the past six quarters. This is expected to turn in 2022 with the 3.8 million b/d forecasted increase in throughput exceeding demand growth of 3.2 million b/d. Q4 2022 runs are forecast to reach 82.7 million b/d, 2.8 million b/d higher than in 2021 and exceeding pre-covid levels by around 1.0 million b/d.

- The IEA in its latest February '22 report predicted oil supply will grow by a significant 6.3 million b/d in '22 to reach 101.5 million b/d. Increase from non-OPEC countries should amount to 2.0 million b/d of which 1.2 million b/d from the US. The situation in Ukraine which could result in sanctions being imposed on Russian oil, represents a threat to this oil supply picture.

- According to IEA's February 2022 report, world oil demand is projected to increase by 3.2 million b/d in 2022 following a rise of 5.6 mb/d in 2021. The milder-than-expected negative impact of the Omicron variant on demand has been largely offset by additional consumption stemming from a cold snap in the US and a continued switch to oil from gas in some industrial sectors.

- In their January 2022 outlook, Clarksons estimates that in 2022 product tanker demand will grow by 7.3%, well above the expected increase in fleet supply (see below).

- More than 70% of new refining capacity in the next four years will be located east of Suez. The IEA estimates that around 800,000 b/d of refining capacity has been closed in North America since the pandemic began. Engen have announced the conversion of their 120,000 b/d refinery in Durban (responsible for approximately 17% of the country's fuel production) into a terminal/storage facility. In the long run, recovering demand and structural shifts in the refining landscape are likely to boost long-haul product trades.

Product Tanker Supply

- At the beginning of the year, Clarksons estimated 97 MRs and LR1s would be delivered in 2021, whilst only 75 such vessels were delivered last year.

- In their January 2022 outlook, Clarksons estimates this year the product tanker fleet will grow by only 1.3%.

- A large number of demolition yards were temporarily shut in 2020 during the pandemic. However, the rebound in steel prices has improved demand for tonnage recycling. Demolition is expected to continue at a significant pace in the near future, as long as freight markets remain weak. Tanker demolition rose to the second highest annual total of the last 18 years in 2021, with 147 vessels, equivalent to 14.3 million dwt, scrapped.

- Crude tanker recycling in 2021 rose to 10.6 million dwt, up from 2.2 million dwt the previous year, whilst product tanker scrapping rose to 3.7 million dwt in 2021, up from 1.0 million dwt the previous year. Scrapping in the MR and LR1 segments reached 2.45 million dwt in 2021 compared with 440,000 dwt in 2020.

- According to Clarksons, new building prices for MR and LR1 have increased by just over 15% in 2021. This is attributable mostly to a reduction in tanker new building slots, due to sizeable orders in other sectors, and to an increase in the price of steel.

- According to Clarksons as at the end of January '22, 6.2% of the MR and LR1 fleet was over 20 years old (in dwt), whilst the orderbook in these segments represented only 3.8% of the trading fleet (in dwt). As at the same date 28.7% of the MR and LR1 fleet (in dwt) was more than 15 years-old and this percentage should continue rising fast over the coming years.

- 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 76) in June 2021, measures were adopted which will be enforceable from 1 November 2022, requiring operators to measure their vessels' energy efficiency existing ship index (EEXI), reflecting their technical efficiency, and their carbon intensity indicator (CII), assessing how efficiently they are managed. Both measures aim to cut emissions progressively from 2023 to 2030.

- The expected technological change required to meet increasingly demanding environmental regulation is reducing appetite for new building orders, since such vessels could be obsolete soon after delivery. Furthermore, the increase in new building costs and decrease in yard availability is also negatively affecting the appetite for new orders.

10 March 2022

On behalf of the Board

Paolo d'Amico
Chairman, Chief Executive Officer

Antonio Carlos Balestra di Mottola
Chief Financial Officer

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To the Shareholders of
d'Amico International Shipping S.A.
25C Boulevard Royal
L-2449 Luxembourg

Livange, 10 March 2022

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 2021, 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 2021, 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.

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 $ 404.121.920 as at 31 December 2021. 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;

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- We tested 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.

The Board of Directors is responsible for presenting the financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format ("ESEF Regulation").

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.

- Assess whether the financial statements have been prepared, in all material aspects, in compliance with requirements laid down in the ESEF Regulation.

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 five 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.

We have checked the compliance of the financial statements of the Company as at 31 December 2021 with relevant statutory requirements set out in the ESEF Regulation that are applicable to consolidated financial statements.

For the Company it relates to:

- Financial statements prepared in XHTML format.

In our opinion, the financial statements of the Company as at 31 December 2021 have been prepared in all material aspects, in compliance with the requirements laid down in the ESEF Regulation.

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Raphael LOSCHETTER
Réviseur d'entreprises agréé

Statement of Income and Other Comprehensive Income

US$	Note	2021	2020
Revenue	(3)	2,872,618	109,040
General and administrative costs	(4)	(2,022,306)	(2,106,108)
Gross operating result		**850,312**	**(1,997,068)**
Depreciation	(7)	(28,648)	(28,936)
Operating result		**821,664**	**(2,026,004)**
Financial income	(5)	4,571,926	202,834
Financial charges	(5)	(316,027)	(298,715)
Profit (loss) before tax		**5,077,563**	**(2,121,885)**
Tax expense	(6)	-	12,737
Net profit (loss)		**5,077,563**	**(2,109,148)**
Total comprehensive result for the period		**5,077,563**	**(2,109,148)**
Basic comprehensive income (loss) per share in US$(1)		0.0042	(0.0016)

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

The notes on pages 121 to 134 form an integral part of these statutory financial statements.

(1) Basic earnings per share (e.p.s.) in 2021 was calculated on an average number of 1,222,912,808 outstanding shares, while in 2020 it was calculated on an average number of 1,230,923,922 outstanding shares. There was no dilution effect either in 2021 or in 2020 e.p.s.

Statement of Financial Position

US$	Note	As at 31 December 2021	As at 31 December 2020
Non-current assets			
Property, Plant and Equipment	(7)	2,493	-
Right-of-use assets	(7)	25,768	53,846
Financial fixed assets	(8)	404,121,920	407,073,528
Non-current financial receivable	(9)	-	5,000,000
Total non-current assets		**404,150,181**	**412,127,374**
Current assets			
Receivables and other current assets	(10)	4,611,199	50,769
Current financial receivables	(9)	4,066,050	544,382
Cash and cash equivalents	(11)	472,568	389,091
Total current assets		**9,149,817**	**984,242**
Total assets		**413,299,998**	**413,111,616**
Shareholders' equity			
Share capital	(12)	62,052,778	62,052,650
Retained earnings	(12)	(5,797,202)	(10,874,765)
Other reserves	(12)	352,716,527	353,044,353
Total shareholders' equity		**408,972,103**	**404,222,238**
Non-current liabilities			
Lease payable	(14)	-	31,908
Total non-current liabilities		-	**31,908**
Current liabilities			
Bank and other lenders	(13)	3,751,976	3,916,230
Lease payable	(14)	29,450	30,244
Payables and other current liabilities	(15)	546,469	4,910,996
Total current liabilities		**4,327,895**	**8,857,470**
Total liabilities and shareholders' equity		**413,299,998**	**413,111,616**

10 March 2022

On behalf of the Board

Paolo d'Amico
Chairman, Chief Executive Officer

Antonio Carlos Balestra di Mottola
Chief Financial Officer

The notes on pages 121 to 134 form an integral part of these statutory financial statements.

Statement of Cash Flows

US$	2021	2020
Profit (loss) for the period	**5,077,563**	**(2,109,148)**
Dividend	(1,515,000)	(109,040)
Result on participation disposal	(1,357,618)	-
Depreciation	28,648	28,936
Current tax	-	(12,737)
Financial charges (income)	284,814	95,881
Non-cash change in Shareholder equity	38,529	-
Non-cash-items from fixed assets	9,309,226	5,000,000
Non-cash-items from creditors	(4,309,226)	-
Non-cash-items from loans payables	(5,000,000)	(5,000,000)
Cash flow from operating activities before changes in working capital	**2,556,936**	**(2,106,108)**
Movement in amounts receivable	(4,560,429)	20,478
Movement in amounts payable	(58,340)	(220,678)
Movement in payables for Management benefits	(89,902)	120,703
Interest paid	(244,296)	(279,976)
Taxes (paid)	(5,780)	(154,293)
Net cash flow from operating activities	**(2,401,811)**	**(2,619,874)**
Acquisition of fixed assets	(3,063)	-
Repayment of subsidiary financing – (to) from d'Amico Tankers d.a.c.	1,860,634	5,061,828
Investment income – Dividend	1,193,407	109,040
Net cash flow from investing activities	**3,050,978**	**5,170,868**
Share capital increase	1,154	8,547
Costs relating to capital increase	(30,939)	-
Increase in treasury shares	(336,442)	(857,636)
Cash payment for the interest portion of the lease liability	(2,507)	(4,092)
Repayment for the principal portion of the lease liability	(32,702)	(23,268)
Net cash flow from financing activities	**(401,436)**	**(876,449)**
Change in cash balance	**247,731**	**1,674,545**
Cash and cash equivalents net of bank overdraft at the beginning of the year	(3,527,139)	(5,201,684)
Cash and cash equivalents net of bank overdraft at the end of the year	**(3,279,408)**	**(3,527,139)**
Cash and cash equivalents at the end of the year	472,568	389,091
Bank overdrafts at the end of the year	(3,751,976)	(3,916,230)

The notes on pages 121 to 134 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 2021	**62,052,650**	**(10,874,765)**	**353,044,353**	**404,222,238**
Capital increase	128	-	1,026	1,154
Treasury shares	-	-	(336,443)	(336,443)
Other changes	-	-	7,591	7,591
Total comprehensive income	-	5,077,563	-	5,077,563
Balance as at 31 December 2021	**62,052,778**	**(5,797,202)**	**352,716,527**	**408,972,103**

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**

The notes on pages 121 to 134 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; a revision of the Plan, to include also elements connected with the Fleet environmental performance, was done in November 2021. 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 six targets that aim to measure DIS' financial performance while accounting for the risks taken, the soundness of the contract coverage strategy, the cost efficiency of the management structure and environmental footprint of its vessels. In particular, the six targets measured are:

ii) the adjusted ROCE (60% 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;
vii) the hedging effectiveness (15% of the pool), which measures whether the coverage taken contributed positively or negatively to the blended time-charter equivalent earnings;
viii) the percentage change in the daily general and administrative costs (7.5% of the pool), which attempts to measure how efficient is the Group's cost structure;
ix) the percentage change in the daily operating costs (7.5% of the pool), which attempts to measure how efficient is the Group's owned and bareboat fleet cost structure;
x) CO^2 per ton-miles for owned and bareboat vessels operated on the spot market (5% of the pool), which attempts to measure how efficient is the Group's management of its owned and bareboat fleet operated on the spot market in terms of CO^2 emissions. This measure will depend on DIS vessels' technical features as well as on how efficiently they are operated; DIS can only influence the operational efficiency of vessels which are not employed through time-charter contracts;
xi) CO^2 per ton-miles for all owned and bareboat vessels (5% of the pool), which attempts to measure how efficient is the Group's fleet in terms of CO^2 emissions, irrespective of how it is managed. This measure will depend only on DIS vessels' technical features.

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 is 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; Net Wealth Tax is allocated to the General and Administrative costs.

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.

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.

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 a 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 2021

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 its shareholders.

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, 2020 and in 2021, 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$	2021	2020
Dividend income	1,515,000	109,040
Profit on participation disposal	1,357,618	-
Revenue	2,872,618	109,040

A dividend from the key operating subsidiary d'Amico Tankers d.a.c. equivalent to US$ 1.5 million was received in 2021 (2020: US$ 109 thousand from d'Amico Tankers d.a.c.)

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The liquidation and strike-off from the Malta business register of the subsidiary Eco Tankers Ltd. resulted in a capital gain of US$ 1.4 million in 2021.

4. GENERAL AND ADMINISTRATIVE COSTS

US$	2021	2020
Wages, benefits and director fees	(535,108)	(855,440)
Other operating charges	(1,487,198)	(1,250,668)
Total General & Administrative costs	(2,022,306)	(2,106,108)

Wages, benefits and director fees; Employees

The Company employs one administrative employee (2020: one administrative employee). The total charge for wages and salaries, including social contributions, amounted to equivalent US$ 146,925 in 2021 (In 2020 the total charge for wages and salaries was of US$ 135,819); no charges were recorded for the Company's Long-Term Incentive Plan ("the Plan"), since the required return thresholds to activate the Plan were not reached for the 2020-2021 period (please refer to note 1. In 2020: US$ 120,703.02). DIS' shares serving the Plan, are those held in portfolio by the Company as at 10 March 2022 (n. 18,326,911 own shares without nominal value, following the 2,849,015 own shares repurchased between 5 January and 26 January 2021).

Fees were paid to the Company's directors for services rendered to the Company and attending the Board's meetings. A total amount of € 330,000 was paid in 2021, which after a 20% withholding tax represents a net remuneration of € 264,000 (2020: total € 416,250, to which 20% withholding tax was also applicable). Fees were paid to the Supervisory Committee for services rendered to the Company, amount to € 25,000 in 2021 (2020: € 25,000). During the period no commitments arose in respect of retirement plans and no advances or loans were granted to the Company's employees (2020: nil).

Other operating charges

They include an amount of US$ 1,346,366 in 2021, comprising professional fees and advisory costs incurred by the Company during the year as a result of being a listed entity (2020: US$ 1,250,669), of which fees accrued for the réviseur d'entreprises agréé / statutory auditor for the audit of the 2021 statutory financial statements amounted to € 10.5 thousand, equivalent to US$ 12.0 thousand (2020: € 12.0 thousand, equivalent to US$ 15.0 thousand), and of which fees for the audit of the Company's consolidated financial statements amounted to an amount equivalent to US$ 105.9 thousand in 2021 (2020: US$ 185.4 thousand). Other operating charges in 2021 include € 7.0 thousand Net Wealth Tax (2020: nil since before 2021 was classified as tax).

5. Financial income (charges)

US$	2021	2020
Financial income	4,571,926	202,834
Financial charges	(316,027)	(298,715)
Net financial income (charges)	4,255,899	(95,881)

Financial income in 2021 comprises guarantee income for 2020 and 2021 and interest income on the financing provided to the subsidiary d'Amico Tankers d.a.c., totalling US$ 4,571,926 (2020: only interest income US$ 202,834). Financial charges in 2021 include interest expense due on the overdraft facility US$ 236,123 (2020: US$ 246,509), US$ 8,173 financial fees (2020: US$ 33,466) and US$ 2,507 finance lease cost on the leased office space (2020: US$ 4,092) and loss on commercial foreign exchange differences of US$ 69,224 (2020: US$ 14,648 loss).

6. Tax expense

US$	2021	2020
Tax refund (expenses)	-	12,737

d'Amico International Shipping S.A. had, at the end of 2021, cumulative tax losses to be carried forward, including the result of the year, of approximately € 55.5 million (equivalent to US$ 62.9 million). For this reason, no tax cost has been accrued for in 2021. (2020: US$ 2,985 Net Wealth Tax charge and balance on previously accrued tax; from 2021 Net Wealth Tax is classified within General & Administrative costs).

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 a 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.

Addition of PPE are represented by network switches.

US$	2021		2020	
	PPE	RoU	PPE	PPE
As at 1 January				
Cost or valuation	32,553	110,082	32,553	110,082
Accumulated depreciation	(32,553)	(56,236)	(31,772)	(28,081)
Opening net book amount	**-**	**53,846**	**781**	**82,001**
Additions	3,063	-	-	-
Depreciation charge for the period	(570)	(28,078)	(781)	(28,155)
Closing net book amount	**2,493**	**25,768**	**-**	**53,846**
As at 31 December				
Cost or valuation	35,616	110,082	32,553	110,082
Accumulated depreciation	(33,123)	(84,314)	(32,553)	(56,236)

8. FINANCIAL FIXED ASSETS

Investment in subsidiaries

Company	Country	Ownership	Ccy	Book value at 31 December 2020	Increase (decrease)	Book value at 31 December 2021
d'Amico Tankers d.a.c.	IRL	100%	USD	404,121,920	-	404,121,920
Eco Tankers Limited	Malta	-	USD	2,951,608	(2,951,608)	-
			USD	407,073,528	(2,951,608)	404,121,920

d'Amico Tankers d.a.c. (DTL) is the key operating subsidiary of the d'Amico International Shipping Group. Although in 2021 DTL showed a loss of US$ 39.6 million, at year-end the Company's management considers no impairment is needed to be recognised for this investment, since the book value of DIS' investment in d'Amico Tankers DAC is well below the net asset value of the DIS' participation in d'Amico Tankers DAC (US$ 318.9 million) plus the headroom, calculated as the difference between DTL's Fleet's value-in-use and its book value.

Eco Tankers Limited (ETL) - an associate, jointly controlled with Venice Shipping & Logistics, a private equity fund, was finally struck-off the Maltese Companies' Register in June 2021.

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 2021	As at 31 December 2020
Non-current financial receivable	-	5,000,000
Current financial receivable	4,066,050	544,382
Total	4,066,050	5,544,382

The total balance for financial receivables at the end of the year represents financing granted to the Company's fully-owned subsidiary, d'Amico Tankers d.a.c.; the portion of the financing to the subsidiary that was granted as a revolving medium-term facility for corporate purposes in 2017, carrying an interest rate equal to the 3 Months US$ LIBOR plus a margin of 2.0%, was reimbursed on April 1, 2021; 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 2.5%. The range of rates for the one-month US$ Libor was 0.075% –1.14% during 2021.

10. RECEIVABLES AND OTHER CURRENT ASSETS

US$	As at 31 December 2021	As at 31 December 2020
Receivables and other current assets	4,611,199	50,769

In 2021 the balance represents the guarantee fees invoiced to DTL, amounting to US$ 4.5 million, in addition to other sundry debtors and prepaid company expenses (2020: other sundry debtors and prepaid company expenses).

11. Cash and cash equivalents

US$	As at 31 December 2021	As at 31 December 2020
Cash and cash equivalents	472,568	389,091
Bank overdrafts	(3,751,976)	(3,916,230)
Total cash and cash equivalents	(3,279,408)	(3,527,139)

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 2021, the share capital of d'Amico International Shipping amounted to US$ 62,052,778.45 corresponding to 1,241,055,569 ordinary shares with no nominal value (31 December 2020: US$ 62,052,650.30 corresponding to 1,241,053,006 ordinary shares with no nominal value).

In 2021 the share capital of the Company increased in two circumstances: on 1 July it increased by 343 shares (US$ 17.15) as a result of the exercise of an equivalent number of warrants, at a share price of € 0.382; on 29 December it increased by 2,220 shares (US$ 111.00) as a result of the exercise of an equivalent number of warrants, at a share price of € 0.397 (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$ 128.15.

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 2021, 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 2020	Movements in 2021	As at 31 December 2021
Share premium reserve	368,852,417	(29,913)	368,822,504
Treasury shares	(18,979,262)	(336,443)	(19,315,705)
Share option reserve	-	38,530	38,530
Legal reserve	3,171,198	-	3,171,198
Total	353,044,353	(327,826)	352,716,527

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 2021. 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 2021 consist of 18,326,911 ordinary shares, with a book value of US$ 19.3 million, and corresponding to 1.48% of the outstanding issued shares as at the same date. These shares were acquired as part of DIS' authorised own shares buyback programmes. A new own shares buyback programme was authorised by the last Annual General meeting of the shareholders held on 20 April 2021, and subsequently enacted by the DIS' Board on 6 May 2021, allowing the Company to purchase up to 186,157,950 of its own ordinary shares (including the Own Shares already repurchased and held in the Company's portfolio, in compliance with Article 430-15 of the Luxembourg Law). The purpose of the new programme is the same as that of the previous programme that terminated in April 2021. In the period ending 31 December 2021, DIS purchased 2,849,015 own shares.

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 2021**	**As at 31 December 2020**
Bank and other lenders	3,751,976	3,916,230

The outstanding amount of US$ 3.8 million at 31 December 2021 refers to the Unicredit bank overdraft for general corporate purpose (31 December 2020: Unicredit US$ 3.9 million). The average interest rate on the amount used of the Unicredit line in 2021 was of 5.5%.

14. LEASE PAYABLE

US$ Thousand	**As at 31 December 2021**	**As at 31 December 2020**
Total future min. lease payments (gross investment)	30,308	65,674
due within one year	30,308	32,837
due in one to five years	-	32,837
Principal repayments of minimum lease payments	29,450	62,152
due within one year	29,450	30,244
due in one to five years	-	31,908

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.

15. PAYABLES AND OTHER CURRENT LIABILITIES

US$	As at 31 December 2021	As at 31 December 2020
Payables and accruals	546,466	601,770
Other current liabilities	-	4,309,226
Payables and other current liabilities	546,466	4,910,996

Payable and other current liabilities as at 31 December 2020 include US$ 0.5 million in payables and accruals from suppliers of services, arising from the day-to-day administrative activity of the Company (31 December 2020: US$ 0.6 million payables and accruals from suppliers of services, arising from the day-to-day administrative activity of the Company); no Other current liabilities were posted as at 31 December 2021 (31 December 2020: US$ 4.3 million advance on future capital distributions upon liquidation received from Eco Tankers Limited; the company was struck-off the Maltese Companies' Register in June 2021).

16.RISK MANAGEMENT

The Company is exposed to the following 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 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 2021 (US$ +/- 0.2 million in 2020). 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 of the amounts borrowed in both 2021 and 2020. As far as its financial assets are concerned (financing to d'Amico Tankers d.a.c.) an increase of 1% in the interest rates in 2021 would have resulted 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-inflows. 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 table details for 2021 the Company's prospective cashflows for its finance liabilities based on contractual repayment terms.

	As at 31 December 2021			
	< 6 months	6-12 months	1-5 years	Total
Bank overdrafts	3,751,976	-	-	3,751,976
Leasing	14,725	14,725	-	29,450
Total	3,766,701	14,725	-	3,781,426

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.

17. RELATED PARTIES TRANSACTIONS

During 2021, 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 2021 (excluding VAT impact) were the following:

US$	d'Amico International Shipping SA	d'Amico Società di Nav. SpA	d'Amico Tankers Monaco SAM	d'Amico Tankers d.a.c.	Eco Tankers Ltd.	d'Amico International S.A.	Key management*
Revenue	**2,872,618**						
of which							
Dividend	1,515,000	-	-	1,515,000	-	-	-
Profit on participation disposal	1,357,618	-	-	-	1,357,618	-	-
Gen.& administrative costs	**(2,022,306)**						
of which							
Personnel cost / director fees	(383,840)	-	-	-	-	-	(383,840)
Services agreement	(267,820)	(184,242)	(83,578)	-	-	-	-
Depreciation	**(28,648)**						
of which							
Depreciation of RoU	(28,078)	-	-	-	-	(28,078)	-
Net financial income (charges)	**4,255,899**						
of which							
Net Financial interest	31,213	-	-	31,213	-	-	-
Financial guarantees	4,540,713	-	-	4,540,713	-	-	-
Financial lease interest cost	(2,507)	-	-	-	-	(2,507)	-
Total		(184,242)	(83,578)	6,086,926	1,357,618	(30,585)	(383,840)

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 SA	d'Amico Società di Nav. SpA	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	-	-
Gen.&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 effect, by legal entity, of related-party transactions on the Company's Statement of Financial Position as at 31 December 2021 were as follows:

US$	d'Amico International Shipping S.A.	d'Amico Tankers d.a.c.	d'Amico International S.A	d'Amico Societa' di Navigazione
Current financial receivable	**4,066,050**			
of which related party	*4,066,050*	4,066,050	-	-
Receivables and other current assets	**4,611,199**			
of which related party	*4,542,537*	4,540,713	1,824	-
Current liabilities	**546,969**			
of which related party	*75,860*	-	29,450	46,410
Total		8,606,763	(27,626)	(46,410)

The effect, by legal entity, of related-party transactions on the Company's Statement of Financial Position as at 31 December 2020 were 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	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)

18. 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.

19. 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$ 45.08 million Banca IMI SpA facility, the US$ 43.0 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 facility 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, the US$ 28.9 million Crédit Agricole Corporate & Investment Bank and ING Bank N.V. London Branch facility, the US$ 20.0 million Skandinaviska Enskilda Banken AB facility and the US$ 15.5 million Banco BPM S.p.A. facility. The total amount outstanding in respect of these facilities at 31 December 2021 amounted to US$ 253.4million 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 2020: US$ 274.7million).

20. NON-ADJUSTING SUBSEQUENT EVENTS

Ukraine war: The impact of the Ukrainian war in our markets is still difficult to evaluate since the scenario is evolving rapidly. On the one hand the potential for a reduction in the supply of oil is a source of concern, on the other hand, this could generate an increase in ton-mile demand for the seaborne transportation of both crude and refined products, as imports of these commodities by Europe might need to be sourced from further away. We currently do not have receivables outstanding from Russian companies. As at the end of February 2022, 5.3% our seafarers were Ukrainian nationals and 3.0% were Russian nationals. On 8 of DIS' vessels technically managed by the d'Amico Group we have both Ukrainian and Russian nationals. These seafarers have in most cases known one another for some time and have good relationships. Our crew members have nonetheless been trained to resolve conflicts, if these were to arise, and all our seafarers benefit from a mental care service if required.

EARNINGS PER SHARE (E.P.S.)

US$ Thousand	2021	2020
Basic e.p.s.	0.0042	(0.0016)
Diluted e.p.s.	0.0042	(0.0016)
Weighted average number of ordinary shares used as the denominator in calculating basic e.p.s.	1,222,912,808	1,230,923,922
Adjustment for calculation of diluted e.p.s.	-	-
Weighted average number of ordinary shares used as the denominator in calculating diluted e.p.s.	1,222,912,808	1,230, 923,922

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.

10 March, 2022

Antonio Carlos Balestra di Mottola
Chief Financial Officer