



## **d'Amico International Shipping S.A. 9 months / Third Quarter 2021 Financial Report**

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d'Amico International Shipping S.A.

Registered office at 25C Boulevard Royal, Luxembourg

Share capital US\$ 62,052,667.45 as at 30 September 2021

## CONTENTS

<b>BOARD OF DIRECTORS AND CONTROL BODIES .....</b>	<b>3</b>
<b>KEY FIGURES .....</b>	<b>4</b>
<b>CONSOLIDATED INTERIM MANAGEMENT REPORT .....</b>	<b>5</b>
<b>GROUP STRUCTURE.....</b>	<b>5</b>
<b>ALTERNATIVE PERFORMANCE MEASURES (APM) .....</b>	<b>9</b>
<b>SUMMARY OF THE RESULTS IN THE THIRD QUARTER AND NINE MONTHS OF 2021 .....</b>	<b>12</b>
<b>SIGNIFICANT EVENTS OF THE FIRST NINE MONTHS.....</b>	<b>19</b>
<b>SIGNIFICANT EVENTS SINCE THE END OF THE PERIOD AND BUSINESS OUTLOOK .....</b>	<b>21</b>
<b>D'AMICO INTERNATIONAL SHIPPING GROUP CONSOLIDATED INTERIM FINANCIAL REPORT AS AT 30 SEPTEMBER 2021.....</b>	<b>24</b>
<b>CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT .....</b>	<b>24</b>
<b>CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME .....</b>	<b>24</b>
<b>CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION .....</b>	<b>25</b>
<b>CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS .....</b>	<b>26</b>
<b>INTERIM CONDENSED STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY .....</b>	<b>27</b>
<b>NOTES.....</b>	<b>28</b>

## 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 – Executive Director  
Marcel C. Saucy – Non-executive, Lead Independent Director  
Tom Loesch – Non-executive, Independent Director  
Monique I.A. Maller – Non-executive, Independent Director

### INDEPENDENT AUDITORS

MOORE Audit S.A.

## KEY FIGURES

### FINANCIALS

Q3 2021	Q3 2020	US\$ Thousand	9 MONTHS 2021	9 MONTHS 2020
42,106	54,082	Time charter equivalent (TCE) earnings*	130,997	204,156
14,871	23,935	EBITDA *	47,888	103,437
35.3%	44.3%	as % of margin on TCE	36.6%	50.7%
(7,320)	6,851	EBIT *	(6,934)	45,796
(17.4)%	12.7%	as % of margin on TCE	(5.3)%	22.4%
(13,755)	(1,732)	Net profit / (loss)	(28,930)	15,407
(32.7)%	(3.2)%	as % of margin on TCE	(22.1)%	7.6%
(8,239)	(372)	Adjusted Net profit / (loss)**	(22,612)	26,059
US\$ (0.011)	US\$ (0.001)	Earnings / (loss) per share	US\$ (0.024)	US\$ 0.013
5,838	11,437	Operating cash flow	24,371	70,499
(970)	(2,090)	Gross CAPEX*	(5,154)	(9,118)
			<b>As at 30 September 2021</b>	<b>As at 31 December 2020</b>
		Total assets	956,685	1,032,590
		Net financial indebtedness*	539,186	561,543
		Shareholders' equity	338,914	365,734

\* See Alternative Performance Measures on page 9 to 11

\*\* Excluding results on disposal and non-recurring financial items, as well as the effects of IFRS 16 – please refer also to the summary of financial results for the first half of 2021

### OTHER OPERATING MEASURES\*

Q3 2021	Q3 2020		9 MONTHS 2021	9 MONTHS 2020
12,113	14,864	<b>Daily operating measures</b> - TCE earnings per employment day (US\$) <sup>1</sup>	12,939	16,973
38.0	41.9	<b>Fleet development</b> - Total vessel equivalent	38.3	44.1
20.0	21.9	- Owned	19.9	22.9
8.0	9.0	- Bareboat chartered	8.1	9.0
10.0	11.0	- Time chartered	10.3	12.2
0.0	0.0	Vessels equivalent under commercial management	0.0	1.2
0.6%	5.6%	Off-hire days/ available vessel days <sup>2</sup> (%)	3.1%	3.6%
48.4%	63.0%	Fixed rate contract/ available vessel days <sup>3</sup> (coverage %)	48.2%	63.5%

\*see Alternative Performance Measures on page 9 to 11

<sup>1</sup> 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.

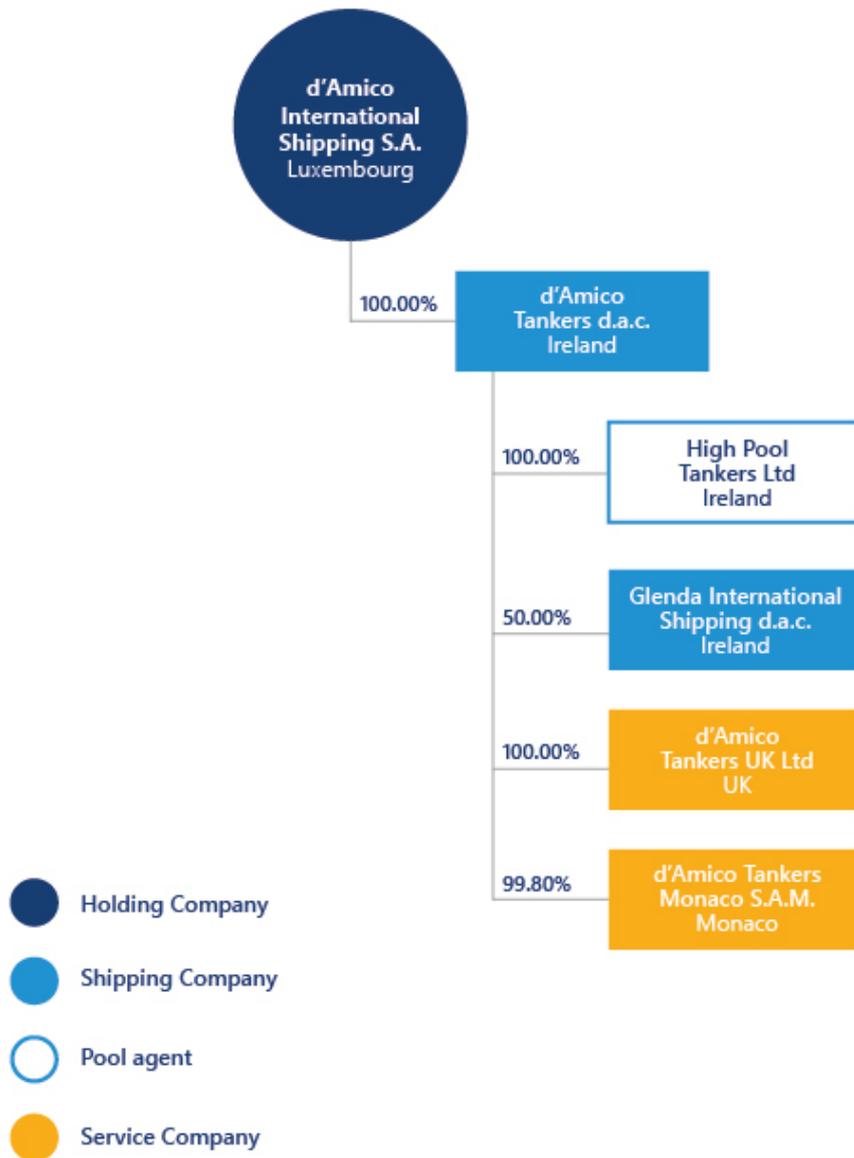
<sup>2</sup> This figure is equal to the ratio between the total off-hire days, inclusive of dry-docks, and the total number of available vessel days.

<sup>3</sup> 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 September 2021:



## D'AMICO INTERNATIONAL SHIPPING GROUP

d'Amico International Shipping S.A. (DIS, the Group, d'Amico International Shipping or the Company) is an international marine transportation company, part of the d'Amico Group (d'Amico), which traces its origins to 1936. As at 30 September 2021, d'Amico International Shipping controls, mainly through d'Amico Tankers d.a.c. (Ireland), its fully owned subsidiary, a fleet of 38.0 vessels, of which 28.0 owned and bareboat vessels (with purchase obligations), with an average age of approximately 7.2 years, compared to an average in the product tankers industry of 11.4 years for MRs (25,000 – 54,999 dwt) and of 11.5 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 September 2021, 76.3% 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 been priorities for the Group from its early days. Accountability, transparency and a focus on quality are pillars of its operations and key to DIS' success.

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

### ***DIS' Global Footprint***

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

As at 30 September 2021, the Group employed an equivalent of 599 seagoing personnel and 24 onshore personnel.

### **Fleet**

DIS controlled as at 30 September 2021, either through ownership or charter arrangements a modern fleet of 38.0 product tankers (31 December 2020: 40.0 product tankers). DIS' product tanker vessels range from approximately 36,000 to 75,000 dwt.

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

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

The following table sets forth information about DIS' fleet on the water as at 30 September 2021.

Name of vessel	Dwt	Year built	Builder, Country <sup>4</sup>	IMO classed
<b>LR1 fleet</b>				
<b>Owned</b>				
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)	-
<b>Bareboat with purchase options and purchase obligation</b>				
Cielo di Houston	75,000	2019	Hyundai Mipo, South Korea (Vinashin, Vietnam)	-
<b>MR fleet</b>				
<b>Owned</b>				
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
GLENDIA Melissa <sup>5</sup>	47,203	2011	Hyundai Mipo, South Korea	IMO II/III
GLENDIA Meryl <sup>6</sup>	47,251	2011	Hyundai Mipo, South Korea	IMO II/III
GLENDIA Melody <sup>7</sup>	47,238	2011	Hyundai Mipo, South Korea	IMO II/III
GLENDIA Melanie <sup>8</sup>	47,162	2010	Hyundai Mipo, South Korea	IMO II/III
High Venture	51,087	2006	STX, South Korea	IMO II/III
High Valor	46,975	2005	STX, South Korea	IMO II/III
High Priority	46,847	2005	Nakai Zosen, Japan	-
<b>Bareboat with purchase options and purchase obligations</b>				
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
<b>TC-in long-term with purchase options</b>				
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
<b>TC-in long-term without purchase options</b>				
Green Planet	50,843	2014	Daesun Shipbuilding, South Korea	IMO II/III
High Prosperity	48,711	2006	Imabari, Japan	-
High SD Yihe	48,700	2005	Imabari, Japan	-
<b>Handy-size fleet</b>				
<b>Owned</b>				
Cielo di Salerno	39,043	2016	Hyundai Mipo, South Korea (Vinashin, Vietnam)	IMO II/III

<sup>4</sup> Hyundai Mipo, South Korea (Vinashin, Vietnam) refers to vessels ordered at Hyundai Mipo and built at their Vinashin (Vietnam) facility.

<sup>5</sup> Vessel owned by GLENDIA International Shipping d.a.c. (in which DIS has 50% interest) and time chartered to d'Amico Tankers d.a.c.

<sup>6</sup> Vessel owned by GLENDIA International Shipping d.a.c. (in which DIS has 50% interest).

<sup>7</sup> Vessel owned by GLENDIA International Shipping d.a.c. (in which DIS has 50% interest).

<sup>8</sup> Vessel owned by GLENDIA International Shipping d.a.c. (in which DIS has 50% interest) and time chartered to d'Amico Tankers d.a.c.

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 September 2021, d'Amico International Shipping directly employed 38.0 Vessels: 5 LR1s ('Long Range 1'), 9 MRs ('Medium Range') and 3 Handy-size vessels on term contracts at fixed rates, whilst 1 LR, 17 MR and 3 Handy-size vessels were at the same date employed on the spot market. Some of these DIS' vessels are employed through its joint venture *GLENDIA International Shipping d.a.c.*, a jointly controlled entity with the Glencore Group, in which d'Amico Tankers d.a.c. has a 50% interest. As at 30 September 2021, the JV operator owned 4 MR vessels built between February 2010 and February 2011, of which two were time-chartered to d'Amico Tankers d.a.c. and two to the Glencore Group.

d'Amico International Shipping is part of the d'Amico Group one of the world's leading privately-owned marine transportation companies, with over 70 years of experience in the shipping business, whose ultimate parent company is d'Amico Società di Navigazione S.p.A. (Italy). As at 30 September 2021, the d'Amico Group controlled a wide fleet of owned and chartered-in vessels, of which 38.0 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.

## ALTERNATIVE PERFORMANCE MEASURES (APM)

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

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

#### ***Time charter equivalent earnings***

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

#### ***EBITDA and EBITDA Margin***

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

#### ***EBIT and EBIT Margin***

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

#### ***ROCE***

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

#### ***Gross CAPEX***

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

#### ***Net Indebtedness***

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

#### ***IFRS 16 impact***

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

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

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

##### **Available vessel days**

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

##### **Coverage**

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

##### **Daily spot rate or daily TC rate**

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

##### **Off-hire**

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

##### **Time charter equivalent earnings per day**

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

##### **Vessels equivalent**

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

#### **OTHER DEFINITIONS**

##### **Bareboat charter**

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

##### **Charter**

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

##### **Contract of affreightment (COA)**

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

***Disponent Owner***

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

***Fixed-rate contracts***

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

***Spot charter or Voyage charter***

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

***Time charter***

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

## SUMMARY OF THE RESULTS IN THE THIRD QUARTER AND NINE MONTHS OF 2021

In the third quarter of the year, the tanker market continued to face challenges amid weak demand, especially in the crude sector, due to the lingering impacts of the Covid-19 pandemic and ongoing deep OPEC+ production cuts. The market is expected to see some improvements towards the end of 2021, with OPEC+ output volumes set to increase gradually in the remaining months of the year.

In August 2021, Hurricane Ida, one of the worst storms that has ever hit the US Gulf Coast, shut down 1.7 million b/d of oil production, resulting in a supply loss estimated by the IEA in 30 million barrels. With the crude market structure in backwardation since the beginning of the year, there has been a significant drawdown of global inventories and reduced demand for floating storage, putting further pressure on the tanker markets.

In Q3 2021, refinery throughput was much lower than expected earlier in the year by the IEA, resulting in draws in inventories of refined products of 1.7 million b/d during the quarter, the largest decrease in stocks in eight years. This has likely been one of the driving forces behind the very strong refining margins, which doubled during the quarter in Europe and Singapore, reaching levels last seen in Q1 2020.

Demand developments continued posing challenges to refiners. Demand for LPG, naphtha, fuel oil and other niche products has been higher than pre-pandemic levels in both Q2 2021 and Q3 2021. Gasoline, diesel, and jet fuel overall are still lagging, despite weekly or monthly seasonal peaks registered in individual countries for road transport fuels. These three fuels remain the pillar for refinery margins for most refiners with the exception of petrochemical integrated plants.

The one-year time-charter rate is always the best indicator of spot market expectations and as at the end of September 2021 was assessed at around US\$ 11,750 per day for a conventional MR2, with an Eco MR2 assessed at a premium of around US\$ 2,000 / 2,500 per day.

**In the first 9 months of 2021, DIS recorded a Net loss of US\$ (28.9) million** vs. a Net profit of US\$ 15.4 million posted in the same period of last year. Such negative variance is attributable to a **much weaker product tanker market relative to the first nine months of 2020**. Excluding results on disposal and non-recurring financial items from the first 9 months of 2021 and 2020, as well as the asset impairment and the effects of IFRS 16, DIS' Net result would have amounted to US\$ (22.6) million in the first 9 months of the current year compared with US\$ 26.1 million recorded in the same period of 2020. In Q3 2021, DIS posted a Net loss of US\$ (13.8) million vs. a Net loss of US\$ (1.7) million registered in the third quarter of last year. Excluding non-recurring items from both Q3 2021 and Q3 2020, the Net result would have been of US\$ (8.2) million and US\$ (0.4) million respectively.

DIS generated an EBITDA of US\$ 47.9 million in the first 9 months of 2021 vs. US\$ 103.4 million achieved in the same period of last year, whilst its operating cash flow was positive for US\$ 24.4 million compared with US\$ 70.5 million generated in the same period of last year.

In terms of spot performance, **DIS achieved a daily spot rate of US\$ 10,635 in the first 9 months of 2021** vs. US\$ 18,592 in the same period of 2020 (Q3 2021: US\$ 9,248 vs Q3 2020: US\$ 12,866), as a result of the much weaker market relative to the same period of last year.

At the same time, **48.2% of DIS' total employment days in the first 9 months of 2021, were covered through 'time-charter' contracts at an average daily rate of US\$ 15,414** (9 months 2020: 63.5% coverage at an average daily rate of US\$ 16,041). A good level of time charter coverage is one of the pillars of DIS' commercial strategy and allows it to mitigate the effects of the spot market volatility, securing a certain level of earnings and cash generation even throughout the negative cycles. **DIS' total daily average rate (which includes both spot and time-charter contracts) was of US\$ 12,939 in the first 9 months of 2021** compared with US\$ 16,973 achieved in the same period of the previous year.

## OPERATING PERFORMANCE

Q3 2021	Q3 2020		9 MONTHS 2021	9 MONTHS 2020
		US\$ Thousand		
59,298	64,337	Revenue	181,335	249,679
(17,192)	(10,255)	Voyage costs	(50,338)	(45,523)
<b>42,106</b>	<b>54,082</b>	<b>Time charter equivalent earnings*</b>	<b>130,997</b>	<b>204,156</b>
(895)	(877)	Time charter hire costs	(2,515)	(12,132)
(22,564)	(25,618)	Other direct operating costs	(68,755)	(78,635)
(3,238)	(3,069)	General and administrative costs	(10,228)	(9,252)
(538)	(583)	Result on disposal of fixed assets	(1,611)	(700)
<b>14,871</b>	<b>23,935</b>	<b>EBITDA*</b>	<b>47,888</b>	<b>103,437</b>
(22,191)	(17,085)	Depreciation and impairment	(54,822)	(57,641)
<b>(7,320)</b>	<b>6,850</b>	<b>EBIT*</b>	<b>(6,934)</b>	<b>45,796</b>
1,117	182	Net financial income	2,136	250
(7,552)	(8,676)	Net financial (charges)	(23,975)	(30,367)
-	(70)	Losses on disposal of investments	-	(70)
<b>(13,755)</b>	<b>(1,714)</b>	<b>Profit / (loss) before tax</b>	<b>(28,773)</b>	<b>15,609</b>
4	(19)	Income taxes	(157)	(203)
<b>(13,751)</b>	<b>(1,733)</b>	<b>Net profit / (loss)</b>	<b>(28,930)</b>	<b>15,406</b>

\*see Alternative Performance Measures on page 9 to 11

**Revenue** was US\$ 59.3 million in Q3 2021 (US\$ 64.3 million in Q3 2020) and US\$ 181.3 million in the first 9 months of 2021 (US\$ 249.7 million in the same period of last year). The decrease in gross revenue compared with the same period in the previous year is attributable mainly to a lower number of vessels operated on average by DIS (9 months 2021: 38.3 vs. 9 months 2020: 44.1). The percentage of off-hire days in the first 9 months of 2021 (3.1%) was substantially in line with the same period of the previous year (3.6%).

**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\$ (17.2) million in Q3 2021 and US\$ (50.3) million in the first 9 months of the current year (Q3 2020: US\$ (10.3) million and 9 months 2020: US\$ (45.5) million). The higher costs reflect DIS' higher exposure to the spot market and higher bunker prices, relative to the same period of last year.

**Time charter equivalent earnings** were US\$ 42.1 million in Q3 2021 (US\$ 54.1 million in Q3 2020) and US\$ 131.0 million in the first 9 months of 2021 (and US\$ 204.2 million in the first 9 months of 2020). The total amount for the first 9 months of last year included US\$ 6.2 million 'time charter equivalent earnings' generated by vessels under commercial management at the time (there was no income generated from such contracts in the first nine months of 2021), which was offset by an almost equivalent amount reported under 'time-charter hire costs'.

In detail, **DIS realized a daily average spot rate** of US\$ 9,248 in Q3 2021 (US\$ 12,866 in Q3 2020) and **of US\$ 10,635 in the first 9 months of 2021** (US\$ 18,592 in the first 9 months of 2020<sup>9</sup>). Such negative variance relative to the first nine months of last year is attributable to the much weaker market conditions.

In the first 9 months of 2021, DIS maintained a **good level of 'coverage'** (fixed-rate contracts), securing an average of **48.2%** (9 months 2020: 63.5%) of its available vessel days at a **daily average fixed rate of US\$ 15,414** (9 months 2020: US\$ 16,041). 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.

<sup>9</sup> Daily Average TCE for the first 9 months of 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.

**DIS' total daily average TCE (Spot and Time Charter)<sup>10</sup> was US\$ 12,113 in Q3 2021** (US\$ 14,864 in Q3 2020) and **US\$ 12,939 in the first 9 months of 2021** (US\$ 16,973 in the first 9 months of 2020).

DIS TCE daily rates (US dollars)	2020 UNREVIEWED						2021 UNREVIEWED			
	Q1	Q2	Q3	9M	Q4	FY	Q1	Q2	Q3	9M
Spot	17,354	25,118	12,866	<b>18,592</b>	11,699	16,771	9,923	12,720	9,248	<b>10,635</b>
Fixed	15,864	16,236	16,038	<b>16,041</b>	17,866	16,429	15,842	15,231	15,163	<b>15,414</b>
Average	16,391	19,555	14,864	<b>16,973</b>	15,192	16,560	12,853	13,893	12,113	<b>12,939</b>

**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 reduced 'charter hire costs' by US\$ 38.1 million in the first 9 months of 2021 and by US\$ 43.1 million in the same period of 2020, as within the Income Statement, these costs were replaced with other direct operating costs, interest and depreciation.

The total amount for the first 9 months of 2020 included also US\$ 6.2 million in hire costs in relation to vessels under commercial management (1.2 average equivalent vessels), which was offset by an almost equivalent amount reported under 'time charter equivalent earnings', after deducting a 2% commission on the gross revenue generated by these ships in the period; there was no income or related costs generated from such contracts in 2021. Excluding the cost related to the vessels under commercial management and the effect of IFRS 16, DIS' 'time-charter hire costs' in the first 9 months of 2021 would have amounted to US\$ (40.6) million, lower than US\$ (49.0) million for the same period of last year. In fact, DIS operated a lower number of chartered-in vessels in the first 9 months of 2021 (10.3 equivalent ships) relative to the same period of last year (12.2 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\$ 17.3 million in the first 9 months of 2021 (US\$ 19.8 million increase in the first 9 months of 2020), as within the Income Statement, time-charter hire costs are replaced by other direct operating costs, interest and depreciation. Excluding the effects of IFRS 16, DIS' 'other direct operating costs' would have amounted to US\$ (51.4) million in the first 9 months of 2021 vs. US\$ (58.8) million in the same period of 2020. In the first 9 months of 2021, the Company operated a smaller fleet of owned and bareboat vessels relative to the same period of last year (9 months 2021: 28.0 vs. H1 2020: 31.9). DIS constantly monitors its operating costs, while focusing on crew with appropriate skills, high SQE (Safety, Quality & Environment) standards and full compliance with very stringent market regulations. Maintaining a 'high-quality' fleet represents an essential part of d'Amico's vision and strategy.

**General and administrative costs** amounted to US\$ (3.2) million in Q3 2021 (US\$ (3.1) million in Q3 2020) and US\$ (10.2) million in the first 9 months of 2021 (US\$ (9.3) million in the first 9 months of 2020). These costs relate mainly to onshore personnel, together with office costs, consultancies, travel expenses and others.

**Result on disposal of vessel** was negative for US\$ (1.6) million in the first 9 months of 2021 vs. US\$ (0.7) million in the same period of last year. 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\$ 14.9 million in Q3 2021 (US\$ 23.9 million in Q3 2020) and US\$ 47.9 million in the first 9 months of 2021 (US\$ 103.4 million in the first 9 months of 2020), reflecting the weaker freight markets experienced in the

<sup>10</sup> Daily Average TCE for 2020 excluded the amounts generated by the vessels under commercial management, since hire revenue for these vessels for each year is almost offset by an equivalent amounts of time charter hire costs, after deducting a 2% commission on gross revenues.

first nine months of the current year.

**Depreciation, impairment, and impairment reversal** amounted to US\$ (22.2) million in Q3 2021 (US\$ (17.1) million in Q3 2020) and to US\$ (54.8) million in the first 9 months of 2021 (US\$ (57.6) million in the first 9 months of 2020). The amount for the first 9 months of 2021 includes US\$ (5.8) million impairment booked on a vessel owned by d'Amico Tankers d.a.c. classified as 'asset held for sale' (in accordance with IFRS 5) at the end of the period, with the difference between its fair value less cost to sell and its book value charged to the Income Statement. The amount for the first 9 months of 2020 includes US\$ (6.3) million impairment booked on five vessels owned by d'Amico Tankers d.a.c. and one vessel owned by Glenda International Shipping (a jointly controlled entity with the Glencore Group, in which d'Amico Tankers d.a.c. has a 50% interest), which were classified as 'assets held for sale' (in accordance with IFRS 5) as at 30 September 2020, with the difference between their fair value less cost to sell and their book value charged to the Income Statement.

**EBIT** was of US\$ (7.3) million in Q3 2021 (US\$ 6.9 million in Q3 2020) and of US\$ (6.9) million in the first 9 months of 2021 (US\$ 45.8 million in the first 9 months of 2020).

**Net financial income** was of US\$ 1.1 million in Q3 2021 (US\$ 0.2 million in Q3 2020) and of US\$ 2.1 million the first 9 months 2021 (US\$ 0.3 million in the first 9 months of 2020). The amount for the first 9 months of 2021 comprises mainly US\$ 1.6 million unrealized gain in relation to the ineffective part of DIS' interest rate swap agreements, US\$ 0.2 million unrealized gain on freight derivative instruments used for hedging purposes, US\$ 0.3 million commercial foreign exchange gain, as well as bank interest income on funds held with financial institutions on deposit and current accounts.

**Net financial charges** amounted to US\$ (7.6) million in Q3 2021 (US\$ (8.7) million in Q3 2020) and US\$ (24.0) million in the first 9 months of 2021 (US\$ (30.4) million in the first 9 months of 2020). The amount for the first 9 months of the year, comprises mainly US\$ (23.8) million in interest expenses and amortized financial fees due on DIS' bank loan facilities, actual expenses on interest rate swaps and interest on lease liabilities, as well as US\$ (0.1) million of unrealised losses mainly in relation to the ineffective part of DIS' interest rate swap agreements. The amount recorded in the same period of last year included US\$ (27.6) 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\$ (2.6) million of unrealised losses mainly in relation to the ineffective part of DIS' interest rate swap agreements.

DIS recorded a **Loss before tax** of US\$ (13.8) million in Q3 2021 vs. a loss of US\$ (1.7) million in Q3 2020, and a loss of US\$ (28.8) million in the first 9 months of 2021 vs. a profit of US\$ 15.6 million in the same period of 2020.

**Income taxes** were close to zero in Q3 2021 and amounted to US\$ (0.2) million in the first 9 months of 2021, in line with the same period of last year.

Due to the challenging market experienced in the current year, DIS recorded a **Net loss** of US\$ (13.8) million in Q3 2021 vs. US\$ (1.7) million in Q3 2020 and a **Net loss of US\$ (28.9) million in the first 9 months of 2021** vs. a Net profit of US\$ 15.4 million in the same period of last year.

Excluding results on disposals and non-recurring financial items from Q3 2021 (US\$ 0.3 million<sup>11</sup>) and from the same period of 2020 (US\$ (0.7) million<sup>12</sup>), as well as the asset impairment (US\$ (5.8) million in the third quarter of 2021 and US\$ (0.3) million in the same period of 2020) and the net effects of IFRS 16 from both periods (Q3 2021: US\$ (0.1) million and Q3 2020: US\$ (0.4) million), **DIS' Net result would have amounted to US\$ (8.2) million in the third quarter of 2021** compared with US\$ (0.4) million recorded in the same quarter of last year.

Excluding results on disposals and non-recurring financial items from the first 9 months of 2021 (US\$ 0.05 million<sup>13</sup>) and from the same period of 2020 (US\$ (3.2) million<sup>14</sup>), as well as the asset impairment (US\$ (5.8) million in the first 9 months of 2021 and US\$ (6.3) million in the same period of 2020) and the net effects of IFRS 16 from both periods (9 months 2021: US\$ (0.6) million and 9 months 2020: US\$ (1.1) million), **DIS' Net result would have**

<sup>11</sup> US\$ (0.5) million loss on disposal, US\$ 0.9 million mainly due to realized and unrealized loss on Interest rates swap agreements.

<sup>12</sup> US\$ (0.6) million loss on disposal, US\$ (0.1) million mainly due to realized and unrealized loss on Interest rates swap agreements.

<sup>13</sup> US\$ (1.61) million loss on disposal, US\$ 1.66 million mainly due to realized and unrealized loss on Interest rates swap agreements.

<sup>14</sup> US\$ (0.7) million loss on disposal, US\$ (2.5) million mainly due to realized and unrealized loss on Interest rates swap agreements.

amounted to US\$ (22.6) million in the first 9 months of 2021 compared with US\$ 26.1 million recorded in the same period of the previous year.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(US\$ Thousand)</i>	As at 30 September 2021	As at 31 December 2020
<b>ASSETS</b>		
Non-current assets	857,368	918,187
Current assets, excluding assets held for sale	88,831	114,403
Assets held for sale	10,486	-
<b>Total assets</b>	<b>956,685</b>	<b>1,032,590</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Shareholders' equity	338,914	365,734
Non-current liabilities	461,746	539,382
Total current liabilities	156,025	127,474
<b>Total liabilities and shareholders' equity</b>	<b>956,685</b>	<b>1,032,590</b>

**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 September 2021). According to the valuation report provided by a primary broker, the estimated market value of DIS' owned and bareboat fleet as at 30 September 2021 was of US\$ 743.3 million, of which US\$ 731.8 million refer to vessels classified as 'Non-current assets'.

**Gross Capital expenditures (Capex)** were of US\$ 5.2 million in the first 9 months of 2021 vs. US\$ 9.1 million in the same period of 2020. The amounts for the first 9 months of 2021 includes mainly the capitalised dry-dock costs pertaining to owned and bareboat vessels.

**Current assets** as at 30 September 2021 amounted to US\$ 99.3 million. As at the same date, in addition to the working capital items (inventories and trade receivables amounting to US\$ 10.5 million and US\$ 33.0 million, respectively), current assets include 'cash and cash equivalent' of US\$ 42.0 million and US\$ 0.4 million relating to funds deposited by d'Amico Tankers d.a.c. with financial institutions in respect of interest rate swap contracts.

Current assets include also *Assets held-for-sale*. The amount of US\$ 10.5 million refers to a vessel owned by d'Amico Tankers d.a.c., included in the category 'Assets held for sale' (in accordance with IFRS 5) as at 30 September 2021, with the difference between its fair value and its book value charged to the Income Statement. Following the impairment allocation, a net carrying value of US\$ 10.5 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\$ 461.7 million as at 30 September 2021 and mainly consist of the long-term portion of the debt due to banks (disclosed under the Net Indebtedness section of the report) and of lease liabilities.

**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 September 2021, working capital items amounting to US\$ 22.9 million (mainly relating to trade and other payables), US\$ 36.5 million lease liabilities, and US\$ 6.3 million other current financial liabilities.

**Shareholders' equity** amounted to US\$ 338.9 million as at 30 September 2021 (US\$ 365.7 million as at 31 December 2020). The variance relative to year-end 2020 is due to the Net result generated in the first 9 months of 2021, partially offset by the change in the valuation of cash-flow hedges.

## NET INDEBTEDNESS \*

**DIS' net debt as at 30 September 2021** amounted to **US\$ 539.2 million** compared to US\$ 561.5 million as at 31 December 2020. Due to the application of IFRS 16 these balances include an additional liability, amounting to US\$ 86.9 million as at the end of September 2021 vs. US\$ 96.4 million as at the end of 2020. The net debt (excluding IFRS16) / fleet market value ratio was of 60.9% as at 30 September 2021 vs. 65.9% as at 31 December 2020 and compared with 64.0% as at the end of 2019 and 72.9% as at the end of 2018.

<i>US\$ Thousand</i>	As at 30 September 2021	As at 31 December 2020
Liquidity - <i>Cash and cash equivalents</i>	42,045	62,071
Current financial assets	3,226	2,565
Other current financial assets – related party	35	2,160
<b>Total current financial assets</b>	<b>45,306</b>	<b>66,796</b>
Bank loans and other lenders – current	90,274	46,523
Liabilities from leases - current	36,511	43,411
Other current financial liabilities – parties	6,307	6,824
Other current financial liabilities – related party	-	4,309
<b>Total current financial debt</b>	<b>133,092</b>	<b>101,067</b>
<b>Net current financial debt</b>	<b>87,786</b>	<b>34,271</b>
Other non-current financial assets – 3 <sup>rd</sup> parties	10,346	12,110
<b>Total non-current financial assets</b>	<b>10,346</b>	<b>12,110</b>
Bank loans non-current	212,017	263,089
Liabilities from leases – non-current	246,779	269,941
Other non-current financial liabilities – 3 <sup>rd</sup> parties	2,950	6,352
<b>Total non-current financial debt</b>	<b>461,746</b>	<b>539,382</b>
<b>Net non-current financial debt</b>	<b>451,400</b>	<b>527,272</b>
<b>Net financial indebtedness</b>	<b>539,186</b>	<b>561,543</b>

\* See Alternative Performance Measures on page 9 to 11

The balance of *Total Current Financial Assets* was of US\$ 45.3 million as at the end of September 2021. The total amount comprises *Cash and cash equivalents* of US\$ 42.0 million, and the current portion of deferred losses on disposal on sale and leaseback transactions, amounting to US\$ 3.2 million.

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

The total outstanding bank debt (*Bank loans*) as at 30 September 2021 amounted to US\$ 302.3 million, of which US\$ 90.3 million is due within one year. In addition to some short-term credit lines, DIS' debt as at 30 September 2021 comprises mainly the following long-term facilities granted to d'Amico Tankers d.a.c. (Ireland), the key operating company of the Group:

- (i) US\$ 279.0 million (originally US\$ 250.0 million) term-loan facility granted by a pool of nine primary financial institutions (Crédit Agricole Corporate and Investment Bank, Nordea Bank, ING Bank, Banca IMI, Commonwealth Bank of Australia, Skandinaviska Enskilda Banken (SEB), The Governor and Company of the Bank of Ireland, Credit Industriel et Commercial, DnB), to provide financing for 5 existing vessels, with an outstanding debt of US\$ 104.7 million;
- (ii) Crédit Agricole Corporate and Investment Bank and ING term-loan facility to refinance 1 MR vessel built in 2016, 2 MR vessels built in 2005 and 1 additional MR vessel built in 2006, with an outstanding debt of US\$ 24.8 million;
- (iii) DnB NOR Bank 5-years term-loan facility to finance 1 MR vessel built in 2012, with an outstanding debt of US\$ 12.2 million;

- (iv) ING 5-years term-loan facility to finance 1 MR vessel built in 2012, with an outstanding debt of US\$ 11.7 million;
- (v) ABN Amro 6-years term-loan facility to finance 1 Handysize vessel built in 2014 with an outstanding debt of US\$ 11.3 million;
- (vi) 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\$ 29.3 million;
- (vii) 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\$ 19.7 million;
- (viii) 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\$ 44.8 million;
- (ix) In addition, DIS' debt comprises also its portion of the bank loans of its joint venture 'Glenda International Shipping d.a.c.' with Standard Chartered Bank, amounting to US\$ 18.8 million, to finance 4 Glenda International Shipping d.a.c. vessels built between 2010 and 2011.

*Lease liabilities* include the leases on M/T High Fidelity, M/T High Discovery, M/T High Freedom, M/T High Trust, M/T High Loyalty, M/T High Trader, M/T Cielo di Houston and M/T High Voyager, which were sold and leased back between 2017 and 2019. In addition, 'lease liabilities' include as at 30 September 2021, US\$ 86.9 million arising from the application of IFRS 16 on contracts classified until 2018 as 'operating leases'.

*Other Non-current financial liabilities* include the negative fair value of derivative hedging instruments (interest rate swap agreements) and the deferred profit on disposal on sale and leaseback transactions.

## CASH FLOW

**DIS' net cash flow for the first 9 months of 2021 was negative for US\$ (20.9) million** vs. US\$ 22.1 million in the same period of 2020 (Q3 2021: US\$ (10.2) million vs. Q3 2020: US\$ 6.7 million).

Q3 2021	Q3 2020	US\$ Thousand	9 MONTHS 2021	9 MONTHS 2020
5,838	11,437	Cash flow from operating activities	24,371	70,499
(970)	10,436	Cash flow from investing activities	(1,954)	22,084
(15,072)	(15,220)	Cash flow from financing activities	(43,307)	(70,457)
<b>(10,204)</b>	<b>6,653</b>	<b>Change in cash balance</b>	<b>(20,890)</b>	<b>22,126</b>
34,608	32,990	Cash and cash equivalents net of bank overdrafts at the beginning of the period	45,294	17,517
<b>24,404</b>	<b>39,643</b>	<b>Cash and cash equivalents net of bank overdrafts at the end of the period</b>	<b>24,404</b>	<b>39,643</b>
42,045	59,339	Cash and cash equivalents at the end of the period	42,045	59,339
(17,641)	(19,696)	Bank overdrafts at the end of the period	(17,641)	(19,696)

**Cash flow from operating activities** was positive, amounting to US\$ 5.8 million in Q3 2021 vs. US\$ 11.4 million in Q3 2020, and to US\$ 24.4 million in the first 9 months of 2021 vs. US\$ 70.5 million in the first 9 months of 2020. This negative variance is attributable to the much weaker spot market in the first 9 months of 2021 relative to the same period of last year.

The net **Cash flow from investing activities** was negative for US\$ (1.0) million in Q3 2021 (US\$ 10.4 million in Q3 2020) and for US\$ (2.0) million in the first 9 months of 2021 (US\$ 22.1 million in the first 9 months of 2020). The amount for the first 9 months of 2021 comprises mainly the costs relating to drydocks which occurred in the period, partially off-set by the reimbursement of US\$ 3.2 million of a sellers' credit relating to the sale and TC-back of two MRs in 2017. The amount for the same period of last year comprised costs relating to drydocks occurred in the period, off-set by US\$ 30.7 million generated from the sale of M/T Cielo di Guangzhou and M/T Glenda Meredith in Q2 2020 and M/T High Progress in Q3 2020, and by US\$ 0.5 million arising from the reduction of d'Amico Tankers' shareholders loan to DM Shipping, following the sale of its two vessels in FY 2019.

**Cash flow from financing activities** was negative, amounting to US\$ (43.3) million in the first 9 months of 2021. This figure comprises mainly: (i) US\$ (23.0) million in scheduled bank debt repayments; ii) US\$ 13.8 million bank

debt drawdown, deriving from a US\$ 3.8 million refinancing with Crédit Agricole of M/T High Priority (a MR vessel, which was leased by d'Amico Tankers as at 31 December 2020 and whose purchase option was exercised on 5 February 2021), and a US\$ 10.0 million draw-down on the hot-money credit line with Banca Intesa; iii) US\$ (35.5) million repayment of lease liabilities, including US\$ (9.6) million deriving from the exercise of the purchase option on M/T High Priority; iv) US\$ (0.3) million acquisition of DIS' treasury shares.

## SIGNIFICANT EVENTS OF THE FIRST NINE MONTHS

In the first 9 months of 2021, the main events for the d'Amico International Shipping Group were the following:

### D'AMICO INTERNATIONAL SHIPPING:

**Executed buyback program:** On 14 January 2021, d'Amico International Shipping S.A. announced that during the period between 5 January and 13 January 2021, n. 1,543,118 own shares (representing 0.124% of the outstanding share capital of the Company) were repurchased on the regulated market managed by Borsa Italiana S.p.A. at the average share price of Euro 0.0949, for a total consideration of Euro 146,469.26.

On 25 January 2021, d'Amico International Shipping S.A. announced that during the period between 14 January and 22 January 2021, n. 1,305,897 own shares (representing 0.105% of the outstanding share capital of the Company) were repurchased on the regulated market managed by Borsa Italiana S.p.A. at the average share price of Euro 0.0936, for a total consideration of Euro 122,217.85. As at 22 January 2021, d'Amico International Shipping S.A. held nr. 18,326,911 own shares, representing 1.48% of its 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).

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

**Buyback programme:** On 6 May 2021, the Board of Directors of d'Amico International Shipping S.A. resolved to start an own shares buy-back programme pursuant to the new authorization recently issued by the annual general meeting of shareholders held on 20 April 2021 (the "Programme"). As per the shareholders' new authorization, the Company can repurchase up to 186,157,950 ordinary shares of the Company (including the Own Shares already repurchased and held in the Company's portfolio in compliance with Article 430-15 of the Luxembourg Law).

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

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

Regarding the Programme's implementation, the Company confirms that the repurchase and disposal of own shares shall be carried out in one or more tranches on the regulated market managed and organized by Borsa Italiana S.p.A. in accordance with the relevant provisions of the Market Abuse Regulation, so as to assure a fair deal to all the shareholders and will be executed and coordinated by Equita Sim S.p.A., an equity broker that was duly engaged for this purpose by the CFO, who will act completely independently and without any influence from the Company regarding the moment of such repurchases and disposals, in accordance with the relevant applicable laws and of the above mentioned Shareholders' new authorization. In all cases, each transaction shall be executed and publicized in accordance with Luxembourg and/or Italian laws and regulations where applicable, as well as according to the relevant provisions concerning exemptions from market abuse applicable legislation for buyback programs and stabilization of financial instruments. In particular, any authorized own shares sales operations shall

be carried out at any time, not being subject to any time limit and notably in order to pursue the purposes of the Programme.

**Fourth exercise period of DIS' Ordinary shares warrants 2017-2022:** On 31 May 2021, d'Amico International Shipping S.A. confirmed that the holders of "d'Amico International Shipping's Warrants 2017 – 2022", ISIN code n. LU1588548724 (the "Warrants") could apply for their Warrants to be exercised on any Banking Day (days on which banks in Luxembourg and in Italy are generally open for business as defined in the terms and conditions of the Warrants) starting from 1<sup>st</sup> June, 2021 until 30<sup>th</sup> June, 2021, both dates included (the "Fourth Exercise Period"), with the right to subscribe for newly issued ordinary shares of DIS admitted to trading on the MTA market organized and managed by Borsa Italiana S.p.A., each without par value and with the same rights and features as DIS' ordinary shares outstanding at the issue date (the "Warrant Shares"), in the ratio of one (1) ordinary DIS share for one (1) Warrant exercised. The exercise price for the Fourth Exercise Period amounted to EUR 0.382 (zero point three hundred and eighty-two Euros) per Warrant Share.

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

#### **D'AMICO TANKERS D.A.C.:**

**Vessel Purchase:** In February 2021, d'Amico International Shipping S.A. announced that its operating subsidiary d'Amico Tankers d.a.c. exercised its purchase option on the M/T High Priority, a 46,847 dwt MR product tanker vessel, built in 2005 by Nakai Zosen, Japan, for a consideration of US\$ 9.7 million. The Vessel had been sold and leased back by d'Amico Tankers in 2017, for a 5-year period, with purchase options starting from the 2nd anniversary and a purchase obligation at the end of the 5th year.

**'Time Charter-Out' Fleet:** In January 2021, d'Amico Tankers d.a.c. extended a time charter-out contract with a leading trading house for two of its LR1 vessels for 9-18 months, both starting from January 2021.

In February 2021, d'Amico Tankers d.a.c. fixed one of its Handy-size vessels with an oil-major for 6 months with an option for a further 6 months, starting from March 2021.

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

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

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

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

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

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

**'Time Charter-In' Fleet:** the time-charter-in contracts for the M/T SW Southport I and M/T SW Tropez I, two MR vessels built in 2004, ended and the vessels were redelivered to their owners in January and February 2021, respectively.

## SIGNIFICANT EVENTS SINCE THE END OF THE PERIOD AND BUSINESS OUTLOOK

### D'AMICO TANKERS D.A.C.:

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

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

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

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

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

	As at 30 September 2021				As at 11 November 2021			
	LR1	MR	Handysize	Total	LR1	MR	Handysize	Total
Owned	5.0	9.0	6.0	20.0	5.0	9.0	6.0	20.0
Bareboat chartered*	1.0	7.0	0.0	8.0	1.0	7.0	0.0	8.0
Long-term time chartered	0.0	9.0	0.0	9.0	0.0	9.0	0.0	9.0
Short-term time chartered	0.0	1.0	0.0	1.0	0.0	1.0	0.0	1.0
<b>Total</b>	<b>6.0</b>	<b>26.0</b>	<b>6.0</b>	<b>38.0</b>	<b>6.0</b>	<b>26.0</b>	<b>6.0</b>	<b>38.0</b>

\* with purchase obligation

### Business Outlook

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

#### Product Tanker Demand

- In their October report, the IMF projected the global economy to grow by 5.9% in 2021 and by a still very fast 4.9% in 2022 (a decrease of 0.1 percentage points relative to their July 2021 forecast). The downward revision for 2021 reflects lower estimates for advanced economies (in part due to supply disruptions) and for low-income developing countries, largely due to worsening pandemic dynamics. This is partially offset by stronger near-term prospects among some commodity-exporting emerging markets and other developing economies. Employment is generally expected to continue lagging the recovery in output. Beyond 2022, global growth is projected to moderate to about 3.3% over the medium term. In particular, advanced economies' output is forecasted to exceed pre-pandemic medium-term projections (largely reflecting sizable anticipated further policy support in the United States and Europe). By contrast, persistent output losses are anticipated for the emerging markets and developing economies due to slower vaccine rollouts and generally less policy support compared to advanced economies.
- According to the IEA, OECD total oil industry stocks posted a large decline for the third consecutive month in August, driving them outside the bottom of the most recent five-year range. OECD total industry stocks

fell 27.9 million barrels, or 900,000 b/d, to 2,824 million barrels. A less than seasonal build in industry product stocks was the main driver. Total oil inventories stood 214.8 million barrels below the 2016-2020 average and at 162.2 million barrels lower than the pre-Covid 2015-2019 average. In terms of forward demand, OECD industry stocks covered 61.8 days at end-August, a decrease of 0.4 days month-on-month and 3.7 days less relative to the 2016-2020 five-year average.

- According to the IEA's October report, refinery runs are expected to increase by 3.2 million b/d between September and December '21, with December volumes expected to be nonetheless 2.3 million b/d lower than in the same month of 2019.
- A switch from gas to oil for electricity production, has the potential to create pent-up demand during the upcoming winter in the Northern hemisphere. According to the IEA's October '21 report the additional demand for power generation relative to normal conditions could amount to 0.5 million b/d.
- According to IEA's October '21 report oil demand in '22 is expected to increase by 3.3 million b/d relative to '21.
- In '22 the IEA expects refining throughputs to continue increasing, overtaking pre-Covid levels in the second-half of the year.
- In their September '21 outlook, Clarksons estimates that in '22 the product tanker demand will grow by 5.3%, well above the expected increase in fleet supply (see below).
- More than 70% of new refining capacity in the next four years will be located east of Suez. The EIA estimates that around 800,000 b/d of refining capacity has been closed in North America since the pandemic began. Engen have announced the conversion of their 120,000 b/d refinery in Durban (responsible for approximately 17% of the country's fuel production) into a terminal/storage facility. In the long run, recovering demand and structural shifts in the refining landscape are likely to boost long-haul product trades.

### **Product Tanker Supply**

- At the beginning of the year Clarksons estimated 97 MRs and LR1s would have been delivered in 2021, of which 77 should have been launched in the first nine months of the year. In fact, only 57 such vessels were delivered in the first three quarters of 2021.
- In their September 2021 outlook, Clarksons estimates that in 2022 the product tanker fleet will grow by only 1.4%.
- A large number of demolition yards were temporarily shut in 2020 during the pandemic. However, the rebound in steel prices has improved demand for tonnage recycling. Demolition is expected to continue at a sustained pace in the near future, as long as the freight markets remain weak.
- According to Clarksons, new building prices for MR and LR1 have increased by just over 15% in 2021. This is attributed mostly to a reduction in tanker new building slots, due to sizeable orders in other sectors, and to an increase in the price of steel.
- According to Clarksons, 6.3% of the MR and LR1 fleet is over 20 years old, whilst the current orderbook in these segments represents only 4.8% of the current trading fleet.
- The IMO's 2030 and 2050 targets for reducing greenhouse gas emissions are high on the shipping agenda. Many owners and banks now require 'green recycling' of vessels in line with EU and IMO conventions, while the EU is set to include shipping in its Emissions Trading Scheme. Furthermore, important cargo charterers including oil majors such as Shell and Total, as well as leading trading houses such as Trafigura, have recently signed the Sea cargo charter with the aim of disclosing the CO2 emissions of the vessels they operate, and reducing these in line with the IMO targets. During the Marine Environmental Committee's (MEPC) last meeting (MEPC 76) in June this year, measures were adopted which will be enforceable from 1 November

2022, requiring operators to measure their vessels' energy efficiency existing ship index (EEXI), reflecting their technical efficiency, and their carbon intensity indicator (CII), assessing how efficiently they are managed. Both measures aim to cut emissions progressively from 2023 to 2030.

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

## D'AMICO INTERNATIONAL SHIPPING GROUP CONSOLIDATED INTERIM FINANCIAL REPORT AS AT 30 SEPTEMBER 2021

### CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

Q3 2021	Q3 2020	US\$ Thousand	9 MONTHS 2021	9 MONTHS 2020
59,298	64,337	Revenue	181,335	249,679
(17,192)	(10,255)	Voyage costs	(50,338)	(45,523)
<b>42,106</b>	<b>54,082</b>	<b>Time charter equivalent earnings*</b>	<b>130,997</b>	<b>204,156</b>
(895)	(877)	Time charter hire costs	(2,515)	(12,132)
(22,564)	(25,618)	Other direct operating costs	(68,755)	(78,635)
(3,238)	(3,069)	General and administrative costs	(10,228)	(9,252)
(538)	(583)	Result on disposal of fixed assets	(1,611)	(700)
<b>14,871</b>	<b>23,935</b>	<b>EBITDA*</b>	<b>47,888</b>	<b>103,437</b>
(22,191)	(17,085)	Depreciation and impairment	(54,822)	(57,641)
<b>(7,320)</b>	<b>6,850</b>	<b>EBIT*</b>	<b>(6,934)</b>	<b>45,796</b>
1,117	182	Net financial income	2,136	250
(7,552)	(8,676)	Net financial (charges)	(23,975)	(30,367)
-	(70)	Losses on disposal of investments	-	(70)
<b>(13,755)</b>	<b>(1,714)</b>	<b>Profit / (loss) before tax</b>	<b>(28,773)</b>	<b>15,609</b>
4	(19)	Income taxes	(157)	(203)
<b>(13,751)</b>	<b>(1,733)</b>	<b>Net profit / (loss)</b>	<b>(28,930)</b>	<b>15,406</b>
<i>The net result is attributable to the equity holders of the Company</i>				
<b>(0.011)</b>	<b>(0.001)</b>	<b>Earnings / (loss) per share in US\$ <sup>(1)</sup></b>	<b>(0.024)</b>	<b>0.013</b>

\*see Alternative Performance Measures on page 9 to 11

### CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

Q3 2021	Q3 2020	US\$ Thousand	9 MONTHS 2021	9 MONTHS 2020
<b>(13,751)</b>	<b>(1,733)</b>	<b>Profit / (loss) for the period</b>	<b>(28,930)</b>	<b>15,406</b>
<i>Items that can subsequently be reclassified into Profit or Loss</i>				
230	657	Cash flow hedges	2,504	(3,397)
(46)	73	Exchange differences in translating foreign operations	(61)	(89)
<b>(13,567)</b>	<b>(1,003)</b>	<b>Total comprehensive income for the period</b>	<b>(26,487)</b>	<b>11,916</b>

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

<sup>(1)</sup> Basic earnings per share (e.p.s.) was calculated on an average number of outstanding shares equal to 1,222,854,116 in the first nine months of 2021 (1,230,890,447 shares in the first nine months of 2020) and on an average of 1,222,726,438 outstanding shares in the third quarter of 2021 (Q3, 2020: 1,230,890,447 outstanding shares). In Q3/nine months of 2021 and Q3/nine months 2020 diluted e.p.s. was equal to basic e.p.s.

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

Q3 2021	Q3 2020	US\$ Thousand	9 MONTHS 2021	9 MONTHS 2020
<b>(13,751)</b>	<b>(1,732)</b>	<b>Profit (loss) for the period</b>	<b>(28,930)</b>	<b>15,406</b>
16,428	16,805	Depreciation and amortisation	49,059	51,354
5,763	2,300	Impairment	5,763	6,286
(4)	19	Current and deferred income tax	157	203
4,185	4,930	Net finance lease cost	13,101	15,072
2,250	3,564	Other Financial charges (income)	8,738	15,045
538	583	Result on disposal of fixed assets	1,611	(700)
-	70	Balance on disposal of investments	2	70
(71)	322	Other non-cash changes	(76)	(65)
<b>15,338</b>	<b>24,839</b>	<b>Cash flow from operating activities before changes in working capital</b>	<b>49,425</b>	<b>104,071</b>
267	708	Movement in inventories	(1,591)	2,483
(1,813)	(381)	Movement in amounts receivable	2,485	1,667
(1,131)	(6,217)	Movement in amounts payable	(3,628)	(11,238)
(41)	(43)	Taxes (paid) received	(184)	(506)
(4,183)	(4,935)	Net cash payments for the interest portion of IFRS16 related leases	(13,100)	(15,072)
(2,599)	(2,534)	Net interest paid	(9,036)	(10,906)
<b>5,838</b>	<b>11,437</b>	<b>Net cash flow from operating activities</b>	<b>24,371</b>	<b>70,499</b>
(970)	(2,090)	Acquisition of fixed assets	(5,154)	(9,118)
-	12,507	Proceeds from disposal of fixed assets	-	30,692
-	-	Deferred cash-in from the sale of fixed assets	3,200	-
-	19	Movement in financing to equity accounted investee	-	510
<b>(970)</b>	<b>10,436</b>	<b>Net cash flow from investing activities</b>	<b>(1,954)</b>	<b>22,084</b>
*-	5	Share capital increase	* -	5
(17)	73	Other changes in shareholder's equity	(31)	(354)
-	-	Purchase of treasury shares	(336)	-
-	-	Shareholders' financing	-	(5,000)
658	1,426	Movement in other financial receivables	1,769	2,256
-	-	Net movement in other financial payable	-	(2,700)
(6,996)	(17,627)	Bank loan repayments	(22,956)	(46,618)
-	9,956	Bank loan drawdowns	13,756	9,956
(8,717)	(9,053)	Repayments for the principal portion of the lease liability	(35,509)	(28,002)
<b>(15,072)</b>	<b>(15,220)</b>	<b>Net cash flow from financing activities</b>	<b>(43,307)</b>	<b>(70,457)</b>
<b>(10,204)</b>	<b>6,653</b>	<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(20,890)</b>	<b>22,126</b>
34,608	32,990	Cash and cash equivalents net of bank overdrafts at the beginning of the period	45,294	17,517
<b>24,404</b>	<b>39,643</b>	<b>Cash and cash equivalents net of bank overdrafts at the end of the period</b>	<b>24,404</b>	<b>39,643</b>
42,045	59,339	Cash and cash equivalents at the end of the period	42,045	59,339
(17,641)	(19,696)	Bank overdrafts at the end of the period	(17,641)	(19,696)

\* Following the exercise of the warrants, on 1 July 2021 a capital increase amounting to US\$ 157 occurred; that amount falls below DIS' US\$ thousand reporting threshold.

## INTERIM CONDENSED STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

<i>US\$ Thousand</i>	Share capital	Retained Earnings (Accumulated losses)	Share premium	Other Reserves		Total
				<i>Other</i>	<i>Cash-Flow hedge</i>	
<b>Balance as at 1 January 2021</b>	<b>62,053</b>	<b>(43,307)</b>	<b>368,853</b>	<b>(16,155)</b>	<b>(5,710)</b>	<b>365,734</b>
Share capital increase	*_	-	*_	-	-	*_
Treasury shares	-	-	-	(336)	-	(336)
Other changes	-	-	(31)	34	-	3
Total comprehensive income	-	(28,930)	-	(61)	2,504	(26,487)
<b>Balance as at 30 September 2021</b>	<b>62,053</b>	<b>(72,237)</b>	<b>368,822</b>	<b>(16,518)</b>	<b>(3,206)</b>	<b>338,914</b>

\* Following the exercise of the warrants, on 1 July 2021 a capital increase amounting to US\$ 157 occurred; that amount falls below DIS' US\$ thousand reporting threshold.

<i>US\$ Thousand</i>	Share capital	Retained Earnings / (Accumulated losses)	Share premium	Other Reserves		Total
				<i>Other</i>	<i>Cash-Flow hedge</i>	
<b>Balance as at 1 January 2020</b>	<b>62,052</b>	<b>(59,801)</b>	<b>368,846</b>	<b>(15,380)</b>	<b>(3,252)</b>	<b>352,465</b>
Capital increase	1	-	4	-	-	5
Treasury shares	-	-	-	(261)	-	(261)
Other changes	-	67	-	(67)	-	-
Total comprehensive income	-	15,406	-	(93)	(3,397)	11,916
<b>Balance as at 30 September 2020</b>	<b>62,053</b>	<b>(44,328)</b>	<b>368,850</b>	<b>(15,801)</b>	<b>(6,649)</b>	<b>364,125</b>

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

## NOTES

d'Amico International Shipping S.A. (the "Company", DIS) a Société Anonyme, was incorporated under the laws of the Grand-Duchy of Luxembourg on 9 February 2007; its statutory seat is in Luxembourg. The ultimate parent company of the Group is d'Amico Società di Navigazione. DIS is an international marine transportation company, operating mainly through its fully owned subsidiary, d'Amico Tankers d.a.c. (Ireland), as well as other indirectly controlled subsidiaries. All DIS' vessels are double-hulled and are primarily engaged in the transportation of refined oil products, providing worldwide shipping services to the major oil companies and trading houses.

This condensed consolidated interim financial information as at, and for the nine months period ended 30 September 2021 have been prepared in accordance with IAS 34 – Interim Financial reporting, as adopted by the European Union.

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 2020.

The consolidated financial statements are prepared on the basis of the historic cost convention, with the exception of certain financial assets and liabilities, which are stated at fair value through profit or loss or other comprehensive income for the effective portion of the hedges.

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

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### 1. ACCOUNTING POLICIES

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

#### Critical Accounting Judgments and Key Estimates

The preparation of the financial statements requires Directors to make accounting estimates and in some cases assumptions in the application of accounting principles. The Management decisions are based on historical experience as well as on expectations associated with the realization of future events, considered reasonable under the circumstances. Critical accounting estimates and judgments are exercised in all areas of the business and are reviewed on an ongoing basis.

#### Segment Information

d'Amico International Shipping provides transportation services of refined petroleum products and vegetable oil, operating 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 geographical areas. The Group's top management monitors, evaluates and allocates the Group's resources as a whole, operations are run in one single currency – the US\$ – and DIS considers, therefore, the product tankers business as a single segment.

#### Accounting principles

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

#### **Accounting principles adopted from 1 January 2021**

There are no new accounting principles that have been adopted for the accounting period ending 30 September 2021.

#### **Accounting principles, amendments, and interpretations not yet effective**

##### *Interest Rate Benchmark Reform*

US\$ LIBOR rates for periods of 3 months and 6 months, which are the reference rates for all of our mortgage loans, should not be published anymore from 30 June 2023. Management is currently assessing how the replacement of US\$ LIBOR by a risk-free-rate will impact DIS' Group loans and interest rate hedging exposures, but a final

assessment is not possible until the Alternative Reference Rates committee in the US has defined the terms for a forward-looking term rate.

There are no 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. Early adoption of any new standard is not currently envisaged.

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## **2. COMMITMENTS AND CONTINGENCIES**

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### **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.

11 November 2021

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 nine months and third quarter 2021 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

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11 November 2021

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 nine months and third quarter 2021 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