



D'AMICO INTERNATIONAL SHIPPING S.A. INTERIM MANAGEMENT STATEMENTS – FIRST QUARTER 2020

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d'Amico International Shipping S.A.
Registered office at 25C Boulevard Royal, Luxembourg
RCS B124790
Share capital US\$ 62,051,623.70 as at 31 March 2020

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BOARD OF DIRECTORS AND CONTROL BODIES

BOARD OF DIRECTORS

Chairman, Chief Executive Officer
Paolo d'Amico

Directors

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

INDEPENDENT AUDITORS

Moore Audit S.A.

KEY FIGURES

Financials

<i>US\$ Thousand</i>	Q1 2020	Q1 2019
Time charter equivalent (TCE) earnings*	71,414	63,858
EBITDA *	32,984	22,418
<i>as % of margin on TCE</i>	<i>46.19%</i>	<i>35.11%</i>
EBIT *	13,893	5,180
<i>as % of margin on TCE</i>	<i>19.45%</i>	<i>8.11%</i>
Net profit/(loss)	1,517	(5,514)
<i>as % of margin on TCE</i>	<i>2.12%</i>	<i>(8.63)%</i>
<i>Adjusted Net profit / (loss)**</i>	<i>6,342</i>	<i>(4,396)</i>
Basic earnings/ (loss) per share	US\$ 0.001	US\$ (0.009)
Operating cash flow	25,678	16,815
Gross capital expenditure (CapEx)*	(1,765)	(30,520)
	As at	As at
	31 March 2020	31 December 2019
Total assets	1,111,984	1,132,049
Net financial indebtedness*	666,718	682,810
Shareholders' equity	349,409	352,465

*see Alternative Performance Measures on page 9

** 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 first quarter of 2020.

OTHER OPERATING MEASURES

<i>US\$ Thousand</i>	Q1 2020	Q1 2019
Daily operating measures - TCE earnings* per employment day (US\$) ¹	16,391	14,057
Fleet development - Total vessel equivalent	46.0	49.4
- Owned	23.5	24.0
- Bareboat chartered	9.0	7.8
- Time chartered	13.5	17.6
Vessels equivalent under commercial management	2.2	3.7
Off-hire days/ available vessel days ² (%)	1.8%	3.9%
Fixed rate contract/ available vessel days ³ (coverage %)	64.6%	46.4%

*see Alternative Performance Measures on page 9

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.

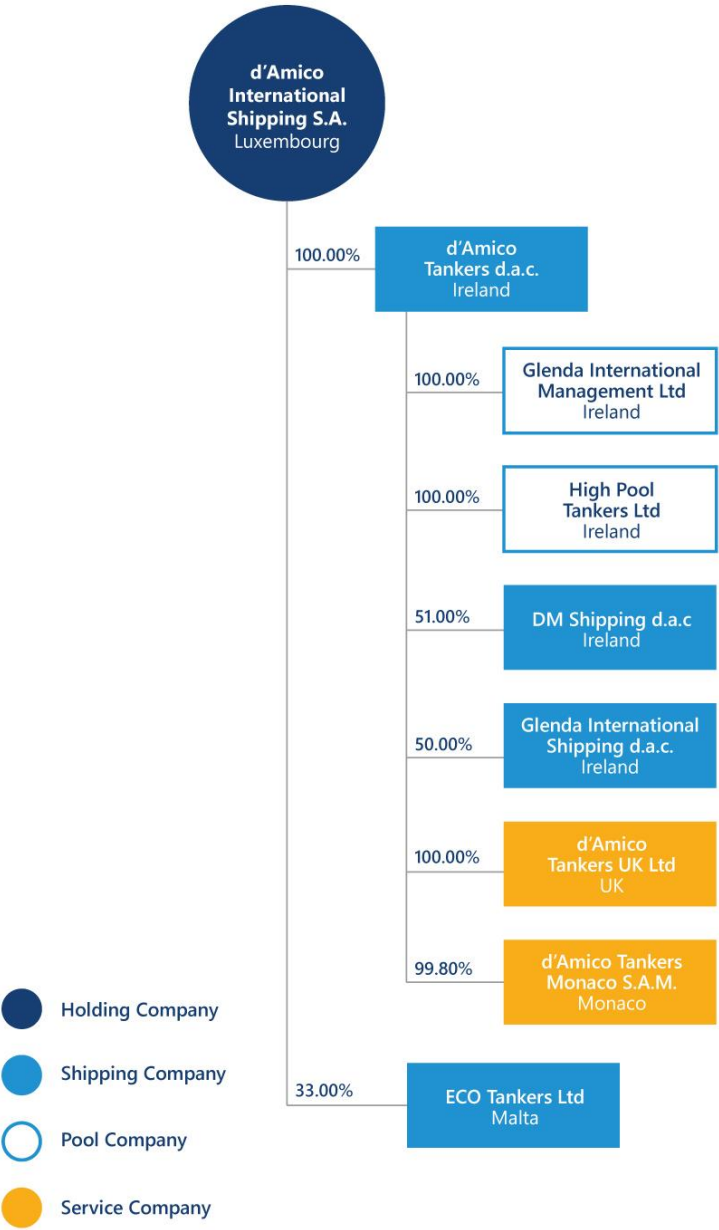
² This figure is equal to the ratio of the total off-hire days, inclusive of dry-docks, and the total number of available vessel days.

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.

CONSOLIDATED MANAGEMENT REPORT

GROUP STRUCTURE

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



as at 31 March 2020

Glenda International Management is going through a voluntary strike-off process; Eco Tankers limited is going through a voluntary liquidation.

D'AMICO INTERNATIONAL SHIPPING GROUP

d'Amico International Shipping S.A. (DIS, the Group, d'Amico International Shipping or the Company) is an international marine transportation company, part of the d'Amico Group, which traces its origins to 1936. d'Amico International Shipping operates, mainly through its fully owned subsidiary, d'Amico Tankers d.a.c. (Ireland), which as at 31 March 2020, controls a fleet of 45.5 vessels, of which 32.5 owned and bareboat vessels (with purchase obligation), with an average age of approximately 6.9 years, compared to an average in the product tankers industry of 11.3 years for MRs (25,000 – 54,999 dwt) and of 11.1 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 March 2020, 75.8% of DIS' controlled fleet was IMO Classed, allowing the Group to transport a large range of products.

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

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

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

DIS' Global Footprint

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

As at 31 March 2020, the Group employed an equivalent of 699 seagoing personnel and 25 onshore personnel.

Fleet

DIS controlled as at 31 March 2020, either through ownership or charter arrangements a modern fleet of 45.5 product tankers and 2 additional vessels in commercial management (31 December 2019: 46.5 product tankers and 3 additional vessels in commercial management). DIS' product tanker vessels range from approximately 36,000 to 75,000 dwt.

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

Operating a large fleet enhances the generation of earnings and operating efficiencies. A large fleet strengthens the Group's ability to advantageously position vessels and improves the fleet's availability and scheduling flexibility, providing DIS with a competitive advantage in securing spot voyages. In particular, the scale of its operations

provides it with the flexibility necessary to enable it to capitalise on favourable spot market conditions to maximise earnings and negotiate favourable contracts with suppliers.

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

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
GLEND A Melissa ⁵	47,203	2011	Hyundai Mipo, South Korea	IMO II/III
GLEND A Meryl ⁶	47,251	2011	Hyundai Mipo, South Korea	IMO II/III
GLEND A Melody ⁵	47,238	2011	Hyundai Mipo, South Korea	IMO II/III
GLEND A Melanie ⁶	47,162	2010	Hyundai Mipo, South Korea	IMO II/III
GLEND A Meredith ⁶	46,147	2010	Hyundai Mipo, South Korea	IMO II/III
High Venture	51,087	2006	STX, South Korea	IMO II/III
High Performance	51,303	2005	STX, South Korea	IMO II/III
High Progress	51,303	2005	STX, South Korea	IMO II/III
High Valor	46,975	2005	STX, South Korea	IMO II/III
High Courage	46,975	2005	STX, South Korea	IMO II/III
Bareboat with purchase options and purchase obligations				
High Trust	49,990	2016	Hyundai Mipo, South Korea (Vinashin, Vietnam)	IMO II/III
High Trader	49,990	2015	Hyundai Mipo, South Korea (Vinashin, Vietnam)	IMO II/III
High Loyalty	49,990	2015	Hyundai Mipo, South Korea	IMO II/III
High Freedom	49,990	2014	Hyundai Mipo, South Korea	IMO II/III
High Discovery	50,036	2014	Hyundai Mipo, South Korea	IMO II/III
High Fidelity	49,990	2014	Hyundai Mipo, South Korea (Vinashin, Vietnam)	IMO II/III
High Voyager	45,999	2014	Hyundai Mipo, South Korea	IMO II/III
High Priority	46,847	2005	Nakai Zosen, Japan	-
TC-in long-term with purchase options				
High Leader	50,000	2018	Japan Marine, Japan	IMO II/III
High Navigator	50,000	2018	Japan Marine, Japan	IMO II/III
High Explorer	50,000	2018	Onomichi, Japan	IMO II/III
High Adventurer	50,000	2017	Onomichi, Japan	IMO II/III
Crimson Pearl	50,000	2017	Minaminippon Shipbuilding, Japan	IMO II/III
Crimson Jade	50,000	2017	Minaminippon Shipbuilding, Japan	IMO II/III

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 GLEND A 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 GLEND A International Shipping d.a.c. (in which DIS has 50% interest).

TC-in long-term without purchase option				
High Prosperity	48,711	2006	Imabari, Japan	-
High SD Yihe ⁷	48,700	2005	Imabari, Japan	-
SW Southport I	46,992	2004	STX, South Korea	IMO II/III
SW Tropez	46,992	2004	STX, South Korea	IMO II/III
TC-in short-term				
Carina	47,962	2010	Iwagi Zosen, Japan	-
Celsius Rimini	53,603	2009	Shin Kurushima Dockyard, Japan	-
Vessel under Commercial Agreement⁸				
Philoxenia	49,999	2019	Hyundai Mipo, South Korea	IMO II/III
Eagle Bay	47,134	2008	Hyundai Mipo, South Korea	IMO II/III

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
Cielo di Guangzhou	38,877	2006	Guangzhou, China	IMO II/III

Fleet Employment and Partnership

As at 31 March 2020, d'Amico International Shipping directly employed 45.5 Vessels: 6 LR1 ('Long Range 1'), 20.5 MRs ('Medium Range') and 5 Handy-size vessels on term contracts at a fixed rate, whilst 12 MRs and 2 Handy-size vessels were at the same date employed on the spot market. In addition, DIS had 2 MR vessels under commercial management as at 31 March 2020. Some of these DIS' vessels are employed through its joint venture *GLENDIA 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 March 2020, the JV operator owned 5 MR vessels built between February 2010 and February 2011, two of which were time-chartered to d'Amico Tankers d.a.c. and three to the Glencore Group.

d'Amico International Shipping is part of the d'Amico Group (d'Amico), 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 March 2020, the d'Amico Group controlled a wide fleet of owned and chartered-in vessels, of which 47.5 were part of the DIS fleet (including 2 ships in commercial management), 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.

⁷ Former High Presence sold by d'Amico Tankers d.a.c in Feb'18 and taken back in time charter for 6 years

⁸ DIS passes the TCE Earnings generated by the 'vessels under commercial management' on to their owners, after deducting a 2% commission on all their gross revenues.

ALTERNATIVE PERFORMANCE MEASURES (APM)

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

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

Time charter equivalent earnings

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

EBITDA and EBITDA Margin

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

EBIT and EBIT Margin

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

ROCE

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

Gross CAPEX

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

Net Indebtedness

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

IFRS 16 impact

The standard eliminates the classification of leases as either operating leases or finance leases for a lessee; instead all leases are treated in a similar way to finance leases applying IAS 17. Leases are "capitalised" by recognising the present value of lease payments and showing them either as leased assets (right-of-use assets, RoU) or together with property, plant and equipment (PPE). Lease items of low value (under US\$ 5 thousand) or for which the lease duration is shorter than one year are excluded from this treatment and are expensed as incurred. If lease payments are made over time, the company also recognises a financial liability representing its obligation to make future lease payments. The most

significant effect is an increase in lease assets (or PPE) and financial liabilities, leading to changes in key financial metrics derived from balance sheet data.

For companies with material off-balance sheet leases, IFRS 16 changes the nature of the expenses related to those leases: the straight-line operating lease expense (time-charter-in) are replaced with a depreciation charge for the lease asset (included within operating costs) and an interest expense on the lease liability (included within finance costs).

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

Available vessel days

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

Coverage

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

Daily spot rate or daily TC rate

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

Off-hire

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

Time charter equivalent earnings per day

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

Vessels equivalent

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

OTHER DEFINITIONS

Bareboat charter

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

Charter

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

SUMMARY OF THE RESULTS IN THE FIRST QUARTER OF 2020

Clean product tanker markets in Q4 2019 performed well on the back of sanctions on selected entities of COSCO (the world's largest tanker owner), Venezuelan-related issues, a tanker attack in the Middle East, a typhoon in Japan and scrubber retrofits, all of which contributed to the large earnings spike in the crude sector. This resulted in some of the larger product tankers switching into the crude and DPP markets – according to various brokers' reports around 16% of LR2s and 6% of LR1s made the transition into these markets in Q4 2019, reducing effective fleet supply in the clean petroleum markets. The resulting contraction in the number of vessels available for clean trades, provided strong support to product tanker freight rates going into Q1 2020. January saw acceptable returns before rates softened in the first-half of February as a result of the Covid-19 lockdown in China, which led to a sharp contraction in refinery runs, with planned maintenance brought forward for some facilities.

The breakdown of OPEC+ negotiation in early March and ensuing brief trade war, as well as the softening of lockdown measures in China, contributed to an increase in product tankers freight rates especially in Asia and the Middle East. The lower oil prices not only reduced bunker costs, improving TC equivalent earnings, but also opened new arbitrages, with Naphtha becoming competitive relative to LPG as a feedstock for the petrochemical industry and being transported over very long distances, from the Middle East or Europe to Japan. The market was also flooded with crude oil, contributing to a spike in earnings for crude tankers, as more oil was being transported and as onshore tanks quickly filled-up and floating storage increased. Due to the strength in the crude markets another 10% of LR2s and 6% of LR1s switched into to the crude and DPP markets in Q1 2020, further tightening vessel availability for clean trades.

In early March, just as Chinese economic activity was starting to recover, the western hemisphere started imposing severe restrictions on the freedom of movement of individuals, resulting in an additional large downturn in demand for products. Spot freight rates in the Atlantic initially suffered from the lower refining volumes, but as land storage filled up and the contango steepened, the increase in floating storage of refined products and the increase in port congestion, eventually reduced effective supply so much that freight rates started rising rapidly in almost all routes, reaching unprecedented levels by the end of April 2020.

The one-year time-charter rate, which is always the best indicator of spot market expectations, gradually strengthened throughout 2019, ending the fourth quarter of 2019 at around US\$ 16,500 per day and US\$ 18,500 per day for conventional and Eco MRs, respectively. During the first two months of 2020 period rates softened slightly. However, by the end of the quarter and going into Q2 rates had improved to levels we have not seen for a very long time. The assessed one-year rate for a conventional and Eco MR2 are of over US\$ 20,000 and US\$21,000, respectively.

In **Q1 2020**, DIS posted its second consecutive profitable quarter with a **Net Result of US\$ 1.5 million** vs. a Net Loss of US\$ (5.5) million posted in the same quarter of 2019. Excluding results on disposal and non-recurring financial items from Q1 2020 and Q1 2019, as well as the asset impairment and the effects of IFRS 16, DIS' Net result would have amounted to US\$ 6.3 million in Q1 2020 compared with US\$ (4.4) million recorded in the same period of 2019. Therefore, **excluding such non-recurring effects, DIS' Q1 2020 Net result would have been US\$ 10.7 million higher than in the same quarter of last year.**

DIS generated an EBITDA of US\$ 33.0 million in Q1 2020 vs. US\$ 22.4 million in the same quarter of last year, representing an increase of 47.1% year-on-year. Such strong improvement relative to the previous year is mainly attributable to better market conditions. This is reflected also in the **strong operating cash flow of US\$ 25.7 million generated in Q1 2020 vs. US\$ 16.8 million in the same quarter of 2019.**

In fact, In terms of spot performance, **DIS achieved a daily spot rate of US\$ 17,354 in Q1 2020**, 27.8% (i.e. US\$ 3,771/day) higher than the US\$ 13,583 achieved in the same quarter of 2019. In addition, the Q1 2020 spot result was affected by an approximately US\$ 0.9 million negative adjustment on prior year voyages, which corresponds to about US\$ 600/day on DIS' daily average for its spot vessels.

At the same time, 64.6% of DIS' total employment days in Q1 2020, were covered through 'time-charter' contracts at an average daily rate of US\$ 15,864 (Q1 2019: 46.4% coverage at an average daily rate of US\$ 14,604). A good level of time charter coverage is one of the pillars of DIS' commercial strategy and allows it to mitigate the effects of the spot market volatility, securing a certain level of earnings and cash generation even throughout the negative

cycles. **DIS' total daily average rate (which includes both spot and time-charter contracts) was US\$ 16,391 in the first quarter of 2020** compared with US\$ 14,057 achieved in the same quarter of the previous year.

Operating Performance

<i>US\$ Thousand</i>	Q1 2020	Q1 2019
Revenue	94,355	91,031
Voyage costs	(22,941)	(27,173)
Time charter equivalent earnings*	71,414	63,858
Time-charter hire costs	(6,955)	(10,220)
Other direct operating costs	(27,650)	(27,691)
General and administrative costs	(3,272)	(3,422)
Result on disposal of vessels	(553)	(107)
EBITDA*	32,984	22,418
Depreciation, impairment and impairment reversal	(11,841)	(8,758)
Depreciation of right-of-use leased asset	(7,250)	(8,480)
EBIT*	13,893	5,180
Net financial income	41	458
Net financial (charges)	(12,321)	(11,979)
Share of profit of associate	-	(18)
Reversal of impairment of an equity-invested asset	-	945
Profit / (loss) before tax	1,613	(5,414)
Income taxes	(96)	(100)
Net profit / (loss)	1,517	(5,514)

* See Alternative Performance Measures on page 9

Revenue was US\$ 94.4 million in Q1 2020 compared with US\$ 91.0 million realized in Q1 2019. DIS operated 46.0 vessels on average in the first quarter of 2020 vs. 49.4 vessels in Q1 2019. The percentage of off-hire days in Q1 2020 (1.8%) was lower than in the same period of the previous year (3.9%), mainly due to commercial off-hires and the timing of dry-docks.

Voyage costs reflect the mix of spot and time-charter employment contracts. These costs, which occur only for vessels employed on the spot market, amounted to US\$ (22.9) million in Q1 2020 compared with US\$ (27.2) million recorded in the same quarter of last year.

Time charter equivalent earnings were US\$ 71.4 million in Q1 2020 vs. US\$ 63.9 million in Q1 2019. The total amount for Q1 2020 includes US\$ 3.9 million 'time charter equivalent earnings' (Q1 2019 US\$ 3.8 million) generated by vessels under commercial management, which is offset by an almost equivalent amount reported under 'time-charter hire costs'. The improvement relative to the previous year is a clear reflection of the much stronger freight markets in the first three months of 2020.

In detail, DIS realized a **daily average spot rate of US\$ 17,354 in Q1 2020⁹** compared with **US\$ 13,583** achieved in

⁹ Daily Average TCE of 2020 excludes US\$ 3.9 million generated by the vessels under commercial management, as it is almost offset by an equivalent amount of time charter hire costs after deducting a 2% commission on gross revenues.

the same quarter of 2019¹⁰. DIS' spot result for Q1 2020 represents an improvement of 27.8% (i.e. US\$ 3,771/day) relative to the same period of the previous year. In addition, the Q1 2020 spot result was affected by approximately US\$ 0.9 million negative adjustment on prior year voyages, which corresponds to about US\$ 600/day on DIS' daily average.

Following its strategy, in Q1 2020 DIS maintained a **high level of 'coverage'** (fixed-rate contracts), securing an average of **64.6%** (Q1 2019: 46.4%) of its available vessel days at a **Daily Average Fixed Rate of US\$ 15,864** (Q1 2019: US\$ 14,604). In addition to securing revenue and supporting its 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)¹¹ was US\$ 16,391 in Q1 2020 vs. US\$ 14,057 in Q1 2019.

DIS TCE daily rates (US dollars)	2018					2020
	Q1	Q2	Q3	Q4	FY	Q1
Spot	13,583	13,074	11,616	17,242	13,683	17,354
Fixed	14,604	14,398	14,819	15,130	14,760	15,864
Average	14,057	13,710	13,264	15,965	14,239	16,391

Time charter hire costs. IFRS 16 Leases is effective for annual periods beginning on or after 1 January 2019 and has been adopted by the Company. IFRS 16 substantially changes the Group's Consolidated Financial Statements, significantly affecting the treatment by lessees of contracts which in previous periods were treated as operating leases. With some exceptions, liabilities for payments on contracts previously classified as operating leases are now discounted at the lessee's incremental borrowing rate, leading to the recognition of a lease liability and a corresponding right of use asset (amounting to the liability plus the present value of any restoration costs and any incremental costs in entering the lease, as well as any lease payments made prior to commencement of the lease, minus any lease incentives already received). Therefore, starting from 1 January 2019, 'time-charter hire costs' includes only time-charter contracts whose residual term is shorter than 12 months as at that date or for contracts starting later, whose duration is shorter than 12 months from their commencement date. The application of IFRS16 reduces 'charter hire costs' by US\$ 15.3 million in Q1 2020 and by US\$ 15.2 million in Q1 2019, as within the Income Statement, these costs are replaced with other direct operating costs, interest and depreciation.

The total amount for Q1 2020 includes also US\$ 3.9 million (Q1 2019: US\$ 3.6 million) in hire costs in relation to vessels under commercial management (2.2 average equivalent vessels in Q1 2020 vs. 3.7 average equivalent vessels in Q1 2019), which is offset by an almost equivalent amount reported under 'time charter equivalent earnings', after deducting a 2% commission on the gross revenue generated by these ships in the period. Excluding the cost related to the vessels under commercial management and the effect of IFRS 16, DIS' Q1 2020 'time-charter hire costs' would have amounted to US\$ 18.4 million, lower than US\$ 21.3 million for the same quarter of last year. In fact, DIS operated a lower number of chartered-in vessels in Q1 2020 (13.5 equivalent ships) relative to the first quarter of last year (17.6 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\$ 7.1 million in Q1 2020 (a US\$ 7.5 million increase in Q1 2019), as within the Income Statement, charter hire costs are replaced by other direct operating costs, interest and depreciation. Excluding the effect of IFRS 16, DIS' 'other direct operating costs' would have amounted to US\$ (20.6) million in Q1 2020 vs. US\$ (20.2) million in Q1 2019. In the first three months of 2020, the Company operated a slightly larger fleet of owned and bareboat vessels relative to the same period of last year (Q1 2020: 32.5 vs. Q1 2019: 31.8). DIS constantly monitors its operating costs, while focusing on crew with appropriate skills, high SQE (Safety, Quality & Environment) standards and full compliance with very stringent market regulations. Maintaining a 'high-quality' fleet represents an essential part of d'Amico's vision and strategy.

¹⁰ Daily Average TCE of 2019 excludes US\$ 3.8 million generated by the vessels under commercial management, as it is almost offset by an equivalent amount of time charter hire costs.

¹¹ Daily Average TCE of 2020 and 2019 excludes 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.

General and administrative costs amounted to US\$ (3.3) million in Q1 2020 and were 4.4% lower than in the same quarter of last year (US\$ (3.4) million costs in Q1 2019). 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\$ (0.6) million in Q1 2020 vs. US\$ (0.1) million in Q1 2019. The amount refers to the amortisation of the net deferred result on all vessels sold and leased back in the previous years. **EBITDA** was **US\$ 33.0 million in Q1 2020** and was 47.1% higher than in the same quarter of last year (US\$ 22.4 million in Q1 2019). This large improvement relative to the first quarter of last year, is mainly attributable to the stronger freight markets of the first three months of 2020.

Depreciation, impairment and impairment reversal amounted to US\$ (11.8) million in Q1 2020 vs. US\$ (8.8) million in Q1 2019. The Q1 2020 amount includes US\$ (1.6) million impairment booked on four 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) as at 31 March 2020, with the difference between their fair value less cost to sell and their book value charged to the Income Statement.

Depreciation of right-of-use leased assets amounted to US\$ (7.3) million in Q1 2020 vs. US\$ (8.5) million in Q1 2019.

EBIT was **positive for US\$ 13.9 million in Q1 2020** vs. US\$ 5.2 million for the same period of last year.

Net financial income was US\$ 0.04 million in Q1 2020 vs. US\$ 0.5 million in Q1 2019. The amount of Q1 2020 comprises mainly bank interest income on funds held with financial institutions on deposit and current accounts. The amount for Q1 2019 included also interest on the financing provided to the DM Shipping joint venture and foreign exchange gains on commercial transactions, explaining the variance relative to the first quarter of 2020.

Net financial charges amounted to US\$ (12.3) million in Q1 2020 vs. US\$ (12.0) million in Q1 2019. The Q1 2020 amount comprises US\$ (10.0) million in interest expenses and amortized financial fees due on DIS' bank loan facilities, actual expenses on interest rate swaps and interest on financial leases, as well as US\$ (2.3) million of unrealised losses in relation to the ineffective part of DIS' interest rate swap agreements.

Reversal of impairment of loan to an equity accounted investee was 'zero' in Q1 2020 vs. positive for US\$ 0.9 million in Q1 2019 due to the partial reversal of the write-down of d'Amico Tankers d.a.c.'s shareholder loan to DM Shipping (a 51/49 jointly controlled entity with the Mitsubishi Group).

DIS recorded a **Profit before tax of US\$ 1.6 million in Q1 2020** vs. Loss of US\$ (5.4) million in Q1 2019.

Income taxes amounted to US\$ (0.1) million in Q1 2020, in line with the same quarter of last year.

DIS' **Net Result** for **Q1 2020** was **US\$ 1.5 million** compared with a Net loss US\$ (5.5) million in Q1 2019. Excluding results on disposals and non-recurring financial items from Q1 2020 (US\$ (2.8) million¹²) and from Q1 2019 (US\$ (1.0) million¹³), as well as the asset impairment (US\$ (1.6) million in Q1 2020) and the net effects of IFRS 16 from both periods (Q1 2020: US\$ (0.4) million and Q1 2019: US\$ (0.1) million), DIS' Net result would have amounted to US\$ 6.3 million in Q1 2020 compared with US\$ (4.4) million recorded in the same quarter of the previous year. Therefore, **excluding the effects of the application of IFRS 16 and such non-recurring effects, DIS' Net result for Q1 2020 would have been US\$ 10.7 million higher than in the same quarter of 2019.** Q1 2020 represents also DIS' second consecutive profitable quarter.

¹² US\$ (2.0) million loss on disposal, US\$ (1.3) million realized and unrealized loss on Interest rates swap agreements, US\$ 0.2 million foreign exchange movements arising from the valuation of the DM Shipping financing, US\$ 0.9 million reversal of impairment of an equity-invested asset.

¹³ US\$ 0.2 million profit on disposal, US\$ 4.2 million realized and unrealized profit on Interest rates swap agreements, US\$ 0.5 million foreign exchange movements arising from the valuation of the DM Shipping financing.

Consolidated Statement of Financial Position

<i>(US\$ Thousand)</i>	As at 31 March 2020	As at 31 December 2019
ASSETS		
Non-current assets	960,360	980,042
Current assets	93,670	92,376
Assets held-for-sale	57,954	59,631
Total assets	1,111,984	1,132,049
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity	349,409	352,465
Non-current liabilities	573,259	590,869
Current liabilities	189,316	188,715
Total liabilities and shareholders' equity	1,111,984	1,132,049

Non-current assets mainly relate to DIS' owned vessels net book value, including right-of-use leased assets (there aren't any vessels under construction as at 31 March 2020). According to the valuation report provided by a primary broker, the estimated market value of DIS' owned and bareboat fleet as at 31 March 2020 was of US\$ 870.8 million.

Gross Capital expenditures (Capex) were of US\$ 1.8 million in Q1 2020 vs. US\$ 30.7 million in Q1 2019. The amount of Q1 2020 includes only dry-dock costs pertaining to owned vessels, which are capitalized. The amount of the prior year comprised mainly the instalments paid on the newbuilding vessels under construction at the time.

Current assets as at 31 March 2020 amounted to US\$ 93.7 million, excluding assets held for sale. As at the same date, in addition to the working capital items (inventories and trade receivables amounting to US\$ 10.4 million and US\$ 41.4 million, respectively), current assets include 'cash and cash equivalent' of US\$ 32.4 million and US\$ 7.0 million relating to funds deposited by d'Amico Tankers d.a.c. with d'Amico Finance d.a.c. (please refer to the disclosures on related parties in the notes to the consolidated Financial Statements) in respect of interest rate swap contracts.

Current assets include also *Assets held-for-sale*. The amount of US\$ 58.0 million refers to four 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) as at 31 March 2020, with the difference between their fair value and their book value charged to the Income Statement. Following the impairment allocation, a net carrying value of US\$ 58.0 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\$ 573.3 million as at 31 March 2020 and mainly consist of the long-term portion of debt due to banks (disclosed under the Net Indebtedness section of the report) and of liabilities for financial leases.

The balance of **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 March 2020, working capital items amounting to US\$ 40.3 million (mainly relating to trade and other payables), US\$ 38.9 million in liabilities from financial leases, and US\$ 12.7 million in other current financial liabilities.

Shareholders' equity amounted to US\$ 349.4 million as at 31 March 2020 (US\$ 352.5 million as at December 31, 2019). The variance relative to year-end 2019 is primarily due to the change in the valuation of cash-flow hedges, partially offset by the Net profit generated in Q1 2020.

Net Indebtedness *

DIS' Net debt as at 31 March 2020 amounted to **US\$ 666.7 million** compared to US\$ 682.8 million as at 31 December 2019. These balances include the additional liability due to the application of IFRS 16, amounting to US\$ 115.9 million at the end of March 2020 vs. US\$ 122.8 as at the end of 2019. The net debt (excluding IFRS16) / fleet market value ratio was of 63.3% as at 31 March 2020 vs. 64.0% as at the end of 2019 and compared with 72.9% as at the end of 2018.

<i>US\$ Thousand</i>	As at 31 March 2020	As at 31 December 2019
Liquidity - Cash and cash equivalents	32,406	33,598
Other current financial assets	2,328	2,334
Other current financial assets – related party **	7,048	4,931
Total current financial assets	41,782	40,863
Bank loans and other lenders– current	97,135	94,942
Liabilities from financial lease	38,931	37,736
Shareholders' financing	-	5,000
Other current financial liabilities – 3 rd parties	8,471	6,465
Other current financial liabilities – related party **	4,262	6,008
Total current financial debt	148,799	150,151
Net current financial debt	107,017	109,288
Other non-current financial assets – third parties	13,558	17,347
Total non-current financial assets	13,558	17,347
Bank loans non-current	258,959	270,169
Liabilities from financial lease	302,320	313,418
Other non-current financial liabilities – 3 rd parties	11,980	7,282
Total non-current financial debt	573,259	590,869
Net non-current financial debt	559,701	573,522
Net financial indebtedness	666,718	682,810

* See Alternative Performance Measures on page 9

The balance of *Total Current Financial Assets* was US\$ 41.8 million as at the end of 2019. The total amount comprises *Cash and cash equivalents* of US\$ 32.4 million, and short-term financial receivables of US\$ 7.0 million, which mainly consist of funds deposited by d'Amico Tankers d.a.c. with d'Amico Finance d.a.c., in respect of interest rate swap contracts.

Total Non-Current Financial Assets comprise mainly deferred losses on sale and lease back transactions.

The total outstanding bank debt (*Bank loans*) as at 31 March 2020 amounted to US\$ 356.1 million, of which US\$ 97.1 million is due within one year. Other than some short-term credit lines, DIS' debt as at 31 March 2020 comprises mainly the following long-term facilities granted to d'Amico Tankers d.a.c. (Ireland), the key operating company of the Group:

- (i) US\$ 279.0 million (originally US\$ 250.0 million) term-loan facility granted by a pool of nine primary financial institutions (Crédit Agricole Corporate and Investment Bank, Nordea Bank, ING Bank, Banca IMI, Commonwealth Bank of Australia, Skandinaviska Enskilda Banken (SEB), The Governor and Company of the Bank of Ireland, Credit Industriel et Commercial, DnB), to refinance 8 existing vessels and provide financing for 6 new-building vessels, with an outstanding debt of US\$ 158.8 million;
- (ii) DnB NOR Bank 5 years term-loan facility to finance 1 MR vessel built in 2012, with an outstanding debt of US\$ 14.4 million;
- (iii) ING 5-years term-loan facility to finance 1 MR vessel built in 2012, with an outstanding debt of US\$ 13.8 million;

- (iv) ABN Amro 6-years term-loan facility to finance 1 Handysize vessel built in 2014 with an outstanding debt of US\$ 13.2 million;
- (v) Banca IMI (Intesa Group) 7-years term-loan facility to finance 2 Handy-size vessels built respectively in 2015 and 2016, with a total outstanding debt of US\$ 33.8 million;
- (vi) Monte dei Paschi di Siena 5-years term-loan facility to finance 1 LR1 vessel (delivered in November 2017), with an outstanding debt of US\$ 22.3 million;
- (vii) Century Tokyo Leasing 6-years term-loan facility to finance 2 Handy-size vessels delivered respectively in July and October 2016 and 1 MR vessel delivered in January 2017, with a total outstanding debt of US\$ 54.0 million;
- (viii) In addition, DIS' debt comprises also its portion of the bank loans of its joint venture 'Glenda International Shipping d.a.c.' with Credit Suisse and Cross Ocean AGG Company I (owned by Cross Ocean Partners), amounting to US\$ 24.4 million, to finance the 4 Glenda International Shipping d.a.c. vessels, built between 2010 and 2011.

Liabilities for financial leases include the financial leases on M/T High Fidelity, M/T High Discovery, M/T High Priority, M/T High Freedom, M/T High Trust, M/T High Loyalty, M/T High Trader, M/T Cielo di Houston and M/T High Voyager, which were sold and leased back between 2017 and 2019. In addition, 'liabilities for financial leases' include US\$ 115.9 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 financial sale and leaseback transactions.

Cash Flow

In Q1 2020, DIS' **Net Cash Flow was negative for US\$ (5.5) million** vs. US\$ (2.7) million in Q1 2019.

<i>US\$ Thousand</i>	Q1 2020	Q1 2019
Cash flow from operating activities	25,678	16,815
Cash flow from investing activities	(1,292)	(30,670)
Cash flow from financing activities	(29,889)	11,139
Change in cash balance	(5,503)	(2,716)
Cash and cash equivalents net of bank overdrafts at the beginning of the period	17,517	15,120
Cash and cash equivalents at the end of the period	32,406	29,062
Bank overdrafts at the end of the period	(20,392)	(16,659)
Cash and cash equivalents net of bank overdrafts at the end of the period	12,014	12,404

Cash flow from operating activities was positive, amounting to **US\$ 25.7 million in Q1 2020 vs. US\$ 16.8 million in Q1 2019**. This improvement is attributable to the much stronger freight markets in Q1 2020 relative to the same period of last year.

The net **Cash flow from investing activities** was of US\$ (1.3) million in Q1 2020 vs. US\$ (30.7) million in Q1 2019. The amount for Q1 2020 comprises only cost relating to drydock which occurred in the period, partially off-set 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 Q2 and Q3 2019. The amount for the first quarter of last year comprised the capital expenditures in connection with the installments paid on the new-building vessel delivered in January 2019, which was sold and leased back upon delivery.

Cash flow from financing activities was negative, amounting to US\$ (29.9) million in Q1 2020. This figure comprises mainly: (i) US\$ (5.0) million reimbursement of the financing granted by DIS' majority shareholder (d'Amico International S.A.) at the end of 2019; (ii) US\$ (13.7) million in bank debt repayments (of which US\$ 5.5 million were due to the reimbursement of the loan, including the balloon, for the M/T Cielo di Guangzhou, classified as 'assets held for sale' at the end of March 2020); (iii) US\$ (9.7) million repayment of financial leases; (iv) US\$ (1.7)

reimbursement of the upstream loan received from Glenda International Shipping d.a.c. at the end of 2019.

SIGNIFICANT EVENTS OF THE FIRST QUARTER

In Q1 2020, the main events for the d'Amico International Shipping Group were the following:

D'AMICO INTERNATIONAL SHIPPING:

Executed buyback program: On 27 January 2020, d'Amico International Shipping S.A. announced that during the period between 20 January and 24 January 2020, n. 882,000 own shares (representing 0.07107% of the outstanding share capital of the Company) were repurchased on the regulated market managed by Borsa Italiana S.p.A. at the average price per share of Euro 0.1495, for a total consideration of Euro 131,869.20. As at 24 January 2020, d'Amico International Shipping S.A. held nr. 8,642,027 own shares, representing 0.7% of its outstanding share capital.

On 20 March 2020, d'Amico International Shipping S.A. announced that during the period between 13 March and 19 March 2020, n. 1,500,000 own shares (representing 0.121% of the outstanding share capital of the Company) were repurchased on the regulated market managed by Borsa Italiana S.p.A. at the average price per share of Euro 0.0703, for a total consideration of Euro 105,434.40. As at 20 March 2020, d'Amico International Shipping S.A. held nr. 10,142,027 own shares, representing 0.82% of its outstanding share capital.

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

Impact of COVID-19: For the product tankers sector COVID-19 could also have a material direct impact on market freight rates. The extent of this impact will depend on how long it will take to contain the virus and for economic activity worldwide to return to normal. In their April 2020 report, due to the impact of Covid-19, the IEA has significantly reduced their estimate for global refining throughput this year, which is now expected to fall by 7.6 million b/d (in January 2020 they expected growth of 1.3 million b/d). For the time being the impact on the product tankers industry has been limited, with freight rates having risen throughout March and April, after reaching a 2020 trough in around mid-February. In fact, our tanker vessels are benefitting from both significantly lower bunker prices, as well as new arbitrage trades, often entailing long sailing distances, such as exports of naphtha from Europe and the Middle East to Asia, and jet fuel exports from China to the US Gulf. They are also benefiting from an increase in demand for floating storage of both crude and refined products and from an increase in port congestion. Nevertheless, the large drop in demand for refined products arising from the Covid-19 outbreak, and the resulting build-up in inventories, is creating imbalances which could depress demand for our vessels in the future. Furthermore, the recent decision by OPEC+ to cut oil production by around 10 million b/d could negatively affect demand for our vessels possibly from as early as Q3 this year. Although these production cuts might negatively affect near-term freight rates, they should reduce imbalances and contribute to a healthier market in 2021.

d'Amico International Shipping S.A. subsidiaries are also coping with operational complications, such as loading/unloading restrictions, and a 14-day quarantine for vessels and crews in certain ports, introducing some inefficiencies on daily operations, but we are working with our partners, customers and local authorities to find solutions that minimise the impact on our business. More countries may enforce vessel and crew quarantines; If enough countries do so, especially for short-haul trades, it could effectively remove tonnage and provide short-term support to freight markets.

D'AMICO TANKERS D.A.C.:

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

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

- **'Time Charter-In' Fleet and 'Commercial management' Fleet:**

In January 2020, the management contract for the M/T Falcon Bay ended and the vessel was redelivered to its owners;

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

SIGNIFICANT EVENTS SINCE THE END OF THE PERIOD AND BUSINESS OUTLOOK

D'AMICO TANKERS D.A.C.:

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

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

	As at 31 March 2020				As at 7 May 2020			
	LR1	MR	Handysize	Total	LR1	MR	Handysize	Total
Owned	5.0	11.5	7.0	23.5	5.0	11.5	7.0	23.5
Bareboat chartered*	1.0	8.0	0.0	9.0	1.0	8.0	0.0	9.0
Long-term time chartered	0.0	8.0	0.0	8.0	0.0	8.0	0.0	8.0
Short-term time chartered	0.0	5.0	0.0	5.0	0.0	5.0	0.0	5.0
Total	6.0	32.5	7.0	45.5	6.0	32.5	7.0	45.5

* with purchase obligation

BUSINESS OUTLOOK

The IMF estimates in their April 2020 report that due to the negative effects of the measures to control the spread of the COVID-19 pandemic, the global economy will contract sharply, by 3 percent in 2020, much worse than during the 2008–09 financial crisis. Assuming the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound, the global economy is projected to grow by 5.8 percent in 2021 as economic activity normalises.

According to the IEA, global oil demand is expected to fall by a record 9.3 million b/d year-on-year in 2020. The impact of containment measures in 187 countries and territories has been to bring mobility almost to a halt. Demand in April is estimated to be 29 million b/d lower than a year ago, down to a level last seen in 1995. For 2Q20, demand is expected to be 23.1 million b/d below a year-ago levels. The recovery in 2H20 will be gradual; in December demand will still be down 2.7 million b/d year on year.

Also according to the IEA, global oil supply is set to plunge by a record 12 million b/d in May, after OPEC+ forged a historic output deal to cut production by 9.7 million b/d from an agreed baseline level. Additional reductions are set to come from other countries with the US and Canada seeing the largest declines. Reduction in non-OPEC output could reach 5.2 million b/d in 4Q20.

Refinery runs have also fallen sharply, with some refineries such as NNPC in Nigeria having closed their refinery capacity completely from April. Refinery utilisation in the US as at end of April 2020 is down to around 65% vs 93% earlier this year.

Onshore tanks are at almost full capacity and crude and product forward prices are in steep contango, prompting charterers' interest in floating storage. According to Kpler, as at mid-April 2020, close to six million tonnes of clean petroleum products was being stored on product tankers. The definition of storage is ships identified by tracking

systems that are laden and are waiting in excess of seven days to discharge. Floating storage and port congestion due to ullage problems are keeping tonnage supply incredibly tight and are expected to keep freight rates at very high levels near-term.

As demand for oil eventually recovers and the forward oil price curve flattens and eventually moves into backwardation, floating storage is expected to start unwinding, increasing effective fleet supply and putting downward pressure on freight rates.

In its latest outlook, Clarksons' has lowered product tanker demand growth down to 2.2% and nominal fleet growth down to 1.1%, from 5.0% and 2.4% respectively. They believe the short-term product tanker market outlook is subject to significant uncertainty, but that eventually there is the clear potential for extensive refinery run cuts and a sharp fall in global oil demand to negatively impact the seaborne products trade .

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

Product Tanker Demand

- The damage done by Covid-19 to global oil demand has become wider and deeper since March, as a growing number of countries have imposed strict containment measures. Following the early example of China, 187 countries and territories have implemented such policies as at April 2020, of which 98 have asked their citizens to stay at home. In total, over 4 billion people are under containment.
- Greatly reduced mobility has seen fuel demand plummet by a record 10.8 million b/d year-on-year (y-o-y) in March. The IEA estimates that the situation will be even worse in April, with demand falling by a massive 29 million b/d, returning to a level (70.4 million b/d) last seen in 1995.
- In IEA's April report refining throughput in 2020 is forecast to fall by 7.6 million b/d y-o-y to 74.3 million b/d on sharply reduced demand for fuels. Global refinery intake is expected to plummet by 16 million b/d y-o-y in Q2 '20, with widespread run cuts and shutdowns in all regions.
- Although refinery runs are also falling rapidly, product stocks are still expected to build by 6 million b/d in Q2 '20. In H2 '20, refining activity will slowly recover, as following the sharp OPEC+ cuts agreed in April, the global oil market moves into deficit.

Product Tanker Supply

- According to Clarksons, 77 MRs and 7 LR1s are scheduled to be delivered in 2020. Only 28 ships out of an estimated 34 were delivered in Q1 '20.
- Due to the Covid-19 outbreak, deliveries are being delayed. In addition, a large number of demolition yards have been in lockdown.
- Clarksons have revised their product tanker fleet growth for '20 down to 1.1% due to current situation.
- Shipyards are going through a period of uncertainty. Lack of orders and poor returns are leading to a reduction in global shipyard capacity.
- Port and bunkering congestion as well as floating storage is reducing the ready supply of tonnage.
- Several developed economies in the western hemisphere are expected to ease travel and lockdown over the coming months. As this occurs demand for oil should recover and oil prices should rise, reducing the oil price contango which should eventually move into backwardation, leading to a destocking cycle and increasing effective fleet growth.
- Around 6% of the MR and LR1 fleet currently on the water (on a dwt basis) is older than twenty years.
- A historically low orderbook/fleet ratio of 6.0% for MRs and LR1s as at April '20, according to Clarksons, and the likely demolition of older vessels, should help to rebalance the market as it eventually works through the excess inventories.
- A possible vigorous recovery in oil demand in 2021 driven also by strong fiscal stimulus in several leading economies, should also shorten the time needed to absorb surplus refined product stocks.

D' AMICO INTERNATIONAL SHIPPING GROUP
INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

<i>US\$ Thousand</i>	Q1 2020	Q1 2019
Revenue	94,355	91,031
Voyage costs	(22,941)	(27,173)
Time charter equivalent earnings*	71,414	63,858
Time charter hire costs	(6,955)	(10,220)
Other direct operating costs	(27,650)	(27,691)
General and administrative costs	(3,272)	(3,422)
Result on disposal of vessels	(553)	(107)
EBITDA*	32,984	22,418
Depreciation, impairment and impairment reversal	(11,841)	(8,758)
Depreciation of right-of-use leased asset	(7,250)	(8,480)
EBIT*	13,893	5,180
Net financial income	41	458
Net financial (charges)	(12,321)	(11,979)
Share of profit of associate	-	(18)
Reversal of impairment of an equity-invested asset	-	945
Profit / (loss) before tax	1,613	(5,414)
Income taxes	(96)	(100)
Net profit / (loss)	1,517	(5,514)
Basic earnings / (loss) per share ⁽¹⁴⁾	US\$ 0.001	US\$ (0.009)

*see Alternative Performance Measures on page 9

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

<i>US\$ Thousand</i>	Q1 2020	Q1 2019
Profit / (loss) for the period	1,517	(5,514)
<i>Items that may be reclassified subsequently into profit or loss</i>		
Movement of valuation of cash-flow hedges	(4,151)	(1,315)
Exchange differences in translating foreign operations	(84)	(10)
Total comprehensive income for the period	(2,718)	(6,839)
<i>The net result is entirely attributable to the equity holders of the Company</i>		
Basic earnings / (loss) per share	US\$ (0.002)	US\$ (0.011)

¹⁴ Basic earnings/ loss per share (e.p.s.), have been calculated on an average number of shares outstanding equal to 1,230,890,447 in the first quarter of 2020 and 645,997,998 in the first quarter of 2019. In Q1 2020 and in Q1 2019 diluted e.p.s. was equal to basic e.p.s..

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>US\$ Thousand</i>	As at 31 March 2020	As at 31 December 2019
ASSETS		
Property, plant and equipment	830,464	838,863
Right-of-use assets	111,956	119,449
Investments in jointly controlled entities	4,382	4,382
Other non-current financial assets	13,558	17,348
Total non-current assets	960,360	980,042
Inventories	10,446	10,080
Receivables and other current assets	41,443	41,433
Other current financial assets	9,375	7,265
Cash and cash equivalents	32,406	33,598
Current Assets	93,670	92,376
Assets held for sale	57,954	59,631
Total current assets	151,624	152,007
TOTAL ASSETS	1,111,984	1,132,049
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	62,052	62,052
Accumulated losses	(58,284)	(59,801)
Share Premium	368,846	368,846
Other reserves	(23,205)	(18,632)
Total shareholders' equity	349,409	352,465
Banks and other lenders	258,959	270,169
Non-current lease liabilities	302,320	313,418
Other non-current financial liabilities	11,980	7,282
Total non-current liabilities	573,259	590,869
Banks and other lenders	80,635	72,692
Current lease liabilities	38,931	37,736
Shareholders' short-term loan	-	5,000
Payables and other current liabilities	40,261	38,222
Other current financial liabilities	12,733	12,473
Current tax payable	256	342
Current liabilities	172,816	166,465
Banks associated to assets held-for-sale	16,500	22,250
Total current liabilities	189,316	188,715
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,111,984	1,132,049

7 May 2020

On behalf of the Board

Paolo d'Amico
Chairman

Antonio Carlos Balestra di Mottola
Chief Financial Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

<i>US\$ Thousand</i>	Q1 2020	Q1 2019
Profit / (loss) for the period	1,517	(5,514)
Depreciation and amortisation	10,259	8,758
Depreciation of right-of-use leased assets	7,250	8,480
Impairment	1,582	-
Current and deferred income tax	96	100
Net finance lease cost	5,137	4,168
Other net financial charges (income)	7,143	7,010
Unrealised foreign exchange result	-	343
Profit share of equity-accounted investment	-	18
Loss (profit) on disposal of fixed assets	553	(107)
Impairment reversal of a financial asset / v related pty.	-	(945)
Reclassifications of vessels hire	(180)	1,008
Cash flow from operating activities before changes in working capital	33,357	23,319
Movement in inventories	(366)	1,453
Movement in amounts receivable	(10)	4,268
Movement in amounts payable	1,642	(3,316)
Taxes paid	(182)	(53)
Payment of interest portion of lease liability	(5,135)	(4,884)
Net interest (paid)	(3,628)	(4,168)
Movement in other financial liabilities	-	214
Movement in share option reserve	-	(18)
Net cash flow from operating activities	25,678	16,815
Acquisition of fixed assets*	(1,765)	(30,520)
Interest income from equity accounted investee	-	(150)
Movement in financing to equity accounted investee	473	-
Net cash flow from investing activities	(1,292)	(30,670)
Other changes in shareholders' equity	(422)	(261)
Shareholders' financing	(5,000)	1,620
Movement in other financial receivables / related party	610	(1,300)
Net movement in other financial payables / related party	(1,746)	97
Bank loan repayments	(13,677)	(17,421)
Proceeds from disposal of assets subsequently leased back*	-	37,371
Repayments of principal portion of financial lease	(9,654)	(8,967)
Net cash flow from financing activities	(29,889)	11,139
Net increase/ (decrease) in cash and cash equivalents	(5,503)	(2,716)
Cash and cash equivalents net of bank overdrafts at the beginning of the period	17,517	15,120
Cash and cash equivalents net of bank overdrafts at the end of the period	12,014	12,404
Cash and cash equivalents at the end of the period	32,406	29,062
Bank overdrafts at the end of the period	(20,392)	(16,659)

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

	Share capital	Retained Earnings / (Accumulated losses)	Share premium	Other Reserves		Total
				Other	Cash-Flow hedge	
<i>US\$ Thousand</i>						
Balance as at 1 January 2020	62,052	(59,801)	368,846	(15,380)	(3,252)	352,465
Treasury shares	-	-	-	(261)	-	(261)
Effect of equitization	-	-	-	(77)	-	(77)
Total comprehensive income	-	1,517	-	(84)	(4,151)	(2,718)
Balance as at 31 March 2020	62,052	(58,284)	368,846	(15,802)	(7,403)	349,409

	Share capital	Retained earnings	Share premium	Other Reserves		Total
				Other	Cash-Flow hedge	
<i>US\$ Thousand</i>						
Balance as at 1 January 2019	65,376	(30,270)	316,697	(14,791)	331	337,343
IFRS 16 Adjustment	-	(2,004)	-	-	-	(2,004)
Balance as at 1 January 2019 adj. IFRS 16	65,376	(32,274)	316,697	(14,791)	331	335,339
Share option cost	-	-	-	22	-	22
Capital modification	(32,688)	-	32,688	-	-	-
Cost of issue	-	-	(276)	-	-	(276)
Total comprehensive income	-	(5,514)	-	(10)	(1,329)	(6,853)
Balance as at 31 March 2019	32,688	(37,788)	349,109	(14,779)	(998)	328,232

NOTES

d'Amico International Shipping S.A. (the "Company", DIS) a Société 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.

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 liabilities, 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 Preparation

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

The interim condensed consolidated financial statements do not contain all information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 31 December 2019.

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's 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 and are reviewed on an ongoing basis.

Segment Information

d'Amico International Shipping transports refined petroleum products and vegetable oils and operates in only one business segment, Product Tankers. Furthermore, the Group only has one geographical segment, employing all of its vessels worldwide, rather than in specific geographic areas. The Company monitors, evaluates and allocates the Group's resources to one geographical and business unit, operations are run in one single currency – the US\$ – and DIS regards, therefore, the product tankers business as a single segment.

Accounting principles

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

Accounting principles adopted from 1 January 2020

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

Accounting principles, amendments and interpretations not yet effective

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

7 May 2020

On behalf of the Board

Paolo d'Amico
Chairman

Antonio Carlos Balestra di Mottola
Chief Financial Officer

The manager responsible for preparing the Company's interim financial reports, Antonio Carlos Balestra di Mottola, in his capacity as Chief Financial Officer of the Company, declares that the accounting information contained in this document corresponds to the results documented in the books, accounting and other records of the Company.

Antonio Carlos Balestra di Mottola
Chief Financial Officer