



PRESS RELEASE

The Board of Directors of d'Amico International Shipping S.A. approves FY and Q4 2019 Results:

'DIS' FY'19 RESULTS SIGNIFICANTLY BETTER THAN IN THE PREVIOUS YEAR:

NET RESULT OF US\$ (27.5) M VS US\$ (55.1) M IN FY'18;

ADJUSTED NET RESULT OF US\$ (7.7) M VS. US\$ (57.4) M IN FY'18;

RECURRING EBITDA (EXCLUDING IFRS 16) MORE THAN FOUR TIMES HIGHER THAN LAST YEAR;

OPERATING CASH FLOW OF US\$ 59.3 M VS. US\$ 7.6 M IN FY'18.

IN Q4'19, DIS POSTED ITS FIRST PROFITABLE QUARTER SINCE Q1'17:

NET RESULT OF US\$ 4.9 M VS. US\$ (13.9) M IN Q4'18

ADJUSTED NET RESULT OF US\$ 7.4 M VS US\$ (13.0) M IN Q4'18.'

FULL-YEAR 2019 RESULTS

- Time charter equivalent earnings (TCE) of US\$ 258.3 million (US\$ 244.9 million in FY'18)
- Gross Operating Profit/EBITDA of US\$ 104.2 million (40.3% on TCE) (US\$ 17.5 million in FY'18)
- Net Result of US\$ (27.5) million (US\$ (55.1) million in FY'18)
- Adjusted Net Result (excluding IFRS 16 and non-recurring) of US\$ (7.7) million (US\$ (57.4) million in FY'18)
- Cash Flow from Operating Activities of US\$ 59.3 million (US\$ 7.6 million in FY'18)
- Net Debt of US\$ 682.8 million (US\$ 560.0 million excluding IFRS16) as at 31 Dec. 2019 (US\$ 588.7 million as at 31 Dec. 2018)

FOURTH QUARTER 2019 RESULTS

- Time charter equivalent earnings (TCE) of US\$ 72.2 million (US\$ 64.2 million in Q4'18)
- Gross Operating Profit/EBITDA of US\$ 34.9 million (US\$ 9.7 million in Q4'18)
- Net Result of US\$ 4.9 million (US\$ (13.9) million in Q4'18)
- Adjusted Net Result (excluding IFRS 16 and non-recurring) of US\$ 7.4 million (US\$ (13.0) million in Q4'18)

Luxembourg - March 12th, 2020 – The Board of Directors of d'Amico International Shipping S.A. (Borsa Italiana: "DIS") (hereinafter : "the Company", "d'Amico International Shipping" or the "Group"), a leading international marine transportation company operating in the product tanker market, today examined and approved the Company's draft 2019 full year statutory and consolidated financial results.

MANAGEMENT COMMENTARY

Paolo d'Amico, Chairman and Chief Executive Officer of d'Amico International Shipping commented: *'In 2019, DIS posted a Net result of US\$ (27.5) million vs. US\$ (55.1) million recorded in 2018. Excluding non-recurring items from both years, and the effects of IFRS16 from 2019, DIS' Net result amounted to US\$ (7.7) million in 2019 compared with US\$ (57.4) million the prior year.*

DIS has returned to profitability in the fourth quarter of 2019, reporting a Net result of US\$ 4.9 million and Adjusted net result of US\$ 7.4 m (Q4'18: Net result of US\$ (13.9) million and Adjusted net result of US\$ (13.0) million). Such significant achievement is mainly attributable to the better market conditions and to cost efficiencies achieved in the course of 2019.



DIS realized a daily average spot rate of US\$ 13,683 in 2019, which is US\$ 2,885/day higher than the US\$ 10,798 achieved in the previous year. In line with its long-term prudent commercial strategy, DIS had also a high level of coverage in the period, equal to 51.9% of its total days at an average daily rate of US\$ 14,760. Therefore, our total blended daily TCE (spot and time-charter) was US\$ 14,239 in 2019 vs. US\$ 12,184 in 2018.

As I mentioned, the last quarter of the year was particularly strong for our industry, and this allowed us to achieve a daily spot rate of US\$ 17,242 vs. US\$ 11,617 generated in the same quarter of 2018. This was partly due to the usual seasonal increase in demand and the introduction of the new IMO fuel regulations coming into effect in January 2020. Apart from a brief correction associated with the peak of the Coronavirus (Covid-19) outbreak in China, the strong market has continued throughout the first quarter of 2020, having freight rates gradually trending upwards since mid-February.

Period rates as well as asset values have continued moving upwards throughout 2019. Currently, the assessed one-year TC rate is of US\$ 15,500/day for conventional MRs and US\$ 16,750/day for Eco MRs, respectively.

We are of course concerned about Covid-19, both from a human and a business perspective. For the time being the impact on the product tanker industry has been limited. In fact, the steep decline in China's oil consumption has been partly compensated by more long-haul trade, as surplus Asian cargoes have been transported to the Atlantic. We have for example seen an increase in Asian surplus jet fuel shipped to the Western Hemisphere. The product tanker markets should also eventually benefit from the fiscal and monetary stimulus that should follow the Covid-19 outbreak. However, the economic impacts of the Coronavirus are still uncertain and we maintain a prudent approach going into the second quarter of the year. As already disclosed in our previous quarterly reports, DIS has been gradually taking advantage of the growing interest from oil-majors and leading trading houses to fix some of its vessels at profitable levels.

On Friday March 6th, the OPEC+ (the coalition of OPEC and other countries including Russia) did not reach an agreement which could have entailed an additional 1.5 million bpd in production cuts. This led to a reversal of previous cuts and to a sharp decline in oil prices and consequently in bunker prices. The oil price forward curve has moved into "contango", which could steepen further, triggering a build-up in inventories and potentially an increase in vessels used for floating storage. While crude tankers should be the main beneficiaries, the improvements in that sector should rapidly spill-over to product tankers, with a positive effect on our market, at least in the short-term. The positive effects on tanker earnings of the lower bunker prices and additional crude flows, were already apparent on the day following the breakdown of the OPEC+ negotiations.

Despite these near-term concerns, we maintain a very positive outlook for the product tanker industry, whose underlying fundamentals continue to be very strong. In fact, the product tanker orderbook is at historical lows, mainly thanks to capital constraints and to regulatory uncertainties around IMO 2030/2050 emission reductions and propulsion systems. On the demand side, we expect a growth in seaborne transportation of refined products, mainly due to growing regional imbalances of products and refining capacity expansions moving further away from the consumer. In addition, the new IMO regulations, which limit the sulphur content in bunker fuels to 0.5% from January 2020, should further stimulate refining activity and demand for our vessel.

I believe we can look at the future with a certain level of optimism and DIS' long term investment plan of US\$ 755 million concluded in October 2019 positions our Company favourably to benefit from this improving market, with one of the youngest and most modern product tanker fleets in the world. At the



same time, we plan to continue pursuing a prudent commercial strategy and to further strengthen our financial structure.'

Carlos Balestra di Mottola, Chief Financial Officer of d'Amico International Shipping commented: *'We are proud to report the first profitable quarter for DIS since Q1'17, with a Net profit of US\$ 4.9 million or US\$ 7.4 million, excluding IFRS16 and non-recurring effects (Q4'18: US\$ (13.9) million or US\$ (13.0) million, excluding non-recurring effects). The improvement relative to 2018, was very significant even on a full-year basis, with DIS achieving a Net result of US\$ (27.5) million in FY'19 (US\$ (55.1) million in FY'18) and an Adjusted net result of US\$ (7.7) million in FY'19 (US\$ (57.4) million in FY'18).*

Thanks to a more efficient cost structure and to improving freight markets, DIS' EBITDA was of US\$ 104.2 million in FY'19 vs. US\$ 17.5 million in 2018. Even excluding the effects arising from the application of IFRS 16, DIS' FY'19 EBITDA was more than four times higher than the level achieved in the previous year. This substantial improvement was clearly reflected also in our Operating cash flow which was of US\$ 59.3 million in FY'19 compared with US\$ 7.6 million in FY'18.

During the year, we achieved the strategic goal of strengthening DIS' balance sheet and liquidity position. In addition to the share capital increase of € 44 million we have successfully concluded in April, DIS raised around US\$ 41.2 million of additional liquidity through some sale and sale-and-lease-back deals.

In the fourth quarter of the year, DIS took delivery of its last newbuilding, a scrubber fitted LR1, thus finalizing its substantial investment plan of US\$ 755 million launched back in 2012. Currently, our future Capex plan is related only to vessel maintenance and will therefore be substantially lower than in the recent past.

At the same time, our total annual bank debt repayments have decreased markedly from 2020, lowering our cash breakeven. In particular, at the end of 2019 we reimbursed the last instalment due on a LTRO facility granted to d'Amico Tankers in 2014, which entailed a semi-annual amortization of US\$ 7.5 million. The lower bank debt repayments and Capex commitments, will both contribute to DIS' free-cash-flow generation for its shareholders.

A more favourable product tanker market led also to rising vessel values during the year, contributing to an increase in DIS' net asset value, and a reduction in its net debt to fleet market value ratio, which stood at 64% at the end of December 2019, compared with 65.1% at the of September 2019, with 66.3% as at the end of June 2019 and with 72.9% as at the end of 2018. Since the second quarter of 2016 we have confronted a very difficult freight market. Although the market weakness experienced was not expected and to some extent caught us by surprise, we reacted to the adverse conditions through a series of initiatives, some of which I briefly mentioned above, which have strengthened our Company and positioned us favourably to benefit from the ongoing market recovery.

Despite some headwinds such as the Coronavirus, our market can count on many tailwinds, including the very limited orderbook and the likely strong increase in oil supply following the breakdown of the OPEC+ production cuts. I am confident the positives will prevail in the short to medium-term, allowing DIS to generate substantial value for its Shareholders'.



FINANCIAL REVIEW

SUMMARY OF THE RESULTS IN THE FOURTH QUARTER AND TWELVE MONTHS OF 2019

Clean product tanker markets in the first nine months of 2019 have been much stronger than in the same period last year. In Q4, US sanctions on selected entities of COSCO, (the world's largest tanker owner), Venezuelan-related issues, a tanker attack in the Middle East, a typhoon in Japan and scrubber retrofits all contributed to the large earnings spike in the crude sector. This crude tanker spike lifted clean petroleum earnings quite significantly, keeping annual average earnings at very acceptable levels. The resulting hike in rates prompted a large amount of LR2 tankers to switch into the crude market. The reduction in supply of LR2 tankers and an increase in demand for Naphtha into Asia resulted in an overall improvement in product tankers earnings.

In November, rising diesel exports from China and India led to some benchmark Asian refinery margins falling to multi-month lows. However, with Indian diesel demand improving and the introduction of the IMO 2020 sulphur cap in December this has boosted gasoil demand.

December Product tanker demand improved in both the Western and Eastern hemispheres ahead of the New Year. This was partly due to the usual seasonal increase in demand and the introduction of the new IMO fuel regulations coming into effect in January 2020.

According to the last IEA report, oil demand is estimated to have grown by a significant 1.9 million b/d in Q4 2019, the most since Q1 2018, due to continued strong momentum in Asia Pacific and expansion in the US petrochemical sector. Global oil demand is estimated to have grown by around 1 million b/d in 2019, down from 1.1 mb/d in 2018.

The one-year time-charter rate, which is always the best indicator of spot market expectations, has gradually strengthened throughout 2019, ending the fourth quarter at around US\$ 16,500 per day and US\$ 18,500 per day for conventional and Eco MRs, respectively.

DIS' Net Result was negative for US\$ (27.5) million for 2019 vs. a Net Loss of US\$ (55.1) million in 2018. Excluding results on disposal and non-recurring financial items from 2019 and 2018, as well as the asset impairment and the effects of IFRS 16 from 2019, DIS' Net result would have amounted to US\$ (7.7) million in 2019 compared with US\$ (57.4) million recorded in the previous year. Therefore, **excluding the effects of the application of IFRS 16 and such non-recurring effects, DIS' 2019 Net result would have been US\$ 49.7 million higher than in the previous year.**

In Q4 2019, DIS posted a Net Profit of US\$ 4.9 million vs. a Net Loss of US\$ (13.9) million in Q4 2018. Q4 2019 represents DIS' first profitable quarter since Q1 2017. In addition, excluding the quarterly impacts of the above non-recurring items the profit of Q4 2019 would have been of US\$ 7.4 million compared to a loss of US\$ (13.0) million in the same quarter of last year.

In fact, **DIS generated an EBITDA of US\$ 104.2 million for 2019** vs. US\$ 17.5 million in 2018. Even excluding the effects arising from the application of IFRS 16 (positive impact of US\$ 35.1 million), DIS' 2019 EBITDA was **approximately 4 times higher higher than the level achieved in 2018.** Such strong improvement relative to the previous year is attributable to better market conditions coupled with a more efficient cost structure.

In terms of spot performance, **DIS achieved a daily spot rate of US\$ 13,683 for 2019**, 26.7% (i.e. US\$ 2,885/day) higher than the US\$ 10,798 achieved 2018, due to the improving markets. The last quarter of the year was particularly strong, with DIS achieving a daily spot rate of US\$ 17,242 vs. US\$ 11,617 generated in the same quarter of 2018.



At the same time, 51.6% of DIS' total employment days in 2019, were covered through 'time-charter' contracts at an average daily rate of US\$ 14,760 (2018: 34.2% coverage at an average daily rate of US\$ 14,850). 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\$ 14,239 in 2019 compared with US\$ 12,184 achieved in the previous year.

In 2019, DIS' '**gross capital expenditures**' amounted to **US\$ 65.2 million**, mainly in relation to the delivery of 2 newbuilding LR1 vessels, respectively, in the first and fourth quarter of the year. Since 2012, DIS has ordered a total of **22 'Eco-design' product tankers**¹ (10 MRs, 6 Handy-size and 6 LR1 vessels), all of which were already delivered as by the end of 2019. The total **amount invested** for these vessels was of approximately **US\$ 755.0 million** and is in line with the Group's strategy to modernize its fleet through new-buildings with an eco-design.

OPERATING PERFORMANCE

Time charter equivalent earnings were US\$ 258.3 million in 2019 vs. US\$ 244.9 million in 2018. The total amount for 2019 includes US\$ 9.1 million 'time charter equivalent earnings' generated by vessels under commercial management, which is offset by an equal amount reported under 'time-charter hire costs'.

In detail, DIS realized a **daily average spot rate of US\$ 13,683 in 2019**² compared with **US\$ 10,798 achieved in 2018**³. DIS' spot result for 2019 represents an improvement of 26.7% (i.e. US\$ 2,885/day) relative to the previous year. Thanks to a strong product tanker market at the end of the year, DIS was able to realize a Daily Average Spot Rate of US\$ 17,242 in Q4 2019 vs. US\$ 11,617 achieved in the same quarter of the prior year (i.e. a 48.4% increase or US\$ 5,625/day).

Following its strategy, in 2019 DIS maintained a **good level of 'coverage'** (fixed-rate contracts), securing an average of **51.6%** (2018: 34.2%) of its available vessel days at a **Daily Average Fixed Rate of US\$ 14,760** (2018: US\$ 14,850). In addition to securing revenue and supporting the operating cash flow generation, these contracts enabled DIS to strengthen its historical relationships with the main oil majors.

¹ Including M/T High Sun, an MR vessel ordered at Hyundai Mipo Dockyard Co. Ltd. and previously owned by Eco Tankers Limited (in which DIS has a 33% interest, in JV with Venice Shipping and Logistics S.p.A.), which was sold in June 2019.

² Daily Average TCE of 2019 excludes US\$ 9.1 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.

³ Daily Average TCE of 2018 excludes US\$ 5.4 million generated by the vessels under commercial management, as it is off-set by an equivalent amount of time charter hire costs.



DIS' total daily average TCE (Spot and Time charter)⁴ was US\$ 14,239 in 2019 vs. US\$ 12,184 in 2018 (Q4 2019 US\$ 15,965 vs. Q4 2018 US\$ 12,892)

DIS TCE daily rates (US dollars)	2018					2019				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Spot	12,726	10,327	8,689	11,617	10,798	13,583	13,074	11,616	17,242	13,683
Fixed	15,001	14,867	14,716	14,831	14,850	14,604	14,398	14,819	15,130	14,760
Average	13,446	11,818	10,680	12,892	12,184	14,057	13,710	13,264	15,965	14,239

EBITDA was US\$ 104.2 million in 2019 compared with **US\$ 17.5 million in 2018**. The adjustment to 'EBITDA' arising from the application of IFRS 16 is positive, amounting to US\$ 35.1 million in 2019, as within the Income Statement, charter hire costs are replaced with other direct operating costs, interest and depreciation. **Excluding the effect of IFRS 16, DIS' EBITDA would have amounted to US\$ 69.1 million in 2019 vs. US\$ 17.5 million achieved in the previous year.** This large improvement relative to last year, is attributable to the stronger freight markets and to a more efficient cost structure achieved by DIS.

Depreciation, impairment and impairment reversal amounted to US\$ (58.6) million in 2019 vs. US\$ (34.8) million in 2018. The 2019 amount includes US\$ (15.5) million impairment booked on four vessels owned by d'Amico Tankers d.a.c. and on two vessels (one of which was sold in October 2019) 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 reclassified as 'assets held for sale' (in accordance with IFRS 5) as at 31 December 2019, with the difference between their fair value less cost to sell and their book value charged to the Income Statement.

Depreciation of right-of-use leased assets amounted to US\$ (30.6) million in 2019. This item does not have a comparative in 2018 as it arises from the application of IFRS 16 from 1 January 2019.

EBIT was **positive for US\$ 15.1 million in 2019** compared to a negative result of US\$ (17.3) million in 2018.

Net financial income was US\$ 0.8 million in 2019 vs. US\$ 5.0 million in 2018. The 2019 amount includes bank interest income (funds held with financial institutions on deposit and current accounts) and interest on the financing provided to the DM Shipping joint venture amounting to US\$ 0.4 million; it includes also the realised income on settled interest rate swaps amounting to US\$ 0.03 million, as well as US\$ 0.4 million exchange differences. The total amount for 2018 comprised mainly US\$ 2.2 million positive impact arising from the equity release of certain interest rate swap agreements (following the sale and lease back of four vessels), in addition to an unrealized gain of US\$ 1.9 million arising from the ineffective part of DIS' interest rate swap agreements.

Net financial charges amounted to US\$ (45.0) million in 2019 vs. US\$ (34.3) million in 2018. The 2019 amount comprises US\$ (43.6) million in interest expenses and amortized financial fees due on DIS' bank loan facilities, actual expenses on interest rate swaps and interest on financial leases, as well as US\$ (1.4) million unrealised losses in relation to the ineffective part of DIS' interest rate swap agreements. The 2019 amount includes also US\$ (7.1) million interest expenses on liabilities arising from the application of IFRS 16.

Reversal of impairment of loan to an equity accounted investee was positive for US\$ 0.9 million in 2019 due to the partial reversal of the write-down of d'Amico Tankers d.a.c.'s shareholder loan to DM Shipping (a 51/49 jointly controlled entity with the Mitsubishi Group). The 2018 amount of US\$ (7.5) million was

⁴ Daily Average TCE of 2019 and 2018 excludes the amounts generated by the vessels under commercial management in 2019 and 2018, as they are off-set by equivalent amounts of time charter hire costs.



due to the write-down of the same shareholder loan to DM Shipping, following the management's decision to sell the two vessels owned by DM Shipping in the course of 2019.

DIS' **Net Result for 2019** was of **US\$ (27.5) million** compared with a Net loss of US\$ (55.1) million in 2018. The application of IFRS 16, negatively impacted the 2019 results by US\$ (2.7) million, and net of the one-off reversal of provisions for previous years' onerous contracts, also attributable to the application of IFRS 16, the results for the period were lower by US\$ (2.0) million. Excluding results on disposals and non-recurring financial items from 2019 (US\$ (2.3) million⁵) and from 2018 (US\$ 4.9 million⁶), as well as the asset impairment (US\$ (15.5) million in 2019 vs. US\$ (2.6) million in 2018) and the net effects of IFRS 16, DIS' Net result would have amounted to US\$ (7.7) million in 2019 (US\$ 7.4 million in Q4 2019) compared with US\$ (57.4) million recorded in the previous year (US\$ (13.0) million in Q4 2018). Therefore, **excluding the effects of the application of IFRS 16 and such non-recurring effects, DIS' Net result for 2019 would have been US\$ 49.7 million higher than in the previous year.** This marked improvement is mainly attributable to the better market conditions and to a more efficient cost structure in 2019. Q4 2019 represents also DIS' first profitable quarter since Q1 2017.

CASH FLOW AND NET INDEBTEDNESS

In 2019, DIS' **Net Cash Flow was positive for US\$ 2.4 million** vs. US\$ 2.8 million in 2018. The total amount of 2019 includes *gross capital expenditures* of US\$ (65.2) million, partially offset by: i) US\$ 15.4 million *Movement in financing to equity accounted investee* (arising from the reduction of d'Amico Tankers' shareholders loan to DM Shipping, following the sale of its two vessels in Q2 and Q3 2019); ii) US\$ 9.4 million *Proceeds from disposal of fixed assets* (arising from the sale of Glenda Megan, a vessel owned by Glenda International Shipping, in Q4 2019); iii) US\$ (16.4) million negative financing cash flow; and iv) US\$ 59.3 million positive operating cash flow.

Cash flow from operating activities was positive, **amounting to US\$ 59.3 million in 2019 vs. US\$ 7.6 million in 2018.** This improvement is attributable to the much stronger freight markets in 2019 relative to the same period of last year.

DIS' Net debt as at 31 December 2019 amounted to **US\$ 682.8 million** compared to US\$ 588.7 million at the end of 2018. The large variance relative to the end of 2018 is due to the application of IFRS16 which led to the recognition of an additional liability of US\$ 122.8 million as at the end of 2019. The net debt (excluding IFRS16) / fleet market value ratio was of 64.0% as at the end of 2019 compared with 72.9% as at the end of December 2018.

⁵ US\$ (2.0) million loss on disposal, US\$ (1.3) million realized and unrealized loss on Interest rates swap agreements, US\$ 0.2 million foreign exchange movements arising from the valuation of the DM Shipping financing, US\$ 0.9 million reversal of impairment of an equity-invested asset.

⁶ US\$ 0.2 million profit on disposal, US\$ 4.2 million realized and unrealized profit on Interest rates swap agreements, US\$ 0.5 million foreign exchange movements arising from the valuation of the DM Shipping financing.



SIGNIFICANT EVENTS OF THE PERIOD

In 2019, the main events for the d'Amico International Shipping Group were the following:

D'AMICO INTERNATIONAL SHIPPING:

- **Board of Directors Meeting:** On 8 February 2019, the Board of Directors of d'Amico International Shipping S.A. (the "Board of Directors") convened the extraordinary general meeting of shareholders of the Company to be held on 11 March 2019 (the "EGM") proposing to the EGM to increase the authorised corporate capital of the Company from 750,000,000 to 1,750,000,000 shares with the intention, subject to the approval of the EGM and to market conditions, to execute in the weeks following the EGM a Capital Increase respecting the following conditions:
 - i) amount of up to US\$ 60 million;
 - ii) Theoretical ex-rights price ("TERP") discount of up to 25%.

DIS' Board of Directors also resolved to set an extraordinary period for the exercise of the "d'Amico International Shipping Warrants 2017 – 2022", ISIN code n. LU1588548724 (the "Warrants"), as set out in art. 3.3.1. of the terms and conditions attached to the Company's prospectus dated 18 April 2017 (the "2017-2022 Warrants Terms and Conditions"), starting from 12 March 2019 until 18 March 2019, both dates included (the "Extraordinary Exercise Period").

- **Shareholders' Extraordinary General Meeting:** On 11 March 2019 the EGM of DIS resolved:
 - i) to approve the proposed reduction of the accounting value of each share of the issued share capital of the Company from its former amount of US\$ 0.10 per share to US\$ 0.05 per share without cancellation of any shares in issue nor repayment of any share nor off-setting of any losses, as proposed by the Board of Directors in the explanatory report published on 8 February 2019 and available to Shareholders in the Corporate Governance section of the Company's website (www.damicointernationalshipping.com);
 - ii) to consequently reduce the amount of the issued share capital from its former amount of US\$ 65,375,802.50 to US\$ 32,687,901.25, allocating the amount resulting from the reduction to a special capital account (*apport en capitaux propres non rémunéré par des titres*), which is part of the premium accounts of the Company;
 - iii) to set the authorised corporate capital, including the issued share capital, at a total amount of US\$ 87,500,000 divided into 1,750,000,000 shares with no nominal value, approving the related proposed amendment to DIS' Articles of Association; and
 - iv) to renew, with immediate effect and for a period of five years, the authorisation of the Board of Directors to increase the capital in one or several tranches within the limits of the amended authorised capital, as well as the authorisation of the Board of Directors to limit or cancel, in full or partially, the preferential subscription rights of the existing shareholders.

On 18th March 2019 DIS announced that during the extraordinary exercise period, no Warrants were exercised. Consequently, DIS' share capital remained unchanged at US\$ 32,687,901.25 divided into 653,758,025 shares with no nominal value.

- **Board of Directors Meeting:** On 20 March 2019, the Board of Directors of d'Amico International Shipping S.A., exercising the powers delegated by the EGM of Shareholders of 11 March 2019 – resolved:
 - i) to approve a rights issue addressed to the shareholders of the Company consisting of (i) an offering by the Company with preferential subscription rights (the "Preferential Subscription



- Rights”) of new shares (the “New Shares”) of the Company (the “Rights Offering”) and (ii) in case the Preferential Subscription Rights are only partially exercised during the Rights Offering, a private placement whereby the Board of Directors will place any New Shares that were not subscribed in the Rights Offering, with cancellation in this second round of offering of any preferential subscription right (the “Private Placement”, together with the Rights Offering, the “Offering”);
- ii) to approve an increase of the share capital of the Company, within the limits of the authorised capital, of up to a maximum of the US\$ equivalent of € 44,045,318 (including share premium), through the issuance of up to 587,270,900 New Shares, that will generally in all respects rank pari passu with the existing shares, at an issuance price per New Share of € 0.075 (the “Issuance Price”), in the ratio of 10 New Shares for every 11 Preferential Subscription Rights exercised (the “Ratio”).

It was also communicated that the net proceeds of the Offering will be used to strengthen the Company’s balance sheet, reducing its financial leverage and improving its liquidity position.

The Issuance Price of the New Shares incorporated a discount of 25% to the reference price of d’Amico International Shipping shares on the Mercato Telematico Azionario of Borsa Italiana S.p.A. (“MTA”) as at 19 March 2019, a discount of 43% to the simple average of the reference market prices registered by d’Amico International Shipping’s shares during the last six months and a discount of 15% to the theoretical-ex-rights-price (“TERP”).

The controlling shareholder of the Company – d’Amico International S.A. (“DAM”), which owned 64.00% of the share capital of the Company – irrevocably undertook and committed to subscribe to any share that were not subscribed to in the Private Placement and on the same terms, notably as to pricing, as determined by the Company at the Board of Directors meeting held on 20 March 2019.

In the context of the Offering DAM converted a long term subordinated revolving facility, which amounted to US\$ 30,600,00.00, to an unsubordinated due and payable debt. DAM subscribed a part of the capital increase by offsetting the outstanding due and payable facility.

- **Adjustment of Warrants exercise price following the Offering and notification to Consob of the updated version of KID regarding Warrants:** On March 29, 2019, d’Amico International Shipping S.A. announced that the exercise price of the DIS Warrants were adjusted according to article 6.1.1 of the terms and conditions of the 2017-2022 Warrants Terms and Conditions.

The Warrants exercise prices were reduced for all the established exercise periods and additional exercise periods that will follow the completion of the Offering (as defined in the prospectus dated 21 March 2019, the “2019 Prospectus”) and were fixed at:

- € 0.327 for Warrants exercised on all the days of the month of June 2019;
- € 0.341 for Warrants exercised on all the days from 27 November to 27 December 2019;
- € 0.354 for Warrants exercised on all the days of the month of June 2020;
- € 0.368 for Warrants exercised on all the days from 27 November to 27 December 2020;
- € 0.382 for Warrants exercised on all the days of the month of June 2021;
- € 0.397 for Warrants exercised on all the days from 27 November to 27 December 2021;
- € 0.412 for Warrants exercised on all the days of the month of June 2022.



Results of the Rights Offering

During the Preferential Subscription Rights' exercise period, which started on March 25, 2019 and ended on April 16, 2019 (the "Rights Subscription Period"), no. 628,392,688 Preferential Subscription Rights were exercised, representing approximately 97.3% of the total number of Preferential Subscription Rights. Given the ratio of 10 New Shares for 11 Preferential Subscription Rights, the Company issued 571,266,080 New Shares, generating gross proceeds equal to the US\$ equivalent of € 42.8 million.

- **The Board of Directors of d'Amico International Shipping S.A. announced the amendment of the ending date for the private placement, the private placement results and final results of the right issue. Capital increase 100% subscribed and gross proceeds of the offering equal to the US\$ equivalent of € 44 million:** On April 24, 2019, the Board of Directors of d'Amico International Shipping S.A., following the offering of up to 587,270,900 New Shares with Preferential Subscription Rights announced the ending, as of that date, of the private placement period for the unsubscribed New Shares.

During the Private Placement 16,004,820 New Shares were subscribed (representing an additional capital increase - including share premium - amounting to the US\$ equivalent of € 1,200,361.50).

Following the completion of the Private Placement, the Company's share capital amounted to US\$ 62,051,446.25, divided into 1,241,028,925 shares with no nominal value.

- **Amendment of financial covenants on all bank loans guaranteed by DIS** – The application of IFRS16 from January 1, 2019 had a negative effect of 4.3% on DIS' Net Worth/Total Assets ratio, based on the Company's consolidated financials as at 31 March 2019. To offset the impact of this new accounting standard, before the end of Q1 2019, all of DIS' banks agreed to amend the financial covenants on loans guaranteed by DIS, with a reduction of the minimum threshold for this ratio to 25% from 35% previously. The amended covenant is effective from January 1, 2019.
- **Approval of DIS' medium to long-term incentive plan:** on 9 May 2019, d'Amico International Shipping S.A.'s Board of Directors, upon positive opinion of its Nomination and Remuneration Committee held on May 3, 2019, approved the Regulation of the Company's medium to long-term incentive plan (the "Medium to Long-Term Variable Incentive Plan 2019-2021" or the "Incentive Plan" or the "Plan"), available in the Corporate Governance section of the Company's website (www.damicointernationalshipping.com).

The main beneficiaries of the Plan are the following top-managers and executive directors of DIS: Paolo d'Amico (CEO and Chairman), Carlos Balestra di Mottola (CFO and Executive Director), Flemming Carlsen (COO), Cesare d'Amico (Executive Director), Marie-Anne Fiorelli (head of operations).

The main features of the Plan are the following:

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



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

- i) the adjusted ROCE (40% of the pool), which modifies the ROCE through a matrix which accounts for the financial leverage in DIS' capital structure and the percentage of contract coverage;
- ii) the hedging effectiveness (35% of the pool), which measures whether the coverage taken contributed positively or negatively to the blended time-charter equivalent earnings;
- iii) the percentage change in the daily General and Administrative costs (25% of the pool), which attempts to measure how efficiently the vessels were managed.

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

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

The number of DIS shares allotted will be based on the arithmetic average of the official market closing prices of DIS' ordinary shares in the month prior to the Company's Board of Directors that will verify the results achieved in the corresponding vesting period.

The DIS shares serving the Plan, are those held in portfolio by the Company as at 12 March 2020 (n. 8,642,027 own shares without nominal value, following the 882,000 own shares repurchased between 20 and 24 January 2020 – see significant events since the end of the period below).

- **Second exercise period of DIS' Ordinary shares warrants 2017-2022:** On 31 May 2019, d'Amico International Shipping S.A. confirmed that the holders of "d'Amico International Shipping 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 June 3, 2019 until June 28, 2019, both dates included (the "Second 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 Second Exercise Period amounted to EUR 0.327 (zero point three hundred and twenty-seven Euros) per Warrant Share. Following the completion of the Second Warrants exercise period, in which 3,199 Warrants were exercised, leading to the issuance of 3,199 new ordinary shares, the Company's share capital amounted to US\$ 62,051,606.20, divided into 1,241,032,124 shares with no nominal value.
- **Approval of the amended buyback programme:** on 13 November 2019, d'Amico International Shipping S.A.'s Board of Directors approved some amendments to the buy-back programme as initially approved on 4 May 2016, following the authorization from the Company's Annual General Meeting of Shareholders, held on 20 April 2016 (the "Programme").

The Board of Directors was authorized to repurchase the Company's own shares in one or more tranches, with a power of sub-delegation, for a maximum period of five (5) years starting from 20



April 2016 (i.e. date of the relevant shareholders' meeting approving the renewal of the authorization) and thus expiring on 20 April 2021.

The purpose of the Programme as initially identified by the Board of Directors in its meeting of 4 May 2016 (see Company press release issued on the same day) remains unchanged and is the creation of an "inventory of treasury shares" that will be available as a means of payment, exchange, transfer, contribution, assignment or other types of disposals associated with transactions linked to the Company and its subsidiaries' operations and with any projects offering an effective investment opportunity in line with the strategic policy of the Company. These include agreements with strategic partners, acquisition of shareholdings or share packages or other extraordinary finance transactions that involve the allocation or assignment of own shares (e.g. merger, demerger, issuance of convertible debentures or warrants, etc.), and more widely for any purposes permitted under the applicable laws and regulations, including but not limited to placing the Company in a position to offer all of its own shares for distribution to the Company's and its subsidiaries' and controlling companies' directors, officers or employees, whether or not pursuant to the implementation of a stock option plan as approved and/or amended from time to time by the Company itself.

Due to the recent changes by the Italian competent authority with regards to accepted market practices relating to the repurchase of own shares classified as "inventory of treasury shares" and that DIS' former stock option plan approved by the Company's Shareholders on 20 April 2016 and referred to upon the Board of Directors' approval of the Programme (see press release of 4 May 2016) isn't in force anymore – DIS' Board of Directors decided to allocate all of the residual Company's own shares re-purchasable as per the Shareholders' authorization (amounting to 35,091,329 own shares) indiscriminately to the above described "inventory of treasury shares" purpose.

The maximum value of own shares that can be repurchased under the Programme cannot exceed Euro 17.5 million.

The Programme shall be carried out using available reserves and/or distributable earnings sufficient for the planned repurchase of fully paid-up own shares, subject to these transactions not having the effect of reducing the Company's net assets below the amount mentioned in paragraph 1 & 2 of Article 461-2 of the Luxembourg Law (i.e. the aggregate of the subscribed share capital and the reserves which may not be distributed according to the law or the Articles of Association of the Company), and at a price per share within the following range:

- (i) a minimum which shall not be 10% lower than the official share price reported in the trading session on the day before each individual transaction is executed;
- (ii) a maximum which shall not be 10% higher than the official share price reported in the trading session on the day before each individual transaction is executed.

Regarding the Programme's implementation, the Company confirms that the repurchase and disposal of own shares will be executed and coordinated by Equita SIM S.p.A., an equity broker duly engaged for this purpose, which will act completely independently and without any influence from the Company regarding the moment of such repurchases, in accordance with the relevant applicable laws and of the above mentioned Shareholders' authorization from 2016.

- **Third additional exercise period of DIS' Ordinary shares warrants 2017-2022:** On 26 November 2019, d'Amico International Shipping S.A. confirmed that the holders of "d'Amico International Shipping Warrants 2017 – 2022 could apply for their Warrants to be exercised on any Borsa Italiana S.p.A. ("Borsa") trading day starting from November 27, 2019 until December 27, 2019 in the "Third



Additional 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, in the ratio of one ordinary DIS share for one Warrant exercised. The exercise price for the Third Additional Exercise Period was of EUR 0.341 per Warrant Share, which had to be fully paid at the time of submission of the exercise notice. Following the completion of the Third Additional Warrants exercise period, in which 350 Warrants were exercised and 350 new ordinary shares were issued, the Company’s share capital as at 31 December 2019 amounted to US\$ 62,051,623.70, divided into 1,241,032,474 shares with no nominal value.

D’AMICO TANKERS D.A.C.:

- **Newbuilding vessels:** In January 2019, M/T Cielo di Houston, an ‘Eco’ new-building LR1 product tanker built by Hyundai Mipo Dockyard Co. Ltd. (South Korea) at their Hyundai Vinashin Shipyard Co. Ltd. in Vietnam, was delivered to the Group.

In October 2019, M/T Cielo di Londra, an ‘Eco’ new-building LR1 product tanker built by Hyundai Mipo Dockyard Co. Ltd. (South Korea) at their Hyundai Vinashin Shipyard Co. Ltd. in Vietnam, was delivered to the Group.

- **‘Time Charter-in’ and ‘Commercial management’ Fleet:** In January 2019, the time-charter-in contract on M/T Freja Hafnia, an MR vessel built in 2006, expired and d’Amico Tankers d.a.c. acted as commercial manager of the vessel, earning a 2% commission on her gross revenues. In the same month, the management contract on M/T High Beam ended and the Vessel was redelivered to her owners.

Between February and March 2019, the management contracts on M/T Freja Hafnia and M/T High Force ended and these vessels were redelivered to their owners.

In April 2019, the management contracts on M/T High Glow and M/T High Current ended and these vessels were redelivered to their owners.

In April 2019, d’Amico Tankers d.a.c. time-chartered-in M/T Celsius Rimini (ex-High Force), an MR vessel built in 2009 in Shin Kurushima (Japan), for a 12-month period.

In May 2019, M/T High Power, an MR vessel built in 2004 and time-chartered-in by d’Amico Tankers d.a.c. since 2015, was redelivered to her owners.

In May 2019, M/T Philoxenia, an MR vessel built in May 2019, was delivered to d’Amico Tankers d.a.c., which is now acting as commercial manager of the vessel, earning a 2% commission on her gross revenues.

In September 2019, M/T Di Matteo (ex-High Strength), an MR vessel built in 2009 and time-chartered-in by d’Amico Tankers d.a.c. since April 2019, was redelivered to her owners.

In October 2019, M/T Falcon Bay (ex-Glenda Megan), an MR vessel built in 2009, was delivered to d’Amico Tankers d.a.c., which is now acting as commercial manager of the vessel, earning a 2% commission on her gross revenues.

In November 2019, M/T SW Cap Ferrat, a handy vessel built in 2002 and time-chartered-in by d’Amico Tankers d.a.c. since December 2015, was redelivered to her owners.



In December 2019, M/T Eagle Bay, an MR vessel built in 2008, was delivered to d'Amico Tankers d.a.c., which is now acting as commercial manager of the vessel, earning a 2% commission on her gross revenues.

- **'Time Charter-Out' Fleet:** In March 2019: i) d'Amico Tankers d.a.c. extended its time charter contracts with an oil-major on two of its Handy vessels for 12 months starting from respectively March and May 2019; ii) a leading trading house exercised its option of extending for 6 months a time charter contract for one of d'Amico Tanker's LR1s at an increasing rate, starting from May 2019.

In April 2019, d'Amico Tankers d.a.c. extended its time charter contract with an oil-major on one of its MR vessels for 29 months, with an option for a further six months, starting from 30 April 2019.

In June 2019, d'Amico Tankers d.a.c., extended its time charter contract with an oil-major on one of its MR vessels for 12 months, starting from September 6, 2019.

In July 2019: i) a leading trading house exercised its option of extending for a minimum of 12 months and a maximum of 18 months its time charter contracts for two of d'Amico Tankers' LR1s at increased rates, starting respectively from Q3 and Q4 2019; ii) an oil-major extended its time charter contract on one of d'Amico Tankers' LR1s for a further 12 months, with an option for 12 additional months, starting from January 2020; iii) d'Amico tankers d.a.c. fixed one of its MR vessels with a leading trading house for 150 days; iv) an oil-major exercised its option for extending a time charter contract on one of d'Amico Tankers' MRs for a further 12 months at an increased rate;

In August 2019: i) an oil-major exercised its option for extending a time charter contract on one of d'Amico Tankers' MRs for a further 12 months at an increased rate; ii) d'Amico tankers d.a.c. fixed its newbuilding LR1 vessel, delivered in Q3 2019, with a leading trading house for 24 months, with an option for 12 additional months; iii) d'Amico tankers d.a.c. fixed one of its MR vessels with an oil-major for 3 years.

In September 2019: i) d'Amico Tankers d.a.c. fixed one its Handy vessels with an oil-major for 11 to 14 months; ii) an oil-major exercised its option for extending a time charter contract on one of d'Amico Tankers' Handy vessels for further 6 months at an increased rate.

In October 2019, d'Amico Tankers d.a.c. fixed one its MR vessels with an oil-major for 6 months.

In December 2019, d'Amico Tankers d.a.c. fixed: i) two of its MR vessels with a leading trading house for respectively 24 months and 6 months; ii) one of its MR vessels with an oil-major for 3 years; iii) an oil-major extended its time charter contract on one of d'Amico Tankers' MRs for additional 12 months starting from January 2020.

- **Vessel Sales and Sale-Leasebacks:** In January 2019, DIS announced that its subsidiary d'Amico Tankers d.a.c. signed a memorandum of agreement and bareboat charter contract for the sale and leaseback of the M/T Cielo di Houston, a 75,000 dwt LR1 product tanker vessel built by Hyundai-Mipo, South Korea (at their Vinashin facility in Vietnam) and delivered in January 2019. The vessel was sold for a consideration of US\$ 38.6 million. This transaction allowed d'Amico Tankers to generate around US\$ 10.2 million in cash, net of commissions and additional costs, relative to financing the vessel through the previously committed loan facility. In addition, through



this transaction d'Amico Tankers maintained full control of the Vessel, since a 10.2-year bareboat charter agreement was also concluded with the buyer. Furthermore, d'Amico Tankers has the option to repurchase the vessel, after approximately 5 years and after approximately 7 years of the commencement of the charter period, at a competitive cost of funds.

In February 2019, DIS announced that DM Shipping d.a.c., a joint venture with the Mitsubishi Group, in which d'Amico Tankers d.a.c. holds a 51% participation, signed a memorandum of agreement for the sale of the M/T High Strength, a 46,800 dwt MR product tanker vessel, built in 2009 by Nakai Zosen Corporation, Japan, for a consideration of US\$ 16.4 million. The Vessel continued its current time-charter out contract with d'Amico Tankers d.a.c. until October 2019. The vessel was delivered to its new owners on 2 April 2019, allowing DM Shipping to generate as at the same date around US\$ 12.3 million in cash, net of commissions and the reimbursement of the Vessel's existing loan.

In March 2019, DIS announced that its subsidiary d'Amico Tankers d.a.c., signed a memorandum of agreement and bareboat charter contract for the sale and leaseback of the M/T High Voyager, a 45,999 dwt medium-range product tanker vessel, built in 2014 by Hyundai-Mipo, South Korea for a consideration of US\$ 25.7 million. This transaction allowed d'Amico Tankers d.a.c. to generate at the vessel's delivery, on 25 April 2019, around US\$ 9.6 million in cash, net of commissions and the reimbursement of the vessel's existing loan. In addition, through this transaction d'Amico Tankers will maintain full control of the vessel, since a 10-year bareboat charter agreement was also concluded with the buyer, with a purchase obligation at the end of the charter period. Furthermore, d'Amico Tankers d.a.c. has the option to repurchase the vessel, at any time starting from the third anniversary of the vessel's sale with three months' notice, at a competitive cost of funds.

In May 2019, DIS announced that Eco Tankers Limited, a joint venture company with Venice Shipping and Logistics S.p.A., in which d'Amico International Shipping S.A. ("DIS") holds a 33% participation, signed a memorandum of agreement for the sale of the MT High Sun, a 49,990 dwt MR product tanker vessel (the "Vessel"), built in 2014 by Hyundai-Mipo, South Korea (Vinashin), for a consideration of US\$ 28.7 million. This transaction resulted in a profit on disposal and allowed Eco Tankers to generate around US\$ 12.8 million in cash, net of commissions and the reimbursement of the Vessel's existing loan.

In June 2019, DIS announced that DM Shipping d.a.c., a joint venture with the Mitsubishi Group, in which d'Amico Tankers d.a.c. holds a 51% participation, signed a memorandum of agreement for the sale of the M/T High Efficiency, a 46,547 dwt MR product tanker vessel, built in 2009 by Nakai Zosen Corporation, Japan, for a consideration of US\$ 16.1 million. The vessel was delivered to its new owners in September 2019, allowing DM Shipping to generate around US\$ 13.2 million in cash, net of commissions and the reimbursement of the Vessel's existing loan.

In August 2019, 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 Megan, a 47,147 dwt MR product tanker vessel, built in 2009 by Hunday Mipo, South Korea, for a consideration of US\$ 19.0 million. The sale of the ship was finalized in October 2019.

SIGNIFICANT EVENTS SINCE THE END OF THE PERIOD AND BUSINESS OUTLOOK

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 the 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. holds nr. 8,642,027 own shares, representing 0.7% of its outstanding share capital.

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

D'AMICO TANKERS D.A.C.:

- **'Time Charter-Out' Fleet:** In January 2020, d'Amico Tankers d.a.c. fixed one of its Handy vessels with a leading trading house for 12 months.
- **'Time Charter-In' Fleet:** In February 2020, the time-charter-in contract on M/T Freja Baltic, an MR vessel built in 2008, ended and the vessel was redelivered to her owners.

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

	As at 31 December 2019				As at 12 March 2020			
	LR1	MR	Handysize	Total	LR1	MR	Handysize	Total
Owned	5.0	11.5	7.0	23.5	5.0	11.5	7.0	23.5
Bareboat chartered*	1.0	8.0	0.0	9.0	1.0	8.0	0.0	9.0
Long-term time chartered	0.0	10.0	0.0	10.0	0.0	9.0	0.0	9.0
Short-term time chartered	0.0	4.0	0.0	4.0	0.0	4.0	0.0	4.0
Total	6.0	33.5	7.0	46.5	6.0	32.5	7.0	45.5

* with purchase obligation

BUSINESS OUTLOOK

The recent outbreak of Covid-19 has significantly reduced global growth expectations for 2020 with Capital Economics expecting as at 9 March 2020, for it to amount to only 2.0%.

Also the IEA has reduced its oil demand growth forecasts for 2020 significantly as a result of Covid-19; while as at January they forecasted an expansion of 1.2 million bpd, as at March they expect a contraction of 100k bpd.



Clarksons' latest outlook for the product tanker market is positive for 2020, with nominal dwt growth in the 'trading' fleet expected to slow to 2.4%, with effective supply increasing even less as time out of service for scrubber retrofit is expected to absorb an average of 0.7% of the product tanker's fleet capacity this year, up from 0.5% in 2019. Clarksons also estimates that despite the effects of Covid-19, the new IMO 2020 sulphur cap regulations will support an acceleration in product tanker demand this year, to around 3.75%, as demand for compliant fuels is expected to support increased gasoil trade, potentially boosting exports from the US, Middle East and China.

Product tanker demand remained firm into the New Year on the back of the seasonal increase in December. However, in the first half of February refinery margins, refinery maintenance and lack of arbitrage opportunities have put product tanker market under pressure. The outbreak of the Coronavirus in China and the extended New Year holidays have significantly reduced product demand, especially for products linked to the transport sector such as jet fuel and diesel.

North America to South America (including Mexico), volumes increased for the third consecutive month in January. This is due mainly to the increase in Brazilian imports. However due to the lack of arbitrage between the USA and Europe there was a surplus supply of ships depressing freight rates in late January.

From the second-half of February, rates started improving in the Atlantic, Middle East and North Asia, driven by growing exports from the US to South America and Europe, increased exports from Europe to West Africa, lower refinery maintenance in the Middle East and increased exports from China to the western hemisphere, in particular of jet fuel.

In January the US authorities took COSCO Dalian off its sanctions list, releasing 26 VLCCs and 3 Suezmaxes, equivalent to around 10% of the VLCC tanker fleet.

The breakdown of negotiations of OPEC+ (the cartel comprising OPEC and other countries including Russia) on March 6, 2020, which has led to the decision to reverse significant oil supply cuts, has led to a sharp drop in oil prices. The immediate effect to the product tanker sector is expected to be positive as bunker prices fall and as more oil is traded.

OTHER RESOLUTIONS

2019 CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE REPORT AND CONVENING OF THE ANNUAL SHAREHOLDER'S MEETING

The Board of Directors considered and approved also the 2019 Company's report on corporate governance and ownership structure and decided to convene the Company's Annual General Shareholders' Meeting on the 21st day of April 2020 (the AGM). The AGM will be called to resolve, among other things: i) on the approval of the statutory and consolidated financial statements as at 31st December 2019; ii) on the decrease of the number of members of the Board of Directors from seven (7) to six (6), and iii) on the appointment of an independent auditor ("réviseur d'entreprises agréé") for a period ending at the Company's Annual General Meeting of Shareholders called to approve the Company's 2022 financial statements. The AGM convening notice and all the pertaining supporting documentation will be available at the public's disposal according to the provisions of laws and regulations which are applicable to the Company.



REPORT ON 2019 REMUNERATIONS AND 2020 GENERAL REMUNERATION POLICY

The Board of Directors, upon recommendation of the Nomination & Remuneration Committee, further resolved to approve the Company's Report on 2019 Remunerations and the 2020 General Remuneration Policy regarding the executive directors of the Company and the d'Amico International Shipping Group's key management personnel (the "2020 Remuneration Report"). In accordance with articles 7bis and 7ter of the Luxembourg Grand Ducal Law n. 562 of August 1st 2019, the 2020 Remuneration Report will be further submitted to the non-binding considerations and evaluations of the AGM.

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

This Press release relating to FY'19 Results has been notably prepared in accordance with provisions of Art. 3 of the Luxembourg Law dated 11 January 2008, as amended and/or supplemented from time to time, which transposed Directive 2004/109/EC of the European Parliament and of Council of 15 December 2004 in the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market. The integral document pertaining thereto will be deposited and available within the terms prescribed by the applicable laws and regulations at the Company's registered office and website (<http://investorrelations.damicointernationalshipping.com/>). The document is also filed through eMarketSDIR and STORAGEat Borsa Italiana S.p.A. and at Commissione Nazionale per le Società e la Borsa (CONSOB) and with the Commission de Surveillance du Secteur Financier (CSSF) and Société de la Bourse de Luxembourg S.A. in its quality of Company's storage Officially Appointed Mechanism.



d'Amico
INTERNATIONAL SHIPPING S.A.

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

d'Amico International Shipping S.A

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ANNEX

CONSOLIDATED STATEMENT OF INCOME

<i>US\$ Thousand</i>	2019	2018
Revenue	353,534	399,046
Voyage costs	(95,202)	(154,176)
Time charter equivalent earnings*	258,332	244,870
Time charter hire costs	(31,750)	(129,750)
Other direct operating costs	(108,325)	(81,572)
General and administrative costs	(11,989)	(16,196)
Result from disposal of vessels	(2,042)	167
EBITDA *	104,226	17,519
Depreciation, impairment and impairment reversal	(58,597)	(34,844)
Depreciation of right-of-use leased asset	(30,604)	-
EBIT *	15,025	(17,325)
Financial income	823	5,035
Financial (charges)	(44,968)	(34,296)
Profit share of equity accounted investee	1,243	(8)
(Impairment) Reversal of impairment of loan to an equity accounted investee	934	(7,526)
Profit/ (loss) before tax	(26,943)	(54,120)
Tax	(584)	(980)
Net profit / (loss)	(27,527)	(55,100)
Basic earnings per share in US\$(1)	(0.026)	(0.085)

*see Alternative Performance Measures on page 28

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

<i>US\$ Thousand</i>	2019	2018
Profit / (loss) for the period	(27,527)	(55,100)
Movement of valuation of Cash flow hedges	(3,583)	(633)
Movement in conversion reserve	17	(136)
Total comprehensive result for the period	(31,093)	(55,869)
Basic comprehensive income / (loss) per share in US\$(1)	(0.031)	(0.086)

(1) Basic earnings per share (e.p.s.) in 2019 was calculated on an average number of 1,062,413,650 outstanding shares, while in 2018 it was calculated on an average number of 645,714,080 outstanding shares. There was no dilution effect either in 2019 or in 2018 earnings per share.



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>US\$ Thousand</i>	As at 31 December 2019	As at 31 December 2018
ASSETS		
Property, plant and equipment	838,863	911,281
Right-of-use assets	119,449	-
Investments in jointly controlled entities	4,382	3,228
Other non-current financial assets	17,348	9,655
Total non-current assets	980,042	924,164
Inventories	10,080	13,492
Receivables and other current assets	41,433	52,163
Other current financial assets	7,265	18,205
Cash and cash equivalents	33,598	31,713
Current Assets	92,376	115,573
Assets held for sale	59,631	-
Total current assets	152,007	115,573
TOTAL ASSETS	1,132,049	1,039,737
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	62,052	65,376
Accumulated losses	(59,801)	(30,270)
Share Premium	368,846	316,697
Other reserves	(18,632)	(14,460)
Total shareholders' equity	352,465	337,343
Banks and other lenders	270,169	338,622
Non-current lease liabilities	313,418	165,298
Shareholders' long-term loan	-	30,600
Other non-current financial liabilities	7,282	4,998
Total non-current liabilities	590,869	539,518
Banks and other lenders	72,692	91,238
Current lease liabilities	37,736	8,369
Shareholders' short-term loan	5,000	1,280
Payables and other current liabilities	38,222	54,013
Other current financial liabilities	12,473	7,876
Current tax payable	342	100
Current liabilities	166,465	162,876
Banks associated to assets held-for-sale	22,250	-
Total current liabilities	188,715	162,876
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,132,049	1,039,737



CONSOLIDATED STATEMENT OF CASH FLOWS

<i>US\$ Thousand</i>	2019	2018
Loss for the period	(27,527)	(55,100)
Depreciation and amortisation and impairment	43,062	39,789
Depreciation of right-of-use leased assets	30,604	-
Impairment	15,535	-
Current and deferred income tax	584	979
Net finance lease cost	21,408	-
Other financial charges (income)	22,737	29,523
Unrealised foreign exchange result	-	(261)
Profit share of equity-accounted investment	2,042	8
Profit on disposal of fixed assets	(1,243)	(168)
Impairment (reversal) of a financial asset v/ related party	(934)	7,526
Reversal of vessel impairment	-	(4,945)
Movement in share option reserve	(607)	182
Movement in deferred result on disposal of S&L assets	131	-
Cash flow from operating activities before changes in working capital	105,792	17,351
Movement in inventories	3,413	2,003
Movement in amounts receivable	9,161	13,181
Movement in amounts payable	(18,653)	(4,466)
Net payment of interest portion of lease liability/receivable	(21,408)	-
Taxes paid	(342)	(619)
Net interest paid	(18,689)	(20,045)
Net cash flow from operating activities	59,274	7,587
Acquisition of fixed assets	(65,231)	(101,485)
Proceeds from disposal of fixed assets	9,405	21,856
Dividend from equity-accounted investee ETL	-	83
Movement in financing to equity accounted investee	15,401	126
Net cash flow from investing activities	(40,425)	(79,420)
Share capital increase	49,788	199
Other changes in shareholders' equity	(822)	(178)
Shareholder's financing	(26,880)	31,880
Movement in other financial receivables	(2,000)	3,900
Movement in other financial payables	4,908	(1,533)
Bank loan repayments	(91,926)	(175,690)
Bank loan draw-downs	25,250	111,770
Proceeds from disposal of assets subsequently leased back	62,952	117,211
Repayments of financial leases	(37,722)	(12,970)
Net cash flow from financing activities	(16,452)	74,589
Net increase/(decrease) in cash and cash equivalents	2,397	2,756
Cash and cash equivalents net of bank overdrafts at the beginning of the year	15,120	12,363
Cash and cash equivalents net of bank overdrafts at the end of the year	17,517	15,120
Cash and cash equivalents	33,598	31,713
Bank overdrafts	(16,081)	(16,593)



The manager responsible for preparing the company's financial reports, Mr. Carlos Balestra di Mottola, in his capacity of Chief Financial Officer of d'Amico International Shipping SA (the "Company") declares to the best of his knowledge, that the consolidated and statutory financial statements prepared in accordance with the applicable set of accounting standards as published in this report, give a true and fair view of the assets, liabilities, financial position and income statement of the Company and its consolidated subsidiaries and that the report on operation and the management report include a fair review of the development and performance of the business and the position of the Company and its consolidated subsidiaries, together with a description of the principal risks and uncertainties that they face.

*Carlos Balestra di Mottola
Chief Financial Officer*



ALTERNATIVE PERFORMANCE MEASURES (APM)

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

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

Time charter equivalent earnings

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

EBITDA and EBITDA Margin

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

EBIT and EBIT Margin

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

ROCE

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

Gross CAPEX

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

Net Indebtedness

Comprises bank loans and other financial liabilities, less cash and cash equivalents and liquid financial assets or short-term investments available to service those debt items. The Group believes net indebtedness is relevant to investors as it is a metric on the overall debt situation of a company, indicating the absolute level



of non-equity funding of the business. The relevant table in the net indebtedness section within the report on operations, reconciles net debt to the pertinent balance sheet line items.

IFRS 16 impact

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

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

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

Available vessel days

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

Coverage

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

Daily spot rate or daily TC rate

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

Off-hire

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

Time charter equivalent earnings per day

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



vessels are employed. It allows a comparison of the Group's performance with industry peers and market benchmarks (please refer to Key figures).

Vessels equivalent

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

OTHER DEFINITIONS

Bareboat charter

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

Charter

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