d'Amico International Shipping S.A.
Half-Yearly / Second Quarter 2020 Financial Report

This document is available on www.damicointernationalshipping.com
d'Amico International Shipping S.A.
Registered office at 25C Boulevard Royal, Luxembourg
Share capital US$ 62,051,623.70 as at 30 June 2020

CONTENTS

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

Q2 2020 UNREVIEWED	Q2 2019 UNREVIEWED	*US$ Thousand*	H1 2020	H1 2019
78,660	62,449	Time charter equivalent (TCE) earnings*	150,074	126,307
46,518	25,487	EBITDA*	79,502	47,905
59.14%	*40.81%*	*as % of margin on TCE*	*52.98%*	*37.93%*
25,053	(6,612)	EBIT*	38,946	(1,434)
31.85%	*(10.59)%*	*as % of margin on TCE*	*25.95%*	*(1.14)%*
15,622	(18,806)	Net profit / (loss)	17,139	(24,321)
19.86%	*(30.12)%*	*as % of margin on TCE*	*11.42%*	*(19.26)%*
20,089	(4,292)	Adjusted Net profit / (loss)**	26,431	(9,179)
0.013	(0.015)	Earnings / (loss) per share	0.014	(0.020)
33,384	3,214	Operating cash flow	59,062	20,030
(5,263)	(637)	Gross CAPEX*	(7,028)	(31,157)
			As at 30 June 2020	**As at 31 December 2019**
		Total assets	1,091,832	1,132,049
		Net financial indebtedness*	620,372	682,810
		Shareholders' Equity	365,123	352,465

**see Alternative Performance Measures on page 9;*
*** Adjusted by excluding impact of IFRS16 and non-recurring items (please refer to the management report on page 12)*

OTHER OPERATING MEASURES*

Q2 2020 UNREVIEWED	Q2 2019 UNREVIEWED		H1 2020 UNREVIEWED	H1 2019 UNREVIEWED
19,555	13,710	**Daily operating measures** - TCE earnings* per employment day (US$)[1]	17,930	13,879
44.4	49.8	**Fleet development** - Total vessel equivalent*	45.2	49.6
23.3	23.3	- Owned	23.4	23.6
9.0	8.7	- Bareboat chartered-in	9.0	8.3
12.2	17.8	- Time chartered-in	12.8	17.7
1.5	0.7	Vessels-equivalent under commercial management	1.9	2.2
3.5%	0.6%	Off-hire days/ available vessel days[2] (%)	2.6%	3.9%
62.6%	48.0%	Fixed rate contract/ available vessel days[3] (coverage %)	63.7%	47.3%

**see Alternative Performance Measures on page 9 to 11*

[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.

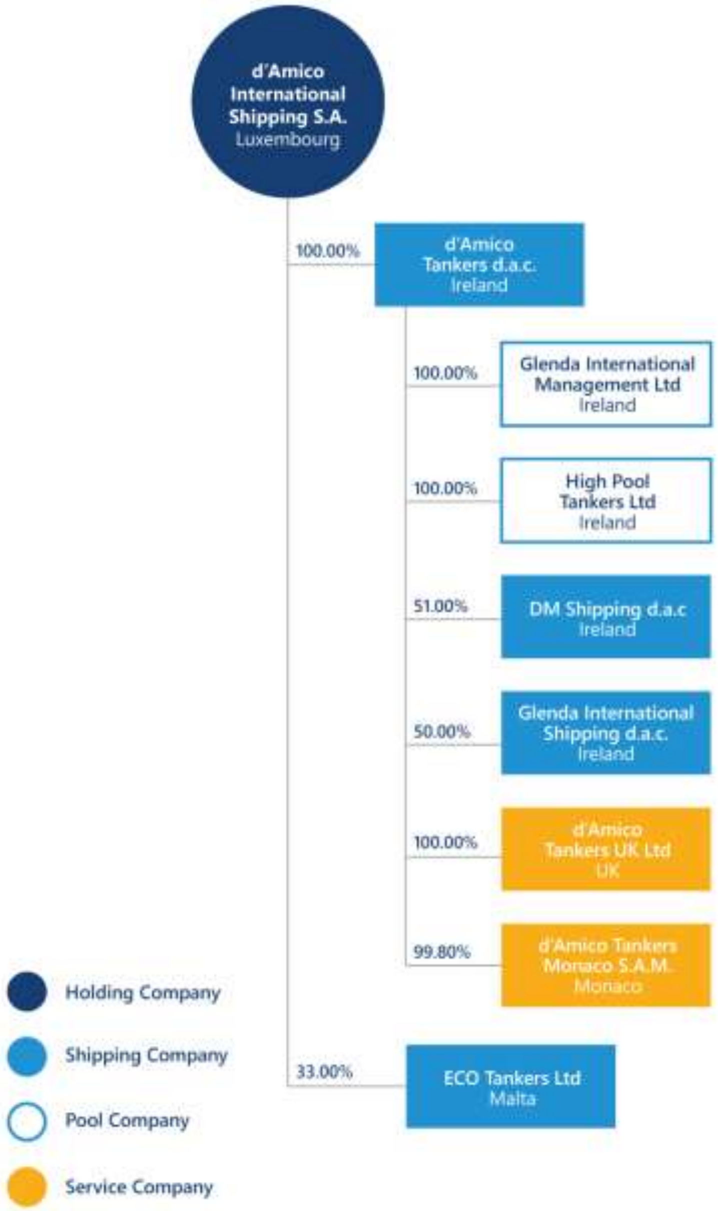
[2] This figure is equal to the ratio of the total off-hire days, inclusive of dry-docks, and the total number of available vessel days.

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

CONSOLIDATED INTERIM MANAGEMENT REPORT

GROUP STRUCTURE

Set out below is d'Amico International Shipping Group's structure as at 30 June 2020:



Glenda International Management and DM Shipping are 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 30 June 2020, controls a fleet of 42.0 vessels, of which 31.0 owned and bareboat vessels (with purchase obligations), with an average age of approximately 6.8 years, compared to an average in the product tankers industry of 11.2 years for MRs (25,000 – 54,999 dwt) and of 10.9 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 30 June 2020, 78.6% 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 priorities for Group from its early days. Accountability, transparency and a focus on quality are pillars of its operations and key to DIS' success.

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

DIS' Global Footprint

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

As at 30 June 2020, the Group employed an equivalent of 679 seagoing personnel and 24 onshore personnel.

Fleet

DIS controlled as at 30 June 2020, either through ownership or charter arrangements a modern fleet of 42.0 product tankers (31 December 2019: 46.5 product tankers and 3 additional vessels in commercial management). DIS' product tanker vessels range from approximately 36,000 to 75,000 dwt.

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

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

The following table sets forth information about DIS' fleet on the water as at 30 June 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
GLENDA Melissa[5]	47,203	2011	Hyundai Mipo, South Korea	IMO II/III
GLENDA Meryl[6]	47,251	2011	Hyundai Mipo, South Korea	IMO II/III
GLENDA Melody[7]	47,238	2011	Hyundai Mipo, South Korea	IMO II/III
GLENDA Melanie[8]	47,162	2010	Hyundai Mipo, South Korea	IMO II/III
High Venture	51,087	2006	STX, South Korea	IMO II/III
High 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
TC-in long-term without purchase options				

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

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

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

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

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

High Prosperity	48,711	2006	Imabari, Japan	-
High SD Yihe[9]	48,700	2005	Imabari, Japan	-
TC-in short-term				
SW Southport I	46,992	2004	STX, South Korea	IMO II/III
SW Tropez	46,992	2004	STX, South Korea	IMO II/III

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 30 June 2020, d'Amico International Shipping directly employed 42.0 Vessels: 6 LR1 ('Long Range 1'), 15 MRs ('Medium Range') and 5 Handy-size vessels on term contracts at a fixed rate, whilst 15 MR and 1 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 30 June 2020, the JV operator owned 4 MR vessels built between February 2010 and February 2011, two of which 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 (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 30 June 2020, the d'Amico Group controlled a wide fleet of owned and chartered-in vessels, of which 42.0 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.

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

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, 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 (voyage) 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 will be 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 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 operates a vessel controlling it 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 an 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 on a per-ton or lump-sum basis. The payment for the use of the vessel is known as freight. The disponent owner is responsible for paying both vessel operating expenses and voyage expenses. Typically, the charterer is responsible for any delay at the loading or discharging ports.

Time charter
Is a contract type through which the ship 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 SECOND QUARTER AND FIRST HALF OF 2020

All tanker markets, in the beginning of Q2 2020, performed extremely well. Oil prices collapsed in March in the wake of OPEC plus other oil producing nations failing to reach an agreement on production. The resulting surge in oil supply coupled with the fall in demand linked to Covid-19, led to an oversupply of oil and a sharp drop in the oil price to US$ 20 per barrel from US$ 60 per barrel in mid-February. With future oil prices in contango and on-shore storage almost full, the demand for floating storage of crude and products increased rapidly – close to 15 million deadweight of product tankers was being used for storage by mid-May. This increase in floating storage and the increase in port congestion resulting from the lack of onshore storage space, sharply reduced the effective supply of vessels, resulting in a spike in product tanker freight rates around the end of April.

OPEC and other world oil producers reduced crude oil supply by almost 14 million b/d on average from April to June in response to an unprecedented collapse in demand and a surge in oil prices. During June, global oil output fell to a nine-year low after Saudi Arabia cut an extra 1 million b/d below its OPEC+ target and output in both Iraq and the US fell by around 0.5 million b/d. At 86.9 million b/d, production in June was down by 2.4 million b/d month-on-month and a very large 13.4 million b/d year-on-year. The oil price recovered from the US$ 20 per barrel lows in April to close to US$ 40 per barrel by the end of June.

According to the IEA's latest report global oil demand fell by 16.4 million b/d year-on-year in Q2 2020 as lockdowns were imposed to combat the Covid-19 pandemic. Demand rebounded strongly in China and India in May, increasing by 700,000 b/d and 1.1 million b/d month-on-month, respectively. World oil demand is projected to decline by 7.9 million b/d in 2020 and to recover by 5.3 million b/d in 2021. However, the recent increase in Covid-19 cases in the US, India and Brazil, followed by the possibility of further partial lockdowns worldwide makes such forecasts arduous, with a wide range of possible outcomes.

According to the IEA, oil product inventories increased by 64.5 million barrels (2.08 million b/d) to 1 621 million barrels in May. Middle distillate stocks led with a 37.9-million-barrel increase, notably in the Americas (24.2 million barrels) and Europe (14.6 million barrels). Fuel oil and other oil inventories also rose by 5.1 million and 23.7 million barrels, respectively. Gasoline stocks, by contrast, fell by 2.1 million barrels, in line with the seasonal trend. The resulting oil stock overhang, in particular that held in floating storage, with vessels that are slowly returning to the market, as well as the destruction of oil demand, led to a sharp fall in almost all tanker sectors in June, with very low freight rates persisting in most regions throughout July.

The one-year time-charter rate is always the best indicator of spot market expectations, and at the beginning of Q2 was assessed at US$ 20,000 per day for a conventional MR2. However due to the current uncertainty and poor demand, by the end of the quarter the daily rate for the same type of contract had fallen to US$13,500, with an Eco MR2 assessed at a premium of around US$1,000 per day.

In H1 2020, DIS recorded a Net profit of US$ 17.1 million vs. a Net loss of US$ (24.3) million posted in the same period of last year. Excluding results on disposal and non-recurring financial items from H1 2020 and H1 2019, as well as the asset impairment and the effects of IFRS 16, DIS' Net result would have amounted to US$ 26.4 million in H1 2020 compared with US$ (9.2) million recorded in the same period of 2019. Therefore, excluding such non-recurring effects, DIS' H1 2020 Net result would have been US$ 35.6 million higher than in the same period of last year.

In Q2 2020, DIS posted its best quarterly result since Q2 2015, with a Net profit of US$ 15.6 million vs. US$ (18.8) million loss recorded in the same quarter of last year. Excluding non-recurring items from both Q2 2020 and Q2 2019, the Net result would have been of US$ 20.1 million and US$ (4.8) million respectively, for the two periods.

DIS generated an EBITDA of US$ 79.5 million in H1 2020 vs. US$ 47.9 million in the same period of last year, representing an increase of 66% 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$ 59.1 million generated in H1 2020** compared with US$ 20.0 million in H1 2019 and with US$ 59.3 million generated in the entire FY 2019.

In fact, in terms of spot performance, **DIS achieved a daily spot rate of US$ 21,238 in H1 2020**, 59.4% (i.e. US$ 7,912/day) higher than the US$ 13,326 achieved in the same period of 2019. Thanks to a very strong product tanker market in **Q2 2020**, **DIS generated its best quarterly spot result since Q3 2008 with a daily spot average of US$ 25,118**, 92.1% higher than the US$ 13,074 achieved in Q2 2019.

At the same time, 63.7% of DIS' total employment days in H1 2020, were covered through 'time-charter' contracts at an average daily rate of US$ 16,042 (H1 2019: 47.3% coverage at an average daily rate of US$ 14,496). 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$ 17,930 in the first half of 2020** compared with US$ 13,879 achieved in the same period of the previous year.

OPERATING PERFORMANCE

Q2 2020 UNREVIEWED	Q2 2019 UNREVIEWED	*US$ Thousand*	H1 2020	H1 2019
90,987	87,387	Revenue	185,342	178,418
(12,327)	(24,938)	Voyage costs	(35,268)	(52,111)
78,660	**62,449**	**Time charter equivalent earnings***	**150,074**	**126,307**
(4,300)	(7,230)	Time charter hire costs	(11,255)	(17,450)
(25,367)	(26,433)	Other direct operating costs	(53,017)	(54,124)
(2,911)	(2,458)	General and administrative costs	(6,183)	(5,880)
436	(841)	Result on disposal of fixed assets	(117)	(948)
46,518	**25,487**	**EBITDA***	**79,502**	**47,905**
(21,465)	(32,099)	Depreciation and impairment	(40,556)	(49,339)
25,053	**(6,612)**	**EBIT***	**38,946**	**(1,434)**
27	766	Net financial income	68	578
(9,370)	(13,896)	Net financial (charges)	(21,691)	(25,228)
-	1,269	Share of profit of associate	-	1,251
-	(226)	Reversal of impairment of loan to an equity accounted investee	-	719
15,710	**(18,699)**	**Profit (loss) before tax**	**17,323**	**(24,114)**
(88)	(107)	Income taxes	(184)	(207)
15,622	**(18,806)**	**Net profit (loss)**	**17,139**	**(24,321)**

**see Alternative Performance Measures on page 9*

Revenue amounted to US$ 185.3 million in H1 2020 (US$ 178.4 million in H1 2019) and US$ 90.9 million in Q2 2020 (US$ 87.4 million in Q2 2019). The percentage of off-hire days in H1 2020 (2.6%) 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$ (35.3) million in H1 2020 compared with US$ (52.1) million in H1 2019 (Q2 2020: US$ (12.3) million vs. Q2 2019: US$ (24.9) million). The lower costs reflect DIS' lower exposure to the spot market relative to the same period of last year.

Time charter equivalent earnings were US$ 150.1 million in H1 2020 vs. US$ 126.3 million in H1 2019 and US$ 78.7 million in Q2 2020 vs. US$ 62.4 million in Q2 2019. The total amount for H1 2020 includes US$ 6.2 million 'time charter equivalent earnings' (H1 2019: US$ 4.4 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 six months of 2020.

In detail, DIS realized a **daily average spot rate of US$ 21,238 in H1 2020**[10] compared with US$ 13,326 in H1 2019[11], and of US$ 25,118 in Q2 2020 compared with US$ 13,074 in Q2 2019. DIS' daily spot result for H1 2020 represents an improvement of 59.4% (i.e. US$ 7,912/day) relative to the same period of the previous year.

Following its strategy, in H1 2020 DIS maintained a **high level of 'coverage'** (fixed-rate contracts), securing an average of **63.7%** (H1 2019: 47.3%) of its available vessel days at a **daily average fixed rate of US$ 16,042** (H1 2019: US$ 14,496). 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)[12] was **US$ 17,930 in H1 2020** vs. US$ 13,879 in H1 2019 (Q2 2020: US$ 19,555 vs. Q2 2019: US$ 13,710).

DIS TCE daily rates (US dollars)	2019 UNREVIEWED					2020 UNREVIEWED		
	Q1	*Q2*	***H1***	*Q3*	*Q4*	Q1	*Q2*	***H1***
Spot	13,583	13,074	**13,326**	11,616	17,242	17,354	25,118	**21,238**
Fixed	14,604	14,398	**14,496**	14,819	15,130	15,864	16,236	**16,042**
Average	14,057	13,710	**13,879**	13,264	15,965	16,391	19,555	**17,930**

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$ 29.5 million in H1 2020 and by US$ 32.2 million in H1 2019, as within the Income Statement, these costs are replaced with other direct operating costs, interest and depreciation.

The total amount for H1 2020 includes also US$ 6.1 million (H1 2019: US$ 4.4 million) in hire costs in relation to vessels under commercial management (1.9 average equivalent vessels in H1 2020 vs. 2.2 average equivalent vessels in H1 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' H1 2020 'time-charter hire costs' would have amounted to US$ 34.5 million, lower than US$ 45.2 million for the same period of last year. In fact, DIS operated a lower number of chartered-in vessels in H1 2020 (12.8 equivalent ships) relative to the first half of last year (17.7 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$ 13.6 million in H1 2020 (US$ 15.0 million increase in H1 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$ (39.4) million in H1 2020 vs. US$ (39.2) million in H1 2019. In the first half of 2020, the Company operated a slightly larger fleet of owned and bareboat vessels relative to the same period of last year (H1 2020: 32.4 vs. H1 2019: 31.9). DIS constantly monitors its operating costs, while focusing on crew with

[10] Daily Average TCE of H1 2020 excludes US$ 6.2 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.

[11] Daily Average TCE of H1 2019 excludes US$ 4.4 million generated by the vessels under commercial management, as it is off-set by an equivalent amount of time charter hire costs after deducting a 2% commission on gross revenues.

[12] Daily Average TCE of 2020 and 2019 exclude 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.

appropriate skills, high SQE (Safety, Quality & Environment) standards and full compliance with very stringent market regulations. Maintaining a 'high-quality' fleet represents an essential part of d'Amico's vision and strategy.

General and administrative costs amounted to US$ (6.2) million in H1 2020 substantially in line with US$ (5.9) million in H1 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$ (0.1) million in H1 2020 vs. US$ (0.9) million in H1 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 of US$ 79.5 million in H1 2020 vs. US$ 47.9 million in H1 2019, representing an increase of 66% year-on-year (Q2 2020: US$ 46.5 million vs. Q2 2019: US$ 25.5 million). This substantial improvement relative to the first half of last year, is mainly attributable to the stronger freight markets of the first six months of 2020.

Depreciation, impairment and impairment reversal amounted to US$ (40.6) million in H1 2020 vs. US$ (49.3) million in H1 2019 (Q2 2020: US$ (21.5) million vs. Q2 2019: US$ (32.0) million). The H1 2020 amount includes US$ (6.0) 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. Two of these vessels (M/T Cielo di Guangzhou and M/T Glenda Megan) were sold in Q2 2020, whilst the remaining three vessels were still classified as 'assets held for sale' as at 30 June 2020. The H1 2019 amount included US$ (12.1) million impairment booked on two vessels owned by Glenda International Shipping.

EBIT was **positive for US$ 38.9 million in H1 2020** vs. US$ (1.4) million in H1 2019 (Q2 2020: US$ 25.1 million vs. Q2 2019: US$ (6.6) million)**.**

Net financial income was of US$ 0.07 million in H1 2020 vs. US$ 0.6 million in H1 2019 (Q2 2020: US$ 0.03 million vs. Q2 2019: US$ 0.8 million). The amount of H1 2020 comprises mainly bank interest income on funds held with financial institutions on deposit and current accounts. The amount for H1 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 half of 2020.

Net financial charges amounted to US$ (21.7) million in H1 2020 vs. US$ (25.2) million in H1 2019 (Q2 2020: US$ (9.4) million vs. Q2 2019: US$ (13.9) million). The H1 2020 amount comprises US$ (19.2) 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$ (2.4) 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 nil in H1 2020 vs. positive for US$ 0.7 million in H1 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$ 17.3 million in H1 2020** vs. loss of US$ (24.1) million in H1 2019 and a profit of US$ 15.7 million in Q2 2020 vs. loss of US$ (18.7) million in Q2 2019.

Income taxes amounted to US$ (0.2) million in H1 2020, in line with the same period of last year.

DIS' ***Net result*** for **H1 2020** was **US$ 17.1 million** vs. Net loss of US$ (24.3) million in H1 2019 and DIS' Net result for Q2 2020 was US$ 15.6 million vs. Net loss of US$ (18.8) million in Q2 2019. Excluding results on disposals and non-recurring financial items from H1 2020 (US$ (2.6) million[13]) and from H1 2019 (US$ (2.1) million[14]), as well as

[13] US$ (0.1) million loss on disposal, US$ (2.4) million realized and unrealized loss on Interest rates swap agreements.

[14] US$ (0.9) million loss on disposal, US$ (2.1) 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$ 0.7 million reversal of impairment of an equity-invested asset.

the asset impairment (US$ (6.0) million in H1 2020 and US$ (12.1) million in H1 2019) and the net effects of IFRS 16 from both periods (H1 2020: US$ (0.7) million and H1 2019: US$ (0.9) million), DIS' Net result would have amounted to US$ 26.4 million in H1 2020 compared with US$ (9.2) million recorded in the same period of the previous year. Therefore, **excluding the effects of the application of IFRS 16 and such non-recurring effects, DIS' Net result for H1 2020 would have been US$ 35.6 million higher than in the same period of 2019**. Q2 2020 represents also DIS' most profitable quarter since Q2 2015.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(US$ Thousand)	As at 30 June 2020	As at 31 December 2019
ASSETS		
Non-current assets	945,340	980,042
Total current assets	146,492	152,007
Total assets	**1,091,832**	**1,132,049**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity	365,123	352,465
Non-current liabilities	558,921	590,869
Total current liabilities	167,788	188,715
Total liabilities and shareholders' equity	**1,091,832**	**1,132,049**

Non-current assets mainly relate to DIS' owned vessels net book value, including right-of-use assets (there are no vessels under construction as at 30 June 2020). According to the valuation report provided by a primary broker, the estimated market value of DIS' owned and bareboat fleet as at 30 June 2020 was of US$ 822.8 million, of which US$ 783.3 million refer to vessels classified as 'Non-current assets'.

Gross Capital expenditures (Capex) were of US$ 7.0 million in H1 2020 vs. US$ 31.2 million in H1 2019. The amount for H1 2020 includes only the capitalised dry-dock costs pertaining to owned and bareboat vessels. The amount of the prior year comprised mainly the instalments paid on the newbuilding vessels under construction at the time.

Current assets as at 30 June 2020 amounted to US$ 108.3 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$ 8.3 million and US$ 40.4 million, respectively), current assets include 'cash and cash equivalent' of US$ 50.4 million and US$ 6.8 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$ 38.2 million refers to three vessels owned by d'Amico Tankers d.a.c., included in the category 'Assets held for sale' (in accordance with IFRS 5) as at 30 June 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$ 38.2 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$ 558.9 million as at 30 June 2020 and mainly consist of the long-term portion of debt due to banks (disclosed under the Net Indebtedness section of the report) and lease liabilities.

Current liabilities, other than the debt due to banks and other lenders (disclosed under the Net Indebtedness section of the report), includes as at 30 June 2020, working capital items amounting to US$ 33.7 million (mainly relating to trade and other payables), US$ 35.8 million in lease liabilities, and US$ 12.1 million in other current financial liabilities.

Shareholders' equity amounted to US$ 365.1 million as at 30 June 2020 (US$ 352.5 million as at December 31, 2019). The variance relative to year-end 2019 is due to the Net profit generated in H1 2020, partially offset by the change in the valuation of cash-flow hedges.

NET INDEBTEDNESS*

DIS' Net debt as at 30 June 2020 amounted to **US$ 620.4 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$ 110.7 million at the end of June 2020 vs. US$ 122.8 as at the end of 2019. The net debt (excluding IFRS16) / fleet market value ratio was of 62.0% as at 30 June 2020 vs. 64.0% as at the end of 2019 and compared with 72.9% as at the end of 2018.

US$ Thousand	**As at 30 June 2020**	**As at 31 December 2019**
Liquidity - *Cash and cash-equivalents*	50,448	33,598
Other current financial assets	2,341	2,334
Other current financial assets – related party	6,809	4,931
Total current financial assets	**59,598**	**40,863**
Bank loans and other lenders– current	86,145	94,942
Current liabilities from leases	35,784	37,736
Shareholders' financing	-	5,000
Other current financial liabilities – 3rd parties	7,777	6,465
Other current financial liabilities – related party	4,309	6,008
Total current financial debt	**134,015**	**150,151**
Net current financial debt	**74,417**	**109,288**
Other non-current financial assets – third parties	12,979	17,347
Total non-current financial assets	**12,979**	**17,347**
Bank loans non-current	252,055	270,169
Lease liabilities	296,183	313,418
Other non-current financial liabilities – 3rd parties	10,683	7,282
Total non-current financial debt	**558,921**	**590,869**
Net non-current financial debt	**545,942**	**573,522**
Net financial indebtedness	**620,359**	**682,810**

* *See Alternative Performance Measures on page 9*

The balance of *Total Current Financial Assets* was of US$ 59.6 million as at the end of June 2020. The total amount comprises *Cash and cash equivalents* of US$ 50.4 million, and short-term financial receivables of US$ 6.8 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 30 June 2020 amounted to US$ 338.2 million, of which US$ 86.1 million is due within one year. Other than some short-term credit lines, DIS' debt as at 30 June 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$ 154.4 million;

(ii) DnB NOR Bank 5 years term-loan facility to finance 1 MR vessel built in 2012, with an outstanding debt of US$ 14.0 million;

(iii) ING 5-years term-loan facility to finance 1 MR vessel built in 2012, with an outstanding debt of US$ 13.5 million;

(iv) ABN Amro 6-years term-loan facility to finance 1 Handysize vessel built in 2014 with an outstanding debt of US$ 12.9 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$ 32.3 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$ 21.4 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$ 52.4 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$ 23.5 million, to finance the 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 Priority, M/T High Freedom, M/T High Trust, M/T High Loyalty, M/T High Trader, M/T Cielo di Houston and M/T High Voyager, which were sold and leased back between 2017 and 2019. In addition, 'lease liabilities' include as at 30 June 2020, US$ 110.7 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 **H1 2020**, **DIS' Net Cash Flow was positive for US$ 15.5 million** vs. US$ 3.8 million in H1 2019.

Q2 2020 UNREVIEWED	Q2 2019 UNREVIEWED	*US$ Thousand*	H1 2020	H1 2019
33,384	3,214	Cash flow from operating activities	59,062	20,030
12,940	5,817	Cash flow from investing activities	11,648	(24,853)
(25,348)	(2,516)	Cash flow from financing activities	(55,237)	8,621
20,976	**6,515**	**Change in cash balance**	**15,473**	**3,798**
12,014	12,403	Cash and cash equivalents net of bank overdrafts at the beginning of the period	17,517	15,120
32,990	**18,918**	**Cash and cash equivalents net of bank overdrafts at the end of the period**	**32,990**	**18,918**
50,448	35,739	Cash and cash equivalents at the end of the period	50,448	35,739
(17,458)	(16,821)	Bank overdrafts at the end of the period	(17,458)	(16,821)

Cash flow from operating activities was positive, **amounting to US$ 59.1 million in H1 2020** vs. US$ 20.0 million in H1 2019 (US$ 59.3 million in FY 2019). This improvement is attributable to the much stronger freight markets in H1 2020 relative to the same period of last year.

The net ***Cash flow from investing activities*** was positive for US$ 11.7 million in H1 2020 vs. US$ (24.9) million in H1 2019. The amount for H1 2020 comprises costs relating to drydocks occurred in the period, off-set by US$ 18.2 million generated from the sale of M/T Cielo di Guangzhou and M/T Glenda Meredith in Q2 2020 and by US$ 0.5 million arising from the reduction of d'Amico Tankers' shareholders loan to DM Shipping, following the sale of its two vessels in FY 2019. The amount for the first half 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, partially off-set by US$ 6.3 million arising from the reduction of d'Amico Tankers' shareholders loan to DM Shipping, following the sale of one its two vessels in Q2 2019.

Cash flow from financing activities was negative, amounting to US$ (55.2) million in H1 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$ (29.0) million in bank debt repayments (of which US$ (5.5) million were due to the reimbursement of the loan, including the balloon, for the M/T Cielo di Guangzhou, sold in Q2 2020); (iii) US$ (18.9) million repayment of lease liabilities; (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 SEMESTER

In H1 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**: The virus outbreak had a major impact on the consumption of refined petroleum products. According to the IEA's latest report global oil demand fell by 16.4 million b/d year-on-year in Q2 2020 as lockdowns were imposed to combat the Covid-19 pandemic. Demand rebounded strongly in China and India in May, increasing by 700,000 b/d and 1.1 million b/d month-on-month, respectively. World oil demand is projected to decline by 7.9 million b/d in 2020 and to recover by 5.3 million b/d in 2021. However, the recent increase in Covid-19 cases in the US, India and Brazil, followed by the possibility of further partial lockdowns worldwide makes such forecasts arduous, with a wide range of possible outcomes.

  The large drop in demand for refined products, coupled with the failure by OPEC+ to reach an agreement on production levels in their March meeting, initially led to a surge in oil supply just as demand was collapsing. The resulting drop in oil prices that bottomed at around US$20 per barrell, led to a steep contango in the oil forward price curve, resulting in a surge in stocks both onshore and offshore. The resulting congestion at ports and increase in floating storage of both crude and refined products, greatly reduced effective vessel supply, just as the market was being flooded with oil, leading to a surge in freight rates, which reached unprecedent levels around the end of April 2020. However, OPEC+ decision to reduce crude oil supply by almost 14 million b/d on average from April to June, quickly rebalanced the market, leading to an increase in spot oil prices to around US$40 per barrel and flattening the oil forward price curve. This vigorous supply curtailment led to a large drop in the demand for the seaborne transportation of refined products and as storage became less profitable, some of the excess inventories started to be consumed, with vessels used for floating storage slowly returning to the market. These factors led to a large drop in freight rates from the beginning of June, with earnings staying depressed in most regions throughout July. OPEC+ supply curtailment will ease from August and demand has been rebounding in some important consumption markets. There is, however, still considerable uncertainty regarding the future path for oil demand and the time required to absorb the excess inventories and rebalance the market, factors which are required for the return to a healthier market with profitable and sustainable freight rates.

  d'Amico International Shipping S.A.'s subsidiaries are also coping with operational challenges due to COVID-19, such as loading/unloading restrictions, and a 14-day quarantine for vessels and crews in certain ports, but we are working with our partners, customers and local authorities to find solutions that minimise the impact on our business. COVID-19 has also affected the procurement of spare parts for our vessels and logistics has become more complicated. Although in parts of the world, such as Europe and some parts of Asia, the situtation has improved recently, we are still experiencing problems in flying service engineers to the vessels and in arranging vetting inspections around the world. Crew rotation is and remains the main issue, however, the industry has adapted quite rapidly to this new reality, and we have been able to continue operating our vessels with the same level of care and safety.

- **Third exercise period of DIS' Ordinary shares warrants 2017-2022:** On 29 May 2020, 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 Borsa Italiana S.p.A. ("Borsa") trading day starting from 1st June, 2020 until 30th June 2020, both dates included (the "Third 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, without par value and with the same rights and features as the 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 Third Exercise Period amounted to EUR 0.354 (zero point three hundred and fifty-four Euros) per Warrant Share.

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

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

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

- **'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 her owners;

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

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

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

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

GLENDA INTERNATIONAL SHIPPING D.A.C.:

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

SIGNIFICANT EVENTS SINCE THE END OF THE PERIOD AND BUSINESS OUTLOOK

D'AMICO INTERNATIONAL SHIPPING:

Capital increase following the third exercise period of DIS' Ordinary shares warrants 2017-2022: on 1 July 2020 following the completion of the Third Warrants exercise period, in which 12,866 Warrants were exercised, leading to the issuance of 12,866 new ordinary shares, the Company's share capital amounted to US$ 62,052,267.00, divided into 1,241,045,340 shares with no nominal value.

D'AMICO TANKERS D.A.C.:

- **Vessel Sale:** In July 2020, d'Amico Tankers d.a.c signed a memorandum of agreement for the sale of the M/T High Progress and M/T High Performance, two 51,303 dwt MR product tanker vessel, built in 2005 by STX, South Korea, for a consideration of US$ 12.95 million per vessel.

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

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

	As at 30 June 2020				As at 30 July 2020			
	LR1	MR	Handysize	Total	LR1	MR	Handysize	Total
Owned	5.0	11.0	6.0	22.0	5.0	11.0	6.0	22.0
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	3.0	0.0	3.0	0.0	3.0	0.0	3.0
Total	6.0	30.0	6.0	42.0	6.0	30.0	6.0	42.0

* with purchase obligation

Business Outlook

In their latest report, from June 2020, the IMF estimates worldwide GDP will contract by 4.9% in 2020, 1.9 percentage points below their April 2020 World Economic Outlook (WEO) forecast. The COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecast. In 2021 global growth is projected at 5.4%. Overall, this would leave 2021 GDP some 6.5 percentage points lower than in the pre-COVID-19 projections of January 2020.

The IEA July oil market report projects 2020 oil demand will decline 7.9 million b/d, versus a drop of 8.1 million b/d estimated last month and compared to the 9.3 million b/d decline it had forecast in April. It notes strong compliance with the OPEC+ cuts at 108% during June, which includes 1 million b/d of additional cuts from Saudi Arabia. World oil production has been cut by 14 million b/d since April, which points to significant destocking ahead considering demand in Q3 2020 is projected to be 11.4 million b/d higher than in Q2 2020. Continued compliance with OPEC+ is a key factor, as well as a moderate rebound in US oil production in the coming months. The IEA notes however that there is considerable uncertainty embedded in its demand growth forecasts given the recent increase in COVID-19 cases and new lockdown measures recently introduced and likely to be implemented in the near-future.

Oil product demand is recovering with the exception of jet fuel. Oil demand in Asia, particularly China and India, has been bouncing back since May. The Chinese economy is benefitting from an easing of restrictions, coupled with a Government stimulus package. Gasoline demand has returned to almost pre-pandemic levels in the United States and Europe.

Indian Oil Corp., the country's largest state-run refiner, has reached a run rate of 92-95% for most of its nine refineries, company officials said on July 10, riding on a pick-up in retail fuel demand due to the further easing of COVID-19 restrictions in Asia's third-largest economy from July 1. The higher run-rate was mainly due to improvement in retail demand for diesel and gasoline.

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

- According to the IEA's latest report, global oil demand fell by 16.4 million b/d year-on-year in Q2 2020 as lockdowns were imposed to combat the COVID-19 pandemic. Demand rebounded strongly in China and India in May, increasing by 700,000 b/d and 1.1 million b/d month-on-month, respectively. World oil demand is projected to decline by 7.9 million b/d in 2020 and to recover by 5.3 million b/d in 2021. However, the recent increase in COVID-19 cases and the reintroduction of partial lockdowns generates more uncertainty to their forecast.

- The damage done by COVID-19 to global oil demand has become wide and deep. The demand for product tankers is being revised and re-assessed on a monthly basis. Clarksons, in their latest outlook, have once again revised down their expectations for demand to (6.5)% and +6.8% in 2020 and 2021, respectively.

- As we move into Q3 stocks are starting to draw and crude and products floating storage levels are declining. A combination of OPEC+ cuts, demand recovery and the flattening of the crude and products futures curve will accelerate the process, with the IEA expecting stock draws to begin, although at a slower pace than the initial stock builds.

- According to the IEA, transport fuel demand is still much lower than a year ago. The recovery of demand is very fragmented as different regions emerge from transport restrictions and at varying degrees of speed. Mobility data from the IEA show that China, India and Europe are coming out of this crisis quicker than other regions. Most non-OECD regions lag behind in mobility recovery. The recovery in Latin America is particularly fraught, as the outbreak of the virus makes the re-opening of several countries difficult.

Product Tanker Supply

- According to Clarksons, 77 MRs and 7 LR1s are scheduled to be delivered in 2020. Only 19 ships out of an estimated 24 were delivered in Q2 2020.

- Due to the COVID-19 outbreak, deliveries are being delayed. In addition, a large number of demolition yards have been in lockdown. There were no tankers scrapped in April and May according to various industry sources.

- Clarksons have revised their product tanker fleet growth for 2020 down to 0.7% due to the current situation.

- Around 6% of the MR and LR1 fleet currently on the water (on a dwt basis) is older than twenty years.

- Before the financial crisis of 2008/9, the product tanker orderbook stood at over 50% of the existing fleet compared to around 7% today, according to Clarksons; this low orderbook and the likely demolition of older vessels, should help to rebalance the market as it eventually works through the excess inventories..

- Expected technological change to meet increasingly demanding environmental and other regulations is reducing appetite for newbuild orders, since such vessels could be obsolete soon after delivery..

- .Shipyards are going through a period of uncertainty. Lack of orders and poor returns are leading to a reduction in global shipyard capacity.

D'AMICO INTERNATIONAL SHIPPING GROUP
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 JUNE 2020

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

Q2 2020 UNREVIEWED	Q2 2019 UNREVIEWED	*US$ Thousand*		H1 2020	H1 2019
90,987	87,387	Revenue	(2)	185,342	178,418
(12,327)	(24,938)	Voyage costs	(3)	(35,268)	(52,111)
78,660	**62,449**	**Time charter equivalent earnings***	(4)	**150,074**	**126,307**
(4,300)	(7,230)	Time charter hire costs	(5)	(11,255)	(17,450)
(25,367)	(26,433)	Other direct operating costs	(6)	(53,017)	(54,124)
(2,911)	(2,458)	General and administrative costs	(7)	(6,183)	(5,880)
436	(841)	Result on disposal of fixed assets	(8)	(117)	(948)
46,518	**25,487**	**EBITDA***		**79,502**	**47,905**
(21,465)	(32,099)	Depreciation and impairment	(13)	(40,556)	(49,339)
25,053	**(6,612)**	**EBIT***		**38,946**	**(1,434)**
27	766	Net financial income	(9)	68	578
(9,370)	(13,896)	Net financial charges	(9)	(21,691)	(25,228)
-	1,269	Profit share of equity method investees	(10)	-	1,251
-	(226)	Reversal of impairment of loan to an equity accounted investee	(11)	-	719
15,710	**(18,699)**	**Profit (loss) before tax**		**17,323**	**(24,114)**
(88)	(107)	Income taxes	(12)	(184)	(207)
15,622	**(18,806)**	**Net profit (loss)**		**17,139**	**(24,321)**
		The net result is attributable to the equity holders of the Company			
0.013	**(0.015)**	**Profit (loss) per share in US$ (1)**		**0.014**	**(0.020)**

see Alternative Performance Measures on page 9

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

Q2 2020 UNREVIEWED	Q2 2019 UNREVIEWED	*US$ Thousand*	H1 2020	H1 2019
15,622	(18,806)	Profit (loss) for the period	17,139	(24,321)
		Items that can subsequently be reclassified into Profit or Loss		
97	(3,602)	Cash flow hedges	(4,054)	(4,917)
(82)	(21)	Exchange differences in translating foreign operations	(166)	(31)
15,637	**(22,429)**	**Total comprehensive income for the period**	**12,919**	**(29,269)**

The net result is entirely attributable to the equity holders of the Company.

(1) Basic earnings per share (e.p.s.) were calculated on an average number of outstanding shares equal to 1,230,890,447 and to 888,723,323 in the first half of 2020 and in the first half of 2019 respectively and on an average number of outstanding shares equal to 1,230,890,447 and to 1,134,145,595 in the second quarter of 2020 and in the second quarter of 2019 respectively. In H1/Q2 2020 and H1/Q2 2019 diluted e.p.s. was equal to basic e.p.s..

Condensed Consolidated Interim Statement of Financial Position

US$ Thousand		As at 30 June 2020	As at 31 December 2019
ASSETS			
Property, plant and equipment and Right-of-use assets	(13)	927,979	958,312
Investments in jointly controlled entities	(14)	4,382	4,382
Other non-current financial assets	(15)	12,979	17,348
Total non-current assets		**945,340**	**980,042**
Inventories	(16)	8,305	10,080
Receivables and other current assets	(17)	40,360	41,433
Other current financial assets	(15)	9,150	7,265
Cash and cash equivalents	(18)	50,448	33,598
Current Assets		**108,263**	**92,376**
Assets held for sale	(19)	38,229	59,631
Total current assets		**146,492**	**152,007**
TOTAL ASSETS		**1,091,832**	**1,132,049**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	(20)	62,052	62,052
Accumulated losses	(20)	(42,725)	(59,801)
Share Premium	(20)	368,846	368,846
Other reserves	(20)	(23,050)	(18,632)
Total shareholders' equity		**365,123**	**352,465**
Banks and other lenders	(21)	252,055	270,169
Non-current lease liabilities	(22)	296,183	313,418
Other non-current financial liabilities	(15)	10,683	7,282
Total non-current liabilities		**558,921**	**590,869**
Banks and other lenders	(21)	69,645	72,692
Current lease liabilities	(22)	35,784	37,736
Shareholders' short-term loan	(23)	-	5,000
Payables and other current liabilities	(24)	33,710	38,222
Other current financial liabilities	(15)	12,086	12,473
Current tax payable	(25)	63	342
Current liabilities		**151,288**	**166,465**
Banks associated to assets held-for-sale	(19)	16,500	22,250
Total current liabilities		**167,788**	**188,715**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,091,832**	**1,132,049**

30 July 2020

On behalf of the Board

Paolo d'Amico
Chairman, Chief Executive Officer

Antonio Carlos Balestra di Mottola
Chief Financial Officer

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

Q2 2020 UNREVIEWED	Q2 2019 UNREVIEWED	*US$ Thousand*	H1 2020	H1 2019
15,622	**(18,806)**	**Profit (loss) for the period**	**17,139**	**(24,321)**
17,040	19,966	Depreciation and amortisation of PPE and RoU	34,549	37,203
4,425	12,136	Impairment	6,007	12,136
88	107	Current and deferred income tax	184	207
5,005	6,408	Lease cost	10,142	10,576
4,338	7,260	Other net Financial charges (income)	11,481	14,270
(207)	(539)	Unrealised foreign exchange result	(207)	(196)
-	(1,270)	Profit share of equity accounted investment	-	(1,252)
(975)	(841)	Result on disposal of fixed assets	(975)	(948)
-	226	Impairment reversal of a financial asset / v related pty.	-	(719)
-	(1,008)	Reclassification off-hire against depreciation	(180)	-
-	(589)	Movement in share option reserve	-	(607)
539	898	Movement in deferred result on disposal of S&L assets	1,092	1,114
45,875	**23,948**	**Cash flow from operating activities before changes in working capital**	**79,232**	**47,464**
2,141	647	Movement in inventories	1,775	2,100
2,058	1,980	Movement in amounts receivable	2,048	6,248
(6,663)	(12,541)	Movement in amounts payable	(5,021)	(15,857)
(281)	(164)	Taxes (paid) received	(463)	(217)
(5,002)	(6,408)	Payment of interest portion of lease liability	(10,137)	(10,576)
(4,744)	(4,248)	Net interest paid	(8,372)	(9,132)
33,384	**3,214**	**Net cash flow from operating activities**	**59,062**	**20,030**
(5,263)	(637)	Acquisition of fixed assets	(7,028)	(31,157)
18,185	-	Net proceeds from the sale of fixed assets	18,185	-
18	6,454	Movement in financing to equity accounted investee	491	6,304
12,940	**5,817**	**Net cash flow from investing activities**	**11,648**	**(24,853)**
	17,907	Share capital increase	-	17,907
(5)	(694)	Other changes in shareholder's equity	(427)	(955)
-	(1,620)	Shareholders' financing	(5,000)	-
220	(950)	Movement in other financial receivables / related party	830	(2,250)
(954)	4,259	Net movement in other financial payable	(2,700)	4,354
(15,314)	(38,920)	Bank loan repayments	(28,991)	(56,341)
-	26,305	Proceeds from disposal of assets subsequently leased back	-	63,676
(9,295)	(8,803)	Repayments of principal portion of lease liabilities	(18,949)	(17,770)
(25,348)	**(2,516)**	**Net cash flow from financing activities**	**(55,237)**	**8,621**
20,976	**6,515**	**Net increase/ (decrease) in cash and cash equivalents**	**15,473**	**3,798**
12,014	12,403	Cash and cash equivalents net of bank overdrafts at the beginning of the period	17,517	15,120
32,990	18,918	Cash and cash equivalents net of bank overdrafts at the end of the period	32,990	18,918
50,448	**35,739**	**Cash and cash equivalents at the end of the period**	**50,448**	**35,739**
(17,458)	(16,821)	Bank overdrafts at the end of the period	(17,458)	(16,821)

Financing activities not requiring the use of cash are reconciled within note 26.

INTERIM CONDENSED STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

US$ Thousand	Share capital	Retained Earnings / (Accumulated losses)	Share premium	Other Reserves		Total
				Other	*Cash-Flow hedge*	
Balance as at 1 January 2020	**62,052**	**(59,801)**	**368,846**	**(15,380)**	**(3,252)**	**352,465**
Treasury shares	-	-	-	(261)	-	(261)
Other changes	-	(63)	-	63		-
Total comprehensive income	-	17,139	-	(166)	(4,054)	12,919
Balance as at 30 June 2020	**62,052**	**(42,725)**	**368,846**	**(15,744)**	**(7,306)**	**365,123**

US$ Thousand	Share capital	Retained Earnings / (Accumulated losses)	Share premium	Other Reserves		Total
				Other	*Cash-Flow hedge*	
Balance as at 1 January 2019 as previously reported	**65,376**	**(30,270)**	**316,697**	**(14,791)**	**331**	**337,343**
IFRS 16 Adjustment	-	(2,004)	-	-	-	(2,004)
Balance as at 1 January 2019 adjusted	**65,376**	**(32,274)**	**316,697**	**(14,791)**	**331**	**335,339**
Share option cost	-	-	-	(607)	-	(607)
Shareholders' contribution without issuance of shares	(32,688)	-	32,688	-	-	-
Capital increase	29,364	-	20,423	-	-	49,787
Cost of share issuance	-	-	(924)	-	-	(924)
Total comprehensive income	-	(24,321)	-	(31)	(4,917)	(29,269)
Balance as at 30 June 2019	**62,052**	**(56,595)**	**368,884**	**(15,429)**	**(4,586)**	**354,326**

The following notes form an integral part of the interim consolidated financial report.

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.

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

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

1. ACCOUNTING POLICIES

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

Basis of 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 30 June 2020 and are prepared in line with IAS 34.

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 Group monitors, evaluates and allocates its 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, except for those described in the following paragraphs, which have a significant impact on the Group.

Accounting principles

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

Accounting principles adopted from 1 January 2020

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

Accounting principles, amendments and interpretations not yet effective

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

2. REVENUE

US$ thousand	Q2 2020	Q2 2019	H1 2020	H1 2019
Revenues from voyage-charter (spot) – freight and demurrage	37,251	36,619	80,515	86,622
Revenue from operating leases (time-charter)	9,055	9,851	39,349	21,481
Revenue from subleasing RoUA (time-charter)	41,377	37,331	60,267	66,651
Other revenues	3,304	3,586	5,211	3,664
Total	**90,987**	**87,387**	**185,342**	**178,418**

Revenue represents vessel income comprising time charter hire, freight and demurrage and is recognized over time. DIS has only one revenue stream and it is originated from the employment of the vessels for the transportation of refined petroleum products. All contractual revenues – as defined by IFRS15 – result from freight (contracts for which payment is received at voyage completion) and demurrage: for these revenues, payment is settled at completion of the voyage, and therefore no performance obligations are recognised to be outstanding.

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$ 0.5 million as at 30 June 2020 and will be amortised throughout the term of the relevant contracts.

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

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

Other revenues comprise income from deviations, including bunker cost at port.

3. VOYAGE COSTS

US$ thousand	Q2 2020	Q2 2019	H1 2020	H1 2019
Bunkers (fuel)	(7,518)	(15,225)	(22,015)	(30,647)
Commissions	(2,282)	(2,144)	(4,367)	(4,265)
Port charges	(2,445)	(7,162)	(7,778)	(16,639)
Other	(82)	(407)	(1,108)	(560)
Total	**(12,327)**	**(24,938)**	**(35,268)**	**(52,111)**

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.

4. TIME CHARTER EQUIVALENT EARNINGS

US$ thousand	Q2 2020	Q2 2019	H1 2020	H1 2019
Time charter equivalent earnings	**78,660**	**62,449**	**150,074**	**126,307**

Time charter equivalent earnings represent revenue less voyage costs. In the first half of 2020 vessel days on fixed rate contracts represented about 63.7% of total available vessel days (HY1 2019: 47.3%).

5. TIME CHARTER HIRE COSTS

US$ thousand	Q2 2020	Q2 2019	H1 2020	H1 2019
Time charter hire costs	**(4,300)**	**(7,230)**	**(11,255)**	**(17,450)**

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 with terms that are shorter than one year at their start date (short-term leases; please also refer to note 1 of the 2019 consolidated financial statements).

6. OTHER DIRECT OPERATING COSTS

US$ thousand	Q2 2020	Q2 2019	H1 2020	H1 2019
Crew costs	(9,759)	(11,030)	(20,404)	(21,810)
Technical expenses	(2,182)	(2,551)	(7,509)	(6,216)
Luboil	(715)	(693)	(1,486)	(1,413)
Technical and quality management	(4,343)	(2,742)	(6,469)	(5,966)
Insurance	(1,449)	(1,182)	(2,566)	(2,343)
Operating costs related to leased vessels	(6,517)	(7,480)	(13,582)	(14,960)
Other costs	(402)	(755)	(1,001)	(1,416)
Total	**(25,367)**	**(26,433)**	**(53,017)**	**(54,124)**

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. Operating 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 30 June 2020, d'Amico International Shipping S.A. and its subsidiaries had 703 employees, of which 679 seagoing and 24 on-shore personnel. Onshore personnel costs are included under general and administrative costs. The Group has no liabilities with regards to pensions and other post-retirement benefits.

7. GENERAL AND ADMINISTRATIVE COSTS

US$ thousand	Q2 2020	Q2 2019	H1 2020	H1 2019
Personnel	(1,144)	(693)	(2,478)	(2,085)
Other general and administrative costs	(1,767)	(1,765)	(3,705)	(3,795)
Total	**(2,911)**	**(2,458)**	**(6,183)**	**(5,880)**

Personnel costs relate to on-shore personnel salaries, including the amount expensed relating to the share-based option plan granted to the key managers and executive directors of DIS, adopted in 2019; no charge has been recorded so far for payments under such plan.

The other general and administrative costs comprise consultancy, office rental fees, and other sundry expenses originating from the operation of d'Amico International Shipping Group companies. They include intra-group management fees on brand and trademark, IT, Legal and Internal Audit services for US$ 2.4 million in H1 2020 and US$ 1.2 million in Q2 2020. They also include negligible expenses relating to short-term leases, relating mainly to office equipment.

8. RESULT FROM DISPOSAL OF FIXED ASSETS

US$ thousand	Q2 2020	Q2 2019	H1 2020	H1 2019
Result from disposal of vessels	**436**	**(841)**	**(117)**	**(948)**

The amounts in H1 and Q2 2020 refer to the deferral of the result on the disposal of all vessels sold and leased-back, and of the results on the disposal of the vessels sold two of which – M/T Glenda Meredith and M/T Cielo di Guangzhou – both in the month of June. It also includes a US$ 1.0 claim in our favour, resulting from the failure of a potential buyer of the MT Glenda Megan to perform its obligations resulting from the signed MOA in Q4 2019.

The amounts in H1 2019 and Q2 2019 refer to the deferral of the result on the disposal of all vessels sold and leased-back, two of which – M/T Cielo di Houston and M/T High Voyager – in the months of January and of April 2019, respectively.

9. NET FINANCIAL INCOME (CHARGES)

US$ thousand	Q2 2020	Q2 2019	H1 2020	H1 2019
Financial Income				
Loans and receivables at amortised cost:				
Interest Income	26	111	66	265
Realised on derivative instruments	1	118	2	118
At fair value through income statement:				
Unrealised exchange differences	-	537	-	195
Total financial income	**27**	**766**	**68**	**578**
Financial Charges				
Financial liabilities at amortised cost:				
Interest expense and financial fees	(4,209)	(6,449)	(9,082)	(12,422)
Lease cost	(5,007)	(6,407)	(10,145)	(10,576)
Realised on derivative instruments	-	-	-	-
Realised exchange differences	-	(332)	(23)	(26)
At fair value through income statement:	-			
Unrealised losses on derivative instruments	(154)	(708)	(2,441)	(2,204)
Unrealised exchange differences	-	-	-	-
Total financial charges	**(9,370)**	**(13,896)**	**(21,691)**	**(25,228)**
Net financial charges	**(9,343)**	**(13,130)**	**(21,623)**	**(24,650)**

In H1 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, as well as from the financing provided to the DM Shipping joint venture; no unrealised gains were recorded in this period.

Financial charges in the first half of 2020 include realised expenses amounting to US$ 9.1 million, comprising US$ 8.2 million interest on bank loans relating to DIS' owned vessels, overdraft facilities and the realised result on interest rate swaps, as well as US$ 0.8 million in financial fees. Realised financial charges in the first half of 2020 include also US$10.1 million interest implicit in leases. Unrealised losses on derivative instruments in the same period amount to US$ 2.4 million, representing changes in the fair value of the ineffective portion of hedging interest-rate swaps amounting to US$ 1.3 million and changes in the fair-value of non-hedging interest rate swaps amounting to US$ 1.1 million.

10. PROFIT SHARE OF EQUITY METHOD INVESTEES

No amount was recorded in H1 2020; both investments accounted for with the equity method are under liquidation. The result in H1 2019 consisted in DIS' share of the profit and loss of Eco Tankers Limited (ETL).

11. REVERSAL OF IMPAIRMENT OF EQUITY ACCOUNTED ASSET

No amount was recorded in H1 2020. The amount of US$ 0.7 million in H1 2019 refers 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).

12. TAX

US$ thousand	Q2 2020	Q2 2019	H1 2020	H1 2019
Current income taxes	**(88)**	**(107)**	**(184)**	**(207)**

d'Amico Tankers d.a.c. (DTL), DM Shipping d.a.c. (DMS) and Glenda International Shipping d.a.c. (GIS) qualified to be re-elected under the terms of the Tonnage Tax regime in Ireland, for a period of 10 years, ending on 31 December 2024 for DTL and DMS 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 first-half 2020 total tonnage tax provision for d'Amico Tankers d.a.c.. and Glenda International Shipping d.a.c. amounts to US$ 158 thousand (US$ 78 thousand in Q2 2020). Current income tax includes also charges relating to activities that are not eligible for tonnage tax and are taxed at either 12.5% or 25%. Accrued Net Wealth Tax for the holding company amounts to US$ 2.4 thousand in H1 2020.

13. PROPERTY, PLANT AND EQUIPMENT (PPE) AND RIGHT-OF-USE ASSETS (RoU)

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	(180,793)	(2,408)	(183,201)	(45,696)	(228,897)
Net book amount	**606,085**	**519**	**606,604**	**351,708**	**958,312**
Period ended 30 June 2020					
Opening net book amount	606,085	519	606,604	351,708	958,312
Adjustment of opening balances	89	-	89	-	89
Change in contractual terms	-	-	-	(193)	(193)
Additions	2,247	4	2,251	2,107	4,358
Disposals at cost – dry-dock	(5,034)	-	(5,034)	-	(5,034)
Disposal at cost – depreciation fund	5,034	-	5,034	-	5,034
Depreciation charge	(15,203)	(244)	(15,447)	(19,103)	(34,550)
Exchange differences	-	3	3	(40)	(37)
Closing net book amount	**593,218**	**282**	**593,500**	**334,479**	**927,979**
At 30 June 2020					
Cost or valuation	784,180	2,934	787,114	399,278	1,186,392
Accumulated depreciation	(190,962)	(2,652)	(193,614)	(64,799)	(258,413)

PLANT, PROPERTY AND EQUIPMENT

US$ thousand	Fleet / Vessels	Fleet / Dry-docks	Other	Total PPE
At 1 January 2020				
Cost or valuation	771,455	15,423	2,927	789,805
Accumulated depreciation	(168,828)	(11,965)	(2,408)	(183,201)
Net book amount	**602,627**	**3,458**	**519**	**606,604**
Period ended 30 June 2020				
Opening net book amount	602,627	3,458	519	606,604
Adjustment of opening balances	-	89	-	89
Additions	-	2,247	4	2,251
Disposals at cost – dry-dock	-	(5,034)	-	(5,034)
Disposal at cost – depreciation fund	-	5,034	-	5,034
Depreciation charge	(14,057)	(1,146)	(244)	(15,447)
Exchange differences	-	-	3	3
Closing net book amount	**588,570**	**4,648**	**282**	**593,500**
At 30 June 2020				
Cost or valuation	771,455	12,725	2,934	787,114
Accumulated depreciation	(182,885)	(8,077)	(2,652)	(193,614)

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 2020					
Cost or valuation	244,080	146,292	3,272	3,760	397,404
Accumulated depreciation	(14,729)	(29,915)	(364)	(688)	(45,696)
Net book amount	**229,351**	**116,377**	**2,908**	**3,072**	**351,708**
Period ended 30 June 2020					
Opening net book amount	229,351	116,377	2,908	3,072	351,708
Additions	-	-	2,107	-	2,107
Change in contractual terms	-	(193)	-	-	(193)
Depreciation charge	(4,724)	(13,642)	(396)	(341)	(19,103)
Exchange differences	-	-	-	(40)	(40)
Closing net book amount	**224,627**	**102,542**	**4,619**	**2,691**	**334,479**
At 30 June 2020					
Cost or valuation	244,080	146,099	5,379	3,720	399,278
Accumulated depreciation	(19,453)	(43,557)	(760)	(1,029)	(64,799)

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

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

FLEET

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

The net book value of DIS' fleet as at 30 June 2020 amounts to US$ 925.1 million and comprises the net book value of the Fleet on the water and the net book value of dry-docks (Owned vessels and dry-docks), as well as the capitalised and depreciated value of DIS' lease obligations and relevant dry-docks (Rights of Use assets, as per IFRS 16).

Owned vessels and Dry-docks amount to US$ 593.2 million.

Right of Use assets amount to US$334.5 million as at 30 June 2020, of which Leased vessels (both bare-boat and time-chartered-in) and Dry-docks amount to US$ 331.8 million. Leased vessels for which a purchase obligation or a bargain purchase option exists, amount to US$ 224.6 million as at 30 June 2020.

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

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

The 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.

Dry-dock includes expenditure for the fleet's dry-docking programme and relevant amortization; additions in the period ended 30 June 2020, concern instalments paid to the yard for dry-docks, for both categories of PPE and RoU corresponding to US$ 2.3 million and US$ 2.1 million, respectively. In the first semester of 2020 nine of DIS' vessels dry-docked: 3 vessels completed the dry-dock in the period and 6 dry-dock were still in progress.

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

The total fair value of the Group's fleet as 30 June 2020, amounts to US$ 784.3 million and includes DTL's owned vessels, DTL's Right-of-use assets and DIS' share of the fleet value of Glenda International Shipping Ltd (a joint-operation, consolidated with the proportional method). The value DIS' owned vessels and for its leased vessels with purchase obligations and bargain purchase options
is based on charter-free broker valuations, while for the remaining Right-of-use Assets it is based on their value-in-use, as described below.

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

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

For impairment test purposes, management estimates take into consideration the market information available, including reported sales of similar vessels, as well as past experience and future expectations. Value-in-use calculations have been based on the following key assumptions: (i) Earnings under contracts concluded and estimates of future time-charter equivalent rates; (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 6.79%, 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 1.9%, equal to the last ten years' average US core consumer price index. Management notes that the calculations are particularly sensitive to changes in the key assumptions for future charter rates and discount rates. The headroom of the Fleet's Cash Generating Unit (CGU) against its net book value as at 30 June 2020 was estimated to amount to US$ 140.2 million, of which US$ 29.6 million relating to owned vessels and US$ 110.6 million relating to right-of-use vessels.

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

Continuing its fleet renewal policy, DIS' management continued marketing certain vessels for sale. In July 2020 d'Amico Tankers d.a.c. signed MOAs for the sale of two its assets classified as held for sale, the M/T High Progress and M/T High Performance; the delivery of these vessels to their new owners as per MOA terms must occur after their dry-dock planned for the second half of 2020, which was estimated to cost US$2.6 million, resulting in an impairment, inclusive of these dry-dock capitalised costs, of US$ 4.7million in the first-half of 2020. For the remaining three vessel held for sale the difference between its carrying value and its fair value less costs to sell resulted in an additional impairment of US$ 1.3 million in the first-half of 2020.

OTHER ASSETS

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

14. INVESTMENT IN ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

US$ thousand	As at 30 June 2020	As at 31 December 2019
Eco Tankers Limited	4,382	4,382
DM Shipping d.a.c	-	-
Equity accounted investments	**4,382**	**4,382**

As at 30 June 2020 investments accounted for using the equity method amounted to US$ 4.4 million. Eco Tankers is currently under liquidation and management considers no impairment is required for this investment; an advance on liquidation proceeds was already received by DIS (please refer to note 15).

15. OTHER FINANCIAL ASSETS (LIABILITIES)

US$ Thousand	As at 30 June 2020			As at 31 December 2019		
	Non-current	Current	Total	Non-current	Current	Total
Fair value of derivative instruments	-	13	13	-	-	-
Financing to DM Shipping ("DMS")	-	19	19	-	510	510
Financial receivable	52	6,790	6,842	3,263	4,421	7,684
Deferred loss on leased assets	12,927	2,328	15,255	14,085	2,334	16,419
Total other financial assets	**12,979**	**9,150**	**22,129**	**17,348**	**7,265**	**24,613**
Fair value of derivative instruments	(9,632)	(5,997)	(15,629)	(6,162)	(2,958)	(9,120)
Other financial liabilities	(83)	(5,947)	(6,030)	(81)	(9,192)	(9,273)
Deferred profit on leased assets	(968)	(142)	(1,110)	(1,039)	(323)	(1,362)
Total other financial liabilities	**(10,683)**	**(12,086)**	**(22,769)**	**(7,282)**	**(12,473)**	**(19,755)**

As at 30 June 2020, the other non-current financial assets totalling US$ 13.0 million include mainly the cumulated deferred losses on the sale and leasebacks of vessels, which will be amortised over the long-term, amounting to US$ 12.9 million and a finance lease receivable (sublease of office space by the subsidiary d'Amico Tankers UK Ltd) of US$ 0.05 million. Receivables amounting to US$ 3.2 million as at 31 December 2019 (relating to the sale of the vessels M/T High Endurance and M/T High Endeavour in 2017) previously classified as financial receivables are now classified as commercial receivables. The Group's exposure to various risks associated with the financial instruments and the derivative instruments fair value calculation techniques are discussed within note 27.

As at 30 June 2020, the current portion of financial assets was of US$ 9.1 million. It includes US$ 6.8 million funds deposited with the related party d'Amico Finance d.a.c. as a collateral for financial trades performed on behalf of d'Amico Tankers d.a.c., a finance lease receivable of US$ 0.01 million and US$ 2.3 million deferred losses on the sale and leaseback of vessels.

As at 30 June 2020, other non-current financial liabilities totalling US$ 10.7 million includes mainly the fair value of interest-rate-swap hedging instruments totalling US$ 9.6 million and US$ 1.0 million deferred profit on the disposal of vessels sold and leased back.

As at 30 June 2020, other current financial liabilities totalling US$ 12.1 million, comprise the fair value of interest-rate-swap hedging instruments amounting to US$ 6.0 million, US$ 1.6 million of financial interest accrued on bank loans, an advance on future capital distributions upon liquidation of US$ 4.3 million received from Eco Tankers Limited and an US$ 0.1 million deferred profit on disposal of vessels sold and leased back; outstanding financial payables as at year-end 2019 of US$ 1.8 million to the Glenda International Shipping joint venture and US$ 1.0 million to Solar Shipping (purchase of the vessel M/T Cielo di Guangzhou) were reimbursed in the first-half of 2020.

16. INVENTORIES

US$ thousand	As at 30 June 2020	As at 31 December 2019
Inventories	**8,305**	**10,080**

Inventories represent stocks of Intermediate Fuel Oil (IFO), Marine Diesel Oil (MDO) – collectively bunker fuels – and lube-oils on board vessels. The amounts expensed during the period are detailed in notes 3 and 6.

17. RECEIVABLES AND OTHER CURRENT ASSETS

US$ Thousand	As at 30 June 2020	As at 31 December 2019
Contractual receivables	20,795	25,282
Contract assets (accruals)	3,901	8,687
Prepayments (TC) charters, other receivables & accruals	7,894	6,760
Other debtors	7,770	704
Total	**40,360**	**41,433**

As at 30 June 2020, receivables and other current assets include contractual receivables amounting to US$ 20.8 million, net of allowance for credit losses of US$ 0.6 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.

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 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$ 3.9 million as at 30 June 2020.

Prepayments, other receivables and accruals amount to US$ 7.9 million as at 30 June 2020 and represent prepayments for TC-in contracts, other prepayments, and receivables from time-charter contracts and rebillable expenses.

Other debtors as at 30 June 2020 includes US$ 3.2 million reclassified from financial receivables, relating to the sale of the M/T High Endurance and M/T High Endeavour; the balance consist non-trade receivables and advances, amounting to US$ 4.6 million, including a US$ 0.3 million tax receivable.

18. CASH AND CASH EQUIVALENTS

US$ thousand	As at 30 June 2020	As at 31 December 2019
Cash and cash equivalents	**50,448**	**33,598**

Cash and cash equivalent represent cash-on-board, cash at bank and short-term deposits.

19. ASSETS HELD FOR SALE – LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE

US$ Thousand	As at 30 June 2020	As at 31 December 2019
Assets held-for-sale	**38,229**	**59,631**
Liabilities related to assets held-for-sale	**16,500**	**22,250**

Continuing DIS' fleet renewal policy, management followed-up marketing certain vessels; during the first six months of 2020 two of the vessels in this category were sold – M/T Cielo di Guangzhou and M/T Glenda Meredith, please also refer to the management report on this respect.

The remaining 'Assets Held for Sale' as at 30 June 2020 were the M/T High Progress, M/T High Performance and M/T High Venture. In July 2020 d'Amico Tankers d.a.c. signed MOAs for the sale of the M/T High Progress and M/T High Performance; the delivery of these vessels to their new owners as per MOA terms must occur after their dry-dock planned for the second half of 2020, which was estimated to cost US$2.6 million, which was capitalised and resulting in an impairment, inclusive of these dry-docks costs, of US$ 4.7 million in the first-half of 2020.

For the remaining three vessel held for sale the difference between its carrying value and its fair value less costs to sell resulted in an additional impairment of US$ 1.3 million in the first-half of 2020.

The amount outstanding on the bank loans financing the vessels held-for-sale was of US$ 16.5 million, as at 30 June 2020.

20. SHAREHOLDERS' EQUITY

Changes to Shareholders' equity during the first six months of 2020 are detailed in the relevant primary statement.

Share capital

As at 30 June 2020, the share capital of d'Amico International Shipping amounts to US$ 62,051,623.70, corresponding to 1,241,032,474 ordinary shares with no nominal value.

Retained earnings

As at 30 June 2020, the item includes the previous years' and current year's net results after deductions for dividends distributed.

Other reserves

Other reserves include the following items:

US$ Thousand	As at 30 June 2020	As at 31 December 2019
Share premium reserve	**368,846**	**368,846**
Hedging reserve / trough OCI	**(7,306)**	**(3,252)**
Other Reserves	**(15,744)**	**(15,380)**
of which		
Treasury shares	*(18,383)*	*(18,122)*
Retranslation reserve / through OCI	*(532)*	*(366)*
Legal Reserve	*3,171*	*3,108*

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 2019. 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.

Treasury shares

Treasury shares as at 30 June 2020 consist of 10,142,027 ordinary shares amounting to US$ 18.4 million, corresponding to 0.8% of the outstanding shares at the financial position date. These shares were acquired as part of DIS' authorised buyback programme.

Hedging reserve

The reserve represents the valuation of the Group's interest rate swap agreements transacted to hedge some bank facilities. Details of the fair value of the derivative financial instruments is set out in note 27.

Retranslation reserve

The reserve is the result of the translation into US$ of the shareholders' equity of the Group companies having functional currency denominated in currencies other than the United States Dollars.

Legal Reserve

This reserve is legally required in Luxembourg and is not distributable.

21. BANKS AND OTHER LENDERS

US$ thousand	As at 30 June 2020	As at 31 December 2019
Banks and other lenders – *Non-current liabilities*	252,055	270,169
Banks and other lenders – *Current liabilities*	69,645	72,692
Total	**321,700**	**342,861**

The following tables show the carrying amounts for each facility as at the balance sheet closing dates of 30 June 2020 and 31 December 2019, expressed in US$ thousand.

Lender / Details	Asset	Repayment terms	interest%	Loan-to-value covenant	Financial covenants	Short-term	Long-term	Total 30 June 2020
DTL								
Crédit Agricole CIB + 8 syndicated Banks/ March 2016 US$ 250m Term Loan Facility (supplemented and amended from time to time)	High Courage High Valor High Wind Cielo di New York Cielo di Rotterdam Cielo di Cagliari Cielo Rosso Cielo di Londra	19/20 consecutive quarterly instalments + balloon at maturity (total balloon = US$ 120.7m)	US$ LIBOR + 2.0 % or + 2.15% according to vessel employment	< 76.9%	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	14,991	122,935	137,926
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	12,560	14,036
ING Bank N.V., London Branch/ December 2018 US$ 15.6m Term Loan Facility	High Tide	20 consecutive quarterly instalments + US$ 8.5m balloon at maturity	US$ LIBOR + 2.70%	< 74.1%	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	1,418	12,055	13,473
MPS Capital Services SpA/July 2015 US$ 58m Term Loan Facility	Cielo Bianco	10 consecutive semi-yearly instalments + US$ 17.9m balloon at maturity	US$ LIBOR + 2.25%	< 80.0%	Liquid assets > US$ 25m Equity > US$ 100m Equity ratio > 25%	1,764	19,673	21,437
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	29,270	32,281
ABN Amro N.V./ December 2016 US$19.5m Term Loan Facility	Cielo di Gaeta	24 consecutive quarterly instalments + US$ 9.7m balloon at maturity	US$ LIBOR + 2.4% per annum during the charter period to the Key charter thereafter 2.30%	< 76.9%	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	1,279	11,587	12,866

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	28,761	31,537
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	15,609	17,061
Tokyo Century Corporation/ August 2016 US$ 10.472m General Working Capital Facility	High Challenge Cielo di Hanoi Cielo di Salerno	22 consecutive quarterly instalments, no balloon	US$ LIBOR + 2.45%	n.a.	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	1,904	1,918	3,822
Intesa Sanpaolo SpA/ Overdraft	n.a.	within 12 months	n.a.	n.a.	n.a.	4,969	-	4,969
Bank of Ireland/Overdraft for working capital	n.a.	n.a.	n.a.	n.a.	n.a.	5,473	-	5,473
Monte dei Paschi di Siena / Overdraft	n.a.	n.a.	n.a.	n.a.	n.a.	2,312	-	2,312
GIS								
Crédit Suisse AG (originally with Commerzbank AG) / June 2008 US$ 195m Term Loan Facility	Glenda Melanie Glenda Melissa Glenda Melody Glenda Meryl	40 consecutive quarterly instalments + US$ 43.7m total balloon at maturity (1)	US$ LIBOR + spread 0.90% to 1.10%	< 76.9%	n.a.	23,504	-	23,504
DIS								
UniCredit SpA/ Overdraft for working capital	n.a.	n.a.	n.a.	n.a.	n.a.	4,704	-	4,704
Financial fees						(1,389)	(2,312)	(3,701)
Total as at 30 June 2020						**69,644**	**252,056**	**321,700**

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

Lender / Details	**Asset**	**Repayment terms**	**interest%**	**Loan-to-value covenant**	**Financial covenants**	**Short-term**	**Long-term**	**Total 31 Dec. 2019**
DTL								
Crédit Agricole CIB + 8 syndicated Banks/ March 2016 US$ 250m Term Loan Facility (supplemented and amended from time to time)	High Courage High Valor High Wind Cielo di New York Cielo di Rotterdam Cielo di Cagliari Cielo Rosso Cielo di Londra	19/20 consecutive quarterly instalments + balloon at maturity (total balloon = US$ 120.7m)	US$ LIBOR + 2.0% or + 2.15% according to vessel employment	< 76.9%	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	12,636	134,113	146,749
DNB Bank ASA/ December 2018 US$ 16.25m Term Loan Facility	High Seas	20 consecutive quarterly instalments + US$ 8.87m balloon at maturity	US$ LIBOR + 2.80%	< 74.1%	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	1,476	13,298	14,774
ING Bank N.V., London Branch/ December 2018 US$ 15.6m Term Loan Facility	High Tide	20 consecutive quarterly instalments + US$ 8.5m balloon at maturity	US$ LIBOR + 2.70%	< 74.1%	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	1,418	12,764	14,182
MPS Capital Services Banca per le imprese SpA/July 2015 US$ 58m Term Loan Facility	Cielo Bianco	10 consecutive semi-yearly instalments + US$ 17.9m balloon at maturity	US$ LIBOR + 2.25%	< 80.0%	Liquid assets > US$ 25m Equity > US$ 100m Equity ratio > 25%	1,764	20,555	22,319
Banca IMI SpA / October 2014 US$ 45.080m Term Loan Facility	Cielo di Ulsan Cielo di Capri	14 consecutive semi-yearly instalments + US$ 12m balloon for each vessel at maturity	US$ LIBOR + 2.65%	< 75.0%	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	3,011	30,776	33,787
ABN Amro N.V./ December 2016 US$19.5m Term Loan Facility	Cielo di Gaeta	24 consecutive quarterly instalments + US$ 9.7m balloon at maturity	US$ LIBOR + 2.4% per annum during the charter period to the Key charter thereafter 2.30%	< 76.9%	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	1,279	12,226	13,505

Tokyo Century Corporation December 2014 US$ 41.6m Term Loan Facility	Cielo di Hanoi Cielo di Salerno	24 consecutive quarterly instalments + US$ 12.5m balloon for each vessel at maturity	US$ LIBOR + 2.3%	<87.0%	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	2,776	30,149	32,925
Tokyo Century Corporation November 2015 US$ 21.78m Term Loan Facility	High Challenge	24 consecutive quarterly instalments + US$ 13.1m balloon at maturity	US$ LIBOR + 2.175%	<87.0%	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	1,452	16,335	17,787
Tokyo Century Corporation August 2016 US$ 10.472m General Working Capital Facility	High Challenge Cielo di Hanoi Cielo di Salerno	22 consecutive quarterly instalments, no balloon	US$ LIBOR + 2.45%	n.a.	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	1,904	2,870	4,774
Intesa Sanpaolo SpA/ Hot money	n.a.	within 12 months	n.a.	n.a.	n.a.	5,000	-	5,000
Intesa Sanpaolo SpA/ Overdraft	n.a.	within 12 months	n.a.	n.a.	n.a.	5,007	-	5,007
Bank of Ireland/Overdraft for working capital	n.a.	n.a.	n.a.	n.a.	n.a.	5,512		5,512
GIS								
Crédit Suisse AG (originally with Commerzbank AG)/ June 2008 US$ 195m Term Loan Facility	Glenda Melanie Glenda Melissa Glenda Melody Glenda Meryl	40 consecutive quarterly instalments + US$ 62.8m total balloon at maturity (1)	US$ LIBOR + spread 0.90% to 1.10%	< 76.9%	n.a.	25,383	-	25,383
DIS								
Cassa Lombarda SpA/Overdraft for working capital	n.a.	n.a.	n.a.	n.a.	n.a.	1,074	-	1,074
UniCredit SpA/ Overdraft for working capital	n.a.	n.a.	n.a.	n.a.	n.a.	4,488	-	4,488
Financial fees						(1,488)	(2,917)	(4,405)
Total as at 31 December 2019						**72,692**	**270,169**	**342,861**

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

All bank loans are guaranteed by d'Amico International Shipping S.A. and comply with their respective covenants.

22. LEASE LIABILITIES

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

US$ Thousand	**As at 30 June 2020**	**As at 31 December 2019**
Total future minimum lease payments (gross investment)	**425,318**	**454,648**
due within one year	54,571	57,605
due in one to five years	190,391	198,522
due over five years	180,356	198,521
Present value of minimum lease payments	**331,967**	**351,154**
due within one year	35,784	37,736
due in one to five years	136,203	140,349
due over five years	159,980	173,069
Finance charge included in the minimum lease payments	93,351	103,494
of which pertaining to the period	10,145	21,413

The carrying amount of the assets held as Right-of-Use, as well as the main lease terms, are disclosed in note 13; the average annual rate of return on these leases reflect market rates at the time those transactions were closed.

23. SHAREHOLDERS' SHORT-TERM FINANCING

US$ thousand	As at 30 June 2020			As at 31 December 2019		
	Non-current	Non-current	Non-current	Non-current	Current	Total
Total	-	-	-	-	**5,000**	**5,000**

Outstanding short-term borrowing of US$ 5.0 million from d'Amico International S.A. was fully reimbursed in early January 2020.

24. PAYABLES AND OTHER CURRENT LIABILITIES

US$ thousand	As at 30 June 2020	As at 31 December 2019
Trade payables	27,119	33,603
Other creditors	1,150	2,230
Accruals & deferred income	5,441	2,389
Total	**33,710**	**38,222**

Payables and other current liabilities as at 30 June 2020, mainly include trade payables. The Group has financial risk management policies in place to ensure all payables are settled within agreed terms (refer to note 27).

25. CURRENT TAX PAYABLE

US$ thousand	As at 30 June 2020	As at 31 December 2019
Current tax liabilities	**63**	**342**

The balance as at 30 June 2020 reflects the balance of income taxes and tonnage taxes payable by the Group's subsidiaries and the net wealth tax payable by its holding company.

26. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

US$ Thousand	As at 31 December 2019	NET CASH-FLOWS	NON-CASH CHANGES					As at 30 June 2020
			Amortised financial fees	Financial lease cost	Change in contractual terms	Derivatives P&L Unrealised movements	Cash-flow hedge OCI	
Shareholders' loan	5,000	(5,000)	-	-	-	-	-	-
Lease liabilities	351,154	(29,093)	-	10,144	(238)	-	-	331,967
Banks and other lenders	342,861	(21,864)	703			-	-	321,700
Liabilities from derivative instruments	9,120	4,883	-	-		(2,441)	4,054	15,616

27. RISK MANAGEMENT

Shipping freight rates and vessel values can vary significantly during the business cycle. Furthermore, the Company is a multinational that has operations throughout the world and is therefore exposed to the market risk of changes in foreign currency exchange rates. Since deposits and credit facilities necessary to fund investments in new-buildings or the purchase of vessels earn or pay interest at variable rates, the Group is also exposed to interest rate risk. DIS is also exposed to fluctuations in the price of bunkers.

The overall risk management is part of d'Amico International Shipping's strategy, which aims to reduce DIS' exposure to some of the above market risks.

These half-year condensed financial statements do not include all financial risk management information and disclosures required in the annual financial statements and for a detailed description of this information they should be read in conjunction with the Group's annual financial statements as at 31 December 2019, note 29; DIS' risk situation as described has not changed significantly in the six months to 30 June 2020. There have been no changes in the risk management policies since the year end.

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.
- 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. *Interest rates swaps* are measured as the present value of the estimated future cash-flow 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 counterparty risk (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 30 June 2020			
US$ thousand	Total	Fair Value Level 1	Fair Value Level 2	Carrying value
Assets				
Non-current financial assets	12,979	-	-	12,979
Receivables and other current assets	40,360	-	-	40,360
Other current financial assets	9,150	-	14	9,150
Cash and cash equivalents	50,448	-	-	50,448
Liabilities				
Banks and other lenders	321,700	-	-	321,700
Banks associated with assets held-for-sale	16,500	-	-	16,500
Lease liabilities	331,967	-	-	331,967
Other non-current financial liabilities	10,683	-	9,632	10,683
Payables and other current liabilities	33,710	-	-	33,710
Other current financial liabilities	12,086	-	5,997	12,086

The following table presents the Group's assets and liabilities that are measured at fair value as at 31 December 2019. levels within the fair value hierarchy.

	31 December 2019			
	Total	Fair Value		Carrying
US$ Thousand		Level 1	Level 2	value
Assets				
Non-current financial assets	17,348	-	-	17,348
Receivables and other current assets	41,433	-	-	41,433
Other current financial assets	7,265	-	-	7,265
Cash and cash equivalents	33,598	-	-	33,598
Liabilities				
Banks and other lenders	342,861	-	-	342,861
Banks associated with assets held-for-sale	22,250	-	-	22,250
Lease liabilities	351,154	-	-	351,154
Shareholders' financing	5,000	-	-	5,000
Other non-current financial liabilities	7,282	-	6,162	7,282
Payables and other current liabilities	38,222	-	-	38,222
Other current financial liabilities	12,473	-	2,958	12,473

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

The carrying value of assets and liabilities, such as short-term trade receivables and payables, which are not measured at fair value, approximates their fair value.

28. RELATED PARTY TRANSACTIONS

Pursuant to IAS 24, the Company's related parties are entities and individuals capable of exercising control, joint control or significant influence over DIS and its subsidiaries, companies belonging to the d'Amico Group, and joint ventures of d'Amico International Shipping. Furthermore, members of the DIS Board of Directors, and executives with strategic responsibilities and their families are also considered related parties.

DIS carries out transactions with related parties, including its immediate parent company d'Amico International S.A., a company incorporated in Luxembourg, its ultimate Italian parent company, d'Amico Società di Navigazione S.p.A (DSN) and certain of DSN's subsidiaries (d'Amico Group).

During the first six months of 2020 the most significant financial transactions included a management service agreement (for technical, crewing and IT services) with d'Amico Group companies, a brand fee with d'Amico Società di Navigazione S.p.A., a personnel service agreement with d'Amico Shipping Singapore and d'Amico Shipping USA and a service agreement for the purchase of Intermediate Fuel Oil and Marine Diesel Oil, with Rudder SAM, a d'Amico Group controlled company.

The effects of related party transactions on the Group's consolidated income statement for the first half of 2020 and first half of 2019, are the following:

	H1 2020		H1 2019	
US$ thousand	**Total**	**Of which related parties**	**Total**	**Of which related parties**
Revenue	185,342	5,226	178,418	7,882
Voyage costs	(35,268)	(2)	(52,111)	(189)
Time charter hire costs	(11,255)	-	(17,450)	(4,160)
Other direct operating costs	(53,017)	(4,290)	(54,124)	(4,260)
General and administrative costs	(6,183)	(2,474)	(5,880)	(1,969)
Result on disposal of fixed assets	(117)	-	(948)	-
Depreciation and impairment	(40,556)	(287)	(49,339)	(299)
Net financial income (charges)	(21,623)	(52)	(24,650)	(396)

The effects of related party transactions on the Group's consolidated balance sheets as at 30 June 2020 and 31 December 2019 not elsewhere disclosed in the present report, are the following:

	As at 30 June 2020		As at 31 December 2019	
US$ Thousand	**Total**	**Of which related parties**	**Total**	**Of which related parties**
ASSETS				
Non-current assets				
Property, plant and equipment and right-of-use assets	927,979	-	958,312	2,535
Investment in jointly controlled entities	4,382	-	4,382	-
Other non-current financial assets	12,979	52	17,348	63
Current assets				
Inventories	8,305	-	10,080	-
Receivables and other current assets	40,360	6,256	41,433	11,414
Current financial assets	9,150	6,809	7,265	526
Cash and cash equivalents	50,448	-	33,598	-
Assets held for sale	38,229	-	59,631	-
LIABILITIES				
Non-current liabilities				
Banks and other lenders	252,055	-	270,169	-
Non-current lease liabilities	296,183	1,740	313,418	2,025
Other non-current financial liabilities	10,683	-	7,282	-
Current liabilities				
Banks and other lenders	69,645	-	72,692	-
Current lease liabilities	35,784	557	37,736	541
Shareholders' short-term financing	-	-	5,000	5,000
Payables and other current liabilities	33,710	2,718	38,222	9,803
Other financial current liabilities	12,086	4,309	12,473	6,008
Current taxes payable	63	-	342	-
Banks associated with assets held-for-sale	16,500	-	22,250	-

29. COMMITMENTS AND CONTINGENCIES

Ongoing disputes

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

Tonnage tax deferred taxation

All Irish operating companies are qualified to be taxed under the Tonnage Tax regime in Ireland.
The regime includes a provision whereby a proportion of capital allowances previously claimed by the Group may be subject to tax in the event that vessels are sold, or the Group fails to comply with the ongoing requirements to remain within the regime.

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

30. D'AMICO INTERNATIONAL SHIPPING GROUP'S COMPANIES

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

Name	Registered Office	Share Capital	Currency	Interest %	Consolidation Method
d'Amico International Shipping S.A.	Luxembourg	62,051,624	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 Management Limited*	Dublin / Ireland	2	€	100.0%	Integral
Glenda International Shipping d.a.c.	Dublin / Ireland	202	US$	50.0%	Proportional
DM Shipping d.a.c.**	Dublin / Ireland	100 000	US$	51.0%	Equity*
d'Amico Tankers Monaco SAM	Monaco	150 000	€	99.8%	Integral
d'Amico Tankers UK Ltd	London / UK	50 000	US$	100.0%	Integral
Eco Tankers Limited ***	Malta	65 162	US$	33.0%	Equity

*Dormant, in the process of striking-off.
**In compliance with the application of IFRS 11, DM Shipping d.a.c. was not consolidated in the 2019 DIS' Group accounts, since it had a negative equity. In March 2020 its Board of directors has approved the voluntary strike-off of the company: as at 30 June 2020 the company has recently requested a letter of no objection from the Irish Inland Revenue to be able to proceed with the voluntary strike-off.
*** In the process of depositing its liquidation balance sheet.

The consolidation area in H1 2020 does not differ with respect to the 2019 consolidated accounts.

30 July 2020

On behalf of the Board

Paolo d'Amico
Chairman, Chief Executive Officer

Antonio Carlos Balestra di Mottola
Chief Financial Officer

The manager responsible for preparing the company's financial reports, Mr. Antonio Carlos Balestra di Mottola, in his capacity as Chief Financial Officer of d'Amico International Shipping SA (the "Company") declares to the best of his knowledge, that the half yearly/second quarter 2020 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 interim management report includes 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.

Antonio Carlos Balestra di Mottola
Chief Financial Officer

MOORE

MOORE Audit S.A.
2-4, rue du Château d'Eau
L-3364 Leudelange

T +352 26 26 84 1
F +352 26 26 84 99
E mail@moore-audit.lu

www.moore-audit.lu

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

Leudelange, July 30, 2020

Report on Review of the Condensed Consolidated Interim Financial Statements

Introduction
We have reviewed the accompanying condensed consolidated interim statement of financial position of d'Amico International Shipping S.A. and its subsidiaries as of June 30, 2020 and the related condensed consolidated interim income statement, condensed consolidated interim statement of comprehensive income, condensed interim statement of changes in consolidated shareholders' equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes, comprising a summary of significant accounting policies and other explanatory notes. The Board of Directors is responsible for the preparation and fair presentation of this condensed consolidated interim financial statements in accordance with International Accounting Standard 34 *Interim financial reporting*. Our responsibility is to express a conclusion on this condensed consolidated interim financial statements based on our review.

Scope of Review
We conducted our review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as adopted for Luxembourg by the "Institut des Réviseurs d'Entreprises". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 *Interim financial reporting* as adopted by the European Union.

MOORE Audit S.A.

Raphael LOSCHETTER
Réviseur d'Entreprises Agréé