d’Amico International Shipping S.A.
9 months / Third Quarter 2019 Financial Report

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d’Amico International Shipping S.A.
Registered office at 25C Boulevard Royal, Luxembourg
Share capital US$ 62,051,606.20 as at 30 September 2019

CONTENTS

BOARD OF DIRECTORS AND CONTROL BODIES

BOARD OF DIRECTORS

Chairman, Chief Executive Officer
Paolo d'Amico

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

INDEPENDENT AUDITORS

Moore Audit S.A.

KEY FIGURES

FINANCIALS

Q3 2018	Q3 2018	*US$ Thousand*	9 MONTHS 2019	9 MONTHS 2018
59,819	55,053	Time charter equivalent (TCE) earnings*	186,126	180,702
21,437	(2,233)	EBITDA *	69,342	7,836
35.84%	*(4.06) %*	*as % of margin on TCE*	*37.26%*	*4.34%*
2,118	(12,694)	EBIT *	684	(21,518)
3.54%	*(23.06) %*	*as % of margin on TCE*	*0.37%*	*(11.91) %*
(8,155)	(20,954)	Net profit / (loss)	(32,476)	(41,174)
(13.63) %	*(38.06) %*	*as % of margin on TCE*	*(17.45) %*	*(22.79) %*
(5,907)	(20,851)	Adjusted Net profit / (loss)**	(15,086)	(44,413)
US$ (0.007)	US$ (0.032)	Earnings / (loss) per share	US$ (0.026)	US$ (0.064)
18,323	(500)	Operating cash flow	38,353	442
(2,740)	(56,181)	Gross CAPEX*	(33,897)	(100,213)
			As at 30 September 2019	**As at 31 December 2018**
		Total assets	1,134,697	1,039,737
		Net financial indebtedness*	685,272	588,708
		Shareholders' equity	346,539	337,343

**see Alternative Performance Measures on page 9*
*** Adjusted by excluding impact of IFRS16 and non-recurring items (please refer to the management report on page 16)*

OTHER OPERATING MEASURES[1]

Q3 2019	Q3 2018		9 MONTHS 2019	9 MONTHS 2018
13,264	10,680	**Daily operating measures** - TCE earnings per employment day (US$)[2]	13,674	11,967
48.5	56.3	**Fleet development** - Total vessel equivalent	49.2	55.6
22.8	26.0	- Owned	23.3	26.2
9.0	4.7	- Bareboat chartered	8.5	4.0
16.7	25.6	- Time chartered	17.4	25.4
1.0	1.1	Vessels equivalent under commercial management	1.8	0.4
1.3%	1.7%	Off-hire days/ available vessel days[3] (%)	1.9%	1.0%
51.5%	33.0%	Fixed rate contract/ available vessel days[4] (coverage %)	48.7%	32.5%

[1] In August 2018, the time-charter-in contracts on 4 vessels, all expiring between August 2018 and October 2018, were extended for 1 to 3 more spot voyages. The original fixed hire rate was changed into a "floating hire rate" based on the spot market earnings of each of the vessels. Therefore, d'Amico is effectively acting as commercial manager of these vessels, earning a 2% commission on all their gross revenues. Such vessels are excluded from the above "other operating measure" and from all the other DIS' KPIs.

[2]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.

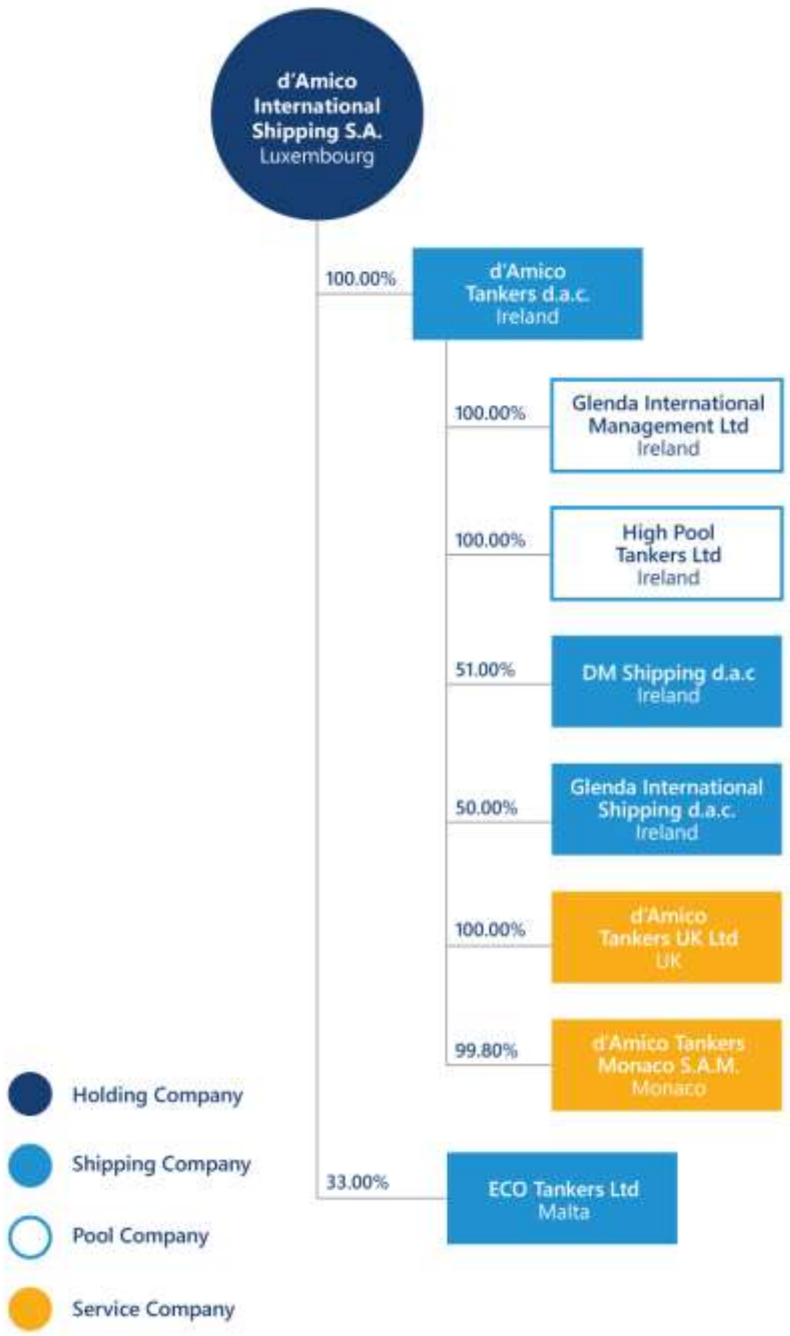
[3] This figure is equal to the ratio of the total off-hire days, inclusive of dry-docks, and the total number of available vessel days.

[4]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 2019:



d'AMICO INTERNATIONAL SHIPPING GROUP

d'Amico International Shipping S.A. (DIS, the Group or d'Amico International Shipping, the Company) is an international marine transportation company, part of the d'Amico Group, which traces its origins to 1936. d'Amico International Shipping operates, mainly through its fully owned subsidiary d'Amico Tankers d.a.c. (Ireland), which as at 30 September, 2019, controls a fleet of 48 vessels, of which 32 owned and bareboat vessels (with purchase obligation) with an average age of approximately 6.6 years, compared to an average in the product tankers industry[5] of 10.6 years for MRs (25,000 – 54,999 dwt) and of 10.3 years for LR1s (55,000 - 84,999 dwt). All DIS' vessels are double-hulled and are primarily engaged in the transportation of refined oil products, providing worldwide shipping services to 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 2019, 85.4% 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 in 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 can also arise from the sale of the vessels in DIS' fleet.

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

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

DIS' Global Footprint

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

As at 30 September 2019, the Group employed 709 seagoing personnel and 30 onshore personnel.

Fleet

DIS controlled as at 30 September 2019, either through ownership or charter arrangements a modern fleet of 48.0 product tankers and 1 additional vessel in commercial management (31 December 2018: 49.5 product tankers and 4 additional vessels in commercial management). DIS' product tanker vessels range from approximately 36,000 to 75,000 dwt.

Since 2012, DIS has ordered 22 newbuildings, of which one was still under construction as at the end of September 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 customers, in addition to being highly cost effective.

[5] Source: Clarksons Research as at October 1, 2019

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 2019.

Name of vessel	Dwt	Year built	Builder, Country	IMO classed
LR1 fleet				
Owned				
Cielo di Cagliari	75,000	2018	Hyundai Mipo, South Korea	IMO II/III
Cielo Rosso	75,000	2018	Hyundai Mipo, South Korea	IMO II/III
Cielo di Rotterdam	75,000	2018	Hyundai Mipo, South Korea	IMO II/III
Cielo Bianco	75,000	2017	Hyundai Mipo, South Korea	IMO II/III
Bareboat with purchase options and purchase obligations				
Cielo di Houston	75,000	2019	Hyundai Mipo, South Korea	IMO II/III
MR fleet				
Owned				
High Challenge	50,000	2017	Hyundai Mipo, South Korea	IMO II/III
High Wind	50,000	2016	Hyundai Mipo, South Korea	IMO II/III
High Tide	51,768	2012	Hyundai Mipo, South Korea	IMO II/III
High Seas	51,678	2012	Hyundai Mipo, South Korea	IMO II/III
GLENDA Melissa[6]	47,203	2011	Hyundai Mipo, South Korea	IMO II/III
GLENDA Meryl[7]	47,251	2011	Hyundai Mipo, South Korea	IMO II/III
GLENDA Melody[6]	47,238	2011	Hyundai Mipo, South Korea	IMO II/III
GLENDA Melanie[7]	47,162	2010	Hyundai Mipo, South Korea	IMO II/III
GLENDA Meredith[7]	46,147	2010	Hyundai Mipo, South Korea	IMO II/III
GLENDA Megan[6]	47,147	2009	Hyundai Mipo, South Korea	IMO II/III
High Venture	51,087	2006	STX, South Korea	IMO II/III
High Performance	51,303	2005	STX, South Korea	IMO II/III
High Progress	51,303	2005	STX, South Korea	IMO II/III
High Valor	46,975	2005	STX, South Korea	IMO II/III
High Courage	46,975	2005	STX, South Korea	IMO II/III
Bareboat with purchase options and purchase obligations				
High Trust	49,990	2016	Hyundai Mipo, South Korea	IMO II/III
High Trader	49,990	2015	Hyundai Mipo, South Korea	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 Voyager	45,999	2014	Hyundai Mipo, South Korea	IMO II/III
High Fidelity	49,990	2014	Hyundai Mipo, South Korea	IMO II/III
High Priority	46,847	2005	Nakai Zosen, Japan	-
TC-in long-term with purchase options				
High Leader	50,000	2018	Japan Marine, Japan	IMO II/III
High Navigator	50,000	2018	Japan Marine, Japan	IMO II/III
High Explorer	50,000	2018	Onomichi, Japan	IMO II/III
High Adventurer	50,000	2017	Onomichi, Japan	IMO II/III
Crimson Pearl	50,000	2017	Minaminippon Shipbuilding, Japan	IMO II/III
Crimson Jade	50,000	2017	Minaminippon Shipbuilding, Japan	IMO II/III

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

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

Name of vessel	Dwt	Year built	Builder, Country	IMO classed
TC-in long-term without purchase option				
Freja Baltic	47,548	2008	Onimichi Dockyard, Japan	-
High Prosperity	48,711	2006	Imabari, Japan	-
High SD Yihe[8]	48,700	2005	Imabari, Japan	-
SW Southport I	46,992	2004	STX, South Korea	IMO II/III
SW Tropez	46,992	2004	STX, South Korea	IMO II/III
TC-in short-term				
Carina	47,962	2010	Iwagi Zosen, Japan	-
Di Matteo	46,800	2009	Nakai Zosen, Japan	-
Celsius Rimini	53,603	2009	Shin Kurushima Dockyard, Japan	-
Vessel under commercial management[9]				
Philoxenia	46,590	2019	Hyundai Mipo, South Korea	IMO II/III
Handy-size fleet				
Owned				
Cielo di Salerno	39,043	2016	Hyundai Mipo, South Korea	IMO II/III
Cielo di Hanoi	39,043	2016	Hyundai Mipo, South Korea	IMO II/III
Cielo di Capri	39,043	2016	Hyundai Mipo, South Korea	IMO II/III
Cielo di Ulsan	39,060	2015	Hyundai Mipo, South Korea	IMO II/III
Cielo di New York	39,990	2014	Hyundai Mipo, South Korea	IMO II/III
Cielo di Gaeta	39,990	2014	Hyundai Mipo, South Korea	IMO II/III
Cielo di Guangzhou	38,877	2006	Guangzhou, China	IMO II
TC-in short-term				
SW Cap Ferrat I	36,032	2002	STX, South Korea	IMO II/III

Fleet Employment and Partnership

As at 30 September 2019, d'Amico International Shipping directly employed 48.0 Vessels: 5 LR1 ('Long Range 1'), 17.5 MRs ('Medium Range') and 3 Handy-size on term contracts at a fixed rate, whilst 17.5 MRs and 5 Handy-size vessels were at the same date employed on the spot market. In addition, DIS had 1 MR vessel in commercial management as at 30 September 2019. Some of these DIS' vessels are employed through its joint ventures.

GLENDA International Shipping d.a.c., a jointly controlled entity with the Glencore Group, in which d'Amico Tankers d.a.c. has a 50% interest. As at 30 September 2019, the JV operator owns 6 MR vessels built between August 2009 and February 2011, three of which were time-chartered to d'Amico Tankers and three to the Glencore Group.

DM Shipping d.a.c. (DMS), a jointly controlled entity with the Mitsubishi Group, in which d'Amico Tankers d.a.c. has a 51% interest. Following the sale of an MR vessel in April 2019, the JV company owned 1 MR vessel, built in July 2009, the sale of which was finalized in September 2019.

Eco Tankers Limited, a joint venture with Venice Shipping Logistics S.p.A., in which d'Amico International Shipping SA has a 33% shareholding. The JV company owned an eco-design MR product tanker of 50,000 dwt built at Hyundai-Vinashin Shipyard Co., Ltd, sold in June 2019. The d'Amico Group was responsible for the commercial, technical and administrative management of the vessel.

d'Amico International Shipping is part of the d'Amico Group (d'Amico), one of the world's leading privately-owned marine transportation companies with over 70 years of experience in the shipping business, whose ultimate parent company is d'Amico Società di Navigazione S.p.A. (Italy). As at 30 September 2019, d'Amico Group controlled a wide fleet of owned and chartered-in vessels, of which 49.0 were part of the DIS fleet (including 1 ship in commercial management), operating in the product tanker market. d'Amico International Shipping also benefits from the expertise of the d'Amico Group, which provides support for technical management services, as well as safety, quality and technical products and services to DIS' vessels, including crewing and insurance arrangements.

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

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

Alternative Performance Measures (APM)

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

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

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

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

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

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

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

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

IFRS 16 impact
The standard eliminates the classification of leases as either operating leases or finance leases for a lessee; instead all leases are treated in a similar way to finance leases applying IAS 17. Leases are "capitalised" by recognising the present value of lease payments and showing them either as leased assets (right-of-use assets, RoU) or together with property, plant and equipment (PPE). Lease items of low value (under US$ 5 thousand) or for which the lease duration is shorter than one year are excluded from this treatment and are expensed as incurred. If lease payments are made over time, the company also recognises a financial liability representing its obligation to make future lease payments. The most significant effect 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 are replaced with a depreciation charge for the lease asset (included within operating costs) and an interest expense on the lease liability (included within finance costs).

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

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

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

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

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

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

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

OTHER DEFINITIONS

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

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

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

Disponent Owner
The company that operates a vessel controlling it either through a time-charter or a bareboat charter.

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

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

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

SUMMARY OF THE RESULTS IN THE THIRD QUARTER AND NINE 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. Nonetheless, in Q3 average clean spot earnings fell to the lowest level since September 2018, with, however, a modest firming in average clean MR tanker earnings occurring towards then end of the quarter, supported almost entirely by shipments within the eastern hemisphere.

In the first seven months of 2019, global refining throughput expanded by only 0.6%, compared to an average throughput growth of 1.2% for the full year 2018. Throughput in the first-half of 2019 was negatively affected by a longer than usual refining maintenance program, with the objective of reducing off-time in the fall, in anticipation of the additional product demand generated by IMO 2020. In 2019, up to July the US was one of the key areas contributing to weakness in global refinery throughput, with refinery runs down 1.6% year-on-year, at 16.6m bpd. This coupled with a tropical storm in September, resulted in a downturn in US exports of petroleum products to Mexico and South America.

The 14 September attacks on Saudi Arabia impacted global product markets as the country is a significant net product exporter (over 1 million b/d, of which 400,000 b/d are middle distillates). Domestic refinery run cuts were made to ensure that crude exports would see little disruption and Saudi Arabia became, temporarily, a net importer of products. With lighter Saudi crude unavailable, it was gasoline that was in particularly short supply domestically, boosting demand for larger product tankers from Europe to the Middle East. Meanwhile, product cracks were also boosted as output was constrained by the tropical storm Imelda on the US Gulf Coast and seasonal maintenance was ongoing in the US and Asia Pacific.

The one-year time-charter rate, which is always the best indicator of spot market expectations, has gradually strengthened throughout 2019, ending the third quarter at around US$ 15,000 per day and US$ 17,000 per day for conventional and Eco MRs, respectively.

In the first 9 months of 2019, DIS recorded a Net Loss of US$ (32.5) million vs. a Net Loss of US$ (41.2) million posted in the same period of last year. Excluding results on disposal and non-recurring financial items from the first 9 months of 2019 and 2018, as well as the asset impairment and the effects of IFRS 16 from the first 9 months of 2019, DIS' Net result would have amounted to US$ (15.1) million in the first 9 months of the current year compared with US$ (44.4) million recorded in the same period of 2018.

Therefore, **excluding the effects of the application of IFRS 16 and such non-recurring effects, DIS' Net result for the first 9 months of 2019 would have been US$ 29.3 million higher than in the same period of last year**.
In Q3 2019, DIS posted a Net result of US$ (8.2) million vs. US$ (21.0) million in Q3 2018. However, excluding the quarterly impacts of the above non-recurring items the loss of Q3 2019 would have been of US$ (5.9) million compared to a loss of US$ (20.9) million of the same quarter of last year.

In fact, **DIS generated an EBITDA of US$ 69.3 million in the first 9 months of 2019** vs. US$ 7.8 million in the same period of last year. Even excluding the effects arising from the application of IFRS 16 (positive impact of US$ 26.3 million), DIS' EBITDA for the first 9 months of 2019 was **more than 5 times higher than the level achieved in the same period of last year**. Such strong improvement relative to last 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$ 12,786 in the first 9 months of 2019**, 20.9% (i.e. US$ 2,212/day) higher than US$ 10,574 achieved in the same period of 2018, due to the improving markets.

At the same time, 48.7% of DIS' total employment days in the first 9 months of 2019, were covered through 'time-charter' contracts at an average daily rate of US$ 14,610 (9 months 2018: 32.5% coverage at an average daily rate of US$ 14,858). 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$ 13,674 in the first nine months of 2019 compared with US$ 11,967 achieved in the same period of the previous year.

In the first 9 months of the year, DIS **'gross capital expenditures' amounted to US$ 33.9 million**, mainly in relation to the delivery of 1 newbuilding LR1 vessel at the beginning of the year. Since 2012, DIS has ordered a total of **22**

'Eco-design' product tankers[10] (10 MR, 6 Handy-size and 6 LR1 vessels), of which 21 vessels have been already delivered as at the end of September 2019. This corresponds to an overall **investment plan** 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

Q3 2019	Q3 2018	*US$ Thousand*	9 MONTHS 2019	9 MONTHS 2018
82,088	98,819	Revenue	260,506	301,181
(22,269)	(43,766)	Voyage costs	(74,380)	(120,479)
59,819	**55,053**	**Time charter equivalent earnings***	**186,126**	**180,702**
(7,842)	(33,900)	Time charter hire costs	(25,292)	(99,565)
(26,755)	(19,305)	Other direct operating costs	(80,879)	(61,372)
(3,234)	(3,978)	General and administrative costs	(9,114)	(12,078)
(551)	(103)	Result on disposal of fixed assets	(1,499)	149
21,437	**(2,233)**	**EBITDA***	**69,342**	**7,836**
(11,847)	(10,461)	Depreciation and impairment and impairment	(45,779)	(29,354)
(7,472)	-	Depreciation of right-of-use leased asset	(22,879)	-
2,118	**(12,694)**	**EBIT***	**684**	**(21,518)**
6	1,059	Net financial income	584	4,131
(10,414)	(9,403)	Net financial (charges)	(35,642)	(24,661)
(5)	1,342	Share of profit/(loss) of equity accounted investee	1,246	1,341
215	-	Reversal of impairment of loan to an equity accounted investee	934	-
(8,080)	**(20,755)**	**Profit / (loss) before tax**	**(32,194)**	**(40,707)**
(75)	(199)	Income taxes	(282)	(467)
(8,155)	**(20,954)**	**Net profit / (loss)**	**(32,476)**	**(41,174)**

**see Alternative Performance Measures on page 9*

Revenue was US$ 82.1 million in Q3 2019 (US$ 98.8 million in Q3 2018) and US$ 260.5 million in the first 9 months of 2019 (US$ 301.2 million in the same period last year). The decrease in gross revenue compared with the previous year is attributable mainly to a lower number of vessels operated on average by DIS in the first nine months of the current year (9 months 2019: 49.2 vs. 9 months 2018: 55.6). In addition, the percentage of off-hire days in 2019 (1.9%) was higher than in the same period of the previous year (1.0%), mainly due to commercial off-hires and the timing of dry-docks.

Voyage costs reflect the mix of spot and time-charter employment contracts. These costs, which occur only for vessels employed on the spot market, amounted to US$ (22.3) million in Q3 2019 and US$ (74.4) million in the first 9 months of the current year (Q3 2018: US$ (43.8) million and 9 months 2018: US$ (120.5) million). The lower costs reflect DIS' lower exposure to the spot market relative to the same period of last year.

Time charter equivalent earnings were US$ 59.8 million in Q3 2019 (US$ 55.1 million in Q3 2018) and US$ 180.1 million in the first 9 months of 2019 (US$ 180.7 million in the first 9 months of 2018). The total amount for 2019 includes US$ 5.8 million 'time charter equivalent earnings' generated by the vessels under commercial management, which is offset by an equal amount reported under 'time-charter hire costs'.

[10] 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.

In detail, DIS realized a **Daily Average Spot Rate of US$ 11,616 in Q3 2019** (Q3 2018: US$ 8,689) and **of US$ 12,786 in the first 9 months 2019**[11] (US$ 10,574 in the first 9 months 2018). DIS' spot result of the first 9 months of 2019 represents an improvement of 20.9% (i.e. US$ 2,212/day) relative to the same period of last year.

Following its strategy, during the first nine months of 2019 DIS maintained a **good level of 'coverage'** (fixed contracts), securing an average of **48.7%** (9 months 2018: 32.5%) of its available vessel days at a **Daily Average Fixed Rate of US$ 14,610** (9 months 2018: US$ 14,858). 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, which is one the pillars of its commercial strategy.

DIS' Total Daily Average TCE (Spot and Time Charter)[12] was US$ 13,264 in Q3 2019 (US$ 10,680 in Q3 2018) and **US$ 13,674 in the first 9 months of 2019** (US$ 11,967 in the 9 months 2018).

DIS TCE daily rates (US dollars)	2018 UNREVIEWED					2019 UNREVIEWED			
	Q1	*Q2*	*Q3*	***9m***	*Q4*	Q1	*Q2*	*Q3*	***9m***
Spot	12,726	10,327	8,689	**10,574**	11,617	13,583	13,074	11,616	**12,786**
Fixed	15,001	14,867	14,716	**14,858**	14,831	14,604	14,398	14,819	**14,610**
Average	13,446	11,818	10,680	**11,967**	12,892	14,057	13,710	13,264	**13,674**

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 in 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 January 1 2019, 'time-charter hire costs' includes only time-charter contracts whose term is shorter than 12 months. The application of IFRS16 reduces 'charter hire costs' by US$ 48.2 million in the first nine months 2019, as within the Income Statement, these costs are replaced with other direct operating costs, interest and depreciation.

The total amount for the first 9 months of 2019 includes also US$ 5.8 million hire costs in relation to vessels under commercial management (1.8 average equivalent vessels in the period), which is offset by an equivalent amount reported under 'time charter equivalent earnings', after deducting a 2% commission on the gross revenue generated by these ships in the period. Excluding the cost related to the vessels under commercial management and the effect of IFRS 16, DIS' H1 2019 'time-charter hire costs' would have been US$ 31.2 million lower than in the same period of last year. In fact, DIS operated a lower number of chartered-in vessels in the first 9 months of 2019 (17.4 equivalent ships) relative to the same period in the prior year (25.4 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 is negative for US$ (22.4) million in the first nine months of 2019, as within the Income Statement, charter hire costs are replaced by other direct operating costs, interest and depreciation. Excluding the effect of IFRS 16, DIS' H1 2019 'other direct operating costs' would have been US$ (58.5) million, lower than the US$ (61.4) million cost of the same period of 2018, even though the Company operated a larger fleet of owned and bareboat vessels in 2019 relative to the same period of last year (9 months 2019: 31.9 vs. 9 months 2018: 30.3). 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 US$ (3.2) million in Q3 2019 (US$ (3.9) million in Q3 2018) and US$ (9.1) million in the first 9 months of 2019 (US$ (12.1) million in 9 months 2018). In the first nine months of 2019 these costs

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

[12] Daily Average TCE excludes US$ 4.4 million generated by the vessels under commercial management, as it is off-set by an equivalent amount of time charter hire costs.

decreased by 24.5% relative to the same period of last year. These costs relate mainly to onshore personnel, together with office costs, consultancies, travel expenses and others. The application of IFRS 16 reduced 'general and administrative costs' by US$ 0.6 million in 2019 due to the recognition of right of use assets and liabilities for some office leases.

Result on disposal of vessel was negative for US$ (1.5) million in the first 9 months of 2019 vs. US$ 0.2 million in the same period of last year. The 2019 amount refers to the amortisation of the net deferred result on all vessels sold and leased back (including for the two transactions closed in January and April 2019 for the M/T Cielo di Houston and M/T High Voyager, respectively). The amount for 2018 refers to the amortisation of the net deferred result on all vessels which had been sold and leased back as at the end of September 2018.

EBITDA was US$ 21.4 million in Q3 2019 and **US$ 69.3 million in the first nine months of 2019**, compared with US$ (2.2) million in Q3 2018 and US$ 7.8 million in the first nine months of 2018. The adjustment to 'EBITDA' arising from the application of IFRS 16 is positive, amounting to US$ 26.3 million in the first 9 months of the year (US$ 8.7 million in Q3 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 in the first 9 months of 2019 would have amounted to US$ 43.0 million vs. US$ 7.8 million achieved in the same period of last year** (Q3 2019: US$ 12.7 million vs. Q3 2018: US$ (2.2) million). 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 and Impairment amounted to US$ (11.8) million in Q3 2019 (US$ 10.5 million in Q3 2018) and to US$ (45.8) million in the first 9 months of 2019 (US$ (29.4) million in the first 9 months of 2018). The 2019 amount includes US$ (13.4) million impairment booked on a vessel owned by d'Amico Tankers and on two vessels 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 30 September 2019, and the difference between their fair value and their book value was charged to the Income Statement.

Depreciation of right-of-use leased assets amounted to US$ (7.5) million in Q3 2019 and US$ (22.9) million in the first 9 months of 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$ 2.1 million in Q3 2019 (negative for US$ (12.7) million in Q3 2018) and positive for US$ 0.7 million in the first 9 months of 2019 (negative for US$ (21.5) million in the first 9 months of 2018).

Net financial income was close to 'zero' in Q3 2019 (US$ 1.1 million in Q3 2018) and US$ 0.6 million in the first 9 months of 2019 (US$ 4.1 million in 9 months 2018). The amount of the first 9 months 2019 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; unrealised amounts in the same period relate to changes in the valuation of the DM Shipping financing, amounting to US$ 0.2 million, attributable to foreign exchange movements. The variance relative to the previous year is mainly due to US$ 3.0 million unrealized gain in relation to the ineffective part of DIS' interest rate swap agreements posted in the first 9 months of 2018.

Net financial charges were US$ (10.4) million in Q3 2019 (US$ (9.4) million in Q3 2018) and US$ (35.6) million in the first 9 months of 2019 (US$ (24.7) million in the same period of 2018). The amount comprises the interest expenses due on DIS' bank loan facilities and actual expenses on interest rate swaps as well as interest on financial leases totalling US$ (30.8) million, unrealised losses in relation to the ineffective part of DIS' interest rate swap agreements and the amortization of financial fees. The 2019 amount includes also US$ (5.5) 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 the first 9 months of 2019 due to the partial reversal of the write-down of d'Amico Tankers d.a.c.'s shareholder loan to DM Shipping (a 51/49 jointly controlled entity with the Mitsubishi Group).

DIS recorded a ***Loss before tax*** of US$ (8.1) million in Q3 2019 (loss of US$ (20.8) million in Q3 2018) and of US$ (32.2) million in the first 9 months of 2019 (loss of US$ (40.7) million in the first 9 months of 2018.

Income taxes were US$ (0.1) million in Q3 2019 (US$ (0.2) million in Q3 2018) and US$ (0.3) million in the first 9 months of 2019 (US$ (0.5) million in the 9 months 2018).

DIS' ***Net Result*** was **negative** for US$ (8.2) million in Q3 2019 (US$ (21.0) million in Q3 2018) and for US$ (32.5) million in the first 9 months of 2019 (US$ (41.2) million in 9 months 2018). The application of IFRS 16, negatively impacted the results for the first nine months of 2019 by US$ (2.1) million (Q3 2019: US$ (0.6) 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$ (1.4) million (Q3 2019: US$ (0.5) million).

Excluding results on disposal and non-recurring financial items from the first 9 months of 2019 (US$ (2.5) million[13]) and from the first 9 months of 2018 (US$ 3.2 million[14]), as well as the asset impairment (US$ (13.4) million for 9 months 2019) and the net effects of IFRS 16 (US$ (1.4) million for 9 months 2019) from 2019, DIS' Net result would have been US$ (15.1) million in the first nine months of the current year (US$ (5.9) million in Q3 2019) compared with US$ (44.4) million recorded in the same period of 2018 (US$ (20.9) million in Q3 2018). Therefore, **excluding the effects of the application of IFRS 16 and such non-recurring effects, DIS' Net result in the first 9 months of 2019 would have been US$ 29.3 million higher than in the same period of last year**. This marked improvement is mainly attributable to the better market conditions and to a more efficient cost structure in 2019.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(US$ Thousand)	**As at 30 September 2019**	**As at 31 December 2018**
ASSETS		
Non-current assets	1,010,067	924,164
Total current assets	124,630	115,573
Total assets	**1,134,697**	**1,039,737**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity	346,539	337,343
Non-current liabilities	620,458	539,518
Total current liabilities	167,700	162,876
Total liabilities and shareholders' equity	**1,134,697**	**1,039,737**

Non-current assets mainly relate to DIS' owned vessels net book value, including the portion relating to its new-building under construction and the right-of-use of the leased assets. The balance at the end of September 2019 includes a positive adjustment of US$ 128.5 million arising from the application of IFRS 16. According to the valuation report provided by a primary broker, the estimated market value of DIS' owned and bareboat fleet as at 30 September 2019 was of US$ 849.4 million.

Gross Capital expenditures (Capex) were of US$ 33.9 million in the first 9 months of 2019 vs. US$ 100.2 million in the same period of 2018. The amount comprises mainly the instalments paid on the newbuilding vessels under construction at Hyundai-Mipo. Dry-dock costs pertaining to owned vessels are also capitalized.

Current assets as at 30 September 2019 amounted to US$ 96.3 million, excluding assets held for sale. As at the same date, in addition to the working capital items (inventories and trade receivables amounting to US$ 11.3 million and US$ 41.6 million respectively), current assets include 'cash and cash equivalent' of US$ 35.5 million and d'Amico Tankers' shareholder loan to DM Shipping (a 51/49 jointly controlled entity with the Mitsubishi Group) of US$ 0.5 million. Current assets as at 30 September 2019 include also US$ 5.1 million relating to funds deposited

[13] US$ (1.5) million loss on disposal, US$ (2.2) 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

[14] US$ 0.1 million profit on disposal, US$ 2.7 million realized and unrealized profit on Interest rates swap agreements, US$ 0.4 million foreign exchange movements arising from the valuation of the DM Shipping financing

by d'Amico Tankers d.a.c. with d'Amico Finance (please refer to the disclosures on related parties in the notes to the consolidated Financial Statements) in respect of interest rate swap contracts.

Current assets include *Assets held-for-sale*. The amount of US$ 28.3 million refers to one vessel owned by d'Amico Tankers d.a.c. and two vessels 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 30 September 2019, with the difference between their fair value and their book value charged to the Income Statement. Following the impairment allocation, a net carrying value of US$ 28.3 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$ 620.5 million as at 30 September 2019 and mainly consist of the long-term portion of debt due to banks (disclosed under the Net Indebtedness section of the report) and of liabilities for financial leases. The amount as at 30 September 2019 includes an additional US$ 104.4 million corresponding to the liabilities arising from the application of IFRS 16.

The balance of ***Current liabilities***, other than the debt due to banks and other lenders (disclosed under the Net Indebtedness section of the report), includes as at 30 September 2019, working capital items amounting to US$ 41.4 million (mainly relating to trade and other payables), US$ 39.2 million in liabilities from financial leases, and US$ 13.5 million in other current financial liabilities. The amount as at 30 September 2019 is US$ 27.8 million higher due to the application of IFRS 16.

The **Shareholders' equity** balance as at 30 September 2019 was of US$ 346.5 million (US$ 337.3 million as at December 31, 2018). The variance relative to year-end 2018 is primarily due to the US$ 49.8 million share capital increase that occurred in the month of April 2019, the Net loss generated in the first nine months of 2019, and the change in the valuation of cash-flow hedges. The total amount of the Shareholders' equity as at 30 September 2019 includes also a US$ (3.8) million prior year adjustment arising from the application of IFRS16.

NET INDEBTEDNESS *

DIS' Net debt as at 30 September 2019 amounted to **US$ 685.3 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$ 132.3 million as at the end of the first nine months of 2019. The net debt (excluding IFRS 16) / fleet market value ratio was 65.1% as at 30 September 2019 compared with 72.9% as at the end of December 2018.

US$ Thousand	**As at 30 September 2019**	**As at 31 December 2018**
Liquidity - *Cash and cash equivalents*	35,510	31,713
Current financial assets	2,330	1,116
Other current financial assets – related party	5,566	17,089
Total current financial assets	**43,406**	**49,918**
Bank loans and other lenders– current	73,482	91,238
Liabilities from financial lease - current	39,208	8,369
Shareholders' loan	-	1,280
Other current financial liabilities – related party	7,004	-
Other current financial liabilities – 3rd parties	6,454	7,876
Total current financial debt	**126,148**	**108,763**
Net current financial debt	**82,742**	**58,845**
Other non-current financial assets – third parties	17,928	9,655
Total non-current financial assets	**17,928**	**9,655**
Bank loans non-current	288,773	338,622
Liabilities from financial lease – non-current	322,782	165,298
Shareholders' financing	-	30,600
Other non-current financial liabilities – 3rd parties	8,903	4,998
Total non-current financial debt	**620,458**	**539,518**
Net non-current financial debt	**602,530**	**529,863**
Net financial indebtedness	**685,272**	**588,708**

* *See Alternative Performance Measures on page 9*

The balance of *Total Current Financial Assets* was US$ 43.4 million as at the end of September 2019. The total amount comprises *Cash and cash equivalents* of US$ 35.5 million, US$ 0.5 million outstanding shareholder's loan to DM Shipping (a 51/49 jointly controlled entity with the Mitsubishi Group), and short-term financial receivables of US$ 5.1 million, which mainly consist of funds deposited by d'Amico Tankers d.a.c. with d'Amico Finance, in respect of interest rate swap contracts.

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

The total outstanding bank debt (*Bank loans*) as at 30 September 2019 amounted to US$ 362.3 million, of which US$ 73.5 million is due within one year. Other than some short-term credit lines, DIS' debt as at 30 September 2019 comprises mainly the following long-term facilities granted to d'Amico Tankers d.a.c. (Ireland), the key operating company of the Group:

(i) US$ 279.0 million (originally US$ 250.0 million) term-loan facility granted by a pool of nine primary financial institutions (Crédit Agricole Corporate and Investment Bank, Nordea Bank, ING Bank, Banca IMI, Commonwealth Bank of Australia, Skandinaviska Enskilda Banken (SEB), The Governor and Company of the Bank of Ireland, Credit Industriel et Commercial, DnB), to refinance 8 existing vessels and provide financing for 6 new-building vessels, with an outstanding debt of US$ 146.98 million;

(ii) Intesa medium-term facility with an outstanding debt of US$ 7.5 million;

(iii) DnB NOR Bank 5 years term-loan facility to finance 1 MR vessel built in 2012, for a total outstanding debt of US$ 15.1 million;

(iv) ING 5 years term-loan facility to finance 1 MR vessel built in 2012, for a total outstanding debt of US$ 14.5 million;

(v) ABN Amro 6 years term loan facility to finance 1 Handysize vessel built in 2014 for a total outstanding debt of US$ 13.8 million;

(vi) Banca IMI (Intesa Group) 7 years term-loan facility to finance 2 Handy-size vessels built respectively in 2015 and 2016 for a total outstanding debt of US$ 35.3 million;

(vii) Crédit Agricole CIB 4 years term-loan facility to finance 1 Handy-size vessel built in 2006 and purchased in 2015 for a total outstanding debt of US$ 6.0 million;

(viii) 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$ 23.2 million;

(ix) 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 an outstanding debt of US$ 57.0 million;

(x) In addition, DIS' debt comprises also its portion of the bank loans of its joint venture 'Glenda International Shipping d.a.c.' with Credit Suisse and Cross Ocean AGG Company I (owned by Cross Ocean Partners), amounting to US$ 31.1 million, to finance the 5 Glenda International Shipping d.a.c. vessels, built between 2010 and 2011.

Liabilities for financial leases include the financial leases on M/T High Fidelity, M/T High Discovery, M/T High Priority, M/T High Freedom, M/T High Trust, M/T High Loyalty, M/T High Trader, M/T Cielo di Houston and M/T High Voyager, which were sold and leased back between 2017 and 30 September 2019. In addition, 'liabilities for financial leases' include US$ 132.3 million arising from the application of IFRS 16 on contracts previously classified as 'operating leases'.

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

CASH FLOW

DIS' **Net Cash Flow for the first 9 months of 2019 was positive, amounting to US$ 3.9 million** vs. US$ (0.3) million negative in the same period of 2018 (Q3 2019: US$ 0.1 million vs. Q3 2018: US$ (3.3) million). The amount of the first 9 months of 2019 includes *gross capital expenditures* of US$ (33.9) million, partially offset by US$ 15.2 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) and by US$ (15.7) million negative financing cash flow.

Q3 2019	Q3 2018	*US$ Thousand*	9 MONTHS 2019	9 MONTHS 2018
18,323	(500)	Cash flow from operating activities	38,353	442
6,132	(48,042)	Cash flow from investing activities	(18,721)	(78,179)
(24,329)	45,265	Cash flow from financing activities	(15,708)	77,410
126	**(3,277)**	**Change in cash balance**	**3,924**	**(327)**
18,918	15,315	Cash and cash equivalents net of bank overdrafts at the beginning of the period	15,120	12,365
19,044	**12,038**	**Cash and cash equivalents net of bank overdrafts at the end of the period**	**19,044**	**12,038**
35,510	28,786	Cash and cash equivalents at the end of the period	35,510	28,786
(16,466)	(16,748)	Bank overdrafts at the end of the period	(16,466)	(16,748)

Cash flow from operating activities was positive, amounting to US$ 18.3 million in Q3 2019 (US$ (0.5) million in Q3 2018) and to US$ 38.4 million in the first 9 months of 2019 (US$ 0.4 million in 9 months 2018). This improvement is the result of the much stronger freight markets in the first 9 months of 2019 relative to the same period of last year.

The net ***Cash flow from investing activities*** was US$ 6.1 million in Q3 2019 (US$ (48.0) million in Q3 2018) and US$ (18.7) million in the first 9 months of 2019 (US$ (78.2) million in 9 months 2018). The 2019 amount comprises the capital expenditures in connection with the installments paid on the new-building vessel delivered in January 2019, which was sold and leased back upon delivery, partially off-set by US$ 15.2 million arising from the reduction of d'Amico Tankers' shareholders loan to DM Shipping, following the sale of its two vessels in Q2 and Q3 2019.

Cash flow from financing activities was negative, amounting to US$ (15.7) million in the first 9 months of 2019. This figure comprises mainly: (i) US$ 48.9 million net proceeds from the share capital increase completed in Q2 2019; (ii) US$ (31.9) million reimbursement of the financing previously granted by DIS' majority shareholder (d'Amico International S.A.); (iii) US$ (69.5) million in bank debt repayments (of which US$ 8.75 million were due to the reimbursement of the pre-delivery financing on M/T Cielo di Houston, which was sold and leased back; US$ 15.8 million were due to the reimbursement of the financing on M/T High Voyager, which was also sold and leased back; and US$ 4.9 million were due to the reimbursement of the loan on one of the vessels owned by Glenda International Shipping (the facility expired at the end of September whilst the sale of the ship was finalized in October 2019); (iv) US$ 35.1 million draw-down and repayment of financial leases, which mainly comprised the inception of the lease on M/T Cielo di Houston and M/T High Voyager; (v) US$ (2.7) million movement in financial receivables and payables, mainly relating to funds deposited by d'Amico Tankers d.a.c. with d'Amico Finance (please refer to the disclosures on related parties in the notes to the consolidated Financial Statements) in respect of interest rate swap contracts, offset by a US$ 4.4 million upstream loan received from Eco Tankers Limited, following the sale of its vessel (M/T High Sun) in Q2 2019.

SIGNIFICANT EVENTS OF THE FIRST NINE MONTHS

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

d'Amico International Shipping:

- **Board of Directors Meeting:** On February 8, 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 March 11, 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 March 20, 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 Share for every 11 Preferential Subscription Rights exercised (the "Ratio").

It was also communicated that the net proceeds of the Offering will have to 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 March 31, 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 May 9, 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 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, as well as 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 currently held in portfolio by the Company (n. 7,760,027 own shares without nominal value).

- **Second exercise period of DIS' Ordinary shares warrants 2017-2022:** On May 31, 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 amounts now to US$ 62,051,606.20, divided into 1,241,032,124 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.

- **'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 is now acting 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, 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.

- **'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 Tankers' 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 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.

- **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 though 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 her 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 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 Glencore Group, in which d'Amico Tankers holds a 50% participation, signed a memorandum of agreement of 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 Tankers d.a.c.:

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

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

	As at 30 September 2019				As at 13 November 2019			
	LR1	**MR**	**Handysize**	**Total**	**LR1**	**MR**	**Handysize**	**Total**
Owned	4.0	12.0	7.0	23.0	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	10.0	0.0	10.0
Short-term time chartered	0.0	5.0	1.0	6.0	0.0	4.0	1.0	5.0
Total	5.0	35.0	8.0	48.0	6.0	33.5	8.0	47.5

* with purchase obligation

Business Outlook

The IMF has stated in their October World Economic outlook that Global growth is forecasted at 3.0 percent for 2019, its lowest level since 2008 and a 0.3 percent downgrade from their April 2019 World Economic Outlook. A notable feature of the sluggish growth in 2019 is the sharp and geographically broad-based slowdown in manufacturing and global trade. A few factors are driving this. Higher tariffs and prolonged uncertainty surrounding trade policy have dented investment and demand for capital goods, which are heavily traded. Global growth in 2020 is projected to improve modestly to 3.4 percent, a downward revision of 0.2 percent from their April projections. However, unlike the current slowdown, this recovery is not broad based and is uncertain. Growth for advanced economies is projected to slow to 1.7 percent in 2019 and 2020, while emerging market and developing economies are projected to experience a growth pick up from 3.9 percent in 2019 to 4.6 percent in 2020.

The IEA, in their October report have reduced their oil demand growth forecasts for 2019 and 2020. They expect growth in 2019 to be the weakest since 2016, following evidence of a slowdown in several major consuming regions and countries, including Europe, India, Japan, Korea and the US.

In October, 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. 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 has resulted in an overall improvement in product tankers earnings.

Product tanker demand is expected to be boosted going into 2020 by impacts relating to the IMO 2020 sulphur cap, including higher global refinery throughput and gasoil trade in particular, with Clarksons projecting dwt demand to grow by 5.7% next year.

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

Product Tanker Demand

- In their latest report the IEA have reduced their oil demand growth forecasts for 2019 and 2020 by 65,000 b/d and 105,000 b/d, to 1 million b/d and 1.2 million b/d, respectively. They expect growth in 2019 to be the weakest since 2016, following evidence of a slowdown in several major consuming regions and countries, including Europe, India, Japan, Korea and the US. Oil demand growth in China is, in contrast, holding up at robust levels.

- According to Clarksons, total product tanker demand is projected to expand by 2.6% in 2019, with some support to products tonne-mile trade expected from growing Middle Eastern exports to Asia, and Asian exports to the US.

- According to the IEA's Oil Market October report, Global refinery throughput is expected to increase rapidly by 3.4 million b/d between October and December 2019 (+4.2%), and stay elevated throughout 2020, as refined products demand growth accelerates to 800,000 b/d next year, the highest increase since 2017.

- With the significant refinery capacity additions planned in the Middle East this year, Clarksons expects products shipments from the region to continue to expand firmly, by 10% and 7%, respectively, in 2019 and 2020.

- Asian products exports, which are now expected to be soft in 2019, are currently expected to expand by a healthy 5% in 2020 (Clarksons), with shipments projected to grow from a broad range of countries in the region.

- The International Maritime Organisation (IMO) has mandated that from 2020 vessels use marine fuels with less than 0.5% sulphur content outside the Emissions Control Areas (ECA), down from the current limit of 3.5%. Changes in this regulation is likely to lead to a surge in demand for very-low sulphur distillates and gasoil. It is expected to affect products trade patterns, regional refinery runs, storage patterns, and vessel productivity. In the last quarter of 2019, refining margins for diesel are expected to rise, and the new low sulphur fuel will start to be refined and distributed to ports worldwide, creating additional demand for seaborne transportation.

Product Tanker Supply

- According to Clarksons' estimates at the beginning of this year, 93 MRs and 14 LR1s were scheduled to be delivered in 2019.

- Actual deliveries in the first nine months of the year amounted to only 70 MRs, compared to 79 scheduled, and 9 LR1s, compared to 14 scheduled.

- According to Clarksons, planned deliveries and DIS' management conservative demolition assumptions, fleet growth in the MR and LR1 segments, should be of 2.5% in 2019 and 1.6% in 2020.

- Around 5% of the MR and LR1 fleet currently on the water (on a dwt basis) is older than twenty years.

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

- Scrapping coupled with a subdued order book and limited new build ordering should result in low fleet growth over the next two years.

- The International Maritime Organisation's (IMO) regulations that limit sulphur content in marine fuels to 0.5% from January 2020, could result in older less efficient ships being removed from trading as they become uncompetitive and are forced to burn the more expensive low sulphur fuels.

- Compliance with the IMO 2020 regulations can also be achieved through the installation of scrubbers on-board. Dry-docks required for such installations will when possible coincide with special surveys but would result in longer off-hire periods and reduce the effective supply of vessels.

- Port delays and any increase in the length of voyages, as more cargoes are exported from the Middle East, could reduce the ready supply of tonnage.

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

Q3 2019	Q3 2018	*US$ Thousand*	9 MONTHS 2019	9 MONTHS 2018
82,088	98,819	Revenue	260,506	301,181
(22,269)	(43,766)	Voyage costs	(74,380)	(120,479)
59,819	**55,053**	**Time charter equivalent earnings***	**186,126**	**180,702**
(7,842)	(33,900)	Time charter hire costs	(25,292)	(99,565)
(26,755)	(19,305)	Other direct operating costs	(80,879)	(61,372)
(3,234)	(3,978)	General and administrative costs	(9,114)	(12,078)
(551)	(103)	Result on disposal of fixed assets	(1,499)	149
21,437	**(2,233)**	**EBITDA***	**69,342**	**7,836**
(11,847)	(10,461)	Depreciation and impairment	(45,779)	(29,354)
(7,472)	-	Depreciation of right-of-use leased asset	(22,879)	-
2,118	**(12,694)**	**EBIT***	**684**	**(21,518)**
6	1,060	Net financial income	584	4,131
(10,414)	(10,463)	Net financial (charges)	(35,642)	(24,661)
(5)	1,342	Profit share of equity accounted investees	1,246	1,341
215	-	Reversal of impairment of loan to an equity accounted investee	934	-
(8,080)	**(20,755)**	**Profit / (loss) before tax**	**(32,194)**	**(40,707)**
(75)	(199)	Income taxes	(282)	(467)
(8,155)	**(20,954)**	**Net profit / (loss)**	**(32,476)**	**(41,174)**
The net result is attributable to the equity holders of the Company				
(0.007)	**(0.032)**	**Earnings /(loss) per share in US$ (1)**	**(0.026)**	**(0.064)**

see Alternative Performance Measures on page 9

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

Q3 2019	Q3 2018	*US$ Thousand*	9 MONTHS 2019	9 MONTHS 2018
(8,155)	(20,954)	Profit / (loss) for the period	(32,476)	(41,174)
		Items that can subsequently be reclassified into Profit or Loss		
438	(1,964)	Cash flow hedges	(4,479)	1,317
(58)	(86)	Exchange differences in translating foreign operations	(89)	(89)
(7,775)	**(23,004)**	**Total comprehensive income for the period**	**(37,044)**	**(40,042)**

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

(1) Basic earnings per share (e.p.s.) was calculated on an average number of outstanding shares equal to 1,241,032,214 in the first nine months of 2019 (645,455,291 shares in the first nine months of 2018) and on an average of 1,246,975,085 outstanding shares in the third quarter of 2019 (Q3, 2018: 646,068,256 outstanding shares). In Q3/nine months of 2019 and Q3/nine months 2018 diluted e.p.s. was equal to basic e.p.s..

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

US$ Thousand	**As at 30 September 2019**	**As at 31 December 2018**
ASSETS		
Property, plant and equipment	859,593	911,281
Right-of-use of leased assets	128,161	-
Investments in jointly controlled entities	4,385	3,228
Other non-current financial assets	17,928	9,655
Total non-current assets	**1,010,067**	**924,164**
Inventories	11,291	13,492
Receivables and other current assets	41,637	52,163
Other current financial assets	7,910	18,205
Cash and cash equivalents	35,510	31,713
Current Assets	**96,348**	**115,573**
Assets held for sale	28,282	-
Total current assets	**124,630**	**115,573**
TOTAL ASSETS	**1,134,697**	**1,039,737**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	62,052	65,376
Accumulated losses	(64,750)	(30,270)
Share Premium	368,855	316,697
Other reserves	(19,618)	(14,460)
Total shareholders' equity	**346,539**	**337,343**
Banks and other lenders	288,773	338,622
Non-current liabilities from financial leases	322,782	165,298
Shareholders' long-term loan	-	30,600
Other non-current financial liabilities	8,903	4,998
Total non-current liabilities	**620,458**	**539,518**
Banks and other lenders	63,361	91,238
Current liabilities from financial leases	39,208	8,369
Shareholders' short-term financing	-	1,280
Payables and other current liabilities	41,422	54,013
Other current financial liabilities	13,458	7,876
Current tax payable	130	100
Current liabilities	**157,579**	**162,876**
Banks associated with assets held-for-sale	10,121	-
Total current liabilities	**167,700**	**162,876**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**1,134,697**	**1,039,737**

13 November 2019
On behalf of the Board

Paolo d'Amico
Chairman, Chief Executive Officer

Carlos Balestra di Mottola
Chief Financial Officer

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

Q3 2019	Q3 2018	*US$ Thousand*	9 MONTHS 2019	9 MONTHS 2018
(8,155)	**(20,954)**	**Profit (loss) for the period**	**(32,476)**	**(41,174)**
14,938	10,461	Depreciation, amortisation and write-down	32,341	29,354
3,078	-	Depreciation of right-of-use leased assets	22,879	-
1,302	-	Impairment	13,438	-
75	133	Current and deferred income tax	282	374
5,486	-	IFRS 16 related finance lease costs	16,062	-
4,920	8,525	Other Financial charges (income)	19,190	20,303
2	879	Unrealised foreign exchange result	(194)	228
2,751	(1,343)	Profit share of equity accounted investment	1,499	(1,342)
(297)	-	Profit on disposal of fixed assets	(1,245)	-
-	-	Impairment reversal of a shareholder's loan to a related party	(719)	-
-	42	Movement in share option reserve	(607)	174
(1,114)	103	Movement in deferred result on disposal of S&L assets	-	(148)
22,986	**(2,154)**	**Cash flow from operating activities before changes in working capital**	**70,450**	**7,769**
101	(2,035)	Movement in inventories	2,201	(4,505)
4,277	9,501	Movement in amounts receivable	10,525	8,643
(481)	(302)	Movement in amounts payable	(16,338)	6,139
(5,490)	-	Net cash payment for the interest portion of the IFRS16 related lease liability	(16,066)	-
(35)	(132)	Taxes (paid) received	(252)	(106)
(3,035)	(6,262)	Net interest paid	(12,167)	(18,946)
-	884	Movement in other financial liabilities	-	1,448
18,323	**(500)**	**Net cash flow from operating activities**	**38,353**	**442**
(2,740)	(56,181)	Acquisition of fixed assets	(33,897)	(100,213)
-	8,107	Proceeds from disposal of fixed assets	-	21,857
-	-	Dividend from equity accounted investee	-	83
8,872	32	Movement in financing to equity accounted investee	15,176	94
6,132	**(48,042)**	**Net cash flow from investing activities**	**(18,721)**	**(78,179)**
1	211	Share capital increase	49,788	191
53	(33)	Other changes in shareholder's equity	(902)	(131)
-	11,739	Shareholders' financing	(31,880)	38,739
(400)	633	Movement in other financial receivables / related party *	(2,650)	4,699
-	197	Net movement in other financial payable	4,354	572
(13,166)	(43,625)	Bank loan repayments	(69,507)	(98,706)
-	49,238	Bank loan draw-downs	-	79,920
(722)	28,497	Proceeds from disposal of assets subsequently leased-back	62,954	55,850
(10,108)	(1,592)	Repayments of financial lease	(27,878)	(3,724)
13	-	Cash-flows as lessors	13	-
(24,329)	**45,265**	**Net cash flow from financing activities**	**(15,708)**	**77,410**
126	**(3,277)**	**Net increase/ (decrease) in cash and cash equivalents**	**3,924**	**(327)**
18,918	15,315	Cash and cash equivalents net of bank overdrafts at the beginning of the period	15,120	12,365
19,044	**12,038**	**Cash and cash equivalents net of bank overdrafts at the end of the period**	**19,044**	**12,038**
35,510	28,786	Cash and cash equivalents at the end of the period	35,510	28,786
(16,466)	(16,748)	Bank overdrafts at the end of the period	(16,466)	(16,748)

* Refer to note 1 of the consolidated annual report 2018 concerning a reclassification of all 2018 collateral amount from cash and cash equivalents to financial receivables.

INTERIM CONDENSED STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

US$ Thousand	Share capital	Retained Earnings / (Accumulated losses)	Share premium	Other Reserves *Other*	 *Cash-Flow hedge*	Total
Balance as at 1 January 2019 as previously reported	**65,376**	**(30,270)**	**316,697**	**(14,791)**	**331**	**337,343**
IFRS 16 Adjustment	-	(2,004)	-	-	-	(2,004)
Balance as at 1 January 2019 adjusted	**65,376**	**(32,274)**	**316,697**	**(14,791)**	**331**	**335,339**
Share option cost	-	-	-	(607)	-	(607)
Shareholders' contribution without issuance of shares*	(32,688)	-	32,688	-	-	-
Share capital increase	29,364	-	20,394	-	-	49,758
Cost of share issuance	-	-	(924)	-		(924)
Total comprehensive income	-	(32,476)	-	(72)	(4,479)	(37,027)
Balance as at 30 September 2019	**62,052**	**(64,750)**	**368,855**	**(15,470)**	**(4,148)**	**346,539**

* Reduction of the accounting value of each issued share from US$ 0.10 to US$ 0.05 and allocation of the corresponding amount to the Share premium

US$ Thousand	Share capital	Retained Earnings / (Accumulated losses)	Share premium	Other Reserves *Other*	 *Cash-Flow hedge*	Total
Balance as at 1 January 2018	**65,322**	**26,389**	**316,594**	**301,757**	**964**	**394,432**
IFRS15 adjustment	**-**	(1,559)	**-**	**-**	**-**	(1,559)
Balance as at 1 January 2018 adj.IFRS 15	**65,322**	**24,830**	**316,594**	**(14,837)**	**964**	**392,873**
Share capital increase	51	-		139	-	190
Cost of share issuance	-	-		(42)	-	(42)
Share option cost	-	-		174	-	174
Participation consolidated at equity	-	(496)		-	-	(496)
Total comprehensive income	-	(41,174)		(109)	3,934	(37,349)
Balance as at 30 September 2018	**65,373**	**(15,281)**		**301,918**	**4,898**	**356,909**

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

NOTES

d’Amico International Shipping S.A. (the “Company”, DIS) a Sociéte Anonyme, was incorporated under the laws of the Grand-Duchy of Luxembourg on 9 February 2007; its statutory seat is in Luxembourg. The ultimate parent company of the Group is d’Amico Società di Navigazione.

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

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

1. ACCOUNTING POLICIES

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

Basis of Preparation

The financial statements present the consolidated results of the parent company, d'Amico International Shipping S.A., and its subsidiaries for the period ended 30 September 2019.

The interim condensed consolidated financial statements have been prepared in accordance with IAS 34; they 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 2018.

Critical Accounting Judgments and Key Estimates

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

Segment Information

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

Accounting principles

The accounting policies adopted are consistent with those of the previous financial year, except for those described in the following paragraphs, which have a significant impact on the Group.

Accounting principles adopted from 1 January 2019

IFRS 16 – Leases, is effective for annual periods beginning on or after 1 January 2019 and has been adopted by the Group.

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, liability for payments in contracts previously classified as operating leases are now discounted at the inherent rate in the lease unless this is not readily determinable, in which case at the group's incremental borrowing rate at the date of initial application or commencement of the lease, leading to the recognition of a lease liability and a corresponding right of use asset (RoUA).

Within the Income Statement, Charter hire costs are replaced with other direct operating costs, interest and depreciation, so key metrics like TCE, EBITDA, EBIT and Net result have been affected (please refer to alternative performance measures on page 10). The interest portion of the financial leases is deducted from the Operating cash-flow, which however is higher than before, since the remaining cash payments for the lease liability are classified within financing activities.

The Group has adopted the modified retrospective approach for transition into IFRS 16, applying the standard from the beginning of 2019, not restating prior year financial information, but recognising an adjustment in equity at the beginning of the current period.

The Group decided to grandfather the definition of a lease on transition: as practical expedient those contracts that were previously identified as leases in accordance with IAS 17 are considered leases, and IFRS 16 is applied to all contracts, those entered into before and after the date of initial application of the new standard, to establish if such contracts are leases.

Therefore, for most contracts previously classified as operating leases under IAS 17, from January 1, 2019, a Right of Use (RoU) asset and a lease liability are recognised, where the right-of-use assets are estimated as the present value of minimum lease payments, plus any initial direct costs, dismantling or removal costs, less any incentive or pre-payment received, while the lease liabilities are measured as the sum of fixed payments, any residual value guarantee, the value of a purchase option, less any receivable incentive. The discount rate is DIS' (the lessee's) inherent rate in the lease, and for DIS' current contracts this discount rates varies between 5.3% and 9.8%, equivalent to a weighted average of 5.9%. When contracts include optional periods for the charterer, DIS has estimated the remaining term, assuming such options will be exercised, only if at the date of initial application, it is reasonably certain to exercise the renewal option and including a termination penalty in the lease liability only if at date of initial application, it assumes to exercise the termination option. Right-of-Use assets for which a purchase obligation or a bargain purchase option exist, substantially equate to owned vessels, and are included under the heading Plant, Property and Equipment. Right of use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the vessel, whichever is shorter.

The Group has also elected to use the following practical expedients:

- not to recognise as leases the contracts shorter than 12 months (short-term leases) and those with a value lower than US$ 5,000 (low-value items). For these contracts, the lease cost is recorded an expense, with no adjustment due to the transition.
- To exclude initial direct costs in the measurement of the right-of-use asset as at the date of initial application.

A non-lease component (service element) is excluded from initial calculation of the leased vessels, with reference to the time-charter rate; its amount is estimated at US$ 6,926/day flat, for all such contracts, in line with budgeted amounts for operating costs, for all owned vessels of the Fleet.

The net impact on Retained earnings at the beginning of the application period (January 1, 2019) was a decrease of US$ 2.0 million.

DIS, as a lessee, applies IAS 36 *Impairment of Assets* to determine whether the leased asset is impaired and to account for any impairment loss identified.

The previously detailed transitional provisions are not going to have an impact on future periods.

When applying IFRS 16, the Group made the following changes in presentation:

- In the Consolidated Income Statement, one additional line related to the depreciation of the right-of-use of leased assets;
- In the Consolidated Statement of Financial Position, an additional line item reflects the right-of-use;

- In the consolidated Statement of Cash-flows, additional line items related to the depreciation of right-of-use assets, the lease interest cost, the repayment of lease liabilities and lease interest paid. The part of the lease payments for the principal portion of the lease liability is presented as a cash-flow from financing activities and the part of the lease payments for the interest portion of the lease liability is presented as a cash-flow from operating activities as per the group's accounting policy regarding the presentation of interest payment.

As of 1 January 2019, the Group recognized US$ 328.3 million of right-of-use assets (of which US$ 153.0 million relating the application of IFRS16 and US$ 175.4 million for contracts previously classified as leases under IAS 17, and included within Property Plant and Equipment) and US$ 328.3 million lease liabilities, the latter being determined as follows:

	US$ million
Operating leases commitments disclosed as at 31 December 2018	339.7
Discounted using the lessee incremental borrowing rate at the date of initial application or inherent rate in lease	(11.4)
Less: short-term leases recognised on a straight-line basis as expense	-
= Lease liabilities as at 1 January 2019	328.3

The Group's income statement in the first nine months of 2019 was impacted by a shift of US$ 48.2 million from charter hire costs to US$ 22.4 million in other direct operating costs, US$ 22.9 million in depreciation of right-of-use leased assets and US$ 5.5 million in interest expense. As a result of such changes EBITDA and EBIT in the first nine months of 2019 were respectively US$ 26.3 million and US$ 3.4 million higher than they would have been, and the Profit/loss before tax and Net Result were both US$ 2.1 million lower than they would have been. Overall, IFRS 16 was cash-flow neutral for the Group.

We present below the main Profit or Loss line items for the first nine months of 2019, compared with pro-forma figures for the same items and for the same period, had IFRS 16 not been applied from 1 January 2019:

Items of Consolidated of Profit or Loss:

US$ Thousand	**9m 2019**	**9m 2019 without IFRS16 application**	**9m 2018**
….	….	….	….
Time charter hire costs	(25,292)	(73,444)	(99,565)
Other direct operating costs	(80,878)	(58,431)	(61,372)
General and administrative costs	(9,114)	(9,703)	(12,078)
Result on disposal of vessels	(1,499)	(1,499)	149
EBITDA*	**69,342**	**43,049**	**7,836**
Depreciation and impairment	(32,341)	(32,341)	(29,354)
Depreciation of right-of-use leased asset	(22,879)	-	-
….	….	….	….
EBIT	**684**	**(2,730)**	**(21,518)**
Net financial charges	(35,641)	(30,104)	(24,661)
…..	….	….	….
Profit / (loss) before tax	**(32,194)**	**(30,070)**	**(40,707)**
….	….	….	….
Net profit / (loss)	**(32,476)**	**(30,352)**	**(41,174)**

* Please refer to Alternative Performance Measures on page 9

We present below the main Statement of Financial Position line items as at 30 September 2019, compared with pro-forma figures for the same items as the same date, had IFRS 16 not been applied from the 1 January 2019.

Consolidated Statement of Financial Position

(US$ Thousand)	As at 30 September 2019	As at September 2019 without IFRS16 application	As at 31 December 2018
Right-of-use leased assets, including those reclassified as owned	359,901	231,411	-
…..	…..	…..	…..
Total non-current assets	1,038,435	909,945	924,164
…..	…..	…..	…..
Total assets	**1,165,287**	**1,036,798**	**1,039,737**
Retained earnings	(57,143)	(53,363)	(30,270)
…..	…..	…..	…..
Shareholders' equity	**354,327**	**358,107**	**337,343**
Non-current liabilities from financial leases	332,276	227,829	165,298
…..	…..	…..	…..
Non-current liabilities	644,370	539,922	539,518
Current liabilities from financial leases	39,567	11,744	8,369
…..	…..	…..	…..
Current liabilities	166,591	138,768	162,876
Total liabilities and shareholders' equity	**1,165,287**	**1,036,798**	**1,039,737**

Accounting principles, amendments and interpretations not yet effective

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

2. COMMITMENTS AND CONTINGENCIES

Capital commitments

As at 30 September 2019, the Group's capital commitments amounted to US$ 30.5 million, due over the next 12 months.

US$ Million	As at 30 September 2019	As at 31 December 2018
Within one year	30.5	58.2
Total	30.5	58.2

Capital commitments as at 30 September 2019 relate to the payment for one Hyundai-Mipo dockyard 75,000 dwt Product/chemical tanker newbuilding vessel, the M/T Cielo di Londra, delivered In October 2019.

13 November 2019

On behalf of the Board

Paolo d'Amico
Chairman, Chief Executive Officer

Carlos Balestra di Mottola
Chief Financial Officer

The manager responsible for preparing the company's financial reports, Mr. 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/third quarter 2019 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.

Carlos Balestra di Mottola
Chief Financial Officer