d'Amico
INTERNATIONAL SHIPPING S.A.

Annual Report 2022

d'Amico International Shipping S.A.

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2022 Annual Report

CONSOLIDATED AND STATUTORY FINANCIAL STATEMENTS

Year ended 31 December 2022

d’Amico International Shipping S.A.
Registered office at 25C Boulevard Royal, Luxembourg
RCS B124790
Share capital US$ 62,053,278.45 as at 31 December 2022

This document is available on www.damicointernationalshipping.com

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d'AMICO INTERNATIONAL SHIPPING NON-FINANCIAL STATEMENTS

Letter from our CEO

Dear Shareholders,

2022 was a very challenging year marked by the Russian invasion of Ukraine and the important repercussions it generated at a global level. Our prayers are with the Ukrainian population, and we yearn for the invasion to end soonest. One of the war's unintended consequences was that of stimulating the product tanker market, which already benefitted from strong fundamentals and was ripe for recovery. In 2022, d'Amico International Shipping was therefore finally able to reap some of the fruits of the key investment, financing, and commercial decisions taken in recent years. Last year we seized some attractive investment opportunities and further strengthened our balance sheet. We also reacted rapidly to the fast-changing environment by adapting our contract coverage strategy, to fully benefit from the rapidly strengthening freight markets. It is my pleasure to report on the remarkable results achieved by d'Amico International Shipping in 2022.

In 2022, DIS delivered the best financial result in the Group's history[2] , with a Net profit of US$ 134.9 million, compared with a Net loss of US$ (37.3) million posted in 2021. We achieved a daily spot rate of US$ 31,758 in 2022 vs. US$ 11,004 in 2021. At the same time, DIS had 34.0% of its employment days covered at an average daily rate of US$ 15,925 in 2022 (2021: 47.5% coverage at an average daily rate of US$ 15,194). Thus, the Group achieved a total blended daily TCE (spot and time-charter) of US$ 26,376 in 2022 compared with US$ 12,996 achieved in 2021. During the year, DIS intentionally refrained from increasing its contract coverage to increase its spot exposure in a rapidly rising market with strong fundamentals. DIS' results in the last quarter of the year were therefore exceptionally strong, with the Group achieving a blended rate on spot and time-charter contracts of US$ 38,294 during the period (Q4 2021: US$ 13,165), resulting in a Net profit of US$ 72.1 million (Q4 2021: Net loss of US$ (8.3) million).

Thanks to the strong freight markets of 2022 and in the first half of 2020, as well as to the deleveraging plan implemented in the last few years, through vessel disposals and equity capital increases, DIS can now benefit from the strategic and operational flexibility deriving from a strong balance sheet, a comfortable liquidity position and a very modern fleet. As at the end of 2022, DIS had a Net Financial Position (NFP) of US$ 409.9 million and Cash and cash equivalents of US$ 117.9 million vs. a NFP of US$ 520.3 million at the end of 2021. **DIS' NFP (excluding IFRS16 effects) to FMV ratio was of 36.0% at the end of 2022** vs. 60.4% at the end of 2021 (65.9% at the end of 2020, 64.0% at the end of 2019 and 72.9% at the end of 2018). In addition, given the strong market conditions and the positive medium-term outlook for our industry, vessel values rose markedly last year. In fact, DIS' fleet market value increased by ~33% in 2022 (adjusted for vessels sold) and according to the valuation report provided by a primary broker, the estimated market value of DIS' owned and bareboat fleet as at 31 December 2022 was of US$ 1,027.5 million.

During 2022 and at the very beginning of 2023, DIS has been very active in the sale and purchase market, through: i) the disposal of the two oldest vessels of our fleet, in line with DIS' strategic goal of owning and operating a very modern and 'eco' fleet; ii) the acquisition of the full control of Glenda International Shipping d.a.c, a JV with one of our long-term business partners which owned four MR vessels, at very attractive terms; iii) the exercise of our purchase options on two top-quality time chartered-in vessels at a price significantly lower than their current market value; iv) the exercise of purchase options on two modern bareboat chartered-in vessels, further reducing DIS' financial leverage and breakeven costs.

2 DIS' FY'08 restated financial statements showed a Net profit of US$ 147.8m, which included however US$ 98.4m 'profit on disposal of vessels'

We intend to take the opportunity arising from the current strong markets to further de-lever our balance sheet and lower our breakeven costs, to increase DIS' future competitiveness. In fact, **DIS has very flexible purchase options on all its remaining bareboat-in vessels, which we plan to gradually exercise in the next coming quarters.**

Looking at the **product tanker market**, after a rather weak start of the year, due to a temporary increase in Covid cases and the consequent restrictions to mobility implemented by several countries around the world, the product tanker market began to rapidly improve towards the end of Q1, as economies gradually reopened following the lifting of such restrictions. In addition, starting from the end of the first quarter, the outbreak of the war in Ukraine has been having a significant impact on the tanker markets, mostly due to inefficiencies, arising from suboptimal trading patterns and an increase in activities such as transhipments, as well as an increase in average distances sailed, as Europe sources from further away oil and refined products previously imported from Russia, which in turn finds buyers in more distant locations in Asia, mainly China and India. According to the IEA, EU imports of Russian oil declined from 4.1 million b/d in February 2022 to 2.2 million b/d in December 22 and 1.3 million b/d in January 2023 and the EU's share of Russian oil exports slipped to 16% in January 2023, compared to 50% in February 2022. In addition, the EU embargo on Russian product imports that came into force on February 5, 2023, is expected to result in much deeper declines and an additional ~1 mb/d of products will have to find new homes. **In this scenario, it is reasonable to expect the EU will increase in 2023 its product imports from refineries in Asia and the Middle East, boosting product tankers' ton-mile demand**. Despite the uncertain macroeconomic scenario and the current recessionary risks, especially in Europe and the US, the product tanker market is expected to remain strong in the coming months and quarters. In fact, any potential decrease in demand in these regions should be more than outweighed by an increase in consumption in Asia and especially in China, as it reopens its economy.

We remain very positive also on the longer-term outlook for our industry, as we see very positive fundamentals both on the demand and the supply side. The secular dislocation of refinery capacity further away from key consuming centres (Europe, USA, Australia) to mainly the Far East and the Middle East, will be extremely beneficial for product tankers' ton-mile demand. In addition, tonnage supply growth is expected to be very limited in the coming years and currently estimated at only 0.6% for 2023 (after a very modest 1.4% increase in 2022), amongst the lowest levels ever recorded. The orderbook to fleet ratio of the vessel segments we operate in (MRs and LR1s) currently stands at 3.2% and more than 35.5% of the existing tonnage is older than 15 years (measured in dwt)*. However, there is very limited ordering activity today, as market players are extremely reluctant to order given high newbuilding costs, emissions-regulation uncertainty, and limited yard availability for deliveries over the next two years (orders placed now would be delivered only in 2025). In addition, the increasing number and scope of environmental regulations imposed by international bodies, such as the IMO and the EU, could lead to a further acceleration in the scrapping of old, less efficient tankers and might force some of these vessels to slow-steam to reduce emissions.

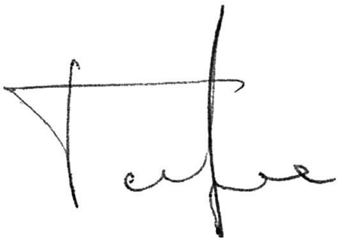
After the establishment of a dedicated department in the previous year, **during 2022 we continued to strengthen our commitment to ESG**. Our modern fleet and our constant focus on efficient fuel management led to a significant reduction in CO_2 emissions relative to the previous year. Furthermore, in 2022 we reached once again our health and safety goal of 'zero' injuries and environmental goal of 'zero' accidents and spills. On the social front, the high levels of employee satisfaction allowed us to achieve a high retention rate of 92% for both DIS' onshore and seagoing personnel. We are proud of the cultural diversity in our workforce with 19 nationalities represented as at the end of the year, including a balanced gender mix, with women representing 41.7% of our onshore employees.

* Estimates from Clarksons as at February 2022.

On the governance front, DIS is listed since 2007 on the Star segment, the most demanding of the Milan stock exchange, and has therefore adopted a first-class corporate governance framework. In detail, DIS has a nomination and remuneration committee and a control and risk committee, entirely composed by independent directors with a major influence on the Board of Directors' decisions, a supervisory committee, a constantly updated code of ethics, an organizational management and control model, a regularly updated anticorruption policy, a whistleblowing policy, a diversity policy, an internal auditor and long-term incentive-based remuneration scheme.

I am proud of the excellent results we have achieved in 2022 and I am confident DIS is extremely well positioned to take full advantage of the current strong markets, thanks to our very modern, top-quality and fuel-efficient fleet; our well-balanced, adaptable and proven commercial strategy; and our low financial leverage and strong balance sheet. I am very grateful to our remarkably talented teams onshore and ashore for their strong commitment to DIS. Their tireless efforts and dedication through the last very challenging years, resulted in the strong and successful Group we are all proud to be part of.

On behalf of the Board of Directors, I would also like to thank our Shareholders for their trust, and I am confident we will continue to achieve attractive returns for many years to come, generating lasting value for all of you.



Paolo d'Amico, Chairman of the Board of Directors and Chief Executive Officer

KEY NON-FINANCIAL FIGURES

GOVERNANCE Responsibility	2022
Cases of corruption, bribery or anti-competitive behavior	0
Instances for which fines were incurred	0

ENVIRONMENTAL RESPONSIBILITY (owned and bareboat vessels)	2022
EEXI Compliant ships (as at year-end)/ Eco ships	78.6%
EEDI - Pre-EEDI (%) (as at year-end)	7.1%
EEDI - Phase 1 ships (%) (as at year-end)	14.3%
EEDI - Phase 2 ships (%) (as at year-end)	60.7%
EEDI - Phase 3 ships (%) (as at year-end)	17.9%
EEDI/EEXI (g Co2/dwt tonne* miles)	(1.7%) from 2021
IMO classed fleet % (as at year-end)	78% vs 45% industry average
Fleet age (years)	7.6 vs 12.8 industry average
Fleet certified for the use of Biofuel blends up to B30 (%) (as at year-end)	21%
Fleet with installed water ballast treatment system (%) (as at year-end)	100%
EEOI (g C02/tonne* miles) (Spot employed)	(8.1%) from 2021
CO2 emissions per nautical mile (tCO2/ Nautical Mile)	(4.8%) from 2021
SOx emissions per nautical mile	+1.2% from 2021
Total waste per vessel (m3/vessels)	(15.4%) from 2021
Accident and spills	0
Number of marine casualties	0
Fresh water used	(2.8%)

SOCIAL RESPONSIBILITY	2022
Onshore personnel (as at year-end)	24
Seagoing personnel (as at year-end)	593
Seagoing personnel (overall during the year)	1,120
Nationalities within the personnel (as at year-end)	19
% of female employees onshore (as at year-end)	41.7%
Expenses on training for onshore and seagoing personnel (US$)	+75.0% from 2021
Work-related injuries	0

GROUP PROFILE

d’Amico International Shipping S.A. (individually the “Company” or “d’Amico International Shipping”, and when together with its subsidiaries “DIS”, “DIS Group” or “the Group”) is an international marine transportation company, part of the d’Amico Società di Navigazione SpA group (the “d’Amico Group”), which traces its origins to 1936. As at 31 December 2022, d’Amico International Shipping controls - mainly through d’Amico Tankers d.a.c. (Ireland), its fully owned subsidiary - a fleet of 36.0 vessels, of which 28.0 owned and bareboat vessels (with purchase obligations), with an average age of approximately 7.6 years, compared to an average in the product tankers industry of 12.8 years for MRs and LR1s (25,000 – 84,999 dwt). All DIS’ vessels are double-hulled and are primarily engaged in the transportation of refined oil products, providing worldwide shipping services to the major oil companies and trading houses. All the vessels are compliant with IMO (International Maritime Organization) regulations, including MARPOL (the International Convention for the Prevention of Pollution from Ships), with the requirements of oil-majors and energy-related companies and other relevant international standards. Based on MARPOL/IMO rules, cargoes such as palm oil, vegetable oil and other chemicals can only be transported by vessels that meet certain requirements (IMO Classed). As at 31 December 2022, 77.8% of DIS’ controlled fleet was IMO Classed, allowing the Group to transport a large range of products.

DIS' mission, vision and values are presented below.

Mission	Vision
Innovation, Trust, Care	**To be leader in the shipping sector**
To offer our clients excellent services through the professionalism of our people and a technologically advanced fleet, guaranteeing reliability, high standards of safety and protection of the environment.	*With passion and constant respect for the environment, provide a significant competitive advantage to our partners and offer our people an extraordinary career experience.*

Values	
Long-term vision	**Professional excellence**
Guided by the values of our family, we build our success on long-term planning and turning our promises into actions.	*We achieve excellence by encouraging our employees to be responsible, flexible and professional. We therefore prioritise the importance of developing their skills to promote professional growth.*
Focus on the environment and safety	**Ethics, transparency and reliability**
Care and attention, prudence and respect for the environment, are qualities imbedded in our daily operations. We aim to prevent any human injury, to avoid damage to the environment and to pursue a policy of zero incidents and zero spills at sea.	*A constant attention to business ethics is one of the pillars of our Company. We strive to respect commitments and maintain an open dialogue and transparency in business practices with all our stakeholders.*
Passion and commitment	**Team building and multi-culturalism**
We are passionate about shipping and we care about the people who are part of the Company. Success is achieved by encouraging involvement and commitment.	*As a global operator, we embrace the spirit of teamwork, and multi-cultural integration at all levels of the organisation, both in our offices and on board our vessels.*
Belonging	**Social responsibility**
Our daily work and our success are characterised by a strong sense of belonging between the Company and its staff.	*We have a strong sense of social responsibility, and therefore promote initiatives linked to culture, the environment and the assistance of those in need.*

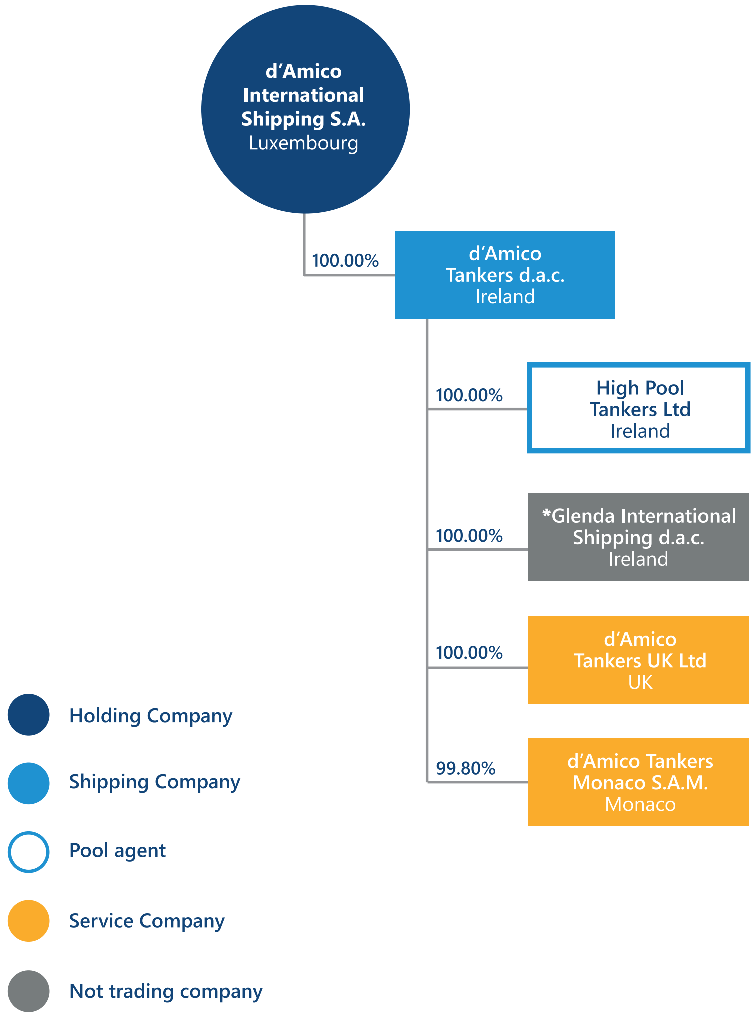
GLOBAL PRESENCE AND GROUP STRUCTURE

GRI 2-1 (2021); GRI 2-2

DIS has a presence in Luxembourg, Dublin (Ireland), London (U.K.), Monte Carlo (Monaco), Singapore, New York (USA) and Rome (Italy). These offices are located in the key maritime centres around the world. DIS provides transportation services employing all its vessels worldwide, rather than in specific geographical areas. DIS believes that its international presence allows it to meet the needs of its international clients in different geographical areas, strengthening the Company's recognition and its brand name worldwide. In addition, through the different opening hours of offices located in several time zones, DIS can continuously monitor its operations and assist its customers.

As at 31 December 2022, DIS employed 593 seagoing personnel and 24 onshore personnel. In addition, through related party contracts, DIS benefits from the services of employees of the d'Amico Group working in the administrative, chartering, operations, sale and purchase and technical departments of d'Amico Shipping Singapore, d'Amico Shipping USA, d'Amico Società di Navigazione SpA, Rudder SAM and d'Amico Shipping UK.

d'Amico International Shipping S.A. is a public limited company (Société anonyme). The Company, which has been duly incorporated on 9 February 2007 in Luxembourg is organized and governed in compliance with the Luxembourg laws and since its listing on 3 May 2007 on the STAR segment of the Italian Stock Exchange (Euronext Milan). As at 31 December 2022, d'Amico International S.A, which is fully-owned by Società di Navigazione S.p.A, controlled 65.65% of the capital (voting shares) of d'Amico International Shipping.



as of 31 December 2022

*Glenda International Shipping ceased trading on 22 September 2022, the date in which it sold the last of its vessels d'Amico Tankers d.a.c.

OUR BUSINESS

GRI 2-6 (2021)

DIS' business purpose is to operate, through its main subsidiary d'Amico Tankers d.a.c., a fleet of owned and chartered-in vessels, engaged in the transportation of refined petroleum products and vegetable oils.

DIS Group's revenue, amounting to US$ 334.8 million in 2022 (+91.3% from 2021) (please refer to DIS' Consolidated financial statements), is mainly generated from the employment, either directly or through its partnerships, of the vessels of its fleet under spot contracts and time charters, for the marine transportation of refined petroleum products. Vessels operating under fixed rate contracts, including time charters, usually provide more steady and predictable cash flows than vessels operating on the spot market. Spot contracts offer the opportunity to maximise DIS Group's revenue during periods of increasing market rates, although they may result in lower earnings than time charters during periods of decreasing rates. This employment mix varies according to prevailing and forecasted market conditions. Gains or losses can also arise from the sale of the vessels in DIS Group's fleet.

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

The quality of DIS Group's 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.

Total net revenue (time charter equivalent earnings)

	2020	2021	2022	Var 2022/21	Var 2022/20
Total net revenue (thousands of US$)	257,776	174,974	334,770	+91.3%	+29.9%

Total capitalization breakdown

	2020	2021	2022	Var 2022/21	Var 2022/20
Net financial indebtedness (thousands of US$)	561,543	520,288	409,850	(21.2%)	(27.7%)
Shareholders' Equity (thousands of US$)	365,734	332,382	478,315	+43.9%	+30.8%

Fleet

The DIS Group controlled as at 31 December 2022, either through ownership or charter arrangements, a modern fleet of 36.0 product tankers (31 December 2021: 37.0 product tankers). DIS Group's product tanker vessels range from approximately 36,000 to 75,000 dwt.

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

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

As at 31 December 2022, DIS directly employed 36.0 Vessels: 2 LR1s ('Long Range 1'), 5 MRs ('Medium Range') vessels on term contracts at fixed rates, whilst 4 LR, 19 MR and 6 Handy-size vessels were at the same date employed on the spot market.

Controlled fleet - number of vessels - at year-end

	2020	2021	2022	Var 2022/21	Var 2022/20
Controlled fleet	40	37	36	(2.7%)	(10.0%)

Controlled fleet dwt - at year-end

	2020	2021	2022	Var 2022/21	Var 2022/20
Controlled fleet DWT (mt)	2,064,390	1,919,319	1,872,703	(2.4%)	(9.3%)

Controlled fleet's available and employment days

	2020	2021	2022	Var 2022/21	Var 2022/20
Available days	15,803	13,920	13,040	(6.3%)	(17.5%)
Employment days	15,194	13,503	12,785	(5.3%)	(15.9%)

Distance sailed

	2020	2021	2022	Var 2022/21	Var 2022/20
Ballast (Nautical Miles)	636,936.7	523,182.9	572,472.8	+9.4%	(10.1%)
Laden (Nautical Miles)	1,130,574.1	999,702.2	926,000.8	(7.4%)	(18.1%)
Port (Nautical Miles)	n.a.*	39,841.7	35,363.4	(11.2%)	-
Total	**1,767,510.8**	**1,562,726.8**	**1,533,837.0**	**(1.8%)**	**(13.2%)**

*distance sailed from anchorage to the terminal. For 2020, PORT miles were not monitored as a separate item, they are included in the voices LADEN and BALLAST

Cargo loaded

	2020	2021	2022	Var 2022/21	Var 2022/20
Cargo loaded (tons)	13,908,032.7	12,799,311.8	12,190,263	(4.8%)	(12.4%)

Products transported[2]

	2020	2021	2022
Gasoil	33.1%	39.9%	36.6%
Unleaded Gasoline	24.7%	22.0%	25.9%
Naphta	17.5%	12.8%	13.4%
Fuel oil	15.0%	11.2%	13.4%
Jet A1	4.9%	7.2%	6.4%
Vegetable oil	3.3%	3.7%	2.2%
Gasoline components	1.4%	2.7%	1.4%
Easy chemicals	0.2%	0.6%	0.7%

The following table sets forth information about DIS' fleet on the water as at 31 December 2022.

DIS' Fleet

LR1 fleet

Name of vessel	Dwt	Year of construction	Builder, Country	IMO classed
Owned				
Bright Future[3]	75,000	2019	Hyundai Mipo, South Korea (Vinashin, Vietnam)[4]	-
Cielo di Cagliari	75,000	2018	Hyundai Mipo, South Korea (Vinashin, Vietnam)	-
Cielo Rosso	75,000	2018	Hyundai Mipo, South Korea (Vinashin, Vietnam)	-
Cielo di Rotterdam	75,000	2018	Hyundai Mipo, South Korea (Vinashin, Vietnam)	-
Cielo Bianco	75,000	2017	Hyundai Mipo, South Korea (Vinashin, Vietnam)	-
Bareboat with purchase options and purchase obligations				
Cielo di Houston	75,000	2019	Hyundai Mipo, South Korea (Vinashin, Vietnam)	-

2 % estimated on a selection of the top 8 products transported.

3 Ex-Cielo di Londra.

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

EMARKET SDIR CERTIFIED

MR fleet

Name of vessel	Dwt	Year of construction	Builder, Country	IMO classed
Owned				
High Challenge	50,000	2017	Hyundai Mipo, South Korea (Vinashin, Vietnam)	IMO II/III
High Wind	50,000	2016	Hyundai Mipo, South Korea (Vinashin, Vietnam)	IMO II/III
High Tide	51,768	2012	Hyundai Mipo, South Korea	IMO II/III
High Seas	51,678	2012	Hyundai Mipo, South Korea	IMO II/III
GLENDA Melissa	47,203	2011	Hyundai Mipo, South Korea	IMO II/III
GLENDA Meryl	47,251	2011	Hyundai Mipo, South Korea	IMO II/III
GLENDA Melody	47,238	2011	Hyundai Mipo, South Korea	IMO II/III
GLENDA Melanie	47,162	2010	Hyundai Mipo, South Korea	IMO II/III
High Adventurer [5]	50,000	2017	Onomichi, Japan	IMO I/III
Bareboat with purchase options and purchase obligations				
High Trust	49,990	2016	Hyundai Mipo, South Korea (Vinashin, Vietnam)	IMO II/III
High Trader	49,990	2015	Hyundai Mipo, South Korea (Vinashin, Vietnam)	IMO II/III
High Loyalty	49,990	2015	Hyundai Mipo, South Korea	IMO II/III
High Freedom[6]	49,990	2014	Hyundai Mipo, South Korea	IMO II/III
High Discovery	50,036	2014	Hyundai Mipo, South Korea	IMO II/III
High Fidelity	49,990	2014	Hyundai Mipo, South Korea (Vinashin, Vietnam)	IMO II/III
High Voyager [7]	45,999	2014	Hyundai Mipo, South Korea	IMO II/III
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 [8]	50,000	2018	Onomichi, Japan	IMO II/III
Crimson Pearl	50,000	2017	Minaminippon Shipbuilding, Japan	IMO II/III
Crimson Jade	50,000	2017	Minaminippon Shipbuilding, Japan	IMO II/III
TC-in long-term without purchase options				
Green Planet	50,843	2014	Daesun Shipbuilding, South Korea	IMO II/III
High Prosperity	48,711	2006	Imabari, Japan	-
High SD Yihe	48,700	2005	Imabari, Japan	-

5 In September 2022, d'Amico Tankers d.a.c. exercised its purchase option on the MT High Adventurer, with delivery occurred in December 2023.

6 In January 2023, d'Amico Tankers d.a.c. exercised its purchase option on the MT High Freedom, with delivery expected in April 2023

7 In December 2022, d'Amico Tankers d.a.c. exercised its purchase option on the MT High Voyager, with delivery occurred in January 2023.

8 In January 2023, d'Amico Tankers d.a.c. exercised its purchase option on the MT High Explorer, with delivery expected in May 2023.

Handy-size fleet

Name of vessel	Dwt	Year of construction	Builder, Country	IMO classed
Owned				
Cielo di Salerno	39,043	2016	Hyundai Mipo, South Korea (Vinashin, Vietnam)	IMO II/III
Cielo di Hanoi	39,043	2016	Hyundai Mipo, South Korea (Vinashin, Vietnam)	IMO II/III
Cielo di Capri	39,043	2016	Hyundai Mipo, South Korea (Vinashin, Vietnam)	IMO II/III
Cielo di Ulsan	39,060	2015	Hyundai Mipo, South Korea (Vinashin, Vietnam)	IMO II/III
Cielo di New York	39,990	2014	Hyundai Mipo, South Korea	IMO II/III
Cielo di Gaeta	39,990	2014	Hyundai Mipo, South Korea	IMO II/III

Fleet Employment

Some of DIS' vessels are employed through its joint venture GLENDA International Shipping d.a.c., a jointly controlled entity with the Glencore Group, in which d'Amico Tankers d.a.c. has a 50% interest. However, in August 2022 d'Amico Tankers d.a.c. gained control of 100% of Glenda International Shipping d.a.c. through the redemption of the shares owned by Topley Corporation in the JV. Subsequently, in September 2022, the four MR vessels owned by GLENDA International Shipping d.a.c. and built between February 2010 and February 2011, were acquired by d'Amico Tankers d.a.c.

d'Amico International Shipping is part of the d'Amico Group, one of the world's leading privately-owned marine transportation companies, with over 80 years of experience in the shipping business, whose ultimate parent company is d'Amico Società di Navigazione S.p.A. (Italy). As at 31 December 2022, the d'Amico Group controlled a wide fleet of owned and chartered-in vessels, of which 36.0 were part of the DIS fleet, operating in the product tanker market.

d'Amico International Shipping also benefits from the expertise of the d'Amico Group, which provides technical management services, including crewing and insurance arrangements, as well as safety, quality and environmental services for DIS' vessels.

The Product Tankers Industry

Product tankers have coated tanks and primarily carry a range of refined petroleum products, typically gasoline, jet fuel, kerosene, fuel oil, and naphtha. Provided they are classified as IMO II/III they can also carry easy chemicals and edible oils. The seaborne movement of refined oil products between different world regions addresses demand and supply imbalances, mainly caused by the lack of resources or refining capacity in consuming countries. Additional 'arbitrage' also occurs, taking advantage of differences in price and specific product demand between refining centres.

Within the product tankers industry, d'Amico International Shipping operates primarily Medium Range vessels, which comprises sizes ranging from 25,000 dwt to 55,000 dwt. This specific vessel size provides the greatest flexibility in terms of trade routes and port access. In addition, DIS had as at year-end 2022, six Long Range 1 (LR1 – 75,000 dwt) vessels which also offer a degree of flexibility, whilst providing better economies of scale on longer voyages.

The product tanker industry

Product tanker class (dwt)	Characteristics	Voyages	Flexibility	Arbitrage voyages	% World fleet [9]
Short range (SR) 10,000 – 25,000	Trades in specialised markets regionally Focused primarily on the distribution side	Only short	High	No	21.0%
Medium range (MR) 25,000 – 55,000	Access to more ports than larger vessels Better economies of scale over medium and longer distances versus SR vessels	Short and long	High	Yes	48.2%
Long range (LR) 55,000 – 120,000	Better economies of scale over longer haul voyages	Short and long	Medium (LR1) Low (LR2)	Yes	30.8%

9 Source: Clarksons Research, as of January 1, 2022. Percentage of total product tankers (4,963 vessels) excludes vessels with stainless steel tanks.

CORPORATE GOVERNANCE

GRI 2-9 (2021); ESRS G1-1; ESRS G1-2; ESRS G1-5

The Company, incorporated on 9 February 2007 in Luxembourg, **is organized and governed in compliance with Luxembourg laws.** Since its listing on 3 May 2007 on the STAR segment of the Italian Stock Exchange (Euronext Milan), it is also subject to disclosure obligations related to corporate actions and periodic information as established by Luxembourg and Italian laws, as applicable from time to time. Moreover, the Company has decided to generally comply with the principles and recommendations of the **Borsa Italiana Corporate Governance Code** (the "Corporate Governance Code" available in its latest version at www.borsaitaliana.it), as the implementation of some of its principles and recommendations is essential to remain listed on the Euronext STAR Milan segment.

The legal provisions applicable as a result of the Company's incorporation in Luxembourg may affect its corporate governance structure. If the Company's system of corporate governance deviates from the recommendations and practices mentioned above with respect to a specific matter, it will provide the specific reasons for each deviation, as well as all relevant information, in the Corporate Governance Report available on the Company's website.

The Company has adopted a corporate governance system based on the active role of the **Board of Directors** (hereinafter referred also as the **"Board"**), currently comprising six members, three of whom are executives and three are non-executives and independent. In addition, the Company has established a **Nomination and Remuneration Committee** and a **Control and Risk Committee** (following the "**Committees**"), both of which are within the Board of Directors and made up of the same three members, all of whom are qualified as independent. These committees are not responsible for decision-making on economic, environmental, and social topics, but the Control and Risk Committee is entrusted with the task of providing support and assistance to the Board of Directors in assessing the suitable and correct representation of the Company's business model, its strategies, the impact of its business and the performance achieved in the periodic financial and non-financial information as well as in the examination of the content of the periodic non-financial information relevant to the internal control and risk management system. The Company's annual consolidated accounts are duly audited by an **External Auditor**, in accordance with the laws and regulations in force in Luxembourg. Furthermore, the Company has appointed a **Supervisory Committee** under the terms of Decree 231.

The Company has also identified:

- a **Chief Risk Officer**, who is also the Chairman of the Board of Directors and Chief Executive Officer;
- an **Internal Audit Manager** who is an employee of the ultimate parent company of the d'Amico Group, d'Amico Società di Navigazione S.p.A.;
- a **Chief Financial Officer**, who is the manager in charge of the preparation of the Company's financial reports;
- an **Investor Relations Manager**, who reports directly to the Chief Financial Officer.

The functioning, size and composition of the Board of Directors and its Committees are the subject of a self-assessment to be carried out (pursuant to the Borsa Italiana Corporate Governance Code) by the Board of Directors itself at least every three years, before its renewal. Such assessment is coordinated by the Chairman of the Board of Directors and supported by the Nomination and Remuneration Committee with the purpose of proposing an optimal list of candidates – in case of renewals – and, in general, of improving the performance and effectiveness of the Board of Directors itself and of its Committees. This self-assessment must also include an evaluation of the Board's active involvement in the definition of the Company's strategy and in monitoring the Company's business as well as of the appropriateness of its internal control and risk management system.

The Board of Directors' self-evaluation process is going to be formalised in a written procedure during 2023 but it is already mentioned in the Board of Directors' Regulation available on the Company's website.

DIS' Policies, Regulations and Procedures

The main policies and regulations formally adopted by the Company are the following:

- Regulation of important and significant transactions and of transactions with related parties;
- Regulation of the Board of Directors;
- Regulation of Shareholders' meetings;
- Nomination and Remuneration Committee regulation;
- Control and Risk Committee regulation;
- Supervisory Committee regulation;
- Internal Dealing Code;
- Internal regulation governing inside information and the set-up of a list of persons who have access to insider information;
- General Remuneration Policy;
- Internal Control Guidelines;
- Internal Auditor Mandate;
- Organizational Management and Control Model pursuant to Decree 231;
- Code of Ethics;
- Privacy regulation;
- Diversity policy;
- Assignment of Powers and Delegations Regulation;
- Whistleblowing policy and respective procedure;
- Sanctions Policy.

Besides additional less relevant policies, DIS adopted also a set of procedures. All of DIS' policies and procedures are included in its Integrated Management System.

The following are the roles, functions and working methods of the various Bodies and Committees.

BOARD OF DIRECTORS

GRI 2-10 (2021); GRI 2-11; ESRS G1-3; ESRS G1-10; ESRS 2-GOV-1

The Company's system of corporate governance centers on the active role of the Board of Directors, which is vested with broad powers **to perform any action necessary or useful for accomplishing the Company's objectives, values, and mission with the ultimate purpose of creating sustainable success and value for its shareholders,** providing strategic guidance for the Company, and controlling operations. The Board of Directors has the power to direct the business as a whole and intervene in any decision necessary to promote the Company's purpose and the transparency of operational decisions within the Company and in relation to the market.

The main task of the Board of Directors is to define the nature and level of risk that is compatible with the Company's strategic objectives, particularly with regards to medium/long-term sustainability and the assessment of the effective functioning of the Internal Control and Risk Management System. It is assisted in this task by the activities of the internal control bodies, particularly by the Internal Audit Division, the Control and Risk Committee, and the Chief Risk Officer.

Composition of the Board of Directors

Gender	2020		2021		2022	
	Nr	%	Nr	%	Nr	%
Male members	6	100%	5	83%	5	83%
Female members	0	-	1	17%	1	17%

Composition of the Board of Directors

Role and independence	2020		2021		2022	
	Nr	%	Nr	%	Nr	%
Executive members	3	50%	3	50%	3	50%
Non-executive members	3	50%	3	50%	3	50%
Independent members	3	50%	3	50%	3	50%

Composition of the Board of Directors

	2020	2021	2022
Average tenure of the members (years)	11	6	9

Appointment and replacement

Regarding the appointment procedure, the Company complies with the provisions of the Luxembourg laws and regulations, the Articles of Association, and the recommendations of the Corporate Governance Code. The appointment of directors is regulated by a transparent procedure which, among other things, ensures timely and adequate information on the personal and professional qualifications of candidates. The **Nomination and Remuneration Committee** performs a useful coordinating, consultative, and advisory role, supporting the Board of Directors in defining the Board's optimal size and identifying its best composition, indicating the professional skills whose presence may favour a correct and effective function, in accordance with the recommendations of the Corporate Governance Code. The Nomination and Remuneration Committee also performs a role in case any member of the Board of Directors needs to be co-opted.

Nomination process

The Articles of Association establish that the **annual general meeting of Shareholders** elects the members of the Board of Directors for a period not exceeding six consecutive years and does not specify any requirements of independence, honorability, and professionalism. However, when appointed, each director signs and provides the Company with a declaration in which they declare the absence of causes of incompatibility or causes that might prevent their appointment to the position of director of a listed company and to fulfil the requirements of honourability and professionalism established by the applicable legislation and best practice for the position of director of a listed company. In addition, directors who are classified as independent sign a declaration of independence in accordance with the requirements of Article 3 of the Corporate Governance Code.

Members are eligible for re-election and may be removed at any time, with or without cause, by means of a resolution of a general meeting of Shareholders. In case of a vacancy on the Board of Directors, the Board of Directors itself may appoint a new director, provided that the next following general Shareholders' meeting confirm such appointment (co-optation). According to Luxembourg companies' law, the Board of Directors itself proposes a list of candidates upon specific advice received by the Nomination and Remuneration Committee, by virtue of the Company's internal regulations.

Due to the highly concentrated ownership of the Company and since the Company already benefits from the services of the **Nomination and Remuneration Committee**, which plays a key advisory role in identifying the optimal composition of the administrative body, for the time being the Board of Directors has not adopted a plan for the succession of its executive directors, who were lastly nominated for a three-year period in 2021. The Company confirms its intention to continue following this approach. To ensure the continuity of the work of the Board of Directors, including in case a member needs to be replaced before the end of his term, the Board of Directors constantly monitors potential internal and external candidates.

Chairman of the Board of Directors

The Board of Directors, at their meeting on 6 May 2021, resolved to confirm the appointment of **Mr. Paolo d'Amico** as Chairman of the Board of Directors. The **Chairman exercises final indirect joint control** over the Company, defines **business and financial strategies**, and is involved in **the day-to-day management** of the Company, also serving as the Chief Executive Officer and Chief Risk Officer. This choice guarantees a continuity in the Company's management, which has been led since 2007 by Mr Paolo d'Amico.

Managing Directors

At the Board of Directors meeting held on 6 May 2021, **Mr. Paolo d'Amico** was assigned the position of **Chief Executive Officer** in charge of the Company's daily management with the power to bind the Company under his single signature up to amounts of US$ 5,000,000 for single transactions, and the power to establish an internal control and risk management system in his capacity as **Chief Risk Officer.**

At the same meeting, **Mr. Antonio Carlos Balestra di Mottola** was re-appointed as the Company's **Chief Financial Officer**, and was granted a special power of attorney with power of substitution to:

- prepare draft quarterly, half-yearly, and annual reports and budget forecasts to be further submitted to the Board of Directors;
- choose and adopt financial, accounting, and tax policies deemed appropriate for the Company in accordance with the relevant applicable law and regulation, coordinate these policies with its subsidiaries and if required, submit them for approval to the Board of Directors and the Control and Risk Committee.

Within the Board of Directors, **Mr. Cesare d'Amico**, although not having any delegated power within the Company, **must also be considered an executive director,** since, as the Chairman, he exercises final indirect joint control over the Company and has a specific role in defining its operating strategies. He is systematically involved in the ordinary running of the Company and manages roles in the Company's controlling entity.

Independent Directors

The three non-executive and independent members of the Board of Directors are Marcel C. Saucy, Tom Loesch, and Monique I.A. Maller. Non-executive directors bring their specific expertise to the Board of Directors' discussions and **contribute to decision-making that is consistent with the shareholders' interests**. The number and standing of the non-executive directors are such that their views carry significant weight in Board of Directors decisions. An adequate number of independent directors is essential to protect the Shareholders' interests, particularly minority and third-party interests, ensuring that potential conflicts between the Company's interests and those of the controlling Shareholder are assessed impartially.

Furthermore, the contribution of independent directors is fundamental to the composition and functioning of the advisory committees tasked with preliminarily examining and formulating proposals regarding risks. These Committees represent one of the most effective means of combating potential conflicts of interest. Finally, independent directors contribute their specific professional expertise to the Board of Directors, helping it to adopt resolutions that are consistent with the Company's interests. All the independent directors have committed to maintaining the independence requisites during their entire period in office and to resigning in the event of a lack of one of these requisites.

In accordance with the Corporate Governance Code, the Board of Directors in its meeting of 6 May 2021, appointed Mr. Marcel C. Saucy as **Lead Independent Director** in charge of coordinating the activity and requests of the independent directors. This position is intended to provide a point of reference and coordination for the needs and inputs of the independent directors. The Lead Independent Director calls special meetings of the independent directors to discuss issues related to the functioning of the Board of Directors or to the management of the business.

The following scheme shows the composition of the Board of Directors as well as the number of relevant offices held by each of the directors in other companies, that – in accordance with the recommendations of the Corporate Governance Code of Conduct and pursuant to the Articles of Associations – may not be more than fifteen.

Name and date of birth	Office	First appointment	Last appointment from/to	Executive	Independence in accordance with Corporate Governance Code	N° of other important offices[10]
Paolo d'Amico 29/10/1954	Chairman, Chief Executive Officer and Chief Risk Officer	23/02/2007	20/04/2021 31/12/2023	Yes	No	-
Cesare d'Amico 6/3/1957	Director	23/02/2007	20/04/2021 31/12/2023	Yes	No	2
Antonio Carlos Balestra di Mottola 11/12/1974	Chief Financial Officer	04/05/2016	20/04/2021 31/12/2023	Yes	No	-
Monique I.A. Maller 4/2/1956	Director	20/04/2021	20/04/2021 31/12/2023	No	Yes	-
Marcel C.Saucy 15/9/1955	Lead Independent Director	20/04/2021	20/04/2021 31/12/2023	No	Yes	2
Tom Loesch 26/4/1956	Director	20/04/2021	20/04/2021 31/12/2023	No	Yes	6

10 This column indicates the number of offices of director or auditor held by the person in question in other companies listed in regulated markets, including abroad and in financial, banking and insurance companies or significantly large companies. Updated as at 31/12/2022.

Induction activities

During the first year of appointment of the current Board members (2021) the following specific inductions for independent Directors were organized:

- **on the duties and responsibilities** inherent in the office of member of the administrative body and of the internal committees of a company listed in Italy. The training session – with the participation of the HR Director, DIS' Group CFO and its Internal Auditor Director – was aimed at providing, in line with the recommendations of the Corporate Governance Code, an overview of DIS' corporate governance policies as well as on specific topics relating to the Borsa Italiana Corporate Governance Code, the duties and responsibilities of directors, especially those independent, transactions with related parties, remuneration policy, internal dealing transactions and management of privileged information, including the corporate disclosure of such information, as well as risk mapping and internal control issues relating to the Italian Legislative Decree 231/2001;
- on DIS' **commercial management of vessels**, held by the Chief Operating Officer;
- on DIS' **operational management of vessels**, held by the head of the Operations Department;
- on DIS' **Long-Term Incentive Plan**, held by the CFO and the Human Resources Director;
- **on shipping disputes and insurance matters**, held by the Legal and Insurance Department;
- **on intercompany contracts**, from a related parties and transfer pricing perspective, held by the CFO;
- on the compliance of the Company with the **Decree 231**, held by the Supervisory Committee.

OTHER GOVERNANCE BODIES

Other governance bodies include:

- Nomination and Remuneration Committee;
- Control and Risk Committee;
- Supervisory Committee.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee has the duty to assist, express opinions, and make proposals to the Board of Directors with regards to:

- the **identification of candidates** in case of co-optation of a member of the Board of Directors;
- the definition of the optimal **size and composition** (in terms of professional skills deemed necessary) of the Board of Directors;
- the coordination of the process of **overall evaluation** of the Board of Directors and its internal Committees;
- the **proposal of candidates** to the role of directors by the outgoing board, ensuring the transparency of the process that led to its structure and proposition;

- the development of the general **policy for the remuneration** of members of the Board of Directors and of DIS Group's Key Managers and periodical monitoring and assessment of its adequacy and overall consistency;
- the **identification of the performance targets** related to the variable component of the remuneration of the executive members of the Board of Directors and of DIS Group's Key Managers;
- the **allocation** of the fixed component of the executive members of the Board of Directors' remuneration;
- the **periodical monitoring** of the actual application of the general remuneration policy of members of the Board of Directors and Key Managers with regards to, in particular, the remuneration of executive members of the Board of Directors, ensuring that it complies with the provisions of the General Remuneration policy adopted by the Company, and to the achievement of the performance targets related to the variable component of the remuneration of executive members of the Board of Directors and of Key Managers.

Furthermore, the Nomination and Remuneration Committee reports on its activity to the Board of Directors once a year, upon the approval of the annual financial report.

Control and Risk Committee

The Control and Risk Committee has the duty to assist, express opinions and make proposals to the Board of Directors with regards to:

- the **appointment and revocation** of the Internal Audit Manager, constantly monitoring the autonomy, adequacy, efficiency, and effectiveness of the Internal Audit function;
- the definition of the **Internal Audit Manager's remuneration** as well as in the annual approval of the Internal **Audit work plan**, also by asking the Internal Audit manager to include specific controls on defined operational areas:
- the **examination** of the Internal Audit periodic or particularly significant **reports**;
- the **definition of the guidelines** of the internal control and risk management system assessing the adequacy of the system with respect to the Company's risk strategy at least twice a year, upon the approval of the annual and half-year financial report, while reporting to the Board of Directors also on the activities carried out;
- the **evaluation of the Company's risk strategy and management policy** with regards to the identification of its main risks;
- **monitoring the independence of the external auditor** and their selection process according to what is established by the Luxembourg law of 23 July 2016 on the audit profession;
- the **evaluation** of the correct application of the accounting principles and their homogeneity for the purpose of preparing the consolidated **financial statements** with the assistance of the external auditors and of the manager in charge of the preparation of the DIS Group's financial reports;
- the evaluation of the **findings reported in the external auditor's report** and in any of their written observations.
- the **assessment of the suitable and correct representation** of DIS Group's business model, its strategies, the impact of its business and the performance achieved, in its periodic financial and non-financial information;

- **examining** the content of the **periodic non-financial information** relevant to the internal control and risk management system;
- the process of assignment of the supervisory functions pursuant to **article 6 of Italian Legislative Decree 231/2001** to a body established specifically for this purpose (the Supervisory Committee);
- the process for approval of **major transactions** and significant transactions with related parties in which the Company or its subsidiaries are involved in accordance with the internal rules governing such transactions.

Furthermore, the Committee reports to the Board of Directors twice a year, upon the approval of the Company's annual and half-year financial report, on its activity and on the adequacy of its internal control and risk management system.

Name	Office	Nomination and Remuneration Committee	Control and Risk Committee
Monique I.A. Maller	Non-executive director – independent in accordance with the Corporate Governance Code	Member	President
Marcel C.Saucy	Non-executive director – independent in accordance with the Corporate Governance Code	Member	Member
Tom Loesch	Non-executive director – independent in accordance with the Corporate Governance Code	President	Member

Supervisory Committee

The Supervisory Committee has the function of **monitoring the effective implementation and constant updating of the 231 Model**. Its appointment was approved by the Board of Directors upon the proposal of the Nomination and Remuneration Committee in 2008, pursuant to the Italian Legislative Decree No. 231 of 8 June 2001 (the "Decree 231"). Its specific duties include the supervision of the implementation, application, adequacy, and effectiveness of the 231 Model. In greater detail, among the Committee's other duties, it must:

- supervise the effectiveness of the 231 Model by promoting the implementation of control procedures for specific actions or acts identified as sensitive;
- periodically check its efficiency and adequacy;
- assess whether it needs to be updated;
- ensure necessary information flows with other Company functions, also by promoting appropriate initiatives for raising awareness and understanding of the 231 Model in the Company.

The Supervisory Committee is collegial in form and currently consists of three members appointed by the Board of Directors on 7 May 2020 for a further three-year period ending on the ordinary general meeting approving the 2022 financial statements. The Committee's members are identified following a due assessment and consideration of the requirements established for such function by the Decree 231, which are those of autonomous initiative, independence, professionalism, continuity of action, absence of conflicts of interest, and integrity. The said members are Mr. Nicola Pisani (the Chairman of the Supervisory Committee, lawyer, and professor of criminal law external to the Company and its Group), Mr. Maurizio Andrea Bergamaschi (the former Head of the d'Amico Group's Legal Department), and Mrs. Anna Alberti (a member of d'Amico Group's Legal Department).

Composition of the Supervisory Committee (as at year-end)

Gender	2020		2021		2022	
	Nr	%	Nr	%	Nr	%
Male members	2	67%	2	67%	2	67%
Female members	1	33%	1	33%	1	33%
Total	**3**	**100%**	**3**	**100%**	**3**	**100%**

Composition of the Supervisory Committee (as at year-end)

	2020	2021	2022
Average tenure of the members (years)	9	10	11

Number of meetings of the administrative, management and supervisory Bodies and their Committees

	2020	2021	2022
Board of Directors	4	4	4
Control and Risk Committee	2	2	2
Nomination and Remuneration Committee	2	2	3
Supervisory Committee	5	5	4

% of members who participated at each meeting

	2020	2021	2022
Board of Directors	100%	100%	100%
Control and Risk Committee	100%	100%	100%
Nomination and Remuneration Committee	100%	100%	100%
Supervisory Committee	100%	100%	100%

DIVERSITY

GRI 405-1 (2016); ESRS G1-4

On 31 July 2018, the Board of Directors of the Company decided **to adopt a Diversity Policy** to acknowledge the benefits of encouraging and managing diversity at all levels of the organization, starting from the composition of the Board of Directors. The Company believes that diversity in professional and personal backgrounds can foster ideas, innovation, understanding, and solutions, thus contributing to its sustainable economic success. Through the promotion of diversity, the DIS Group aims to create value for stakeholders in the medium to long term. The definition of diversity included in the Policy **refers, without limitation, to age, cultural background, ethnicity, gender, physical attributes, beliefs, language, sexual orientation, education, nationality, social background, and culture or other personal characteristics.**

Therefore, and with the recommendations of the Corporate Governance Code and the subsequent and consequent amendments introduced to the Borsa Italiana Rules and Instructions, the Company, which is Luxembourg-based and **not subject to any law nor statutory provisions related to diversity**, following a careful self-assessment carried out by the Board of Directors, which accepted the opinion of the Nomination and Remuneration Committee on the matter, decided to propose for the 2021 renewal of the Board of Directors a "shortlist" of six candidates that included among the non-executive and independent candidates one member of the gender less represented. The current Board members are professionals of international calibre with specific skills in legal, financial, accounting, and risk management. The Board of Directors and the Company's Committees are currently composed of members of different backgrounds, ages, genders, and seniorities, guaranteeing a variety of skills. The diversity of professional knowledge and experience ensures that the Board of Directors and the Company's Committees are well-balanced, contributing to good corporate governance.

The Company does not respect the exact proportion of one third (1/3) for female participation in the Board, indicated by the eight recommendation of article 2 of the Corporate Governance Code. This is due to the Company's small to medium size and concentrated ownership, limiting the preferred composition of the Board to six members. Furthermore, for strategic and business continuity considerations, arising from the industry-specific skills and knowledge sought in Board Members, it was considered preferable not to change the composition of the Executive Board members.

Notwithstanding the above, the Company, having appointed **an independent representative of the less represented gender**, complies with the seventh principle of article 2 of the Corporate Governance Code and therefore also with article 2.2.3. paragraph 3 clause m) of the Borsa Italiana Rules for companies admitted to the STAR segment, which explicitly excludes the 1/3 parameter.

Moreover, **each committee is composed of three non-executive and independent directors**, the majority of whom have adequate experience in accounting and finance and one of them having specific experience in payroll and remuneration policies, as assessed by the Board of Directors when resolving upon their appointment. The number of independent directors was previously evaluated and considered adequate to permit the constitution of the aforementioned committees in relation to the total number of Board members.

EMARKET SDIR CERTIFIED

Diversity within the Board of Directors (as at year- end)

		2020	2021	2022
Under 30 years old	Male	0	0	0
	Female	0	0	0
30 - 50 years old	Male	1	1	1
	Female	0	0	0
Over 50 years old	Male	5	4	4
	Female	0	1	1

Diversity within the Supervisory Committee (as at year -end)

		2020	2021	2022
Under 30 years old	Male	0	0	0
	Female	0	0	0
30 - 50 years old	Male	0	0	0
	Female	1	1	1
Over 50 years old	Male	2	2	2
	Female	0	0	0

REMUNERATION

The Company's 2022 Remuneration Policy for the governance bodies consists of four elements:

- **fixed** remuneration;
- **variable short-term** remuneration;
- **variable long-term** remuneration (please refer to notes n.1 and n.8 of DIS' consolidated financial statements, which relate respectively to DIS' accounting policies -"Long Term Incentive Plan including Equity compensation" section, and general and administrative costs);
- **benefits.**

Each element has a different purpose for the beneficiaries, relating to their role and responsibilities. In particular, the fixed remuneration is intended to reward the competencies, experience, and contribution required by each specific role. The variable short-term remuneration is intended to reward performance and contribution to business results, taking into account prevailing market conditions. The variable long-term remuneration aims to align the medium-to long-term interests of management and shareholders and to increase the commitment and retention of key resources. The benefits are intended to complete the beneficiaries' compensation package, aligning it with market benchmarks.

DIS' STAKEHOLDERS

GRI 2-29 (2021)

DIS' main categories of stakeholders are detailed as follows.

DIS' Stakeholders

Internal Stakeholders

- Personnel
- Board members
- Controlling Shareholder

External stakeholders

- Minority Shareholders
- Clients
- Debt providers:
  - Banks
  - Debt funds
  - Other shipowners
- Insurance companies
- Suppliers:
  - Qualified suppliers of goods and services, including port agents and brokers
  - Suppliers of tonnage (other shipowners)
- Maritime and Flag Authorities
- Local communities
  - Local Institutions
  - Local Organisation
- Governments, Institutions and NGOs:
  - Governments
  - National and International Institutions
  - NGOs
- Other unlisted subsidiaries
- Stock exchange regulators
- Stock exchange

ETHICS AND INTEGRITY

GRI 2-23 (2021); GRI 2-26

DIS, also driven by its strong sense of social responsibility, has always believed that it is important to conduct business and professional negotiations, at different organisational levels, with **integrity and transparency**, acting in a professional, fair and honest manner. The anti-corruption policy implemented by DIS seeks to prevent all forms of corruption within its entity by **promoting a "zero-tolerance" approach**, including in relation to any form of corruption arising from the behaviour of consultants, agents or contractors.

Code of Ethics

ESRS G2-1

Since 2008, DIS has approved and adopted its own Code of Ethics, which includes **the main rules of good behaviour** that the Company, its directors, statutory auditors, employees, consultants and partners, and in general all of those who act in the Company's name and on its behalf, are required to comply with to materially reduce and prevent, the risk of committing different types of crimes, including fraud.

The Company decided to adopt the main principles of ethics of its ultimate parent company, d'Amico Società di Navigazione S.p.A., **but tailored these to satisfy the applicable Luxembourg legislation**. On the Supervisory Committee's initiative, an updated version of the Code was approved by the Board of Directors of the Company on 7 May 2014, following a revision performed by the Control and Risk Committee. On 26 November 2018, following the entry into force of EU Regulation 679/2016 ("GDPR"), the Company issued a new version of the Code, adjusting the section relating to "Data Protection". The Code of Ethics was subsequently amended on 17 December 2019, following the entry into force of Law 179/2017, regarding "provisions for the protection of those that have reported crimes or irregularities which came to light during a public or private employment relationship", adding a reference to the whistleblowing platform for addressing reports of violations of the Code itself.

Please find below a brief summary of the Code of Ethics' main principles.

Code of Ethics	
GENERAL ETHICAL PRINCIPLES	• compliance with the law • honesty, fairness and transparency • respect for the dignity of the person • data protection • correct treatment of confidential information • avoidance of conflicts of interest • fair relations with competitors • responsibility towards the community • care for the environment • solidarity • promotion of innovation
ETHICAL PRINCIPLES IN CORPORATE GOVERNANCE	• duty of care of members of corporate bodies • transparency procedures for appointment of corporate bodies • promotion of fair, transparent and prompt dialogue with shareholders • efficiency and effectiveness of the Internal Control and Risk Management System
ETHICAL PRINCIPLES IN HUMAN RESOURCES MANAGEMENT	• equity and equal opportunities in selection and recruitment • formalisation of the employment relationship • promotion of professional development of employees • care for health and working conditions
ETHICAL PRINCIPLES IN RELATIONS WITH CUSTOMERS, PARTNERS, SUPPLIERS, PUBLIC ADMINISTRATION AND OTHER PUBLIC INSTITUTIONS	• respect for the law and contracts, honesty and transparency in relations with customers, partners, suppliers, public administrations and other public institutions.

The Code of Ethics is distributed to DIS' personnel, which is informed of the general obligation **to be familiar with its contents and to comply with it and contribute to its implementation**. The message also indicates that observance of the Code of Ethics is a requirement for the execution of the rules of work pursuant to applicable legislation as laid down in the Disciplinary Code. This clause is included in the individual employment contracts of newly hired personnel.

Communication activities ensure that:

- the Code of Ethics and the Disciplinary Code are made **available to all personnel** through publication on the corporate intranet and dispatch on board vessels;
- the Code of Ethics is made **available to all recipients** (including external staff and suppliers) through publication on the Company's website (www.damicointernationalshipping.com);
- the **newly hired personnel is informed** of and acknowledge the Code of Ethics of the Company through the delivery of an employee handbook;
- the adoption of and **subsequent amendments** to Code of Ethics are communicated by email to all personnel.

Ongoing training activities are provided to the Group's employees and to those employed by other d'Amico Group companies providing services to DIS. Training activities are differentiated in terms of content and delivery method, depending on the qualifications of recipients, the risks to which they are exposed, and the powers and duties assigned to them.

General training on the Code of Ethics based on training plans from time to time issued by DIS' Human Resources department with the assistance of the Supervisory Committee, is provided to the Company's members of the Board of Directors, employees holding top management positions, including heads of department, and to personnel involved in areas entailing sensitive activities.

Specific training is directed exclusively to personnel working in risk areas and is aimed at mapping the risk of irregularity, defining the key risk factors of each area and illustrating the procedures adopted by the Group to prevent irregularities. A specific register will be set up by the Group's HR Department for each general and/or specific training course, indicating the number of persons attending and the training material received.

Moreover, **the Group encourages all recipients to include a contractual clause in each contract** negotiated and signed on behalf of the Group, referring to the acknowledgment of the Code of Ethics and the undertaking to respect, with the utmost diligence and professionalism, all the ethical guidelines included within the contract, as well as to ensure their senior and junior staff do likewise. The clause also requires the acknowledgement of the adoption by DIS of a system, accessible from the "whistleblowing" section of the DIS' website, for reporting any act, fact, or behaviour of which one becomes aware in the execution of the contract, which could lead to non-compliance with the principles foreseen by DIS' Code of Ethics.

Anticorruption

GRI 205-2 (2016); GRI 205-3 (2016); GRI 206-1 (2016); ESRS G2-3; ESRS G2-4

Acting professionally, in a fair, honest, and ethical manner in all business dealings and relationships wherever the Group operates (or considers to operate), implementing and enforcing effective systems to counter bribery and corruption, is of utmost importance for DIS. The anti-corruption policy implemented by DIS seeks to prevent all forms of corruption, including bribery, and to comply with the anti-corruption laws of every country in which the Group operates, also **by promoting a "zero tolerance" approach to acts of bribery,** including by advisors, agents, or contractors.

Essentially, all DIS' employees are responsible for the prevention, detection, and reporting of bribery and other forms of corruption; they are required to avoid any activity that might lead to, or suggest, a breach of the anti-corruption policy. The Group ensures through the implementation of specific measures that all cases of suspected corruption are dealt with consistently and that, irrespective of whether an investigation proves such acts, there will be no retaliation against or adverse consequences for the person reporting the possible case of breach: an anti-corruption reporting system using a dedicated email address has been implemented through d'Amico Group's HR department.

Likewise, no DIS employee would suffer any retaliation or adverse consequences for refusing to adopt illegal conduct and for reporting in good faith violations of the anti-corruption rules and regulations, as applicable.

Compliance with the anti-corruption policy is verified through various methods, including but not limited to, active monitoring of the expense reimbursement and gift tracking systems, internal and external audits, and self-assessment reports of potential violations. All reports must be submitted via the d'Amico Group's whistleblowing platform identified and publicized for the entire d'Amico Group.

In the period 2020-2022 there were no cases of corruption, bribery or anti-competitive behavior.

ORGANISATION, MANAGEMENT AND CONTROL MODEL – 231 MODEL

GRI 404-1 (2016); GRI 2-26; GRI 2-23

Since 2008, the Company has adopted the Organization, Management and Control Model ("Organization Model 231" or "231 Model"), a compliance program that led to the implementation and development of an organic and structured system of procedures, rules, and controls aimed at preventing and systematically reducing, during the performance of so-called sensitive activities, the risk of the offenses (corruption and bribery included) cited in the Italian Legislative Decree No. 231 of 8 June 2001 (the "Decree 231"), being committed.

The Decree 231, which DIS complies with due to its listing on the STAR segment of the Italian Stock Exchange, introduced the corporate liability of legal entities in case of crimes committed by subjects that act on behalf of the Company, such as representatives, executives, directors, subordinates, and persons who even de facto carry out management or control activities. Under the Decree 231, **corporations may be held liable for a specific list of offenses committed, or even attempted, in the interest and/or for the benefit of the Company.**

Companies shall not be considered liable if the individual committed the crime in their own interest, or in the interest of third parties (not linked to the Company) or for their own benefit. Moreover, liability of the Company could be excluded where it is proven that:

- the Board of Directors of the Company had not only adopted preventively (ex-ante adoption) but also efficiently implemented the 231 Model;
- the Company had appointed a Supervisory Committee that did not omit to exercise its control duties;
- the offence was committed by an individual with the fraudulent intention of avoiding the 231 Model efficiently implemented by the Company.

Furthermore, the timely adoption and implementation of some controls and procedures as part of the 231 Model after the commission of the offence (ex-post adoption), could mitigate the sanctions deriving from the ascertained liability.

For these reasons, **the Company has decided to adhere to the Integrated Management System of its ultimate parent company** – d'Amico Società di Navigazione S.p.A. – **whose procedures are constantly updated with reference to the additional controls specifically required by the 231 Model** as amended from time to time.

Specifically, the Company's 231 Model:

- identifies the areas of activity where there is a chance of perpetration of the crimes mentioned in the Decree 231 ("Risk Areas");
- identifies appropriate procedures aimed at preventing the crimes mentioned in the Decree 231;
- provides for specific procedures concerning the Supervisory Committee's decision-making process and the implementation of its decisions;
- provides for appropriate financial management, to prevent the perpetration of financial crimes;
- provides for the specific duty to inform the Supervisory Committee in case a violation of the 231 Model occurs (both the Supervisory Committee e-mail's account as publicized on DIS' website and the d'Amico Group's whistleblowing platform identified and publicised for the entire d'Amico Group are a direct channel to be used for reports);
- provides for a disciplinary sanctions system to punish each violation of the procedures;
- provides for training, to be performed by all DIS' employees and service providers within the d'Amico Group.

The Company's 231 Model is constantly updated in accordance with both internal organizational restructurings and changes in the legislative environment regarding the scope of application of the Decree 231. **On May 9, 2019**, the Board of Directors approved an update to the 231 Model following the regulatory updates made by the regulator in 2017. Additionally, **at the end of 2019**, the Company decided to proceed with a new update of the Risk Plan and a general review of the 231 Model. The decision was driven by the changes that have taken place with respect both to the reference organizational framework and to the regulatory framework due to the introduction of new crimes in the Decree 231 and in particular the following new types of offenses: influence peddling; sports fraud and abusive exercise of gambling and betting activities; cybersecurity offenses; tax offenses; crimes introduced in the Decree by Legislative Decree 75/2020 relating to the fight against fraud that damages financial interests of the European Union.

The **Control & Risk Self-Assessment** (hereinafter also "CRSA") performed by the Company with the assistance of the Supervisory Committee was carried out through the following activities:

- detection and mapping of Company activities at potential risk of commission of the offenses in scope;
- analysis of the existing control system and gap analysis with respect to an "optimal" control system;
- definition of the actions to adapt the existing control system.

Since the Company is linked to the Italian territory exclusively by virtue of its listing on the Italian Stock Exchange, only those offenses envisaged by the Decree 231, relating to DIS' activities in Italy were identified as in scope and in particular:

- crimes of embezzlement, extortion, undue inducement to give or promise benefits, corruption and abuse of office towards the Public Administrations;
- corporate crimes, including corruption between private individuals;
- market abuse crimes;
- organized crime offenses;
- inducement not to make statements or to make false statements to the judicial authorities.

The control measures deemed relevant for the purposes of the analysis of the Internal Control System (ICS), consistently with the best practices with respect to the Sensitive Activities identified **are the following**:

- existence of a Model 231, updated, disseminated and implemented;
- appointment of the Supervisory Committee and monitoring of its activities;
- formalization and dissemination of the Company's organization charts and their changes to all employees;
- existence of a formalized, updated and widespread system of powers and delegations, job description system, Code of Ethics, system of policies and procedures within the organization;
- existence of internal communication channels aimed at disseminating the organizational rules and regulations in place and of a periodic, systematic and specific information and training program addressed to the employees / contractors of the Company, as well as the adoption and updating of specific training programs on the "231 subject";
- existence and implementation of a disciplinary system;
- existence and implementation of a reporting system (whistleblowing);
- existence of contracts regulating existing relationships with third parties.

The main findings of the CRSA evidenced an overall adequacy of the internal control system. As a result of the CRSA, **the 231 Model was given a new structure and is now divided into seven parts,** as follows:

I) Relations with the Public Administration;

II) Management of litigations;

III) Human resources management;

IV) Purchase of goods and services;

V) Management of financial flows, gifts, and donations;

VI) Management of accounts, balance sheets, and transaction on shares;

VII) Management of inside information.

Lastly, **during 2022**, due to the changes that have taken place with respect to the reference regulatory framework – in particular, regarding the introduction of the following new types of offenses: crimes relating to payment instruments other than cash, crimes against cultural heritage, laundering of cultural assets and devastation and looting of cultural and landscape assets – the Company's Board of Directors, in its meeting of July 2022, resolved to **launch an update of the CRSA**, to evaluate the level of risk and the necessity to update the Model 231.

From the CRSA analysis of the documentation collected with regards to the activities carried out by the Company, and from the interviews conducted with the key officers potentially involved in the activities referable to the crimes in scope of the CRSA, it appeared that there wasn't a level of potential risk of commission of the considered offenses, to allow the identification of one or more sensitive activities associated with them; a review and update of the Special Parts of the Company's Model 231 was therefore not required. Moreover, the control measures already adopted by the Company and the general principles contained in DIS' Code of Ethics remain valid and applicable. Based on the above, it was deemed necessary to only formally update the General Part of the Company's Model 231, on November 2022, in line with the CRSA activities performed.

Whistleblowing

On March 2021, a platform was implemented with the aim of guaranteeing the confidentiality of identity and the anonymity of whistle-blowers, which may include third parties. The platform allows for the reporting of any irregularities and/or unlawful behaviours, acts, or omissions that could constitute violations or attempted violations, even suspected, of:

- the legislative provisions referred to in Italian Legislative Decree 231/2001;
- the principles ratified in the Code of Ethics and in the 231 Organisation Models of d'Amico International Shipping S.A.;
- the procedures, policies, and rules included in the Integrated Management System;
- the Anti-Corruption Policy;

that may constitute fraud or damage, even potentially, to colleagues, shareholders, and stakeholders, or unlawful acts detrimental to the interests and reputation of the Company.

For example, the reports may refer to circumstances of alleged violations of environmental and workplace safety rules, corruption in fulfilling responsibilities, corruption due to an act contrary to official duties, abuse of powers granted to obtain private benefits, accounting irregularities, false declarations, deskilling, and non-transparent recruitments. The reports may also refer to cases, even suspected or attempted, of "bullying", sexual harassment, violations of privacy legislation, and situations of real, potential, and apparent conflicts of interest for which adequate disclosure has not been made by the parties involved and which may have consequences on the impartiality and good performance of the Company.

This platform replaces the pre-existing Open Reporting System and can therefore also be used for reporting events occurring on board a vessel or any events related to a vessel. The new whistleblowing platform is available at https://openreportingsystem.damicoship.com/ - with access from the intranet portal and DIS' websites. It should be noted that during 2022, no reports of violations of the 231 Model or of the Code of Ethics were received by the Supervisory Committee, neither directly nor through the Whistleblowing platform.

In 2022, the Company launched a new training program, supported by the Supervisory Committee, through the Group's Human Resources function. This program was aimed at all DIS' ashore employees and top management, to explain the new restructured 231 Model and the Whistleblowing system.

People taking part in training activities on business conduct (Code of ethics and Model 231)

Onshore personnel		2022
Top Managers	Male	4
	Female	1
Managers	Male	5
	Female	3
Employees	Male	4
	Female	6

Hours of training on business conduct (Code of ethics and Model 231)

Onshore personnel		2022
Top Managers	Male	6.0
	Female	1.5
Managers	Male	7.5
	Female	4.5
Employees	Male	6.0
	Female	9.0

MANAGEMENT SYSTEM

ESRS G1-7; ESRS G1-8

Internal Control and Risk Management System

The Board of Directors, as the body responsible for the Internal Control and Risk Management System, performs its duties based on a model inspired by the recommendations established by the Corporate Governance Code and the national and international best practices. The Company's Board of Directors, evaluates the functioning of the Internal Control and Risk Management System, on the basis of the reports received by the Internal Auditor, by the Control and Risk Committee and by the Supervisory Committee.

The **timely identification of risks and the commitment to eliminate, reduce and consciously manage** them is truly perceived by the managers as one of their direct responsibilities, both from a strategic and operational point of view, and it is an integral part of the management of the business processes. Particular attention is paid to the **inherent risks of the critical sustainability success factors**.

The Group is continuing to implement and refine the necessary steps **to maintain an efficient and adequate System of Internal Control and Risk Management, by reviewing** the existing policies, processes, and procedures periodically and, where necessary, establishing a new set of rules, processes, and organizational structures to monitor the efficiency of the Group's operations, the reliability of all the information (including the financial information) supplied to the Group's bodies and to the market, and the compliance with law and regulation for the safeguard of the Group's assets.

The Internal Audit Division conducts, among other things, independent audits of the efficiency of the controls identified for each of the processes for DIS Group's companies required to prepare financial reports. The areas of improvement identified through such audits are presented to the Company's Chief Risk Officer and the Control and Risk Committee. In conjunction with each process owner or company required to prepare financial reports, shared action plans are established with the aim of strengthening the existing control system or remedying specific shortcomings. With specific regard to the management and internal control system for existing risks associated with the financial reporting process for the consolidated and statutory accounts, the Group has implemented a system of administrative and accounting procedures aimed at ensuring that the reporting is accurate, correct, reliable and timely. The implementation of the agreed measures is constantly monitored by the Internal Audit Division, which reports on this matter to the Chief Risk Officer and the Control and Risk Committee. The Chief Risk Officer is responsible for maintaining an adequate internal control system, which includes periodic reviews of the functioning of the key controls identified and audited, with the support of the Internal Audit Division during the implementation phase, with the aim of confirming that they continue to operate effectively. The Internal Audit Division may select some operating companies or processes for thorough follow-ups or audits and is provided with the authority to drive the preparation of the audit plan based on its risk analysis. The results of such audits, together with the results of the risk analysis and assessment, are presented in a report.

The Company believes that the assessment system and related certification process, considering the number of relevant processes and companies required to carry out financial reporting, can ensure and maintain reliable controls in relation to the financial reporting process.

Risk Assessment

The Risk Assessment is an ongoing iterative process, to evaluate risks that could jeopardise the Group's objectives. It considers risks and control practices, at various levels of the organizational structure, in addition to the Group's control environment.

The Group believes that the complete adoption of an integrated Internal Control System is a prerequisite to ensure an effective risk policy. Pursuant to the best national and international practices, the Group's integrated approach to the Internal Control System is based on the following key concepts:

a) uniqueness and centrality of the Internal Control System;

b) the completeness and versatility of the risk assessment;

c) the independence and the segregation between operational and control responsibilities.

For this purpose, the Risk Assessment includes the analysis approved by the Company's Board on July 2021, according to the Supervisory Committee's guidelines and the 231 Italian Legislative Decree.

The integration of the analysis relating to emergency, energy efficiency, environment, security, and health and safety matters is ongoing.

The framework adopted by the Group is compliant with the most widely used framework around the world (the COSO[11] framework) and follows four steps:

- Identification of organizational objectives: the Group's objectives for each activity are defined by the process owners and classified according to the following three categories:
  - Compliance – the objectives consist of the minimum standard of conduct established by laws and regulation;
  - Operations – the objectives relate to improving financial performance, productivity, quality, environmental practices, innovation, safeguarding of assets and customer and employee satisfaction;
  - Reporting to internal and external stakeholders – the objectives relate to the true and fair reporting of financial and non-financial information;

11 The Committee of Sponsoring Organizations of the Treadway Commission (COSO) is a joint initiative of five private sector organizations, established in the United States, dedicated to providing thought leadership to executive management and governance entities on critical aspects of organizational governance, business ethics, internal control, enterprise risk management, fraud, and financial reporting. COSO has established a common internal control model against which companies and organizations may assess their control systems. COSO is supported by five supporting organizations, including the Institute of Management Accountants (IMA), the American Accounting Association (AAA), the American Institute of Certified Public Accountants (AICPA), the Institute of Internal Auditors (IIA), and Financial Executives International (FEI).

- **Identification of risks able to jeopardise the objectives**: for each objective, risks - events or conditions - and related consequences are identified by those in charge of each process and evaluated following specific guidelines;
- **Assessment of the risks**: to define the inherent risk, the evaluation of the likelihood of each event and the impact of its consequences are combined following the criteria established by the Internal Auditor;
- **Identification and assessment of control environment and control activities**: an assessment of the residual risk is performed, accounting for specific control activities and how they affect the likelihood of events and their impacts.

Following the process outlined above, the Internal Auditor provides a qualified and systematic support to the process owners' self-assessment, assisting them in the identification of:

- the **Inherent risk**, which represents the risk before any control activities implemented by the Group;
- the **Control environment**, which is the set of standards, processes and structures, adopted by the Group, that provides the basis for carrying out internal control across the organization;
- the **Control activities**, which are the specific controls, defined and implemented by the Group, that contribute to the mitigation of risks to acceptable levels;
- the **Residual risk**, which represents the risk which remains after the control activities implemented by the Group.

The following table shows the main risk categories and the associated intrinsic and residual risk levels.

Risk assessment	2021		2022	
Risks categories	Inherent Risk	Residual Risk	Inherent Risk	Residual Risk
Macroeconomic environment	high	medium-high	high	medium-high
Reputation	high	medium-high	high	medium
Assets	medium-high	medium - low	medium-high	medium - low
Fraud	medium-high	medium	medium-high	medium - low
Social change	medium-high	medium - low	medium-high	medium - low
Natural & Geopolitical	high	medium	medium-high	medium
Compliance	medium-high	medium - low	medium-high	medium - low
External Information	medium-high	low	medium-high	low
Market	medium-high	medium - low	medium-high	medium - low
People	medium-high	medium - low	medium-high	medium - low
Technological Change	medium-high	medium - low	medium-high	medium - low
Financial	medium-high	medium	medium-high	medium - low
Organization	medium-high	medium - low	medium-high	medium - low
Internal Information	medium-high	medium - low	medium-high	medium - low
ICT systems	medium-high	low	medium-high	low
Total	medium-high	medium - low	medium-high	medium - low

The main inherent risks classified as high by DIS' Risk Assessment are the following:

- **Macro-economic environment risk**, which has been assessed high as inherent risk and medium-high as residual risk after internal controls. It mainly refers to **financial risks related to the product tanker market's volatility and cyclicality.** It is driven by:

  - **Freight rates:** the Group is exposed to significant changes in freight rates due to changes in the supply and demand for the seaborne transportation of refined products, resulting from the cyclical nature of our sector. The Company mitigates this risk by employing part of its fleet through period contracts at fixed rates, as well as by hedging of some of the spot market exposure through Freight Future Agreements. Strong corrections in freight rates can lead to losses and affect our cash balances, as well as our ability to respect contracts and could lead to defaults on our loans' financial covenants.
  - **Vessel prices**: the same factors that influence freight rates also impact vessel prices. Furthermore, in severe market downturns, the secondhand market liquidity for vessels can drop significantly, affecting the Group's ability to sell these assets. Strong corrections in vessel prices, can lead to potential defaults on loans' financial covenants.
  - **Interest rates and exchange rates:** which affect respectively the Group's financing cost on variable rate loans, and general administrative and operating costs. The Group hedges these risks through interest rate swaps and forwards contracts.
- **Reputation risk,** which has been assessed high as inherent risk but medium as residual risk after internal controls. It mainly regards negative media communication. The Group mitigates this risk through press monitoring, active and reactive communication and enforcing employees' accountability.

- **Asset risk,** which has been assessed high as inherent risk but medium-low as residual risk after internal controls. It mainly refers to failures risks, and is mitigated through vessels inspections, a planned maintenance system and critical items monitoring.

Ship collision and grounding are serious casualties which could lead to the total loss of the vessel. Damages to the ship as well as the total loss or constructive total loss of the vessel are covered by the Hull & Machinery Policy, up to the agreed insured value of the vessel, less the agreed deductible. Salvage charges are covered by the H&M cover as well. Business Interruption following a collision, or a grounding event, is covered by the Loss of Hire and/or Strike Shipboard cover. The Company adopts a planned maintenance system (PMS), to reduce vessel failure risk. The management of dry-docks and repairs is coordinated through the d'Amico Group, providing economies of scale and a proper benchmarking for the cost and quality of such services. DIS' objective of always controlling a young fleet also helps to minimize such risks. The PMS includes scheduled technical inspections and the appropriate management of critical spare parts (engines). The d'Amico Group has established preferred yards in key trade areas based on criteria such as the quality of jobs performed, ISO certifications and other volunteer or mandatory certifications, compliance with ethical principles, past experience of the d'Amico Group and a list of references. The dry-docks are planned in advance, to secure the required slots and the dry-dock specification is finalized through a pre-docking inspection. A Company representative is always onsite to monitor the quality of the work performed and the progress of the whole project, and ready to promptly address any issues. DIS has established as a key performance indicator, the "Dry-dock planning performance", to monitor and control costs and delays. When selecting dry-docks all the costs are considered, including the repair cost, the cost of the deviation, that of bunkers consumed, and the time required for the repairs.

- **Fraud risk**, which has been assessed medium-high as inherent risk but medium-low as residual risk after internal controls. It mainly refers to market abuse, fraudulent reporting and cybercrime. DIS' Supervisory Committee is focused on evaluating the measures adopted to prevent this risk. Cybercrime was previously reported in the Natural and Geopolitical risks. It could affect security and business continuity. It could influence ICT services availability (system; network; data centre) and data confidentiality. A cyber security contingency plan, a disaster recovery and business continuity plan, a crisis management team and an emergency plan have been shared with employees, together with a training program and a periodical bulletin.

Market abuse includes the **insider trading** risk. It could generate administrative responsibilities for the Company. The Organizational Model (L.D. 231), the management of an insider register, staff training on market abuse regulation, the use of non-disclosure agreements for third parties and the maintenance of records of third parties receiving financial forecasts, reduce the risk to an acceptable level.

Regarding the Fraudulent reporting risk, DIS has implemented a system of administrative and accounting procedures aimed at ensuring that financial reporting is accurate, correct, reliable and timely.

Other risks which DIS' Risk Assessment did not classify as having a high inherent risk, but which the Group deems should be closely monitored and disclosed, are the following:

- **Political risk**, which could involve sanctions and extra costs. The mitigation strategies include procedures, and the establishment of a sanctions department.
- **Meteorological risk,** which can lead to delays, damages to vessels and extra costs. The mitigating strategies include guidelines, technical support, adoption of technology for vessel performance monitoring, double communication systems (different bands), use of technological providers of weather-news and adoption of an optimum-ship-routing system.
- **Piracy risk,** which can entail security and economic risks for the vessel and/or risks to complete the vessel voyage as planned. Piracy risk is a major issue in the Southern Red Sea/ Gulf of Aden, and in the Gulf of Guinea. In this respect, DIS has taken measures to:
  - minimize the risk during transit in the Gulf of Aden, to promote safer navigation;
  - check the suitability of the insurance policies currently in force to ensure such risks are adequately covered.

  A detailed analysis of the situation has allowed the DIS Group, together with the d'Amico Group, to prepare guidelines to be followed by any vessel while in the risk zone. Moreover, to obtain as much information as possible and to stay updated on all issues, DIS through the d'Amico Group monitors websites dedicated to piracy issues regularly.

  Regarding insurance, based on a risk assessment, DIS ascertained that the main piracy risks are adequately covered through:

  - loss of hire insurance, which covers the Group for the loss of income resulting from physical damages to the vessel caused by a piracy attack (risk covered under the Hull & Machinery policy);
  - kidnap and ransom insurance, which covers the perils of kidnap, wrongful detention, and hijacking;
  - piracy loss of hire, which covers the payment of hire during the period of detention by pirates (a physical damage of the vessel is not required to be covered under this policy);
  - third parties' liabilities – included in the P&I cover.

  In addition to the above-mentioned security measures the Company adopts armed guards to reduce the risk to an acceptable level.

- **The people availability risk** relates to the Company's ability to both attract and retain employees. The risk is mitigated through external and internal communication plans, together with proper compensation and professional development programs, including through training.

- **Risks linked to voyage management.** Voyage planning and control is managed by DIS to ensure a high-quality service to charterers, through constant attention to the fulfilment of contractual requirements, with the objective of reducing costs and minimizing delays. Port agencies and towage are managed by DIS through general agreements and are based on a reliable network of agents operating at high standards, with the aim of maximizing the efficiency of DIS' vessels turnaround during port stays, providing qualified husbandry services to owned vessels and taking advantage of economies of scale. DIS Group's insurance plan provides coverage for a wide range of risks which may arise from ship ownership and management and which may expose the Group to financial losses. With regards to the vessels' operation and transportation of cargoes, the coverage includes personal injury, environmental damage and pollution, third-party casualty and liability, hull and engine damage, total loss, war risks and piracy risks.

- **Risks linked to bunker management**. When bunkering its vessels, the DIS Group has several objectives, including reducing direct purchase costs, minimizing vessel deviations and ensuring supplies are in line with the most recent ISO standards in force. Bunkering is managed by DIS with the support of a d'Amico Group company, Rudder SAM, which has an in-depth knowledge of the market and uses a network of reliable suppliers with high-quality standards (please refer also to the Related party transaction note to the consolidated financial statements). A constant supervision of physical deliveries (as per planned timing and quantities) and analysis of the quality of bunker samples, ensures quality and quantity issues are kept under control.

- **Misappropriation of ICT assets** could imply data confidentiality breaches. The Company's encryption policy reduces this risk to an acceptable level. Misappropriation could also result from the payment to a wrong counterparty. The Group's procedures, including the segregation of duties in the management of the ledgers and chart of accounts and in the approval, recording and payment of invoices, reduce this risk to an acceptable level.

Please refer to DIS' consolidated financial statements, in particular to note 1 on accounting policies and note 12 on property plant and equipment and right-of-use assets, for a discussion about how some of the above risks affect management's accounting estimates.

Integrated Management System

The implementation of an Integrated Management System (IMS), is the **result of a corporate choice that focuses on the quality of the services provided to customers, occupational health and safety, energy efficiency, environmental protection and corporate social responsibility**, through the adoption of recognized international standards and certifications.

DIS formally decided to adhere to the Integrated Management System of the d'Amico Group. This alignment improves the Internal Control and Risk Management System adopted by the DIS Group and enhances the processes' efficacy. Moreover, the integration has strengthened the coordination among the bodies responsible for internal control, in particular in their development of audit plans, resulting in a rationalization of the controls. This level of coordination has been achieved by the application of a simple defined protocol, so as not to interfere with the autonomy and independence of the individual management systems. The cooperation among the control bodies allows audit reports to be shared and allows each control body to acknowledge the remarks already raised by the others.

The IMS allows the d'Amico Group, and in turn, d'Amico International Shipping, to **identify, maintain and improve a dynamic organization and management model**. Its unified perspective meets the needs and specificities of different shipping sectors and makes best use of available strategies, in accordance with the many national and international laws and regulations DIS is committed to comply with.

Continuous monitoring, adequate measurement of performance indicators, strict internal inspections, detailed analysis of collected data, and prompt implementation of corrective and improvement actions, **allow DIS to continuously increase its performance and that of its stakeholders, in terms of safety, environmental protection and customer satisfaction.**

The IMS, already compliant with the **International Safety Management Code**, was extended to the following standards certified by RINA (Italian Maritime Register): **ISO 9001 (quality)**, **ISO 14001 (environment), ISO 45001 (safety) and ISO 50001 (energy efficiency).**

MATERIAL ESG TOPICS

GRI 3-1 (2021); GRI 3-2

DIS has adopted the material sustainability topics identified by the d'Amico Group. The following are DIS' material sustainability issues, organized according to the three ESG dimensions and related to the 17 Objectives of the UN 2030 Agenda.

Sustainability topics and their connection to the 17 Objectives of the 2030 UN Agenda[12]

	Environmental	Social	Economic and Governance
Sustainability topics	• Climate change and air emissions • Energy efficiency of vessels • Innovation: fleet efficiency and safety • Sea and marine environmental safety • Ship recycling • Reduction of waste and recycling of materials	• People care • Occupational Health and Safety • People training and development • Multicultural approach • High quality of services • Stakeholder engagement • Promoting public awareness of social, cultural and environmental topics	• Business ethics • Integrated Management System for continuous improvement • Economic value generated and distributed • Sustainable supply chain
Sustainable Development Goals			

12 The topic "Energy and water consumption ashore" was not considered in DIS' reporting due to its low relevance and significance in relation to the overall Company's consumption.

ESG Risks and Effects

ESRS G1-7

Since 2022, in line with the evolution of regulatory requirements, DIS has also launched a first Risk Assessment, measuring the inherent and residual risks associated with its organisational objectives, also from an ESG perspective. This has allowed DIS to better identify the control activities already in place and that could be adopted in the future, to reduce these risks.

A first analysis revealed the high transversal nature of most business risks in relation to the three ESG dimensions. All risk categories, in fact, as can be seen from the table below, comprise some element of ESG related risks for at least one dimension, and in most cases for at least two dimensions.

ESG risk assessment

Risk categories	Environmental	Social	Economic and Governance
ICT systems	✓	✓	✓
Int. Information	✓	✓	✓
Organization	✓	✓	✓
Financial			✓
Technological Change			✓
People	✓	✓	✓
Natural & Geopolitical	✓	✓	✓
Market	✓	✓	✓
Ext. Information			✓
Compliance	✓	✓	✓
Social change		✓	
Fraud	✓		✓
Assets	✓		✓
Reputation			✓
Macroeconomic environment	✓		✓

The second important outcome of this first ESG risk assessment is the identification of the level of inherent and residual risk of the main sustainability topics for DIS, for each of the three dimensions. Additional details regarding the policies and the measures adopted to manage ESG risks can be found in the rest of this report.

Sustainability topics with highest risks

Impact Area	Sustainability topic	Inherent Risk	Residual Risk
Environmental	Sea and marine environmental safety	high	low
	Climate change and air emissions	medium-high	medium
	Energy efficiency of vessels	medium-high	medium
	Innovation: fleet efficiency and safety	medium-high	medium -low
Social	Occupational Health and Safety	medium-high	medium -low
	Stakeholder engagement	medium-high	medium
	People training and development	medium-high	medium -low
Economic and Governance	Business ethics	medium-high	medium -low
	Economic value generated and distributed	medium-high	medium -low
	Integrated Management System for continuous improvement	medium-high	medium -low

EU TAXONOMY FOR SUSTAINABLE ACTIVITIES

As of the date of publication of DIS' Non-financial statements as at 31 December 2022, the Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 ("Climate Delegated Act") supplementing the Regulation (EU) 2020/852 ("Taxonomy Regulation") has set the list of eligible economic activities and the technical screening criteria for determining the conditions under which they qualify as making a substantial contribution to climate change mitigation and climate change adaptation – two of the six environmental objectives set by the Taxonomy Regulation. The Climate Delegated Act is applicable from 1 January 2022.

DIS falls under the scope of the Directive 2014/95/EU on the disclosure of non-financial information (the Non-Financial Reporting Directive or NFRD). Hence, to comply with the reporting obligations for non-financial undertakings established in the Commission Delegated Regulation 2021/2178 of 6 July 2021 ("Disclosures Delegated Act") supplementing the Taxonomy Regulation, DIS reports the share of Taxonomy-eligible and non-eligible and Taxonomy aligned and non-aligned activities out of Revenue, CapEx and OpEx for 2022 alongside DIS' consolidated financial statements as of 31 December 2022.

Given that at the moment of publication of DIS' Non-financial statements as at 31 December 2022, the technical screening criteria for all six environmental objectives of the EU Taxonomy Regulation are not yet published, DIS reports the Taxonomy eligibility and Taxonomy alignment of its activities as required by the Disclosures Delegated Act based under the first two environmental objectives for which final technical screening criteria are already set in legislation – climate change mitigation and climate change adaptation (Climate Delegated Act).

ELIGIBILITY UNDER THE FIRST TWO ENVIRONMENTAL OBJECTIVES (CLIMATE CHANGE MITIGATION AND CLIMATE CHANGE ADAPTATION)

This approach assesses the Taxonomy eligibility of DIS' activities strictly following the initial NACE classification system applied to define the activities that are eligible under the environmental objectives of climate change mitigation and climate change adaptation.

DIS' economic activities were attributed to the single NACE code "H50.20 - Sea and coastal freight water transport, vessels for port operations and auxiliary activities", described in the Climate Delegated Act as: "Purchase, financing, chartering (with or without crew) and operation of vessels designed and equipped for transport of freight or for the combined transport of freight and passengers on sea or coastal waters, whether scheduled or not. Purchase, financing, renting and operation of vessels required for port operations and auxiliary activities, such as tugboats, mooring vessels, pilot vessels, salvage vessels and icebreakers".

The resulting analysis shows that 100% of Revenue, CapEx and OpEx of DIS' operations in 2022 are EU Taxonomy-eligible. Detailed Taxonomy-eligibility disclosures following this approach are presented on Tables 1 to 3 of this section. The financial information disclosed in those tables have been extracted from DIS' financial statements as of 31 December 2022, prepared in accordance with International Financial Reporting Standards ("IFRS").

ALIGNMENT UNDER THE FIRST TWO ENVIRONMENTAL OBJECTIVES (CLIMATE CHANGE MITIGATION AND CLIMATE CHANGE ADAPTATION)

DIS' economic activities are considered 100% EU-Taxonomy eligible. However, a part of the activities consists of transport of fossil fuels (refined petroleum products), which do not align with the EU's Taxonomy criteria. Therefore, only the transportation of vegetable oils has been considered for the determination of alignment with the climate change mitigation and climate change adaptation objectives of the EU Taxonomy.

The alignment of DIS' economic activity has been assessed through the review of the technical screening criteria defined by the legislation with respect to:

- Its substantial contribution to either climate change mitigation, climate change adaptation or both;
- The Do Not Significant Harm criteria to any of the six environmental objectives; and
- The Minimum Safeguards criteria.

The resulting analysis shows that 0% of Revenue, CapEx and OpEx of DIS' operations in 2022 are EU Taxonomy-aligned. Detailed Taxonomy-alignment disclosures following this approach are presented on Tables 1 to 3 of this section.

Table 1. Proportion of Revenue from products or services associated with Taxonomy-aligned economic activities

Economic activities (1)	Codes (2)	Absolute turnover (3)	Proportion of turnover (4)	Sustantial contribution criteria: Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystem (10)	DNSH criteria ('Does Not Significantly Harm'): Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystem (16)	Minimum safeguards (16)	Taxonomy-aligned proportion of turnover, year N (18)	Taxonomy-aligned proportion of turnover, year N-1 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
		US$ thousand	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percent	Percent	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES			100%																	
A.1 Environmentally sustainable activities (Taxonomy-aligned)			0%	0%	0%	-	-	-	-	N	N	-	-	-	-	N	0%	-	-	-
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)			0%	0%	0%	-	-	-	-	N	N	-	-	-	-	N	0%	-	-	T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Sea and coastal freight water transport	H50.20	484,431	100%	0%	0%	-	-	-	-	N	N	-	-	-	-	N	0%	-	-	-
Turnover of Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		484,431	100%	0%	0%	-	-	-	-	N	N	-	-	-	-	N	0%	-	-	T
Total (A.1 + A.2)		484,431	100%	0%	0%	-	-	-	-	N	N	-	-	-	-	N	0%	-	-	-
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities (B)		-	0%																	
Total (A + B)		**484,431**	**100%**																	

The turnover disclosed in the above table represents the freight and time-charter revenue amounting to US$ 479,619 (thousand) plus the bareboat charter revenue amounting to US$ 4,812 (thousand), reported under DIS' Consolidated Income Statement in the financial statements as of 31 December 2022 (p.99).

Table 2. Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities

Economic activities (1)	Codes (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Sustantial contribution criteria: Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystem (10)	DNSH criteria: Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystem (16)	Minimum safeguards (16)	Taxonomy-aligned proportion of CapEx, year N (18)	Taxonomy-aligned proportion of CapEx, year N-1 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
		Currency	%	%	%	%		%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percent	Percent	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES		US$ thousand	%																	
A.1 Environmentally sustainable activities (Taxonomy-aligned)			0%	0%	0%	-	-	-	-	N	N	-	-	-	-	N	0%	-	-	-
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)			0%	0%	0%	-	-	-	-	N	N	-	-	-	-	N	0%	-	-	T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Sea and coastal freight water transport	H50.20	-35,486	100%	0%	0%	-	-	-	-	N	N	-	-	-	-	N	0%	-	-	-
CapEx of Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		-35,486	100%	0%	0%	-	-	-	-	N	N	-	-	-	-	N	0%	-	-	T
Total (A.1 + A.2)		-35,486	100%	0%	0%	-	-	-	-	N	N	-	-	-	-	N	0%	-	-	-
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy-non-eligible activities (B)		0	0%																	
Total (A + B)		**-35,486**	**100%**																	

The CapEx disclosed in the above table represents the acquisition of fixed assets reported under DIS' Consolidated Statement of Cash Flows in the financial statements as of 31 December 2022 (p.136).

This CapEx amount is not:

- related to assets or processes associated with economic activities that qualify as environmentally sustainable under Article 3 and 9 of the Taxonomy Regulation, or
- part of a plan to expand Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned, or
- related to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions.

Hence, the proportion was determined at 0%.

Table 3. Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities

				Sustantial contribution criteria						DNSH criteria										
Economic activities (1)	Codes (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystem (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystem (16)	Minimum safeguards (16)	Taxonomy-aligned proportion of OpEx, year N (18)	Taxonomy-aligned proportion of OpEx, year N-1 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
		Currency	%	%	%	%		%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percent	Percent	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES		US$ thousand	%																	
A.1 Environmentally sustainable activities (Taxonomy-aligned)			0%	0%	0%	-	-	-	-	N	N	-	-	-	-	N	0%	-	-	-
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)			0%	0%	0%	-	-	-	-	N	N	-	-	-	-	N	0%	-	-	T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Sea and coastal freight water transport	H50.20	86,152	100%	0%	0%	-	-	-	-	N	N	-	-	-	-	N	0%	-	-	-
OpEx of Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		86,152	100%	0%	0%	-	-	-	-	N	N	-	-	-	-	N	0%	-	-	T
Total (A.1 + A.2)		86,152	100%	0%	0%	-	-	-	-	N	N	-	-	-	-	N	0%	-	-	-
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																				
OpEx of Taxonomy-non-eligible activities (B)		-	0%																	
Total (A + B)		**86,152**	**100%**																	

The OpEx disclosed in the above table represent the other direct operating costs reported under DIS' Consolidated Income Statement in the financial statements as of 31 December 2022 (p.134).

This OpEx amount is not:

- related to assets or processes associated with economic activities that qualify as environmentally sustainable under Article 3 and 9 of the Taxonomy Regulation, or
- part of a plan to expand Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned, or
- related to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions.

Hence, the proportion was determined at 0%.

ENVIRONMENTAL RESPONSIBILITY[13]

GRI 3-3 (2021)

Environmental protection and respect for the environment is a strategic priority for the Group. DIS, through the d'Amico Group, implemented programmes and procedures to **ensure strict compliance with international regulations,** defining higher standards where existing laws and regulations do not adequately guarantee sufficient protection of the ecosystem. Furthermore, **its management systems are specifically designed to prevent activities and conditions that may pose a threat to the environment**. DIS also seeks to **inform its employees and stakeholders about the Group's environmental commitments,** inviting them to contribute in achieving specific goals and periodically reporting the results achieved.

13 All information presented in the "Environmental responsibility" chapter refer to DIS' owned and bareboat vessels.

Environmental impact and Regulatory Framework

GRI 2-27 (2021)

Since before the introduction of the TMSA programme, DIS - through the d'Amico Group - has been promoting internal HSQE management procedures and operating an **integrated management system** on all its vessels, in conformity with the quality and environmental standards **ISO 9001 and ISO 14001**, established by the International Organisation for Standardization. The Group has also implemented a **certified energy efficiency management system compliant with ISO 50001.**

The primary goal of all the aforementioned systems and procedures is the **preservation of the marine environment.** Every year DIS' product tankers are required to undergo the following external examinations:

- **inspection and monitoring of compliance** with international rules and regulations **by the flag State**;
- **port-state controls,** which are inspections of foreign ships in national ports to verify if the condition of the ship and its equipment comply with the requirements of international conventions, and if the ship is manned and operated in compliance with these rules;
- **vetting inspections by oil major and energy-related companies.**

Pursuant to a ship management agreement, DIS' ultimate parent company – d'Amico Società di Navigazione S.p.A. – is responsible for the technical management of all d'Amico Tankers d.a.c.'s owned and bareboat chartered vessels.

The technical management activities include:

- performing general vessel maintenance;
- performing inspections and audits;
- ensuring compliance with regulatory and classification societies' requirements;
- satisfying oil majors vetting procedures;
- supervising the maintenance and promoting the efficiency of vessels;
- arranging and supervising drydocks and repairs;
- purchasing supplies and spare parts;
- appointing supervisors and technical consultants.

New environmental internal audits were introduced in 2019, along with new procedures, including instructions and best practices exceeding MARPOL requirements. Furthermore, the form used for MARPOL inspections was redesigned to include a standard checklist, allowing such inspections to be performed by the top two officers onboard without the need for a superintendent, an innovation which significantly eased the audit procedures during the pandemic-imposed travel restrictions in 2020/2021.

All managed vessels comply with the International Convention to Prevent Pollution from Ships (MARPOL), as well as all other national or international laws concerning environmental protection. Vessels are regularly inspected by a superintendent to ascertain that all procedures in-force are duly implemented, and that pollution prevention tools, such as records, seals, and soundings are in place.

To ensure compliance and to strengthen seafarers' awareness, DIS adopted the **STOP Working Card policy**, a tool allowing any Seafarer working on board DIS' vessels, to order to STOP any activity in case of imminent danger for the environment or for the crew's safety.

Furthermore, in line with d'Amico Group's commitment to promote openness in communication and with the Company's Code of Ethics, an environmental reporting procedure – "**Open reporting system**" – was adopted to provide all personnel with a tool to report environmental non-compliance without the fear of retaliation. Information on this reporting procedure is available on all the fleet's vessels; both onshore and seagoing personnel can anonymously report via a free web portal, or an independent email account or free phone numbers, any cases of non-compliance with the Company's environmental management system, marine environmental protection requirements or the implemented environmental compliance plan. Furthermore, understanding and awareness of environmental matters is regularly and thoroughly measured when evaluating the performance of Officers and Engineers, in particular that of the more senior ones.

In respect of ISO 50001 and ISO 14001, **DIS monitors and analyses all energy consumed on its vessels,** showing its commitment to protect people and the environment, seeking to promote energy efficiency while reducing emissions: increased energy efficiency is indeed one of the most effective means of protecting the environment. The vessels' performances are reported within the annual Integrated Management System Review.

The Ship Energy Efficiency Management Plan (SEEMP), in line with the IMO's guidelines on ship efficiency, has been implemented on board of the DIS' vessels since the beginning of 2013 to optimize operational processes and improve profitability through the efficient use of the assets. During 2022, DIS also completed the development and the certification of the SEEMP PART III, to document how DIS plans to achieve its Carbon Intensity Indicator (CII) targets. The CII is a rating system for ships developed by the International Maritime Organization (IMO) and effective from 2023. The plan includes a description of how each vessel will operate and maintain its fuel efficiency throughout the year in line with its CO2 reduction commitments. SEEMP Part III shall include:

- the methodology used to calculate each ship's attained annual operational CII and the processes that will be used to report this value to the flag administration;
- the required annual operational CII for the next three years;
- a plan detailing how the required annual operational CII will be achieved during the next three years and on how the procedures for self-evaluation will be performed.

In summary, **DIS' management is committed to:**

- increasing energy efficiency also through investments in financially viable clean energy efficient technologies;
- reducing emissions and other environmental impacts arising from consumption of energy;
- raising staff awareness and commitment to reduce energy consumption.

The Paris Climate Agreement (2015) on greenhouse gas (GHG) emissions sets out a global action plan to limit global warming to well below 2°C. The European Union was the first major economy to submit its intended plan to reduce GHG emissions by at least 40% by 2030. In this respect, the EU issued the Regulation 2015/757 for the Monitoring Reporting and Verification (MRV) of CO2 emissions by vessels for voyages between European ports. **To comply with this regulation, the d'Amico Group has prepared a specific Monitoring and Reporting Plan for each vessel, together with the procedure to provide all data needed for monitoring and reporting**. The monitoring started in January 2018. At the end of each calendar year, all data must be verified and a comprehensive report has to be submitted to the EU Commission, which then issues a specific certificate for each vessel. **All the Group's vessels involved in EU voyages have obtained the proper certificates**.

Currently, all vessel data collected for 2022 is under review by the Performance Monitoring Department and will be transmitted pursuant to EU Regulation 2015/757. A very similar process is now implemented for all UK voyages. After Brexit the UK has established its own monitoring, reporting and verification regime; DIS has prepared an addendum to each of its vessels' Monitoring and Reporting Plans to include this new reporting requirement and has submitted the plan for assessment by the relevant Recognised Organisation. In 2023, the report will be submitted for verification and a Document of Compliance will be issued.

At the same time, the International Maritime Organization (IMO) has amended MARPOL Annex VI (Prevention of Air Pollution from Ships), introducing through the Resolution MEPC.278(70) a data collection system for fuel oil consumption by ships. Under the amendments, **ships of 5,000 gross tonnage and above are required, starting from January 2019, to collect consumption data for each type of fuel oil used, as well as other additional specified data including proxies for transport work**. The aggregated data is reported to the ship's flag State after the end of each calendar year and the flag State, having determined that the data has been reported in accordance with the requirements, issues a Statement of Compliance for the ship. Flag States are required to subsequently transfer such data to an IMO Ship Fuel Oil Consumption Database. IMO will be required to produce an annual report to the Marine Environment Protection Committee (MEPC) summarizing the data collected. **The d'Amico Group, during 2018, updated all its vessels SEEMP for reflect the new regulations, obtaining the Confirmation of Compliance (CoC) by the respective Flag States. Furthermore, starting from 2020 all of DIS' vessels regularly receive the Statement of Compliance relating to the data submitted covering the operation of such ships in the previous calendar year**. Currently, all vessel data collected for 2022 are under review by the Performance Monitoring Department and will be transmitted to the ships' flag States.

Total number of significant instances of non-compliance with environmental laws and regulations

	2020	2021	2022
Instances for which fines were incurred	0	0	0
Instances for which non-monetary sanctions were incurred	0	0	0

During 2019, DIS has prepared its fleet for the use of fuels with a sulphur content lower than 0.50%, as established by Regulation 14 of IMO MARPOL Annex VI, effective from 1 January 2020.

Sulphur oxides (SOx) are known to be harmful to human health, causing respiratory symptoms and lung disease. In the atmosphere, SOx can lead to acid rain, which can harm crops, forests and aquatic species, and contributes to the acidification of the oceans. This global sulphur cap limit – which is in addition to the existing 0.10% sulphur content limit on the use of fuels in Emission Control Areas (ECAs) effective since 1 January 2015 – has significantly reduced the amount of sulphur oxides emanating from ships and should have major health and environmental benefits, particularly for populations living close to ports and coasts. A further important drop in Sox emissions is expected from May 2025 when the Mediterranean will become an Emissions Control Area.

From 2021, DIS increased the number of indicators used to assess the efficiency of its fleet. In particular, the following new metrics were adopted:

- for energy consumption: the total fuel consumed multiplied by the average Low Calorific Value (LCV= mega joule per tonne).
- for CO2 emissions: not only the total emissions, but also the Energy Efficiency Design Index (EEDI = grams of CO2 per deadweight tonne, per theoretical nautical miles, based on vessel's speed when sailing at scantling and 75% of the maximum continuous rate), the Annual Efficiency Ratio (AER = grams of CO2 per deadweight tonne, per actual nautical miles sailed) and the Energy Efficiency Operational Index (EEOI = grams of CO2 per tonne-miles, which is the actual amount of cargo transported x actual nautical miles sailed). The EEDI value reflects how efficient the vessel's design is in terms of CO2 emissions; it aims to promote the use of efficient equipment, machineries and optimized hull and propeller designs. The smaller the EEDI, the more efficient the vessel's design. The EEOI and AER instead are operational indicators. The EEOI reflects the ship's operational efficiency; it considers the cargo effectively transported and the fuel oil actually consumed. The EEOI, therefore, is more

representative of the operational efficiency than the AER which also considers the fuel actually consumed but then uses the vessel's DWT instead of the actual amount of cargo transported. However, the AER is relevant since it was adopted by the IMO as a metric to measure the carbon emissions of the ships starting from 2023.

- for SOx emissions: not only the total emissions which have been falling rapidly from the onset of the new regulations by the IMO, limiting the sulphur content in bunker fuels to 0.5%, from the beginning of 2020, but also the SOx emissions per actual tons transported and per total miles sailed.

- for NOx emissions: not only the total emissions but also the NOx per actual tons transported and per total miles sailed. The NOx calculation does not include the emissions from biofuels since the conversion factor for this type of fuel has not been agreed yet. Nonetheless, given the very small quantity of this fuel used in 2021 and 2022, its inclusion would have only a minimal effect on total emissions.

Green Flag Programme

The Green Flag programme is promoted by the port of Long Beach; it rewards operators for slowing down the speed of ships to 12 knots or less within 40 nautical miles of Point Fermin, near the entrance to the port. The programme has been highly successful in improving air quality due to the reduction in emissions from ships. The speed of every vessel in the speed reduction zone is measured and recorded by the Marine Exchange of Southern California. The programme prevents more than 1,000 tonnes a year of air pollution. **The d'Amico Group voluntarily committed to the Green Flag programme and obtained a certification for d'Amico Tankers d.a.c.** This initiative also led to lower docking fees for DIS' vessels

Future Environmental Regulations and Directives

"Fit for 55" is part of the European Commission's ambitious decarbonisation strategy, which aims to reduce greenhouse gas emissions in the EU by 55% by 2030. The directive will have a direct impact on the maritime sector through:

- **The Emission Trading System (ETS)**, which will be extended to maritime transport. The ETS is a proposed directive that will be applied from 2024 to all vessels over 5,000 gross tonnes regardless of flag and to all voyages between ports in the European Economic Area (EEA) and which either commence or terminate in a EEA port. For voyages between EEA ports 100% of emissions will be considered, whilst for voyages only commencing or terminating in an EEA port 50% of emissions will be accounted for. According to the latest agreement reached in December 2023 by the European institutions (Parliament, Council, Commission), shipowners will have to buy emissions allowances for 40% of their emissions reported and verified in 2024, 70% of emissions reported and verified in 2025, and 100% of emissions reported and verified in 2026. According to the latest agreement, the directive will cover not only CO_2 from 1 January 2024 but also Methane (CH_4) and Nitrous oxide (N_2O) from 1 January 2026. The regulations require the shipowner or the entity managing the vessel on behalf of the shipowner to be liable. It also states that any polluter pays, therefore the shipowner could pass the cost to the charterer who is responsible for deciding route, fuel and consumption through a contractual agreement between the parties. The monitoring tool will be the EU MRV (Monitoring, Reporting and Verification), which will have to be partially modified, but for which DIS' fleet is already compliant since 2017.

- **Fuel EU,** which sets a maximum limit on the greenhouse gas intensity of fuels used onboard. The Fuel EU is a regulation which will enter into force in 2025. It will apply to all vessels over 5000 gross tonnes calling at EEA ports with the aim of improving the GHG intensity of the fuels they use for those voyages, promoting the use of neutral emission fuels, fuels from renewable sources (such as biofuels) or low carbon fuels, while also accounting for the 'cold ironing' in ports. The requirements will account for the GHG emissions a fuel generates throughout its lifecycle, from its production to its final consumption by the ship, not just during its use by the ship. Shipowners must calculate the carbon intensity as a quantity of GHG per unit of energy and this calculation must be assessed by a verifier. Companies must provide data on the carbon intensity and sustainability characteristics of biofuels, verified by a voluntary scheme recognised under RED II (Renewable Energy Directive II); furthermore, the verifier must issue a certificate of conformity (certificate of compliance) to ships that comply with the provisions of this regulation. The Required GHG intensity improvements will start in 2025 and increase every five years until 2050 (2% improvement from 2025; 6% improvement from 2030; 13% improvement from 2035; 26% improvement from 2040; 59% improvement from 2045 and 75% improvement from 2050). Shipping companies that are not compliant with the rules by May 1 of the following year will have to pay a penalty. This money will support a green fuel fund in favour of the deployment of low-carbon and renewable fuels in the maritime sector. The projects financed by this fund should stimulate the production of more renewable and low-carbon fuel for vessels.

- **Energy Taxation Directive (ETD)**, which will introduce a minimum tax rate on certain fuels. The ETD is the European Union's framework for the taxation of energy products, including electricity and most fuels. Unlike the ETS and the Fuel EU, the ETD will be paid by the bunker procurer, and it will apply to all bunkers sold in the EEA, by imposing a tax in the EEA for voyages within the EEA. The taxation will start on January 1, 2023, with a 10-year transition period. The tax is just 12% of what other sectors that use fossil fuels such as gasoline and diesel will be charged, to reduce the risk that shipowners and operators would source bunkers outside the EU. According to the revised directive, ammonia and advanced biofuels used in shipping would be exempt to encourage sustainable alternative fuels.

IMO's decarbonisation targets. The industry's transition towards a low-carbon economy, driven largely by the IMO's strategy on the reduction of greenhouse gas emissions from ships, comes with opportunities as well as risks. Many indicators, such as the CII and EEXI are coming into force in the next years, forcing shipping companies to report their emissions. Climate change and greenhouse gas emissions may adversely affect DIS' operating results. Therefore, in the last few years DIS, thanks to the d'Amico Group's technical department, has constantly studied and sought new technologies and innovative solutions (such as the testing of biofuels on its vessels), anticipating and when possible foreseeing new industry regulations, to guarantee DIS' commercial relevance. DIS' commitment to the decarbonisation of the shipping industry is also highlighted by projects developed with charterers, such as the "Speed optimization project" developed in 2021, which allowed the Group to identify the most efficient speed profile over the entire voyage of a vessel and to meet the required arrival time at the lowest fuel consumption. DIS thanks to its young and modern eco-fleet guarantees a commercial activity aligned and compliant with the forthcoming EU regulations (as mentioned above in the Environmental risks and compliance section).

Energy Efficiency

GRI 302-1 (2016); GRI 302-3; GRI 302-4

DIS has implemented various technologies designed to reduce the energy consumption of its own fleet at the new building stage. Specifically, the decision to **install two-stroke engines with greater power than necessary, but de-rated and electronically controlled,** lowers the specific consumption curve on the one hand and reduces the revolutions per minute of the engine shaft on the other, making it possible to combine it with larger and thus more efficient propellers. In addition, **the Mewis duct and the Stator fins**, which optimise the flow of water to the propeller, **enable vessels to sail at the same speed with between 2% to 4% and 3% to 5% less power, respectively.**

Improved hull forms, a more hydrodynamic bulb, hull paints with extremely low friction coefficients as well as more aerodynamic shapes for the vessels' accommodations have also significantly reduced ship resistance in sailing conditions. Moreover, **all of DIS' "eco" vessels** have been designed with the aim of optimizing speed, which is lower than in the previous generation of conventional ships. The combination of these technical measures has led to a drop in the fuel consumption of DIS' "eco" fleet of about 6 tonnes per day/ship compared to previous-generation ships.

Although bunker fuel consumption decreased in absolute terms between 2020 and 2022 (-12.8%), during the same period consumption per nautical mile increased slightly (+1%), whilst consumption per ton transported decreased by 0.5%. Unfavourable trading patterns led to an increase in these metrics from 2021 to 2022. In particular, in 2022 relative to the previous year, consumption per nautical increased by 3.1% and consumption per ton transported increased by 14.2%. Higher consumption when in port and when sailing in ballast, were the main culprits of the deterioration in these indicators.

Bunker fuel consumption (tons) (owned and bareboat)

	2020	2021	2022	Var 2022/21	Var 2022/20
Ballast	48,431.1	39,096.8	44,342.7	+13.4%	(8.4%)
Laden	93,983.1	82,419.9	75,834.0	(8%)	(19.3%)
Port	33,151.1	29,613.9	32,966.7	+11.3%	(0.6%)
Total	**175,565.3**	**151,130.6**	**153,143.4**	**+1.3%**	**(12.8%)**

Bunker fuel consumption per nautical mile (tons/nautical mile) (owned and bareboat)

	2020	2021	2022	Var 2022/21	Var 2022/20
Ballast	0.076	0.070	0.077	+10.0%	+1.3%
Laden	0.083	0.082	0.082	0.0%	(1.2%)
Port	n.a.[14]	0.370	0.932	+151.9%	-
Total	**0.099**	**0.097**	**0.100**	**+3.1%**	**+1.0%**

Bunker fuel consumption per unit transported (tons/tons) (owned and bareboat)

	2020	2021	2022	Var 2022/21	Var 2022/20
Bunker fuel consumption per transport unit	0.0126233	0.01100	0.0125628	+14.2%	(0.5%)

In 2022, most of the consumption (49.5%), and consequently of emissions, came from laden voyages, while a smaller share is attributable to voyages in ballast (29%) and only 21.5% is attributable to consumption within ports.

14 For 2020, PORT miles were not monitored as a separate item, they are included in the voices LADEN and BALLAST

Bunker fuel consumption by type (tons) (owned and bareboat)

	2020	2021	2022	Var 2022/21	Var 2022/20
High sulphur heavy fuel oil	5,272.7	5,311.3	5,347.0	+0.7%	+1.4%
Low sulphur heavy fuel oil	9.4	0.0	0.0	0.0%	(100.0%)
Very low sulphur heavy fuel oil	132,728.1	117,937.7	121,731.4	+3.2%	(8.3%)
High sulphur diesel oil	897.6	0.0	0.0	0.0%	(100.0%)
Low sulphur diesel oil	36,657.5	27,671.3	26,065.0	(5.8%)	(28.9%)
Biofuel oil	0.0	210.3	0.0	(100.0%)	-
Total	**175,565.3**	**151,130.6**	**153,143.4**	**+1.3%**	**(12.8%)**

In the 2020-2022 period, the total energy consumption of DIS' fleet decreased by 12.9%, in line with the reduction of bunker fuel consumption (-12.8%).

Fleet total energy consumption (owned and bareboat)

	2020	2021	2022	Var 2022/21	Var 2022/20
Fleet total energy consumption (TJ)	7,259	6,241	6,321	+1.3%	(12.9%)
Average energy per ton of fuel (MJ/tons)	41.4	41.3	41.3	0.0%	(0.2%)

Emissions

GRI 305-1 (2016); GRI 305-4; GRI 305-5; GRI 305-7; SASB TR-MT-110a.1

According to the IMO (International Maritime Organisation), the main GHG emissions from shipping that should be monitored and then reduced are those from CO2, SOx and NOx. In the 2020-2022 period, the value of CO2 emissions decreased, both in absolute value (-14.9%) and in relation to the nautical miles travelled (-2.0%) and the tons transported (-2.9%). Important decreases in these same metrics were also observed from 2021 to 2022.

CO2 Emissions (owned and bareboat)

	2020	2021	2022	Var 2022/21	Var 2022/20
CO2 Emission Scope 1 [tCO2]	550,165.9	500,845.4	468,099.8	(6.5%)	(14.9%)
CO2 per nautical mile [tCO2/ Nautical Mile]	0.31127	0.32049	0.30518	(4.8%)	(2.0%)
CO2 per transport unit [tCO2/tons]	0.03956	0.03913	0.03840	(1.9%)	(2.9%)
AER [g C02/dwt tonne*miles]	6.44	6.16	6.39	+3.7%	(0.8%)
EEDI/EEXI [g Co2/dwt tonne* miles]	4.96	4.70	4.62	(1.7%)	(6.9%)
EEOI [g C02/tonne* miles] (TC-OUT)	14.18	13.37	14.60	+9.2%	+3.0%
EEOI [g C02/tonne* miles] (SPOT)	16.64	19.10	17.56	(8.1%)	+5.5%

Scope 1 emission (t) (owned and bareboat)

	2020	2021	2022	Var 2022/21	Var 2022/20
Carbon dioxide (CO2)	550,165.9	500,845.4	468,099.8	(6.5%)	(14.9%)
Nitrous oxide (N2O)	2,583.6	2,352.0	2,198.2	(6.5%)	(14.9%)
Methane (CH4)	9.6	8.7	8.1	(6.9%)	(15.6%)
Sulfur hexafluoride (SF6)	$2.623e^{-7}$	$2.388e^{-7}$	$2.232e^{-7}$	(6.5%)	(14.9%)
Carbon dioxide equivalent (CO2e)	552,759.1	503,206.1	470,306.2	(6.5%)	(14.9%)
EEOI [g C02/tonne* miles] (TC-OUT)	14.18	13.37	14.60	+9.2%	+3.0%
EEOI [g C02/tonne* miles] (SPOT)	16.64	19.10	17.56	(8.1%)	+5.5%

During the 2020-2022 period, SOx emissions fell in absolute terms (-12.1%), but increased when measured in relation to the nautical miles travelled (+1.2%); from 2021 to 2022 there was a slight increase in these same two metrics of 0.1% and 1.2%, respectively.

SOx Emissions (owned and bareboat)

	2020	2021	2022	Var 2022/21	Var 2022/20
SOx Emission Scope 1 [tSOx]	1,471.5	1,292.0	1,293.2	+0.1%	(12.1%)
SOx per nautical mile [tSOx/ Nautical Mile]	0.00083	0.00083	0.00084	+1.2%	+1.2%
SOx per transport unit [tSOx/tons]	0.000106	0.000101	0.000106	+5.0%	-

Since 2020 NOx emissions are those that decreased most in absolute terms (-14.8%), falling also when measured in relation to the nautical miles transported (-1.8%) and the tons transported (-2.8%). A reduction in the absolute level of NOx emissions (-1.0%) was also experienced from 2021 to 2022, whilst the NOx emissions per nautical mile (+0.9%) and per unit transported (+4.5%), increased slightly during this same period.

NOx Emissions (owned and bareboat)

	2020	2021	2022	Var 2022/21	Var 2022/20
NOx Emission Scope 1 [tNOx]	10,007.2	8,614.4	8,525.7	(1.0%)	(14.8%)
NOx per nautical mile [tNOx/ Nautical Mile]	0.00566	0.00551	0.00556	+0.9%	(1.8%)
NOx per transport unit [tNOx/tons]	0.00072	0.00067	0.00070	+4.5%	(2.8%)

During the last three years, the technical department of the d'Amico Group has started preparing DIS' fleet to comply with the IMO's GHG reduction measures. The revised Annex VI requires ships to calculate their Energy Efficiency Existing Ship Index (EEXI) and to measure its annual operational carbon intensity indicator (CII). The amendments to MARPOL Annex VI came into force on 1 November 2022, with the requirements for EEXI and CII certification becoming effective from 1 January 2023.

The EEXI entails the **retroactive application of the EEDI to all existing cargo** and cruise ships above a certain size. This will impose a requirement equivalent to EEDI Phase 2 or 3 for all existing ships regardless of year of build and is intended as a one-off certification that will be verified no later than the first annual survey on or after 1 January 2023.

The EEDI Phases requirements are the following:

- Phase 1 (2015-2019): 10% reduction with respect to the reference value;
- Phase 2 (2020-2024): 20% reduction with respect to the reference value;
- Phase 3 (2025 onwards): 30% reduction with respect to the reference value.

The primary method of compliance with Phase II for DIS' existing ships is to reduce the power installed with overridable power limits (OPL) rather than by fitting energy saving devices (ESD). However, to improve the efficiency while complying with the EEXI, d'Amico Group's technical management department decided to combine both methods: overridable power limits and energy saving devices.

As at the end of 2022 only 22% of DIS' fleet was not compliant with Phase II of the EEDI; for these vessels an installation of overridable power limits will be required.

EEDI compliance (owned and bareboat)

	Pre-EEDI	Phase 1	Phase 2	Phase 3
EEDI compliant ships (%)	7.1%	14.3%	60.7%	17.9%

EEXI compliance (owned and bareboat)

	2020	2021	2022
EEXI compliant ships (%)	-	70%	78%

DIS established a **"carbon war room"**, through which regular meetings occur with class representatives and original engine manufactures to identify and implement the most advanced and attractive solutions for the decarbonisation of its fleet. Solutions evaluated include transitional fuels, propulsion systems and energy saving devices, with the objective of:

- accelerating compliance with the short-term measures adopted by the IMO (CII and EEXI);
- complying with the next Fuel EU Regulation commencing in 2025;
- accelerating the adoption of technical solutions for ship efficiency.

In June 2021 the d'Amico Group's technical management department launched a **joint industry project (JIP) to test biofuel blends (B30) derived from advanced second-generation feedstock** on board one of DIS' LR1 product tankers. The trials were conducted from 19 June 2021 to 06 July 2021 with very positive results. In particular, CO2 emissions (using the lifecycle analysis, LCA) fell significantly, while NOx emissions remained stable and within the permitted limits.

The results of the trials underline that the **biofuel blend is a viable solution** to comply with the Fuel EU Regulation and, provided widespread availability of feedstock, it is a possible "drop-in" solution to speed up the decarbonisation of the existing tonnage, contributing to reaching the ambitions goals set by the IMO, which currently calls for international shipping to reduce its C02 emission by 50% by 2050.

Characteristics of the fleet (owned and bareboat)

	2020	2021	2022
Fleet certified for the use of Biofuel blends up to B30 (%)	0%	21%	21%

Based on the results achieved on the M/T Cielo di Rotterdam, **DIS has certified with the Flag administration for all its LR1 vessels to operate permanently with the B30 biofuel blend. Following the recent outcome of the MEPC 78, DIS is allowed to use blends of up to 30% of FAME (fatty acid methyl ester) on its entire fleet without any further tests.** The plan for 2023 is to test the biofuels B40 and B50, following the same methodology adopted by the pilot project.

Regarding IMO's other short terms measures, the technical management department of the d'Amico Group conducted an internal study on DIS' Fleet, using the metric adopted by the annual efficiency ratio (AER), to understand the risk profile related to the size of vessels, type of cargo (heated or not) and particularly difficult trade routes, due to severe weather conditions. Furthermore, in 2021 it launched a project to calculate and monitor in real time the attained Carbon Intensity Indicator (CII) of DIS' fleet, with the aim of taking prompt corrective actions, as deemed necessary.

In 2021, the d'Amico Group conducted two innovative projects on **route optimisation** and **speed optimisation**.

The Route Optimisation project – developed together with a charterer – started at the end of 2020. During 2022 the voyages managed with the Route Optimisation procedure led to fuel saving of about 293 Mt, equivalent to a reduction in CO2 emissions of about 911 Mt.

The voyage plan was structured following five different ship priorities to save fuel and emissions, while prioritising in all circumstance the vessel's safety:

- Charter party compliance;
- Instructed speed;
- Special care cargo/vessel;
- On-time arrival;
- Minimum voyage cost (hire+fuel).

The first step of the project consisted of taking the **actual route sailed and re-simulating it**, by running a computational analysis on the environmental factors - including wind speed and direction, wave height and direction and currents - encountered along the vessel's path, estimating the effects of those factors on the vessel's over-ground speed and fuel consumption.

The second step consisted of simulating the route adjusting it to **match the actual departure and arrival times.** This simulation allowed to demonstrate that the calculated Fuel Oil Consumption for the re-simulated route closely matched the actual Fuel Oil Consumption reported during the voyage. Thus, it was possible to verify that the unbiased re-simulation accurately matched the actual voyage.

During the third and last step, there was another simulation using a similar procedure to the one detailed above. The result of this simulation, along with a comparison with the output from the actual route, **provided a good estimate for how much extra fuel the vessel would have consumed had it followed the intended route.** Moreover, several KPIs were measured during the project.

Re-routing Risks

According to several studies on climate change, because ice continues to melt around the North Pole due to global warming, sea levels are rising, coastal erosion is worsening, and sedimentation patterns are changing. These significant changes and the risk of adverse weather conditions may impact sea routes, ship channels and river transits. Therefore, since existing routes are no longer as safe or easy to navigate as they were before, new routes have to be planned. Re-routing may impact positively on costs, but less on freight rates.

In this regard, while respecting constraints in commercial contracts, DIS has always paid particular attention to determine the best routes and the best speed to optimise each single voyage, to reduce emissions and bunker consumption. Thanks to innovative digitalization projects developed in 2020 and 2021 (Speed - and Route Optimization projects, F.R.I.D.A. - Fleet Reporting Intelligence d'Amico Group's database) and the implementation of the latest software (ABS NS Enterprise, an integrated digital platform), DIS exploits the value of big-data and information as assets to support its operational performance. Big data analysis has therefore become an important decision-making tool for DIS' fleet management, allowing it to evaluate for example the impact of CO_2-saving devices, validate the ship's performance model by considering weather conditions and to assess the hydrodynamic efficiency of its vessels.

The **Speed optimisation project** was entirely developed during 2021, in cooperation with one of d'Amico Group's most important charterers, Total Energies. The aimed to identify the most efficient speed profile over the entire voyage of a vessel and meet the required arrival time or laycan at the lowest fuel consumption and best level of carbon intensity indicator (CII).

The importance of applying Speed Optimisation has gained momentum following the global efforts **to reduce Green House Gas (GHG) emissions** and the strict targets set by the IMO (MEPC 74, 75, 76, 77 and 78), the Sea Cargo Charter, and other initiatives as mentioned by the IMO's (2018) initial strategy on the reduction of GHG emissions from ships. Operational measures have indeed appeared as one of the prominent short-term measures to achieve such goals.

This project involved a four-week long trans-pacific voyage, which was optimised through a cooperation amongst DIS, GreenSteam, and the charterer Total Energies. The scope of the voyage was to validate the effectiveness of the algorithm and the ship propulsion model behind it, through a real-life trial. The main result achieved was a significant saving in terms of fuel and emissions.

The optimisation involved the following steps:

- advise an "optimal" Speed Over Ground (SOG) profile;
- for each vessel, a Speed-Fuel model was established to predict the expected consumption;
- The Speed-Fuel model considered the weather conditions (forecast) and provided an accurate prediction of fuel consumption.

At the same time, in 2021, the d'Amico Group launched a **project to calculate and monitor the attained CII in real time**, with the aim of promptly undertaking the corrective actions deemed necessary to improve the CII rating and update in real time the risk profile of DIS' fleet. Furthermore, after the adoption of the CII correction factors by the MEPC 78 in June 2022, the d'Amico Group has completed in December 2022 the modification of the in-house database (FRIDA) to collect, analyse and include the approved correction factors in the CII formula.

Innovation and Digitalization

The d'Amico Group's environmental and energy performance is improved mainly through the adoption of new tech-nologies that **reduce consumption, increase the fleet's energy efficiency and improve maintenance performances.**

Robotics technologies

In the future, onshore fleet operators, through a continuous flow of data from the ship, will be able to monitor ships at all times and provide valuable assistance to the crew on board. Fleet managers will be able to analyse data flows received, allowing them to advise the captain and crew on navigation topics, weather routing, fuel consumption, smart maintenance, remote diagnostics, and structure stress analysis. This will help to reduce the risks of human error leading to accidents, increase efficiency and reliability and improve environmental performance. In this respect, the d'Amico Group is working on several fleet innovation and digitalisation projects.

During 2021, the d'Amico Group's first **Remotely Operated Aerial Vehicles (ROAV)** (drone) inspections of a cargo oil tank, took place on board the MR tanker High Valor, followed by a ROAV inspection of the MR tanker High Courage. This type of inspection is usually conducted using either staging or by rope access technicians (RAT), with the person in charge suspended on ropes to inspect the tank structures, focusing on areas of high stress, corrugated bulkheads, upper stools and deck heads.

The ROAV inspection needs to be conducted close-up and requires the thickness of the internal structures to be gauged according to specific guidelines and frequency. **The first Ultrasonic Testing (UT)** gauging using the ROAV was carried out in the second quarter of 2021 on the MR tanker High Venture, in partnership with the ABS classification society. The drone used for this inspection was specifically assembled with a UT-certified probe, capable of ensuring a strong grip against the surface to be gauged.

One of the Group's **main priorities in experimenting these innovations was to reduce the risk factors for humans related to rope access**, which includes working at heights for sustained periods of time as well as working in confined spaces. Inspecting the tank with a ROAV allowed the company to conduct a quick and safe inspection of the tanks, thereby allowing them to identify and more efficiently plan for any possible contact-based inspections.

For this purpose, the Technical Office mobilised an experienced two-person ROAV team, consisting of an ROAV pilot and a ROV UT specialist, along with two class surveyors and one technical superintendent.

The inspection of the close-up areas of the tanks was completed within three days, in comparison with rope access which would usually take between six days for the same work and more than 12 days using staging with the vessels in service.

The **successful completion of these projects** has demonstrated that now it is not only possible to conduct a visual inspection in a confined space, but also UT gauging by drone. **ROAV inspection has succeeded not only in removing one of the most significant risks associated with tank inspection (working at heights), but also in producing significant cost and time savings and reducing the impact on the availability of cargo tanks for commercial purpose.**

Condition Based Maintenance

DIS adopted and implemented **condition-based maintenance (CBM)** through specific tools, techniques, hardware and software systems, with the aim of achieving:

- operational cost savings by increasing the average life of spare parts;
- higher efficiency and therefore better energy performance;
- reducing off-hire days through higher machinery and fleet reliability;
- greater flexibility in the management of maintenance plans;
- better knowledge of machineries and of their behaviour with changing operating conditions.

CBM involves the adoption of new technologies and techniques such as:

- video-endoscopy for internal inspection of machinery;
- thermography of electrical equipment for early detection of potential failures by analysing their thermal images;
- vibration analysis of rotating machinery to identify failure trigger points and causes by analysing their vibrational spectrogram.

These have been integrated with more traditional techniques, such as tribology and machinery performance analysis, and are aimed at providing more flexibility in managing maintenance when there are changes in the operating conditions of the vessels and its machinery.

Through the adoption of CBM, DIS was able to achieve the **highest level required by TMSA 3** (Tanker Management and Self-Assessment programme), with respect to maintenance management. As at the end of 2022, almost all of DIS' new constructions delivered from 2013 have been certified PMS-CM (PMS-Condition monitoring) by RINA after positive audits conducted on board confirming that such strategy of maintenance is now approved by the Class. DIS' plan is to further extend the CBM and the relevant certification also to the LR1 fleet with a completion target by the end of 2023. Furthermore, during 2022, DIS vessels enrolled under the vibration monitoring program have replaced the tool to monitor the vibrations with high-performance condition monitoring solutions and DIS started evaluating the possibility of adopting a specific software for the performance analysis of the main engine and diesel generators, with the aim of improving their efficiency.

The growing trends in **digitalization and mobile applications** have clearly highlighted the need to modernize our fleet's management tools, to better exploit the value of data by treating them as assets. During 2020, the whole d'Amico Group including DIS selected **ABS-NS to drive the digital transformation of its fleet management.** The project started in September 2020 and was completed in January 2022.

Digitalisation and big data

The amount, variety and speed of information continues to grow rapidly, making data a highly valuable resource for enhancing fleet efficiency and improving environmental performances. **Very accurate and reliable real-time monitoring systems** have allowed the maritime sector to shift from a culture of generic data to one of accurate and reliable data.

DIS currently monitors the data of 100% of its owned and bareboat vessels. At least one report per vessel is sent every day (with manually entered data) and the average amount of data points for each of these reports is one hundred, equivalent to 6.5 million data points per year. Furthermore, for the large majority of its owned and bareboat vessels, DIS receives digitally every five minutes, data relating to machinery and navigation.

The growing trends in **digitalization and mobile applications** have clearly highlighted the need to modernize the fleet's management tools to better exploit the value of data by treating them as assets. **Big data analysis has become therefore an important decision-making support.** The availability and analysis of such data allows DIS to:

- determine the best time to clean the hull/propeller (Hull & Propeller Management ISO 19030);
- evaluate the impact of CO2-saving devices;
- evaluate the condition of low-friction anti-fouling paint;
- validate the ship's performance model by taking into account waves, wind, trim, draught and current;
- assess the hydrodynamic efficiency of its vessels.

Thanks to the adoption of the new **Electronic Logbook (ELB)**, the technical department is now able to perform part of the inspection remotely, with specific reference to the verification of the daily sounding logs, the oil record book part I, the seals log and the production and disposal data for bilge, sludge and garbage. **The environmental audit** is now part of DIS' routine vessel inspection, with the aim of ensuring the highest environmental compliance while surpassing industry standards.

The **digitalization of the majority of the record books** (Oil record books, Garbage record book, Cargo record book, Ballast management record book), allows DIS to monitor in real time the operations performed on board for the proper handling and disposal of the bilge water, sludge and waste produced by the vessels. It also provides the technical management department with an important dashboard on the production levels of bilge and sludge by geographical area, days of navigation and season. It is not simply an electronic register, but also a tool that helps DIS to perform operations correctly, in compliance with current environmental and MARPOL regulations, also based on the ships' specifications according to its certificates and as-built drawings.

DIS started to digitise its record books well in advance of the guidelines established in May 2019 by MEPC 74. This confirms DIS' great attention to MARPOL issues and its focus on innovation. After being initially used among a limited number of vessels, at the end of 2020 **DIS took the decision to extend the application to its whole fleet, with completion expected in the first quarter of 2023.**

To further enhance the resourcefulness of data, the d'Amico Group developed an in-house database called FRIDA, currently employed by DIS and which can receive data directly from vessels and share it both internally, with dedicated templates for each department, and also externally with third parties. **FRIDA can check each data reporting received and create an alert to validate each single data point**. Recent developments included a complete system able to automatically create and manage all the reports necessary to comply with emissions regulations (IMO and EU directives) as well as internal needs. In particular, in 2022 **FRIDA has been further developed to monitor in real time the Carbon Intensity Indicator (CII).**

Sea and Marine Environmental Safety

GRI 2-9 (2021); GRI 304-2 (2016); GRI 306-3 (2016); SASB TR-MT-160a.3; SASB TR-MT-540a.1

The d'Amico Group believes that **safety at sea, preventing accidents**, the loss of human life, and **environmental damage,** especially damage to the marine environment, are **top priorities that must never be jeopardised**.

The effort of captains, officers and crew members **must be preventive rather than reactive**. Favouring a proactive approach limits risks and any related costs. Ship captains, officers and crew members comply with the following guidelines every day during navigation and operations:

- zero spills;
- zero accidents;
- all employees are responsible for their own safety and the safety of others;
- there is no corporate goal important enough to sacrifice safety;
- work is well done only if performed safely.

In September 2017, the new IMO Ballast Water Convention entered into force. Ballast water contains a variety of organisms, such as marine and coastal plants and animals from different regions of the world. If taken up in one place and released in another, some organisms may survive and prosper in their new environment. These "non-native species" can have a serious ecological, economic and public health impact on the receiving environment.

To prevent the problem of invasive species from ballast water, **the IMO adopted the first International Convention for the Control and Management of Ships' Ballast Water and Sediments in 2004.**

DIS, through the d'Amico Group, has prepared and is implementing plans, record books and procedures, not only to comply with the convention's requirements, but most importantly **to guarantee the prevention of this kind of pollution.** All new vessels are provided with this equipment while the installation on the remaining existing ships has been completed during 2022. Presently **100% of DIS' owned and bareboat vessels are fitted with Ballast Water Treatment System (BWTS).** Furthermore, specific contingency measures are in place to prevent and respond to any failure and improper operation of these systems. During 2023, DIS plans also to complete the required retrofits to obtain the USCG certifications for all its owned and bareboat vessels.

The d'Amico Group is now focused on improving their BWTS so that they can be used also in situations involving turbid water and the presence of mud.

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Proportion of Fleet with Ballast Water Treatment System, as at year-end (owned and bareboat)

	2020	2021	2022
Fleet with installed water ballast treatment system (%)	85.3%	93.0%	100.0%

Spills by cause (owned and bareboat)

	2020	2021	2022
Sabotage	0	0	0
Earthquakes	0	0	0
Other events outside of the entity's operatio-nal control	0	0	0
Leakage over time (which shall be counted once at the time the leak is identified)	0	0	0

Spills by type (owned and bareboat)

	2020	2021	2022
Hydrocarbons	0	0	0
Hazardous substances	0	0	0
MARPOL Annex II noxious liquid substances.	0	0	0

Number of marine casualties (owned and bareboat)

	2020	2021	2022
Loss of a ship	0	0	0
Presumed loss of a ship	0	0	0
Abandonment of a ship	0	0	0
Material damage to a ship	0	1	0
Stranding or disabling of a ship	0	0	0
Involvement of a ship in a collision	0	0	0
Material damage to marine infrastructure external to a ship, that could seriously endan-ger the safety of the ship, another ship or an individual	0	0	0
Severe damage to the environment brought about by the damage of a ship or ships	0	0	0
Potential severe damage to the environment brought about by the damage of a ship or ships	0	0	0

Coast Qualship21 and E-Zero Programmes

Coast QUALSHIP 21 is an initiative implemented by the US Coast Guard to identify high-quality ships and provide incentives to encourage quality operations. Its name refers to quality shipping for the 21st century. A quality vessel is associated with a well-run company, is classed by an organisation with a quality track record, is registered with a flag administration with a superior Port State Control record and has an outstanding Port State Control history in U.S. waters in the last three years.

Beginning on 1 July 2017, vessels enrolled in the QUALSHIP 21 programme may also seek the E-Zero designation if they meet the requirements set forth below. **The E-Zero programme** is a new addition to the existing QUALSHIP 21 programme, and the goal of this programme is to recognise those exemplary vessels that have consistently been compliant with environmental regulations, while also demonstrating an intense commitment to environmental stewardship. These vessels will receive the E-Zero designation on their QUALSHIP 21 certificate. In 2022, 17 vessels belonging to DIS were enrolled in QUALSHIP 21.

the d'Amico Group adheres to the voluntary Slow Zones

The d'Amico Group has always adhered to any measures put in place to protect marine biodiversity. Most recently and among others, in July 2021 it adhered to vessel speed reduction to protect the Right whale in the North Atlantic. **The Right Whale Slow Zones** is a programme that notifies vessel operators of areas in which maintaining speeds of 10 knots or less can help protect Right whales from vessel collisions.

Maintenance

DIS' ships and their machinery and equipment are maintained to always ensure full reliability and extremely high efficiency and to ensure that commercial operations in port and navigation are performed in compliance with the highest safety criteria, in accordance with applicable rules and regulations. All maintenance plans are approved by classification societies and are supported by a computerized system that exchanges data in real time with the d'Amico Group's technical management department.

DIS adopts a **preventive maintenance** system, not only based on the recommendations and instructions provided by the manufacturers or on recognised standards, but also on the continuous monitoring of equipment conditions, through the integration of the traditional time-based maintenance with **Condition-Based maintenance (CBM)**, combining these different maintenance policies through a **risk-analysis approach.** Through this approach it possible to:

- identify critical machinery which, if suddenly damaged, could put the ship or its crew in a situation of danger or could seriously affect safety and the protection of the environment;
- identify all critical spare parts that can immediately restore machinery to working order, should there be any failure. The d'Amico Group has also defined an "optimal inventory" for spare parts based on trading patterns for the vessel, delivery times of spare parts and their intensity of utilisation in particular trades;
- dynamically set the structural inspection frequency based on the quality of construction, trade pattern of the vessel, number of loading and unloading operations and age of the vessel. This approach is a best practise and in line with the requirements of the shipping industry (TMSA).

The maintenance system defines inputs, outputs and performance indicators for each process. The most important indicators considered are:

- fleet reliability;
- fleet availability;
- outstanding maintenance tasks on non-critical machinery;
- outstanding maintenance tasks on critical machinery;
- number of failures on critical machinery as a percentage of total failures;
- number of unplanned maintenance tasks as a percentage of total maintenance tasks;
- drydock planning performance;
- number of sailing inspections/total number of inspections.

The value of the **fleet's reliability**, which has been **well above industry standards during 2022,** confirms the excellence of the maintenance system. The value of outstanding maintenance tasks of non-critical equipment for 2022 was well below the target, confirming the growing attention of management to on-board equipment regardless of its criticality. Furthermore, in 2022 d'Amico introduced a more **challenging target for the management of critical equipment – "0%" percentage of outstanding maintenance – with the aim of increasing attention to the management of critical machinery.**

Fleet reliability (owned and bareboat)[15]

	2022
DIS' target	1.000
Lower limit (industry standard)	0.970
DIS' fleet actual	0.998

Fleet availability (owned and bareboat)

	2022
Max value	1.000
DIS' fleet actual	0.987

Outstanding maintenance tasks for critical equipment (owned and bareboat)

	2022
DIS' target	0.30%
DIS' fleet actual	0.27%

15 The tables present only data referring to 2022 because the data for the previous years are not comparable due to a different composition of DIS' fleet.

Drydock planning performance (owned and bareboat)[13]

	2022
DIS' target	19.0%
DIS' fleet actual	25.0%

To further innovate the maintenance management, the development of a **Fleet Operating Centre (FOC)** with the aim of aggregating a set of key parameters and information selected from different applications available within a common platform, has been studied during 2022 and will be implemented as a pilot project by the end of April 2023. The main objectives of the FOC will be:

- defining a risk profile for each vessel;
- understanding how the ships are operated;
- facilitating the analysis of any triggered alarm;
- monitoring compliance with company instructions and policies.

Recently, an **additional feature has been added to the FOC project:** monitoring policies developed by the Group for **cutting non-essential consumption** during the different phases of operation (sailing, anchorage, loading, unloading and cargo handling), with the aim of improving the energy management on board as a key activity in achieving fleet decarbonisation.

Any non-conformity detected following an inspection or test is documented, reported, reviewed, investigated and analysed to implement the necessary corrective actions. Any defect, malfunction or failure of ship machinery, systems or structure which may have an impact on the safety of personnel or of the ship or on pollution prevention, and which cannot be resolved by the personnel on board, is promptly reported to the competent departments through an electronic reporting system. Moreover, fault analysis and related implementation of preventive actions or "barriers" make the system efficient and reactive.

To verify the need for maintenance of machinery, equipment, structures and technical systems essential for safety and environmental protection, **the d'Amico Group has implemented a system of planned visits and periodic inspections which are conducted during navigation by onshore personnel. After the recent implementation of the new software ABS NS, all inspection forms are now digitised.**

The meticulous attention to environmental aspects has driven the company to review its MARPOL inspection form, which was completely redesigned to include detailed check-lists with specific reference to business policies, procedures, circular letters, international standards, business tools such as the electronic logbook, engineering requirements such as the oil-to-sea interface, the environmental control system and critical spare parts. Furthermore, according to DIS' policy the superintendent must be present during the tests of the critical equipment (known as "CODE 6"), which are the incinerator, OWS (oil water separator), ODME (oil discharging monitoring equipment), sewage system, BWTS (ballast water treatment system), and IBTS (integrated bilge treatment system).

Ship Recycling

To **prevent damaging practices when dismantling and recycling end-of-life ships**, the International Maritime Organisation (IMO), in agreement with the International Labour Organisation (ILO), has established, through the Hong Kong Convention (HKC), several protocols, criteria and procedures to be adopted for the construction, demolition and eco-friendly recycling of ships and particularly for treating any hazardous waste on board ships.

On 22 October 2013, the European Parliament issued the EU Ship Recycling Regulation (EU SRR) to facilitate faster implementation of the Hong Kong Convention, through surveys of ships and land-based facilities.

The new regulation requires that new ships belonging to EU countries have a verified Inventory of Hazardous Materials (IHM) and a Statement of Compliance on board, and that existing ships belonging to EU countries and ships belonging to non-EU countries that call at EU ports have the IHM and the Statement of Compliance on board by 31 December 2020.

The d'Amico Group has completed a hazardous material inventory on all new constructions and on board its entire existing fleet, providing a complete map of all materials on board, their location and the risk levels for the health and safety of people and the environment.

A dedicated procedure to maintain the inventories, with a Responsible person and a cooperation team has been prepared and named to assure that the **Group's Ship Recycling Process is continually updated during material purchase phases and during replacement and repair activities in the dock.**

DIS ships are usually sold before the time of recycling, since one of the Group's objectives is to always control a young and efficient fleet.

Waste Management

GRI 306-3 (2020); GRI 306-5

DIS is committed to reducing the production of waste through specific processes and a corporate policy that focuses on environmental pollution. Waste management on the fleet's vessels is carried out according to a detailed procedure in compliance with IMO/MARPOL 73/7838. This procedure is part of DIS' environmental policy, which uses a combination of complementary initiatives to achieve more environmentally-friendly results, including:

- reduction of waste generation at the source;
- reuse and recycling;
- waste treatment on board;
- discharge at the port facility.

The amount of waste produced was reduced by 12.4% from 2021 to 2022, from 1,351.07 m3 to 1,183.82 m^3:

- waste discharged at sea – consisting exclusively in food waste – was reduced by 7.9% since 2021;
- ash from incinerator - produced by the incineration of materials permitted by MARPOL (paper and oily rags) – was reduced by 7.1% from 2021;
- waste disposed ashore, as per details in the table below, was reduced by 13.1% from 2021.

Waste generated and disposed (owned and bareboat)

		2020	2021	2022	Var 2022/21	Var 2022/20
Waste discharged at sea (m^3)	Food waste	160.73	148.23	135.35	(8.7%)	(15.8%)
	Operational waste [16]	0.00	0.00	1.20	-	-
	Cargo residues (non-HME)	0.00	0.00	0.00	-	-
	Total	160.73	148.23	136.55	(7.9%)	(15.0%)
Waste incinerated (m^3)	Incinerator ashes	51.71	42.51	39.51	(7.1%)	(23.6%)
	Total	51.71	42.51	39.51	(7.1%)	(23.6%)
Waste disposed ashore (m^3)	Plastics and plastics mixed with non-plastic garbage	550.22	501.02	455.22	(9.1%)	(17.3%)
	Domestic waste, operational waste and recyclable or reusable material [17]	424.18	398.29	327.45	(17.8%)	(22.8%)
	Operational waste [18]	282.59	179.98	192.58	+7.0%	(31.9%)
	Electronic waste [19]	22.94	81.04	32.52	(59.9%)	+41.8%
	Cargo residues (HME)	0.03	0.00	0.00	-	(100.0%)
	Total	1,279.96	1,160.33	1,007.77	(13.1%)	(21.3%)
Total (m^3)		1,492.39	1,351.07	1,183.82	(12.4%)	(20.7%)

Waste per vessel (owned and bareboat)

	2020	2021	2022	Var 2022/21	Var 2022/20
Total waste per vessel (m^3/vessels)	53.3	50.0	42.3	(15.4%)	(20.6%)

16 Such as: expired pyrotechnics, oily rags and any other oily materials, paint/chemical drums, cleaning agents and additives contained in deck and external surface wash water.

17 Such as: paper products, rags, wood, aluminum, glass, metal bottles, crockery, light bulbs, batteries, medical wastes, etc.

18 Such as: expired pyrotechnics, oily rags and any other oily materials, paint/chemical drums, cleaning agents and additives contained in deck and external surface wash water.

19 Such as: electronic cards, gadgets, instruments, equipment, computers, printer toner & cartridges, lighting equipment etc.

Care for environment, 3R Campaign onboard d'Amico fleet

DIS through the d'Amico Group launched the **3R Campaign** in 2021 which is focused on waste management by concentrating on reducing, reusing and recycling.

The campaign aims to:

- teach and reinforce basic operational measures to reduce, reuse and recycle;
- increase awareness of Master and crew;
- define and monitor KPIs;

The KPIs chosen to measure the set targets are:

- amount of waste generation;
- amount of waste reused;
- amount of waste recycled.

Why Practise the 3Rs?

- protect the environment;
- conserve limited resources;
- save energy;
- reduce space needed for waste.

Water Management

GRI 303-3 (2018); GRI 303-4

Fresh water

Through a fresh water generator, DIS vessels produced fresh water from sea water at a rate of around 10-15 tons/day in sailing conditions. The fresh water produced is collected in the freshwater storage tanks and from those tanks is directly supplied to:

- cabin, toilet, galley and laundry for human uses (after sterilization and remineralization);
- boilers, hot well and main engine cooling jacket for technical uses.

Rarely the fresh water is supplied by shore:

- when the freshwater generator is out of service;
- when the vessel is in idle conditions for a long time;
- when required for cargo tanks washing.

In addition, the majority of DIS vessels are equipped with an **Integrated Bilge Treatment System (IBTS)** which enables the vessel to separate the clean drains produced by the ME air cooler and the air conditioning units, from the bilge water. Clean drains, after being tested with a 15 ppm Detector, can be either discharged overboard or collected as technical water in the Aft peak tank to be used for tank cleaning.

The fresh water used by humans, either **grey water** (showers, wash basins, laundries, and galleys) or **sewage** (toilets, urinals and hospitals), is disposed at sea in compliance with the relevant regulations.

In 2022, the freshwater generator produced 67,962 litres (+0.3% vs 2021), equal to 93.6% of the total fresh water used.

Fresh water used by source (litres) (owned and bareboat)

	2020	2021	2022	Var 2022/21	Var 2022/20
Produced water (freshwater generator)	69,142	67,791	67,962	+0.3%	(1.7%)
Third-party water	7,177	6,903	4,654	(32.6%)	(35.2%)
Total	76,319	74,694	72,616	(2.8%)	(4.9%)

Tank washing water

All DIS vessels are equipped with an **Oil Discharge Monitoring Equipment (ODME)**, according Marpol Annex I, and a slop tank arrangement to process water resulting from tank washing. In fact, water used for tank cleaning is disposed at sea after being decanted, through the ODME. Recently, DIS performed an upgrading of the ODMEs which now are able to process all tank washing water coming from cargo tanks loaded with biofuel blends. Subject to the provision of regulation 4 of annex I, any discharge at sea is prohibited except when all the following condition are satisfied:

- the vessel is not within a special area;
- the vessel is more than 50 nautical miles from nearest land;
- the vessel is proceeding enroute;
- the instantaneous rate of discharge of oil content does not exceed 30 litres per nautical mile;
- the total quantity of oil discharge into sea does not exceed 1/30,000 of the total quantity of the particular cargo of which the residues formed a part of;
- the vessel has in operation an ODME and a slop tank arrangement.

Water processed by Oil Discharge Monitoring Equipment (owned and bareboat)

	2020	2021	2022	Var 2022/21	Var 2022/20
Oil Discharge Monitoring Equipment (m3)	42,870.83	42,968.09	49,877.53	+16.1%	+16.3%

The increase in the amount of washing water decanted and disposed of through the ODME is explained by the increase in the carriage of cargoes that requires, after unloading, a tank wash before loading the next cargo.

Sewage effluents

All DIS vessels are equipped with a sewage treatment plant with a holding retention tank, approved by the flag administration according to the requirements of MARPOL Annex IV. The discharging of sewage at sea is prohibited except when:

- the vessel has in operation an approved sewage treatment plant which has been certified by the flag administration to meet the operational requirements referred to in regulation 9.1.1 of the MARPOL ANNEX IV and the effluent shall not produce visible floating solids nor cause discoloration of the surrounding water;

- for non-treated sewage at a distance of more than 12 nautical miles from the nearest land, provided that in any case, the sewage that has been stored in the holding tank shall not be discharged instantaneously but at a moderate rate when the ship is sailing and proceeding at not less than 4 knots. The rate of discharge must be approved by the flag administration.

Any local authority can add additional requirements or establish a **Non-Discharge Zone (NDZ)** prohibiting the discharge of sewage in their water even if the vessel is equipped with a sewage treatment plant approved by the flag administration. All chemicals used for tank washing are environmentally friendly.

Grey water effluent

All DIS' vessels are equipped with a means of retention of grey waters (grey water tank) to be used in zones where discharging is prohibited. DIS' environmental policy includes, according to the requirement of Vessel General Permits (VGP), specific analysis to verify the presence of BOD (biochemical oxygen demand) and COD (chemical oxygen demand) pollutants.

Grey water is still not regulated by international regulations but mainly by local regulations. DIS has in place a specific procedure to guide the ship's crew on how to treat grey water in the different regions.

Supplier Environmental Assessment

GRI 308-1 (2016)

The d'Amico Group has a register of suppliers selected based on their reliability, quality, price and delivery times. The suppliers included in this list must meet the following criteria:

- **Possession of certifications of compliance with ISO 9001 and ISO 14001 standards**, obtained from a recognized third party, for products and services that have an impact on the environment;

- **Compliance with d'Amico Group's requirements regarding consumption and energy efficiency.**

For suppliers belonging to the Environment and Safety category, the valuation is more stringent because the final ranking includes an **assessment of the suppliers' level of awareness and ability to control the environmental impacts of their activities.**

Suppliers screened using environmental criteria

	2020	2021	2022
Number of suppliers that were screened using environmental criteria	58	60	55
% of suppliers that were screened using environmental criteria	13.2%	13.2%	12.5%
Total number of suppliers	440	455	440

Environmental impacts in the supply chain

	2020	2021	2022
Number of suppliers assessed for environmental impacts	58	60	55
Number of suppliers identified as having significant actual and potential negative environmental impacts	0	0	0
Suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment	0	0	0
Suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment	0	0	0

HUMAN RESOURCES

GRI 3-3 (2021)

The professional and human development of our employees is a fundamental value for DIS. DIS considers its employees as one its most important assets and therefore aims to promote an environment in which **wellbeing, diversity, inclusion and teamwork** are amongst the pillars of its organization. DIS' goal is to promote a workplace that stimulates **high performance and guarantees an adequate work-life balance.**

People care has been an important element for DIS over the years and proven a very powerful **tool for team building and corporate engagement.**

Through an attention to the individual and an assessment of his unique qualities and strengths, DIS aims to find the most suitable opportunities for each of its employees within the organization. DIS promotes meritocracy and a constant and open dialogue between managers and employees, encouraging empowerment and stimulating each of its employees to aim for and attain high goals, also by assisting them in the development of a wide range of skills. The Group believes these are all fundamental elements which allow it to attract the right candidates and retain the best talents.

Employee Experience

By "employee experience" we mean **the perception that each employee develops during all its interactions with the Group.** DIS therefore aims to promote the physical and emotional wellbeing of its employees. The quality of their experience is influenced by elements such as workspaces, interactions with colleagues and managers, work-life balance, access to technological tools that increase their productivity, and, of course, the remuneration package.

DIS implements an employee experience with **practices that attract and retain people and enhance the performance of the organization**. Office locations are chosen strategically to favour important business connections but also the wellbeing of its employees. Proximity to parks and other amenities are therefore also important factors when selecting the location of its offices. In addition, to increase the agility, productivity and flexibility of its workforce, DIS Group has provided its employees with a wide range of technological tools.

Employee experience has its roots in the organization's culture, mindset, and values. DIS has always been strongly committed to proper operating procedures, safety and environmental protection, and sustainable development. In fact, processes and widespread sustainable behaviours have been fostered among the people who work in and for the Group. All efforts are focused on safeguarding the marine environment from pollution and promoting responsible behaviour towards the environment. **Professional excellence follows, encouraging people to be responsible, flexible, and pragmatic.** For this reason, both the development of their skills and their continuous professional growth are ensured. The Group is committed to prevent all types of accidents at work, and protect the health and wellbeing of its employees, thus developing a sense of safety that people feel both on board ships and in its offices.

Furthermore, **reliability is strongly valued**; it is considered a central value in relations with all stakeholders, as it guarantees maximum transparency, openness, and positive relationships. The people who are part of DIS show passion and commitment to shipping, and the goals that are achieved demonstrate their involvement, commitment, and team spirit.

Added to this is the **multicultural integration** in offices and on board ships. The **strong sense of belonging** and identification that people feel towards DIS is crucial for the success and continuity of its business. The deep sense of social responsibility on cultural, solidarity, and environmental issues is an added value. Ultimately, DIS cares about people and supports their wellbeing, thus maintaining a high level of motivation and engagement.

People who work for the Company

GRI 2-7 (2021)

As at 31 December 2022, DIS employed 593 seagoing personnel (96% of total) and 24 onshore personnel (4% of total) Please also refer to note n.7 of the Financial Statements, Personnel. In addition, as at 31 December 2022, 8 employees working in the Chartering and Operations departments provided services exclusively to DIS through intercompany contracts with two related parties, d'Amico Shipping Singapore and d'Amico Shipping USA.

Onshore personnel

The number of onshore employees was stable over the three years 2020-2022. In 2022, women represented 41.7% of DIS' personnel, with this proportion having risen from 37.5% in 2021. Also, in 2022 30.8% of DIS' managers and top managers were women. DIS can also count on an experienced but young workforce with 54.2% of its employees in the 30 to 50 years' old age bracket.

Onshore personnel by gender (as at year-end)

	2020		2021		2022	
	Nr	%	Nr	%	Nr	%
Men	15	62.5%	15	62.5%	14	58.3%
Women	9	37.5%	9	37.5%	10	41.7%
Total	24	100.0%	24	100.0%	24	100.0%

Onshore personnel by age (as at year-end)

	2020				2021				2022			
	M	W	Tot	% W	M	W	Tot	% W	M	W	Tot	% W
< 30 years	1	0	1	0.0%	0	0	0	-	1	1	2	50.0%
30 - 50 years	10	6	16	37.5%	11	5	16	31.3%	9	4	13	30.8%
> 50 years	4	3	7	42.9%	4	4	8	50.0%	4	5	9	55.6%
Total	15	9	24	37.5%	15	9	24	37.5%	14	10	24	41.7%

Onshore personnel by professional category (as at year-end)

	2020				2021				2022			
	M	W	Tot	% W	M	W	Tot	% W	M	W	Tot	% W
Top Manager	3	1	4	25.0%	3	1	4	25.0%	3	1	4	25.0%
Manager	6	3	9	33.3%	6	3	9	33.3%	6	3	9	33.3%
Employees	6	5	11	45.5%	6	5	11	45.5%	5	6	11	54.5%
Total	15	9	24	37.5%	15	9	24	37.5%	14	10	24	41.7%

Onshore personnel by professional category and age (as at year-end)

	2020				2021				2022			
	< 30	30-50	> 50	Tot	< 30	30-50	> 50	Tot	< 30	30-50	> 50	Tot
Top Manager	0	2	2	4	0	2	2	4	0	2	2	4
Manager	0	8	1	9	0	8	1	9	0	7	2	9
Employees	1	6	4	11	0	6	5	11	2	4	5	11
Total	1	16	7	24	0	16	8	24	2	13	9	24

Seagoing personnel

As at 31 December 2022, the DIS Group employed 593 seagoing personnel. However, a typical feature of the shipping industry is the staff rotation of crews. In fact, for officers contracts provide an average of 3 months of rest for every 5 months spent on board. Overall, in 2022 therefore DIS employed 1,120 seafarers, a reduction of 17.9% since 2021 due to the reduction in the number of DIS' fleet vessels. Men represent 99.9% of seagoing personnel, in line with the industry averages. 65% of DIS' seafarers are aged between 30 and 50 years old, while 21.7% are young workers, under 30.

Seagoing personnel (as at year-end)

	2020	2021	2022	Var 2022/21
Total	601	559	593	(6.4%)

Seagoing personnel by gender (overall, including rotations)

	2020		2021		2022	
	Nr	%	Nr	%	Nr	%
Men	1,282	99.9%	1,363	99.9%	1,119	99.9%
Women	1	0.1%	1	0.1%	1	0.1%
Total	1,283	100%	1,364	100%	1,120	100%

Seagoing personnel by age (overall, including rotations)

	2020			2021			2022		
	M	W	Tot	M	W	Tot	M	W	Tot
< 30 years	178	1	179	242	1	243	242	1	243
30 - 50 years	893	0	893	925	0	925	727	0	727
> 50 years	211	0	211	196	0	196	150	0	150
Total	1,282	1	1,283	1,363	1	1,364	1,119	1	1,120

Seagoing personnel by professional category (overall, including rotations)

	2020			2021			2022		
	M	W	Tot	M	W	Tot	M	W	Tot
Senior Officers	267	0	267	274	0	274	231	0	231
Junior Officers	258	1	259	288	1	289	221	1	222
Ratings	638	0	638	676	0	676	546	0	546
Trainees	119	0	119	125	0	125	121	0	121
Total	1,282	1	1,283	1,363	1	1,364	1,119	1	1,120

Seagoing personnel by professional category and age (overall, including rotations)

	2020				2021				2022			
	< 30	30-50	> 50	Tot	< 30	30-50	> 50	Tot	< 30	30-50	> 50	Tot
Senior Officers	0	204	63	267	0	225	49	274	0	196	35	231
Junior Officers	34	215	10	259	56	225	8	289	55	161	6	222
Ratings	50	450	138	638	77	460	139	676	81	356	109	546
Trainees	95	24	0	119	110	15	0	125	107	14	0	121
Total	179	893	211	1,283	243	925	196	1,364	243	727	150	1,120

Types Of Contracts

GRI 2-30 (2021)

Onshore personnel

All onshore personnel is employed through open-ended contracts; demonstrating DIS' attention to the retention of and long-term investment in, its resources.

Onshore personnel by type of contract

	2020			2021			2022		
	M	F	Tot	M	F	Tot	M	F	Tot
Full-time open-ended contracts	15	9	24	15	9	24	14	10	24
Fixed-term contracts	0	0	0	0	0	0	0	0	0
Part-time contracts	0	0	0	0	0	0	0	0	0
Total	15	9	24	15	9	24	14	10	24

Seagoing personnel

DIS employs seagoing personnel under a seafarer employment agreement in line with international standards and regulations (2006 Maritime Labour Agreement), as described in the Collective Bargaining Agreement (CBA). It also guarantees the **continuity of staff rotation on similar types of ships, as shown by the high retention rate of 92% in 2022**, which is a satisfactory result, **in line with market standards.**

In 2022, the Company had 121 trainees in its fleet, representing 11.8% of total staff employed on board.

Seagoing personnel by type of contract

	2020			2021			2022		
	M	F	Tot	M	F	Tot	M	F	Tot
Open-ended contracts	1,163	1	1,164	1,238	1	1,239	998	1	999
Trainees	119	0	119	125	0	125	121	0	121
Total	1,282	1	1,283	1,363	1	1,364	1,119	1	1,120

% of personnel covered by collective bargaining agreement

	2020	2021	2022
Senior Officers	100%	100%	100%
Junior Officers	100%	100%	100%
Ratings	100%	100%	100%
Trainees	100%	100%	100%

Seagoing personnel - Trade union membership

	2020	2021	2022
Personnel represented by the International Transport Federation (ITF)	100%	100%	100%

Hiring and Resignation

GRI 401-1 (2016); GRI 401-2

In 2022, the DIS Group recorded 2 hirings among onshore personnel and 305 among seagoing personnel, as well as 2 resignations among onshore personnel and 209 among seagoing personnel.

Onshore personnel

Onshore personnel - hiring

	2020			2021			2022		
	M	W	Tot	M	W	Tot	M	W	Tot
< 30 years	0	0	0	0	0	0	0	0	0
30 - 50 years	0	0	0	1	1	2	1	1	2
> 50 years	0	0	0	0	0	0	0	0	0
Total	0	0	0	1	1	2	1	1	2

Onshore personnel - resignation

	2020			2021			2022		
	M	W	Tot	M	W	Tot	M	W	Tot
< 30 years	0	0	0	1 [20]	0	1	0	0	0
30 - 50 years	1	1	2	0	1	1	2	0	2
> 50 years	1	0	1	0	0	0	0	0	0
Total	2	1	3	1	1	2	2	0	2

20 The resource left DIS but was relocated to another d'Amico Group company

Seagoing personnel

The quality of its crew is paramount for DIS, as it guarantees safety, efficiency and reliability in the management of its fleet.

In 2022, on average, for each rotation officers spent 5.7 months on board, while ratings spent 8.0 months[21] . The period is shorter than the previous year due to the gradual normalization of crew changes because of Covid-19 travel restrictions. The typical staff rotation (especially for officers) provides an **average of 3 months of rest for every 5 months spent on board.**

Seagoing personnel - hiring

	2020			2021			2022		
	M	W	Tot	M	W	Tot	M	W	Tot
< 30 years	37	0	37	64	0	64	94	0	94
30 - 50 years	96	0	96	121	0	121	56	0	56
> 50 years	14	0	14	7	0	7	3	0	3
Total	147	0	147	192	0	192	153	0	153

Seagoing personnel - resignation

	2020			2021			2022		
	M	W	Tot	M	W	Tot	M	W	Tot
< 30 years	40	0	40	70	0	70	33	0	33
30 - 50 years	188	0	188	174	0	174	102	0	102
> 50 years	44	0	44	29	0	29	6	0	6
Total	272	0	272	273	0	273	141	0	141

Recruitment

Onshore personnel

Recruitment is a crucial process, as it is during this phase that DIS identifies and selects the human resources capable of providing an important contribution to the organization, which is also consistent with its corporate culture and values. **The quality of its employees is a strategic asset for the Group**. Therefore, great importance is given to the accurate identification of the professional profile to be recruited in terms of **skills, capabilities, seniority, and experience.** To this end, the Group invests in talent acquisition through sector networking and partnerships with reputable universities and educational and training institutions, supporting a constant commitment to all "**brand employment**" actions.

An important recruitment channel for highly qualified onshore professionals, especially for positions that directly support the operations and management of vessels, **are our own the seagoing personnel**.

21 The time spent on board is calculated as the sum of the durations of the various contracts of each person. A person can have multiple contracts during the year

This synergy between the vessel and the office provides opportunities for professional growth, with the intention of also strengthening DIS' corporate culture. To immediately build a deep understanding of the expected role and to strengthen integration in the organizational environment, new recruits are accompanied through an induction training process (on-boarding). This consists of meetings with their line manager and the HR department, as well as on-the-job training, ensuring that the recruits acquire all the necessary tools and information to become a member of the team and the organization.

Seagoing personnel

Access to highly qualified personnel requires an **effective recruitment and retention program**. To meet these needs, the d'Amico Group and DIS adopt a thorough screening and selection process, which involves also a strong coordination with **Sirius Ship Management Srl**, the d'Amico Group's company entrusted with recruitment activities. Loyalty and identification with the Group's corporate culture are core values for DIS. The d'Amico Group has therefore established a **crewing and training structure in its seafarers' countries of origin** to strengthen their sense of belonging to DIS. It is the Group's general policy to recruit personnel from the countries where it has established crewing and training structures.

For the selection of **personnel holding positions of responsibility in ship management**, the Group's policy is to select – where possible – these positions from among its seagoing personnel.

Specific selection and recruitment criteria, **in line with international standards and regulations** – 2006 Maritime Labour Agreement – and with Collective Bargaining Agreements (CBAs), have been defined by the Group to ensure that highly qualified personnel are selected and that they are offered extensive protection of their rights.

Equity, Inclusion and Multicultural Approach

GRI 406-1 (2016); ESRS S1-18

DIS promotes policies and practices aimed at maximizing and retaining talent, improving employee wellbeing, and seeking to prevent unlawful behaviour. Its goal is to create a workplace environment where every employee has the capacity to perform at higher levels, while ensuring work-life balance for both genders. **The strengthening of policies on diversity and inclusion has been one of DIS' main achievements in 2022.**

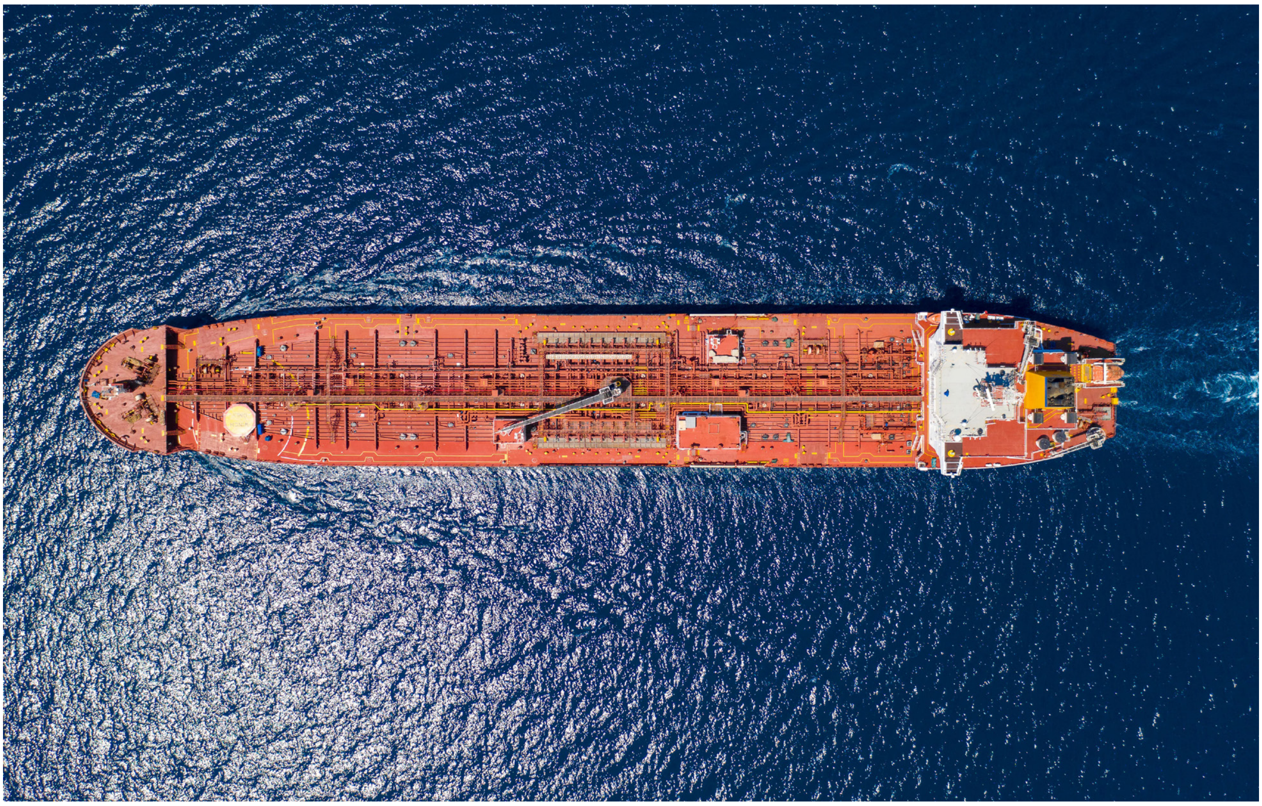
No discrimination was found during the three-year period 2020-2022.

This strategic priority is also confirmed by the composition of nationalities and the gender distribution of DIS' workforce. In this respect, the Group can count on **onshore employees from 10 nations** at the end of 2022, in line with the previous year. In addition, **the proportion of women in its onshore workforce has increased to 41.7% as at the end of 2022 from 37.5% as at the end of the previous year.**

Onshore personnel - by country of origin (as at year-end)

	2020			2021			2022		
	M.	W.	% of tot	M.	W.	% of tot	M.	W.	% of tot
Denmark	1	-	4.2%	1	-	4.2%	1	-	4.2%
France	2	2	16.7%	2	2	16.7%	2	2	16.7%
Greece	-	-	0.0%	-	-	0.0%	-	1	4.2%
India	1	-	4.2%	2	-	8.3%	1	-	4.2%
Ireland	1	-	4.2%	1	-	4.2%	1	-	4.2%
Italy	8	2	41.7%	6	3	37.5%	5	3	33.3%
Latvia	-	1	4.2%	-	1	4.2%	-	1	4.2%
Poland	-	1	4.2%	-	1	4.2%	-	1	4.2%
Portugal	-	1	4.2%	-	-	0.0%	-	-	0.0%
Slovenia	-	1	4.2%	-	1	4.2%	-	1	4.2%
UK	2	1	12.5%	3	1	16.7%	4	1	20.8%
Total	15	9	24	15	9	24	14	10	24

DIS' seagoing personnel came from 11 nations as at the end of 2022: the largest majority of seagoing personnel is from India. The rest of them is recruited mainly in Ukraine and Russia, while the remaining portion comes mostly from Italy, the Philippines and Romania. 1 woman was employed on board DIS' vessels as at the end of 2022.



Seagoing personnel - by country of origin (as at year-end)

	2020			2021			2022		
	M.	W.	% of tot	M.	W.	% of tot	M.	W.	% of tot
Australia	-	-	0.0%	4	-	0.3%	-	-	0.0%
Belarus	-	-	0.0%	1	-	0.1%	-	-	0.0%
India	1,124	-	87.6%	1,140	-	83.6%	984	-	87.9%
Indonesia	-	-	0.0%	6	-	0.4%	5	-	0.4%
Ireland	8	-	0.6%	-	-	0.0%	-	-	0.0%
Italy	31	1	2.5%	26	1	2.0%	19	1	1.8%
Latvia	2	-	0.2%	3	-	0.2%	2	-	0.2%
Lithuania	-	-	0.0%	1	-	0.1%	-	-	0.0%
Philippines	11	-	0.9%	27	-	2.0%	12	-	1.1%
Portugal	1	-	0.1%	1	-	0.1%	-	-	0.0%
Romania	22	-	1.7%	17	-	1.2%	10	-	0.9%
Ukraine	47	-	3.7%	79	-	5.8%	42	-	3.8%
Bangladesh	9	-	0.7%	7	-	0.5%	7	-	0.6%
Russia	20	-	1.6%	41	-	3.0%	30	-	2.7%
Ethiopia	1	-	0.1%	4	-	0.3%	2	-	0.2%
Liberia	5	-	0.4%	6	-	0.4%	6	-	0.5%
Pakistan	1	-	0.1%	-	-	0.0%	-	-	0.0%
Total	1,282	1	1,283	1,363	1	1,364	1,119	1	1,120

As a global operator, DIS recognizes the value of multicultural integration and team building at all levels of the organization, both in the offices and on board our vessels. **Multiculturalism for DIS comprises equal opportunities, diversity, and inclusion policies in the workplace.** A diverse workplace provides to DIS a competitive advantage, since its vessels sail worldwide, and it deals with counterparties across the globe.

A multicultural approach promotes the integration of different cultures and a mutual exchange of ideas, experiences, and perspectives, which leads to innovation for the business and more favourable and positive working relationships. It offers opportunities for businesses to expand globally, achieving and improving corporate social responsibility, and is one of the key indicators of a global organization. Open-mindedness and communication are the core advantages of multiculturalism that can benefit the workplace. It encourages open dialogue to create understanding, collaboration, and teamwork among staff. Above all, multiculturalism demonstrates tolerance, respect, and acceptance, which improves the company's culture and reduces conflict within the workplace, giving equal attention and representation to cultural needs.

People training and development

GRI 404-1 (2016); GRI 404-2; ESRS S1-9

The Group assigns great importance to training and defining **growth and professional development** processes for both seagoing and onshore personnel. Through its training programmes, DIS ensures that its employees acquire new competences and update those they already possess, while reinforcing their sense of belonging to the Group

Demonstrating its constant attention to this area, DIS' investments in training activities per employee increased from US$ 130 in 2020 to US$ 245 in 2022.

Expenses on training for onshore and seagoing personnel [22]

	2020	2021	2022
Expenses on training per employee (US$)	130	140	245

Onshore personnel

Training and development are a fundamental part of the people management system and, together with the reward and performance evaluation system, contribute to maintaining and strengthening the performance of DIS' employees. The aim of the training policies and initiatives is to **promote continuous learning**.

To this end, the **d'Amico Corporate Academy** was created for onshore personnel. The goal of the Academy is to **build a community of employees, colleagues, and experts who share management and shipping knowledge through a common learning platform**. The Academy brings together all learning and development initiatives to create an environment for developing skills and strengthening professional relationships, thus enhancing and consolidating the learning culture at all organizational levels.

Since 2019, all DIS personnel has been able to access, through a dedicated Academy section in the Group's intranet portal, e-learning training courses and orientation training programs.

Onshore personnel - average hours of training

	2020		2021		2022	
	M	W	M	W	M	W
Top Managers	0.2	1.3	14	59	5.5	8.5
Managers	2.1	3.6	5	0	8.8	4.0
Employees	2.1	0.2	0	19	3.2	1.3

22 Most training activities are based on master agreements with providers stipulated by the d'Amico Group's HR function. Data for 2020 and 2021 were compiled by considering the training expenses incurred by d'Amico Group and then allocating the share relating to DIS personnel. Data for 2022 were processed by considering training expenses incurred by DIS and dividing them by DIS personnel.

Main Training initiatives

d'Amico's Corporate Academy, which gathers all the d'Amico Group's learning and development initiatives, has launched different training initiatives involving most of the d'Amico Group's employees during the past years, creating an environment where stronger professional relationships are built. During 2022, several e-learning training initiatives were provided for DIS' employees.

During 2022, the DIS Group continued working with "The European House – Ambrosetti", which through its courses provided a source **of inspiration and reflection to DIS' management**, strengthening specific managerial skills. In particular, this initiative provided training on how to manage change, which is particularly important given the Group will confront many challenges linked to the rapid pace of innovation and digitalization, as well as the ongoing energy transition, and growing focus on sustainability.

DIS adopted also innovative training methods such as **micro-learning**, in which information is provided in small chunks over time. This approach splits content into small pieces which is recalled over time, improving knowledge retention and performance. In line with this micro-learning approach, the Group launched the **Transitional Effectiveness training program**. The program aims to strengthen those skills that are crucial in a continuously changing environment and to consolidate a common and widespread skill set, which will support each person deal with the challenges that innovation, digitalization and sustainability bring to any organization. The training also sought to promote motivation, resilience, better time management, and team building.

The Group has also recently developed a training path for its employees who are involved with the newly adopted **Business Central** accounting system from **Microsoft.**

Seagoing Personnel

A rigorous onshore and onboard training programme is envisaged for crew, starting with the pre-embarkation period and covering the officer's entire career. This training capitalizes on the knowledge developed within the Company and involves the participation of our senior staff.

The d'Amico Group, provides **career development for junior officers** starting from cadets, and aims to promote senior officers from within the Group, with specific programmes and performance evaluations, whose main purpose is to enhance and develop their rank competencies. The Group provides career development opportunities by arranging, whenever practicable, temporary shore-based assignments for vessel personnel.

Seagoing personnel - average hours of training

	2020		2021		2022	
	M	W	M	W	M	W
Senior Officers	28.0	-	44.5	-	44.8	-
Junior Officers	30.0	6.0	41.9	6.0	50.3	42.0
Ratings	7.8	-	7.2	-	9.9	-
Trainees	12.6	-	12.8	-	30.1	-

In addition, the Group implements a long-standing policy of **collaboration with various maritime training institutions** with the aim of increasing awareness of safety and environmental issues. The Group continues its partnership with the **Italian Maritime Academy Technologies (IMAT)** in Italy and started a new collaboration with the **Veritas Maritime Training Center** in Manila to provide several courses, most of which are approved by the National Administrations of Italy and the Philippines.

The **"Home Grown Officers" philosophy** is a key aspect of the personnel development strategy. In this regard, the d'Amico Group implements specific personnel career development plans, which are constantly monitored and updated. The starting point is the strategy through which the d'Amico Group cooperates with nautical institutions for the selection and training of its young cadets. One of these institutions is the **ITS Fondazione G. Caboto** Higher Education Technical Institution, which offers cadet training programs, divided into courses, that combine theoretical study and hands-on training. The aim is to **provide an excellent technical background** to young recruits and at the same time **transfer the knowledge of d'Amico Group's organizational structure, policies, expertise, and vision**, thus facilitating job placement within the Group. Particular attention is given to behavioural skills: in addition to the key technical skills required by the specific role, great importance is given to "how" staff work. For this reason, the Group promotes specific initiatives to encourage communication, leadership, and teamwork on board its ships.

The Crew Training Matrix

A **crew training matrix** was established, providing guidelines to all crew-management offices. The matrix is a dynamic tool, which is continuously updated by the Crew department, to comply with any modification or amendment with respect to the Convention on Standards of Training, and the Certification and Watchkeeping for Seafarers; it is kept on board vessels performing international voyages. The quality of crew training is measured during the inspection of the vessels carried out by technical and marine superintendents.

Performance Assessment Systems and Remuneration

GRI 404-3 (2016); ESRS S1-14; ESRS S1-17

DIS has implemented a performance assessment system which seeks to promote the professional development of its employees also by offering them appropriate training courses throughout their career. **Furthermore, DIS' compensation policy seeks to reward individual and team performance**. In this respect, the line manager and employee work together to ensure that **challenging objectives** are set and effectively evaluated throughout the year. Focus is also given to the employees' involvement in non-routine **projects** and tasks. DIS seeks to acknowledge high performance and reward employees accordingly, while ensuring low performance is properly managed with integrity.

In 2021 [23], 95% of the onshore personnel was evaluated, an improvement relative to the previous year (68%).

Onshore personnel – performance evaluation (%)

	2020	2021
Expected	100%	100%
Received	68%	95%
Not Received	32%	5%

23 2022 evaluation is not yet available

In 2022, the performance of 100% of our seagoing personnel was evaluated, resulting in career advancement for 71 employees.

Seagoing personnel - performance evaluation

	2020			2021			2022		
	% evaluated	career advancement		% evaluated	career advancement		% evaluated	career advancement	
		M	F		M	F		M	F
Senior Officers	100%	14	0	100%	24	0	100%	24	1
Junior Officers	100%	18	0	100%	10	0	100%	18	0
Ratings	100%	12	0	100%	9	0	100%	11	0
Trainees	100%	12	0	100%	15	0	100%	18	0
Total	-	56	0	-	58	0	-	71	1

DIS' remuneration policy is based on:

- **financial sustainability:** the total personnel cost must be financially sustainable for the Group;
- **external comparability:** in setting its remuneration policy, the Group accounts for international sector benchmarks;
- **coherence:** uniform criteria applied consistently and fairly;
- **performance:** any salary review or bonus must be guided by an assessment of individual and team results. Bonuses will also reward the achievement relating to extraordinary projects and activities, as well as a strong commitment to the Group.

For seagoing staff, **the minimum reference salary is set by the International Labour Organisation (ILO)** which reviews the minimum salary every three years.

Fair remuneration

	2020	2021	2022
Onshore personnel workers whose wage is below the fair wage	0	0	0
Seagoing personnel workers whose wage is below the fair wage	0	0	0

Onshore personnel - annual total compensation ratio

	2020	2021	2022
Ratio between the compensation of the highest paid individual and the median compensation for the employees[24]	3.1	3.1	3.1

24 The data presented does not take into account executives.

Benefits and Well-Being

GRI 401-2 (2016)

People care and the well-being of its employees are priorities for DIS. In particular, through several initiatives, DIS provides special attention to health issues also by providing life insurance, supplementary healthcare, disability and invalidity insurance coverage as well as pension benefits. **All DIS' employees receive the statutory insurances required by local employment laws.** In addition, DIS promotes an expanded employer-sponsored coverage which covers almost all its onshore employees, without any distinction in terms of organizational role.

Onshore personnel - benefits beyond legal requirements

	2020		2021		2022	
	Nr	%	Nr	%	Nr	%
Life insurance	19	79.5%	19	79.5%	19	79.5%
Health care insurance	19	79.5%	19	79.5%	19	79.5%
Disability and invalidity coverage	11	45.8%	11	45.8%	11	45.8%
Pension benefits	14	58.3%	14	58.3%	14	58.3%

Seagoing personnel - benefits

	2020		2021		2022	
	Nr	%	Nr	%	Nr	%
Life insurance	1,283	100.0%	1,364	100.0%	1,120	100.0%
Health care insurance	42	3.3%	53	3.9%	31	2.8%
Disability and invalidity coverage	1,283	100.0%	1,364	100.0%	1,120	100.0%
Pension benefits	31	2.4%	26	1.9%	19	1.7%

DIS considers seafarers its biggest asset and is dedicated to improving their well-being. Due to the nature of their work Seafarers face unique challenges, which were accentuated during the global Covid-19 pandemic.

From 2021, DIS implemented a **mental health support program for all crew members**. The agreement has been signed with "Mental Health Support & Solutions" (MHSS), who are mental health and well-being specialists in the maritime industry. The Group is committed to offering an effective support system to all its staff who may be facing personal issues or need support or guidance on how to assist others. The Covid-19 pandemic has highlighted the importance of people care, especially in matters relating to mental health. MHSS runs a **24/7 support line** and is available for free by phone, WhatsApp, email, or SMS. It is run by MHSS professional psychologists, who are native speakers of the same languages as DIS' personnel. Furthermore, **the service is entirely confidential and anonymous**. Typically, once a contact is made to the support line, that professional will "stay" with the caller until the issues have been resolved. DIS encourages all its seafarers to get to know the MHSS team.

The Group has also partnered with the **"Sailor's Society" to spread awareness about wellness at sea,** not only for the seafarers but also for their families and for Company's shore staff.

Occupational Health and Safety

GRI 403-1 (2018); GRI 403-2; GRI 403-2; GRI 403-5; GRI 403-8; GRI 403-9; SASB TR-MT-540a.1; SASB TR-MT-320a.1; ESRS S1-11

The shipping industry is highly regulated and strict with its operators when it comes to compliance with international standards on security and safety. To further reduce the risks inherent in its shipping activities, the d'Amico Group's Crew Department has very restrictive policies to protect the safety of life and, in general, to prevent any incident that may result in serious casualties, injuries, or illnesses. **All crew members** responsible for safety or environmental protection **are duly trained and regularly evaluated.** To manage the risks related to the seafarers' conditions of employment, all seagoing personnel are recruited through manning agents duly authorized by the local state authorities or by recognized organizations to ensure that the principles and rules of the Maritime Labour Convention (MLC 2006) are fully met. The Crew Department furthermore periodically inspects those agencies to ensure compliance with its own procedures as well. In accordance with MLC 2006's provisions, every ship and ship management company must be periodically inspected by the flag authority, which releases a certificate of compliance for the vessel and the manager. **All vessels managed by DIS hold a valid Maritime Labour Certificate.**

Covid Pandemic

In 2020, to confront the Covid pandemic, the d'Amico Group adopted a dedicated Contingency Plan ("the Plan") to reduce the risk of Covid infections on board. Throughout 2022, the Plan has been continuously updated with practices and preventive measures, including manning activities. Internal inspections and audits have been performed remotely with strict cooperation between the audit and the vessels' management. Throughout 2021 and 2022, DIS continued communicating to all its employees the recommendations of the World Health Organization (WHO), relating to the Covid-19 pandemic, including a weekly bulletin on the world's pandemic situation.

DIS, promotes safety onboard and respect for the environment, aiming to eliminate the risk of incidents such as groundings, fires, collisions, and petroleum spills, which could also result in considerable economic impact for the Group. In this respect, the d'Amico Group, operates both:

- the **Tanker Management and Self-Assessment Programme (TMSA)**, launched in 2004 by the OCIMF (Oil Companies International Marine Forum);
- the **Integrated Management System for Health, Safety, Quality, Environment and Energy Efficiency (HSQE).**

DIS, through the d'Amico Group, has a robust **quantitative risk management framework**, through which it performs a systematic analysis to prevent the development and progression of any unsafe act and condition from becoming an incident. DIS invests in **crew and office staff training** and preparedness, suitable, adequate, and effective ship operation plans, safe navigation emergency procedures, environment and energy management systems, and effective planned maintenance systems, while providing strong support and oversight from shore management. All vessels can count on technologically advanced equipment and the required resources to support the crew in the implementation of the Group's safety and environmental standards for the prevention of incidents such as grounding and collisions, including environmental pollution. Furthermore, the Group adopts an insurance policy, which covers pollution damages from bunker fuel or cargo (Protecting and Indemnity Insurance), for up to one billion US dollars.

Although not compulsory, major oil companies recommend the TMSA programme - **Tanker Management and Self-Assessment Programme** - as a means of encouraging ship operators to measure, evaluate, and improve their safety management systems against listed Key Performance Indicators (KPIs). Additionally, the programme establishes best practices to solve problems and optimize safety and environmental performance. Electronic tools to control and measure KPIs for different areas of the technical management system have been implemented, and the TMSA review is conducted every six months. The TMSA is also the starting point for a continuous improvement plan aimed at achieving and guaranteeing high standards of safety and respect for the environment.

Since before the introduction of the TMSA programme, DIS, through the d'Amico Group, has been promoting **internal HSQE management procedures** and operating an Integrated Management System on all its vessels, in conformity with the quality and environmental standards **ISO 9001** and **ISO 14001** established by the International Organisation for Standardization, as certified by the international classification society, RINA S.p.A. (Registro Italiano Navale) in 2003. New versions of these two standards (ISO 9001:2015 and ISO 14001:2015) have been issued by ISO, with the aim of better harmonizing the various requirements included in the standards. To promote crew safety, the Integrated Management System also includes certification of compliance with the international standard ISO 45001, obtained with new certificates at the annual RINA audit in 2020, which is **aimed at improving health and safety on board vessels and in any work environment.**

Seagoing personnel - workforce covered by health and safety management system

	2020		2021		2022	
	% M	% W	% M	% W	% M	% W
% personnel covered by health and safety management system	100%	100%	100%	100%	100%	100%

Health and Safety Management System Goals

DIS, through the d'Amico Group, has implemented a certified occupational health and safety management system compliant with the ISO 45001 standard aimed at:

- protecting the health and well-being of employees by reducing occupational risks from unfavourable exposure to hazards;
- preventing hazardous actions, injuries, illnesses, accidents to personnel, material and environmental damage;
- ensuring that priority is given to collective protection measures rather than individual protection measures;
- pursuing the ongoing improvement of health and safety management performance;
- making continuous and systematic efforts to reduce and/or eliminate the negative repercussions on health and safety resulting from its processes and activities, including accidents;
- clearly stating the commitment to complying with applicable legal requirements and with other requirements endorsed by the Group and related to the hazards identified;
- improving the safety of everyone and promoting a “safety first” culture to create a working environment free of injuries and illnesses.

The policy is distributed to all DIS’ personnel to increase awareness of individual duties when managing health and safety issues. It is available to all interested parties and is reviewed periodically to ensure it is always relevant and appropriate.

Through regular use of a detailed risk assessment and **proper training** of seagoing and onshore personnel, any dangerous situation is properly evaluated ex-ante and adequate preventive measures are implemented.

Seagoing personnel - average hours of training on occupational health and safety

	2020		2021		2022	
	M	W	M	W	M	W
Senior Officers	12.1	-	12.5	-	6.6	-
Junior Officers	10.7	-	13.2	-	10.8	-
Ratings	4.6	-	4.5	-	4.2	-
Trainees	5.5	-	5.1	-	9.5	-

Each vessel's Master, based on their own experience and work carried out on board, must evaluate if the instructions, procedures, and documents are relevant to the safe and effective operations of the vessel. **Every three months, the Master gathers the key personnel on board and discusses the Integrated Management System** (IMS), proposing improvements when necessary. The review's output is collected and sent to the HSQE Department. In the meeting, matters relating to safety, environment, quality, and health are also be discussed. The evaluation by the ashore department is carried out according to the importance of the comments received and becomes an input for the Annual Management Review carried out by the top management, in which changes and improvements to the IMS are decided. The HSQE department sends the feedback from this review meeting to the vessel.

On each ship, a Safety and Health Committee designated to carry out the duties of Prevention and Protection on board and composed of all the senior and junior officers has been established. Safety and Health Committee meetings are held at least once a month, and any arguments discussed are recorded and reported on a dedicated form. Records documenting the effectiveness of the health and safety program are kept for as long as necessary.

The Prevention and Protection Service performs the following duties:

- collaborates with the Master and the person responsible for the safety at work, to implement the Group's procedures regarding health, hygiene, and safety;
- informs the person responsible for the safety at work about deficiencies and anomalies that could jeopardize hygiene, health, and safety;
- locates risk factors connected with work activities and the ship's operation;
- cooperates with the Group, to locate health, hygiene, and safety measures to prevent and protect against detected risks;
- together with the person responsible for safety at work, examines injuries of shipboard personnel to be reported to the Group;
- informs the crew about problems related to health, hygiene, and safety on board the ship;
- recommends to the Master and/or the Group, training and information programs for the crew.

Seagoing personnel - work-related injuries

	2020		2021		2022	
	M	W	M	W	M	W
Fatalities resulting from work-related injury [25]	0	0	0	0	0	0
High-consequence work-related injuries (excluding fatalities) [26]	0	0	0	0	0	0
Recordable work-related injuries [27]	0	0	0	0	0	0

Number of marine casualties

	2020	2021	2022
Number of deaths occurred directly in connection with the operations of a ship	0	0	0
Number of serious injuries occurred directly in connection with the operation of a ship	0	0	0
Number of losses of a person from a ship[28]	0	0	0

Health and Safety Hazards

Furthermore, an analysis and risk assessment of the potential hazards to which seafarers may be exposed was carried out by evaluating three different areas:

- **work area;**
- **specific tasks;**
- **work activities.**

With regards to the potential causes of injury, the hazards deriving from facilities, machines, video-terminals, electric contacts, and dangerous substances have been examined. For matters relating to occupational diseases, the risks caused by chemical, physical, biological, and ergonomic agents, for which, when necessary, a specific assessment criterion has been adopted, have been considered. The different parameters involved in the Risk Assessment for work tasks and work area, were then quantified to define any necessary corrective actions to be implemented with urgency. The corrective and preventive actions are included in the procedures used on board and become an integral part of the IMS. Finally, as described in previous paragraphs, a structured ongoing risk assessment is in place to evaluate the risks before carrying out an activity.

25 Negative impacts on health arising from exposure to hazards at work.

26 Work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months.

27 Work-related injury that results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.

28 The data relates to crew members which go missing (cannot be found).

Health and Safety Hazards

The main occupational health and safety hazards identified and taken in consideration by DIS are the following:

- Physical;
- Mechanical;
- Thermal;
- Noise;
- Electrical (direct lightning strikes; indirect lightning strikes);
- Exposure to cancerous and/or mutagenic agents;
- Exposure to biological agents;
- Fire and explosion (presence/use of explosive/inflammable materials; presence of large amounts of combustible substances);
- Means of transport (driving of lift trucks; driving of trucks/articulated lorries; driving of cars)
- Vibrations (hand-arm vibrations; whole body vibrations);
- Radiation (electro-magnetic field; artificial optical radiation; ionizing radiation);
- Video-terminals (VDT) ergonomics (unfavourable posture; manual handling of the loads; repeated and continuous movements);
- Chemical (dusts, aerosol, fogs, fumes, liquids, contact with hazardous substances or mixtures; inhalation of dangerous substances and/or mixtures; inhalation of dangerous substances and/or mixtures;
- Stress factors at work (objective stress factors and mental work load; psychosocial stress factors; content and organization of the work);
- Lifting means (use of overhead travelling crane; use of platforms; driving of cranes);
- Workplaces/workstations (ergonomic workstations and posture; ergonomics of the machines and equipment; raised workstations; workstations in confined spaces; potentially unstable workstations; workstations next to watercourses or underwater; workstations that involve isolation/loneliness; hygienic conditions; fixed and movable stairs and floors; emergency exit distance; width of escape routes; horizontal/vertical signposting; lighting; emergency lights; environmental noise; vibrations; wet floor surfaces; ship's movements).

HUMAN RIGHTS

GRI 2-23 (2021); GRI 2-26

DIS encourages the **promotion of ethical conduct within the workplace as embedded in its Code of Ethics.** The purpose of the Code of Ethics is to ensure that the ethical values expressed therein are clearly defined and shared, and form the basis of the Company's corporate culture, serving as a constant reference which all its recipients are invited to follow when carrying out their activities, conducting business and in their relationships with stakeholders.

In 2022, DIS continued to strengthen its practices on diversity and inclusion with respect to individuals and, more generally, with respect to the human rights of both ship and shore personnel. One of the HR department's main goals is to make employees feel valued, respected, and involved with the Company, providing them access to equal opportunities that go beyond legal requirements. **DIS encourages the promotion of ethical conduct as embedded in its Code of Ethics**, which establishes that internal and external activities should be conducted in accordance with the values of fairness, honesty, and transparency, in compliance with the laws, and through the respect for a person's dignity. Onboard managed vessels, work and rest hours are guaranteed and constantly monitored to ensure a healthy psychophysical state, suitable for protecting the health and safety of ship personnel. Suitable assurance is taken for all seafarers to receive required medical care during their whole service tenure, and to guarantee their assistance also after contract termination in case of illness or injury. In all instances, the seafarers' right to be safely repatriated is always safeguarded. Strict procedures are followed by the Company to avoid bullying and harassment, regarding all employed personnel onboard its managed vessels.

Any kind of harassment or bullying, even ashore, **is not tolerated**, and employees or third parties are encouraged to report any instances immediately, so that appropriate corrective action can be initiated. The reports may therefore concern unlawful behaviours, risks, crimes, or irregularities attributable to violations of DIS' Code of Ethics and the internal control system, such as bullying and sexual harassment. The report must, however, be made in good faith. If the report concerns an event occurring onboard a vessel or if the whistle-blower is a crew member, he/she must send it via the following free websites: https://damico-noncompliance.azurewebsites.net. If the report concerns an event occurring ashore, it should be sent via the following free website: https://damico-whistleblowing.azurewebsites.net. Alternatively, the reports can be sent to independent e-mail accounts and free phone numbers dedicated to onboard or ashore reports.

Code of Ethics

The following three statements of the Code of Ethics underline a clear commitment of DIS to respect human rights:

- **Compliance with laws** – when carrying out their activities, recipients must act to ensure that they fully comply with all applicable regulations of both the legal systems of the countries in which they operate in on behalf of DIS, and with the principles referred to in the Code of Ethics, agreeing to comply with them with impartiality and objectivity. Staff are also required to comply with the instructions and business procedures forming part of the Integrated Management System.

- **Honesty, fairness and transparency** – the relationships which DIS has with the various recipients are based on the standards of transparency, honesty, cooperation, integrity, equity, fairness and mutual respect. Recipients of the Code of Ethics are expected to comply with these principles in all their business dealings.

- **Respect for a person's dignity** – recipients must respect the fundamental rights of individuals, safeguard their physical, moral and cultural integrity and provide equal opportunities. In relationships within and outside of the Group, practices of a discriminatory nature based on a person's sensitive data and relating to, by way of example but not limited to, racial or ethnic origin, their religious, philosophical or other beliefs, political opinions, membership of parties, trade unions, associations or organisations of a religious, philosophical, political or a trade union nature, and relating to personal data likely to reveal their state of health and/or sex life, are not allowed.

CLIENTS

GRI 3-3 (2021)

Thanks to its global presence and the employment of highly qualified personnel, DIS provides its customers with a wide range of different services and ongoing, timely anytime assistance.

Quality of Service
DIS applies the following quality policies of the d'Amico Group:

- qualified, expert, and trained personnel;
- equipment and facilities suitable for the services provided;
- inspections of the managed fleet and adoption of necessary measures to remedy issues and shortcomings;
- process control, performance monitoring, auditing and implementation of corrective measures;
- effective communication and cooperation with all stakeholders, including customers, charterers, manufacturers, suppliers, vendors and authorities, as well as between company offices and managed ships.

In particular, DIS is aware that its effective positioning on the market largely depends on understanding and meeting both the current and future needs of its existing and potential customers. For this reason, the Group defines its customers' needs and requirements and communicates them to all departments in charge of the service, which strive towards meeting the goal of increasing customer satisfaction. DIS uses different **channels and tools to verify customers' perception** of the services offered and their satisfaction. These include:

- direct communication with customers;
- customer complaints and reports;
- reports from ship command and ship agents;
- results of audits carried out by appointed organisations;
- professional relations of its employees to obtain feedback from individuals in direct contact with customers.

Furthermore, the Group meets its customers directly through the sales department, to collect annual feedback on the quality of the services offered.

The Legal Department

The Legal Department is responsible for handling claims received from and brought against, third parties. Claims can be divided into the following main categories:

- cargo claims: claims that usually relate to the quality or quantity of cargo;
- charter-party disputes: disputes arising from contractual terms, for example from charter contracts;
- MOA claims: disputes relating to a Memorandum of Agreement for the sale and purchase of a ship;
- underperformance disputes: claims received from customers for inadequate ship performance, as established by the charter contracts. For example, these contracts often guarantee vessel speed that is monitored during the voyage by external companies, which then issue a report on the ship's performance. If the vessel's speed is lower and/or its consumption is higher than what has been contractually agreed between the shipowner and the charterer, the latter is entitled to claim damages.

Most claims received fall within the Protection and Indemnity (P&I) or the Freight, Demurrage and Defence (FD&D) insurance coverage.

Once the claim is received by the Legal Department, it is also communicated to the insurers, who assist in handling it and contribute financially if it is well-founded. Claims are settled both out of court, without the help of external legal assistance, and in court. In the latter case, the Group can rely on a large network of external lawyers appointed to represent its interests in court.

In 2022, DIS had a total of two continuing claims above US$ 50 thousand. During the year two claims inherited from previous years (a cargo claim and a fixed or floating object claim) were settled and one new cargo claim above US$ 50 thousand[29] was received by d'Amico Tankers d.a.c[30].

29 Claims include only those involving owned or bareboat chartered tankers vessels, against the Group and above US$ 50 thousand.

30 There is also a pending cargo claim dating back to 2015, which has not been resolved yet.

Customers' claims

	2020	2021	2022
Claims over US$ 50 thousand received and yet to be resolved	0	1	1
Claims over US$ 50 thousand resolved	0	0	2

Communication with Clients

Most business contacts are made through **brokerage companies** with which DIS has been working for some time. In certain geographical areas, such as Japan, some relationships date back to the 1970s, when the d'Amico Group was one of the first Italian companies to have business relations with the Far East. Brokers play a key role; they act as a mediator for both sides, they know the shipowner's fleet and the specific needs of potential customers.

An important opportunity for more direct relations and communication between the parties are **sector-related conferences**. DIS participates regularly in these events which take place in many different locations across the world.

Moreover, DIS **participates every year in the Star conferences organised by the Milan Stock Exchange to meet investors and analysts.** Furthermore, in 2022, DIS participated with its CEO, Chief Financial Officer and other top managers in several in-presence and on-line conferences and events organised by the main players of the shipping industry and the financial community. DIS also **uses the web to provide customers and stakeholders with essential institutional and business information,** which can be accessed both through DIS' website (https://en.damicointernationalshipping.com) and DIS' Investor relations website (http://investorrelations.damicointernationalshipping.com/en/home-page/index).

PARTICIPATION IN LEADING INDUSTRY ASSOCIATIONS AND ORGANISATIONS

GRI 2-28 (2021); GRI 3-3

Through the d'Amico Group, DIS participates in leading national and international organisations and associations, including, among others, INTERTANKO (International Association of Independent Tanker Owners), International Chamber of Shipping, ECSA (European Community Shipowners' Association), CONFITARMA (Italian Shipowners' Confederation) — the main association of the Italian shipping industry, BIMCO, and the European Sustainable Shipping Forum. In some of these organizations the d'Amico Group's executives hold leading positions.

Paolo d'Amico, Chairman and CEO of DIS, is the Chairman of INTERTANKO since November 2018. INTERTANKO promotes a highly competitive, transparent and sustainable tanker industry. The d'Amico Group's Technical Director also holds a role at INTERTANKO, participating in the Safety and Technical Committee (ISTEC) and in the Environmental Committee.

Since 2017, the d'Amico Group has also been an expert member of the **ESSF — European Sustainable Shipping Forum.** The Forum was created to promote the exchange of technical knowledge, and promote cooperation and coordination amongst parties, with the aim of encouraging sustainable, competitive and quality shipping without compromising safety. Within the ESSF, the d'Amico Group is also a member of the **subgroup of "Air Emissions from Ships" and the Sub-group on Ship Energy Efficiency.**

EMARKET SDIR CERTIFIED

PROMOTING PUBLIC ATTENTION TOWARDS SOCIAL, CULTURAL AND ENVIRONMENTAL TOPICS

GRI 413-1 (2016); GRI 3-3 (2021)

Through the d'Amico Group, DIS supports several projects aimed at generating a positive impact for local communities.

In particular, in 2022 d'Amico Tankers d.a.c., operating subsidiary of DIS, signed a **partnership with the Atlantic Youth Trust** to support the social and environmental activities of the charity. The goal of the Atlantic Youth Trust is to connect **young people with the ocean and its values** by involving them not only in the development of their maritime skills, but also with educational programs on ecological conservation and sustainability that incorporate the use and learning of ocean science data collection methods. To pursue these aims, the Atlantic Youth Trust has purchased a triple-mast vessel that will sail under the Irish flag around Ireland. DIS' activities in support of the Altantic Youth Trust will continue in 2023.

DIS also sustains **solidarity, training and cultural projects** in the countries where it operates. Through the d'Amico Group, contributions are provided to **charitable activities all over the world to assist the neediest populations and territories**, with a special attention dedicated to children, as well as to supporting events in favour of the protection of human life and scientific research. Since 2013, the d'Amico Group is alongside **Save the Children**, supporting its emergency and development projects worldwide, through specific programs for children, as well as their Christmas campaign. Since 2018, the d'Amico Group supports the NGO "**Il Porto dei Piccoli**" (the children's harbour), which helps children facing illness and their families, providing support through treatment, regardless of the pathology, and offering a safe harbour where children and their families can find understanding and support. For many years, the d'Amico Group has supported the activities of the **Telethon Foundation** – funding research for the treatment of genetic diseases – donating regularly to the children's kidney disease foundation, which finances top researchers and research institutes in Italy and worldwide.

In addition, the d'Amico Group **provides education, professional development and guidance to its employees and to students outside the Group,** who are interested in the maritime industry, aiming to contribute to the development of successful career paths inside and outside the organization, by financing several projects at different educational levels and by partnering with several national and international maritime institutions. In particular, the d'Amico Group is one of the founding members of the **ITS Academy Fondazione G. Caboto** – an advanced technical education institution, offering two or three-year post-secondary training for young people interested in an international career in the shipping industry.

The d'Amico Group has supported the **National Maritime College of Ireland** for over six years, offering 18 cadets the opportunity to board one of the vessels of the d'Amico fleet for 90 days each year. The new Navy officers can complete their education with a period of onboard training and receive the certificate of competency required for navigation. Through its cooperation with the National Maritime College of Ireland, the d'Amico Group is also a partner of Chiltern Maritime, a company specialised in the recruitment, training and administration of officer trainees for British Merchant Marine scholarship programs.

The d'Amico Group also strengthened its partnership with **the Royal Institution of Naval Architects** – the British professional association of naval engineers founded in 1860, London – and the **Naval Engineering Department of Genoa University (DITEN)**, to promote and foster the exchange of technical and scientific information in ship design and shipbuilding. In this respect, more than a decade ago the three organizations created, the **Student Naval Architect Award**, which is assigned to the best thesis of one of their students.

Every year the d'Amico Group also offers a scholarship to the highest-ranking student of the **Institute for Research and Education of Naples (IPE),** contributing to the students' professional training. The Master's Degree in HR & Social Recruiting held by IPE in Naples is a unique educational program in Italy. Its aim is to train professional experts in selection, management and evaluation processes of Human Resources. The course provides also skills necessary for managing digital corporate transformation, social recruiting techniques, employer branding and change management. Thanks to this collaboration every year students can develop a final project work in the d'Amico Group.

The d'Amico Group also participates actively in the **Connecticut Maritime Association (CMA)**, a non-profit trade association representing people from all over the shipping and trade industry. The d'Amico Group has been an active member of CMA since 2001. Since 2014, the d'Amico Group has sponsored the "Business of Shipping Competition", organized by the CMA and its education foundation. The competition rewards the best essays written by students attending US colleges and universities with programs and/or courses specialised in shipping, international trade, marine biology and maritime engineering.

Furthermore, the d'Amico Group is partner of the Istituto Italiano di Navigazione. Founded in 1959, the organization considers itself a link between various institutions and businesses, to promote the technical and scientific development of navigation and shipping. With the aim of promoting and developing the Italian maritime heritage, including its care for the environment, the d'Amico Group supports also the non-governmental Associazione Promotori Musei del Mare e della Navigazione Onlus.

The d'Amico Group also supports the world of art and culture, aiming to introduce social, cultural, economic and environmental topics to an ever-wider public audience. Besides sponsoring several museums and exhibitions worldwide, in 2015 the d'Amico Group launched **"The Owner's Cabin"** project, a unique artist's residency promoting the production of artwork inspired by the international shipping environment experienced by artists while onboard one of the Group's vessels.

ECONOMIC RESPONSIBILITY

Shareholders Information

Investor Relations

d'Amico International Shipping's Investor Relations team runs a structured program aimed at promoting an ongoing dialogue with institutional investors, shareholders and the markets to ensure systematic dissemination of exhaustive, complete, and timely information on its activities, in accordance with legal requirements and on the basis of corporate governance standards and recommendations from relevant organizations, with the sole limitation imposed by the confidential nature of certain information.

The financial results are presented on a quarterly basis through public conference calls which can be widely accessed via webcast or telephone. On the same day, the recording of the conference calls and the power-point presentation are available on the Investor Relations Website. During the year, the IR team keeps in constant contact with the financial community to discuss the company's performance and results through meetings, conference calls, presentations at broker conferences and at the relevant events organized by Borsa Italiana (STAR Segment). DIS also organizes several one-on-one virtual and in-person meetings with investors that were deemed to have a particular interest in investing in the Company, taking into account DIS' market capitalization, equity valuation, sector of operation and the cyclical nature of DIS' business.

More information is available on the Company's institutional website http://investorrelations.damicointernationalshipping.com/. The Investor Relations section provides share information, historical financial data, press releases, institutional presentations, periodic publications and analyst coverage. In 2023, the Company's Website will be updated, to make it more user-friendly and easier to navigate even from mobile devices. Starting from 2020, updates on the Company's investor relations activity are available also on its LinkedIn page https://www.linkedin.com/company/d-amico-international-shipping-s-a/.

d'Amico International Shipping's shareholders may also contact: ir@damicointernationalshipping.com.

The main guidelines for the management of the Company's dialogue with shareholders and other stakeholders are included both in its investor relations and in communication procedures; it is DIS' intention to improve this dialogue in the future, also by taking into account stakeholders' and shareholders' views and suggestions.

Share Price performance

As at 31 December 2022, d'Amico International Shipping S.A.'s share capital consisted of 1,241,065,569 ordinary shares, corresponding to a market capitalization of € 456.1 million. The Company's shares are listed on Borsa Italiana SpA, in the STAR segment.

Thanks to a very strong product tanker market, in 2022 the Company significantly strengthened its balance sheet. DIS share price rose by 294.7% in 2022, reaching an intra-year high of €0.4185 on 16 December 2022. In detail, DIS reached a share price of €0.111 at the end of Q1 2022 (+17.5% quarter-on-quarter), €0.1886 at the end of Q2 2022 (+69.9% quarter-on-quarter), €0.238 at the end of Q3 2022 (+26.2% quarter-on-quarter), and €0.373 (+56.7% quarter-on-quarter) as at year-end. The average daily traded volume during the year was of 3.8 million shares, 107% higher than in the previous year. As at 31 December 2022, d'Amico International Shipping S.A. held 18,170,238 own shares, representing 1.46% of the issued share capital.

Financial calendar

The Company's 2023 Financial Calendar is as follows:

2023 Annual Financial Statements	March	Thursday 09
Annual General Meeting	April	Tuesday 18
2023 First Interim Management Statements	May	Thursday 11
2023 Half Year Report	July	Thursday 27
2023 Third Interim Management Statements	November	Thursday 09

METHODOLOGICAL NOTE

DIS' Non-Financial Report for the year ended 31 December 2022 was prepared with reference to the GRI Standards of the Global Reporting Initiative, the Marine Transportation SASB Standard and the European Sustainability Reporting Standard.

To ensure a quality report, DIS complied with the principles for defining the content and quality of the report as set out in the GRI Standards, which provide a set of criteria for selecting the information to be included in the report and relevant presentation methods.

Principles for defining report content

- **Sustainability Context** - In the chapter "Environmental Responsibility" - specifically in the paragraphs "Environmental impact and regulatory framework", "Energy efficiency" and "Emissions" - DIS has provided a clear description of its approach, which seeks to anticipate the goals regarding ship energy efficiency and the reduction of emissions defined by the IMO and the EU.

- **Materiality** – DIS has adopted the material sustainability topics identified by the d'Amico Group. The method used and the results obtained are described in the paragraph "d'Amico Group Sustainability Path" in the chapter "Sustainability for the d'Amico Group" in the d'Amico Group Sustainability Report 2021.

- **Completeness** - The report has been designed to give stakeholders a complete picture of the activities carried out by DIS. The reporting boundary refers to the DIS Group, as indicated in the Consolidated Financial Statements as at 31 December 2022.

Principles for report quality

- **Accuracy** - The economic, qualitative and quantitative data refer directly to the 2022 Consolidated Financial Statements, while the accuracy of the environmental, health & safety and quality data are the result of certified management systems, particularly ISO 9001, ISO 14001 and ISO 50001. Corporate data are mainly drawn from the Company's operating systems.

To calculate the CO2 emissions, the following Carbon Factors related to the different type of Fuel have been used.

Carbon factors

Type of fuel	Reference	Lower calorific value (kJ/kg)	Carbon content	C_F (t-CO_2/t-fuel)
Diesel/Gas Oil	ISO 8217 Grades DMX through DMB	42,700	0.8744	3.206
Light Fuel Oil (LFO)	ISO 8217 Grades RMA through RMD	41,200	0.8594	3.151
Heavy Fuel Oil (HFO)	ISO 8217 Grades RME through RMK	40,200	0.8493	3.114

To calculate the SOx emissions, the following percentages of sulphur currently contained in the fuel burned has been used: HSFO High Sulphur Fuel Oil = 3.5% S; LSFO Low Sulphur Fuel Oil = 1% S; VLSFO Very Low Sulphur Fuel Oil = 0.5% S; HSDO High Sulphur Diesel Oil = 0.5% S; LSDO Low Sulphur Diesel Oil = 0.1 % S.

On the other hand, for the calculation of NOx emissions, no distinction was made between low-speed engines (main engine) and generators (medium speed), using an average emission factor equal to 57 kg NOx /ton of fuel.

- **Balance** - In describing the results of the activities performed, both positive and negative aspects were considered to allow a balanced assessment of the Company's performance.
- **Comparability** - To enable stakeholders to analyse changes in performance, the Non-Financial Report presents triennial data. The reporting boundary is indicated in this methodological note.
- **Timeliness** - The Non-Financial Report is prepared annually. In order to better meet stakeholders' information needs.
- **Clarity** - The structure of the report was defined to make it easy for stakeholders to find relevant information. The level of detail of the information was chosen to make the report comprehensible, accessible and easy to use by the different stakeholders. The meaning of the acronyms used was also explained in special notes.
- **Reliability** - The 2022 Non-Financial Report was approved by the Board of Directors at its meeting of 09/03/2023. The document also contains contact details to receive further explanation and clarification of the information contained therein.

MANAGEMENT REPORT

ALTERNATIVE PERFORMANCE MEASURES (APM)

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

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

Time charter equivalent earnings

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

Bareboat charter revenue

Revenues originating from contracts 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 (see further in Other definitions).

EBITDA and EBITDA Margin

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

EBIT and EBIT Margin

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

ROCE

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

Gross CAPEX

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

Net Indebtedness

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

IFRS 16 impact

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

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

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

Available vessel days

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

Coverage

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

Daily spot rate or daily TC rate

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

Off-hire

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

Time charter equivalent earnings per day

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

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

Other Definitions

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

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

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

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

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

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

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

SUMMARY OF THE RESULTS IN THE FOURTH QUARTER AND FY 2022

The product tanker market has strengthened significantly since the onset of the war in Ukraine in February 2022, and remained at historically high levels throughout the year. The sanctions that gradually came into force in 2022 and self-sanctioning by many important operators, les to a redirection of trade flows out of Russia. In particular, India increased imports of Russian crude from under 200 thousand b/d prior to the invasion of Ukraine to almost 1.8 million b/d by the end of 2022. China, which was already an important importer of crude oil from Russia also increased its imports over the same period, from just under 1.0 million b/d to around 1.6 million b/d by the end of last year.

The same importers of Russian crude ramped up exports of refined product towards Europe last year. Combined exports of middle distillates to Europe from China and India averaged 166 thousand b/d in 2021, but surged to 403 thousand b/d in Q4 2022, reaching a record 493 thousand b/d in December 2022. The Middle East also increased exports of refined products to Europe from an average of 532 thousand b/d in 2021 to 702 thousand b/d in 2022.

In addition to the above-mentioned changes in trade patterns and the associated increase in tonne-miles, the market last year benefitted generally from an increase in inefficiencies, as a large portion of the refined products exported by Russia was involved in transhipment activities before arriving at final destination.

Despite higher imports from these other locations, Europe continued importing high volumes of refined products from Russia last year. The G7 price caps and EU sanctions on exports of Russian refined products that came into force on 5 February 2023, are likely to stimulate a rerouting also of Russian refined products towards other countries, with Europe having to replace the lost Russian cargoes, with imports from more distant locations. The initial indications are that Russian exports of refined products are being redirected mostly to North Africa and Turkey. North Africa in particular increased imports of Russian diesel from insignificant levels (less than 10 thousand b/d) to around 250 thousand b/d in February 2023.

Freight markets in the last quarter of last year was especially strong and were impacted by a front loading of imports by Europe in anticipation of the sanctions which were going to come into force in February 2023, as well as higher volumes out of China, due to an important increase in government-allocated export quotas to local refineries.

The one-year time-charter rate is always the best indicator of spot market expectations and as at the end of December 2022 was assessed at around US$ 28,000 per day for a conventional MR2, with an Eco MR2 assessed at a premium of around US$ 4,000 per day.

In 2022, DIS recorded a Net profit of US$ 134.9 million vs. a Net loss of US$ (37.3) million posted in 2021. Such positive variance is attributable to a much stronger product tanker market relative to the prior year. Excluding results on disposal and non-recurring financial items, as well as the asset impairment and the effects of IFRS 16, DIS' Net result would have amounted to US$ 137.6 million in 2022 compared with US$ (29.1) million recorded in the previous year. **In Q4 2022, DIS posted a Net profit of US$ 72.1 million vs. a Net loss of US$ (8.3) million** registered in the fourth quarter of last year. Excluding results on disposal and non-recurring financial items, as well as the asset impairment and the effects of IFRS 16, DIS' Net result would have amounted to US$ 69.6 million in Q4 2022 compared with US$ (6.5) million recorded in Q4 2021.

DIS generated an EBITDA of US$ 226.6 million in 2022 vs. US$ 64.3 million achieved in 2021 (US$ 91.3 million in Q4 2022 vs. US$ 16.4 million in Q4 2021), whilst its operating cash flow was positive for US$ 147.8 million in 2022 compared with US$ 31.8 million generated in the previous year.

In terms of spot performance, **DIS achieved a daily spot rate of US$ 31,758 in 2022** vs. US$ 11,004 in 2021, due to the much stronger market relative to the previous year. **In the fourth quarter of the year, DIS' daily spot rate was of US$ 42,751** vs. US$ 12,055 achieved in Q4 2021.

At the same time, 34.0% of DIS' total employment days in 2022, were covered through 'time-charter' contracts at an average daily rate of US$ 15,925 (2021: 47.5% coverage at an average daily rate of US$ 15,194). 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 negative cycles. DIS' total daily average rate (which includes both spot and time-charter contracts) was of US$ 26,376 in 2022 compared with US$ 12,996 achieved in 2021 (Q4 2022: US$ 38,294 vs. Q4 2021: US$ 13,165).

Operating performance

US$ thousand	2022	2021
Revenue	479,619	246,455
Voyage costs	(149,661)	(72,369)
Time charter equivalent earnings*	**329,958**	**174,086**
Bareboat charter revenue	4,812	888
Total net revenue	**334,770**	**174,974**
Time charter hire costs	(3,250)	(3,395)
Other direct operating costs	(86,152)	(91,107)
General and administrative costs	(15,544)	(14,006)
Result from disposal of vessels	(3,212)	(2,144)
EBITDA*	**226,612**	**64,322**
Depreciation and impairment	(60,934)	(71,224)
EBIT*	**165,678**	**(6,902)**
Financial income	2,802	2,048
Financial (charges)	(33,208)	(31,962)
Profit (loss) before tax	**135,272**	**(36,816)**
Income tax	(403)	(445)
Net profit (loss)	**134,869**	**(37,261)**

*Alternative Performance Measures on page 102

Revenue was US$ 479.6 million in 2022 compared with US$ 246.5 million realized in the previous year. The increase in gross revenue compared with the previous year is attributable mainly to a much stronger freight market. In addition, the percentage of off-hire days in 2022 (2.0%) was lower than in the previous year (3.0%), mainly due to the timing of commercial off-hires and 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$ (149.7) million in 2022 compared with US$ (72.4) million in 2021. The higher costs reflect DIS' higher exposure to the spot market and higher bunker prices, relative to the previous year.

Time charter equivalent earnings were of US$ 330.0 million in 2022 vs. US$ 174.1 million in 2021. In detail, DIS realized a **daily average spot rate of US$ 31,758 in 2022** compared with US$ 11,004 in 2021 and of US$ 42,751 in Q4 2022 compared with US$ 12,055 in the same period of last year.

In 2022, DIS maintained a good level of 'coverage'[31] (fixed-rate contracts), securing an average of 34.0% (2021: 47.5%) of its available vessel days at a daily average fixed rate of US$ 15,925 (2021: US$ 15,194). 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.

DIS' total daily average TCE (Spot and Time Charter)[32] was of US$ 26,376 in 2022 vs. US$ 12,996 in 2021 (Q4 2022 US$ 38,294 vs. Q4 2021 US$ 13,165).

DIS TCE daily rates (US$)	2021					2022				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Spot	9,923	12,720	9,248	12,055	**11,004**	12,857	28,687	37,159	42,751	**31,758**
Fixed	15,842	15,231	15,163	14,493	**15,194**	14,968	15,373	15,497	19,957	**15,925**
Average	12,853	13,893	12,113	13,165	**12,996**	13,796	23,389	30,230	38,294	**26,376**

Bareboat charter revenue was of US$ 4.8 million in 2022 vs. US$ 0.9 million in 2021, and it relates to the bareboat charter out contract started in October 2021 on one of d'Amico Tankers d.a.c.'s LR1 vessels.

Time charter hire costs IFRS 16 Leases is effective for annual periods beginning on or after 1 January 2019 and has been adopted by the Company. IFRS 16 substantially changes the Group's Consolidated Financial Statements, significantly affecting the treatment by lessees of contracts which in previous periods were treated as operating leases. With some exceptions, liabilities for payments on contracts previously classified as operating leases are now discounted at the lessee's incremental borrowing rate, leading to the recognition of a lease liability and a corresponding right of use asset (amounting to the liability plus the present value of any restoration costs and any incremental costs in entering the lease, as well as any lease payments made prior to commencement of the lease, minus any lease incentives already received). Therefore, starting from 1 January 2019, 'time-charter hire costs' includes only time-charter contracts whose residual term is shorter than 12 months as at that date or for contracts starting later, whose duration is shorter than 12 months from their commencement date. The application of IFRS16 reduced 'charter hire costs' by US$ 48.0 million in 2022 and by US$ 49.6 million in 2021, as within the Income Statement, these costs were replaced with other direct operating costs, interest, and depreciation.

Excluding the effect of IFRS 16, DIS' 'time-charter hire costs' would have amounted to US$ (51.2) million in 2022 compared with US$ (53.0) million in 2021. In 2022, DIS operated a slightly lower number of chartered-in vessels (9.6 equivalent ships) relative to the prior year (10.2 equivalent ships).

Other direct operating costs mainly consist of crew, technical and luboil expenses relating to the operation of owned vessels, together with insurance expenses for both owned and chartered-in vessels. The adjustment to 'other direct operating costs' arising from the application of IFRS 16 increases such expenses by US$ 21.7 million in

31 Coverage ratio (%) and daily average covered rate include a bareboat charter out contract on an LR1 vessel owned by d'Amico Tankers d.a.c., inclusive of an assumed daily Opex of US$ 6,700 (in line with DIS' actual costs), in order to express this bareboat contract in time-charter equivalent terms. The gross revenue of this bareboat contract is reported under 'bareboat charter revenue' in the Income Statement.

32 Total daily average TCE includes a bareboat charter out contract on an LR1 vessel owned by d'Amico Tankers d.a.c., inclusive of an assumed daily Opex of US$ 6,700 (in line with DIS' actual costs), in order to express this bareboat contract in time-charter equivalent terms. The gross revenue of this bareboat contract is reported under 'bareboat charter revenue' in the Income Statement.

2022 (US$ 22.5 million increase in 2021), as within the Income Statement, time-charter hire costs are replaced by other direct operating costs, interest, and depreciation. Excluding the effects of IFRS 16, DIS' 'other direct operating costs' would have amounted to US$ (64.4) million in 2022 vs. US$ (68.6) million in 2021. In 2022, the Company operated a smaller fleet of owned and bareboat vessels relative to the prior year (2022: 26.1 vs. 2021: 27.9). DIS constantly monitors its operating costs, while focusing on crew with appropriate skills, high SQE (Safety, Quality & Environment) standards and full compliance with very stringent market regulations. Maintaining a 'top-quality' fleet represents an essential part of DIS vision and strategy.

General and administrative costs amounted to US$ (15.5) million in 2022 vs. US$ (14.0) million in 2021. These costs relate mainly to onshore personnel, together with office costs, consultancies, travel expenses and others.

Result from disposal of vessel was negative for US$ (3.2) million in 2022 vs. US$ (2.1) million in the prior year. The amount refers to the amortisation of the net deferred result on all vessels sold and leased back in the previous years. In addition, the amount for 2022 includes US$ (1.3) million negative charge related to the termination of the bareboat charter contract for the MT High Voyager (whose purchase option was exercised by d'Amico Tankers in the last quarter of the year).

EBITDA was of US$ 226.6 million in 2022 compared with US$ 64.3 million in 2021 (US$ 91.3 million in Q4 2022 vs. US$ 16.4 million in Q4 2021), reflecting the better freight markets experienced in 2022.

Depreciation, impairment, and impairment reversal amounted to US$ (60.9) million in 2022 vs. US$ (71.2) million in 2021. The amount for 2022 includes: i) an impairment of US$ (2.1) million on an MR vessel (M/T High Priority) owned by d'Amico Tankers d.a.c., whose sale was announced in Q1 2022 and finalized in Q2 2022. In accordance with IFRS 5, this vessel was classified as 'asset held for sale' at the end of Q1 2022, with the difference between its fair value less cost to sell and its book value charged to the Income Statement; ii) an impairment reversal of US$ 2.0 million on two MR vessels (M/T High Seas and M/T High Tide), whose fair value as at December 31 2022 was greater than their book value at the same date. The amount for 2021 included US$ (6.4) million impairment booked on two vessels owned by d'Amico Tankers d.a.c., one of which (M/T High Venture) was sold in the last quarter of that year, whilst the other one (M/T High Valor) was sold in January 2022 and classified as 'asset held for sale' (in accordance with IFRS 5) at the end of the period, with the difference between its fair value less cost to sell and its book value charged to the Income Statement.

EBIT was of US$ 165.7 million in 2022 compared with US$ (6.9) million in 2021.

Net financial income was of US$ 2.8 million in 2022 vs. US$ 2.0 million 2021. The 2022 amount comprises mainly US$ 2.3 million unrealized gain in relation to the ineffective part of DIS' interest rate swap agreements, as well as bank interest income on funds held with financial institutions on deposit and current accounts. The 2021 amount comprises mainly US$ 1.7 million unrealized gain in relation to the ineffective part of DIS' interest rate swap agreements, US$ 0.4 million commercial foreign exchange gain, as well as bank interest income on funds held with financial institutions on deposit and current accounts.

Net financial charges amounted to US$ (33.2) million in 2022 vs. US$ (32.0) million in 2021. The 2022 amount comprises mainly US$ (29.6) million in interest expenses and amortized financial fees due on DIS' bank loan facilities, actual expenses on interest rate swaps and interest on lease liabilities, as well as net realised loss on derivative instruments of US$ (1.1) million (US$ (1.1) million realized loss on foreign exchange derivative instruments used for hedging purposes, US$ (0.5) million realized loss on freight derivative instruments, US$ 0.5 million realized gain arising from the closing of some interest rate swaps), and US$ (2.5) million negative impact arising from the termination of the lease contracts on High Fidelity and High Discovery. The amount recorded in 2021 included US$

(31.7) million in interest expenses and amortized financial fees due on DIS' bank loan facilities, actual expenses on interest rate swaps and interest on lease liabilities, as well as US$ (0.2) million of realized losses on freight derivative instruments and foreign exchange derivative instruments used for hedging purposes.

DIS recorded a ***Profit before tax*** of US$ 135.3 million in 2022 vs. a loss of US$ (36.8) million in 2021.

Income taxes amounted to US$ (0.4) million in 2022, in line with the amount of last year.

DIS recorded a ***Net profit* of US$ 134.9 million in 2022** vs. a *Net loss* of US$ (37.3) million in 2021 and a *Net profit* of US$ 72.1 million in the last quarter of 2022 vs. a Net loss of US$ (8.3) million in the same period of the previous year. Excluding results on disposals and non-recurring financial items from 2022 (US$ (4.5) million[33]) and from 2021 (US$ 0.7 million), as well as the asset impairments (US$ (0.1) million in 2022 and US$ (6.4) million in 2021) and the net effects of IFRS 16 from both periods (US$ 1.8 million in 2022 and US$ (1.0) million in 2021), **DIS' Net result would have amounted to US$ 137.6 million in 2022** compared with US$ (29.1) recorded in the previous year. Excluding the result on disposals and non-recurring financial items from Q4 2022 (US$ (0.1) million) and from the same period of 2021 (US$ 0.8 million), as well as the asset impairments (US$ 2.0 million in Q4 2022 and US$ (0.7) million[34] in Q4 2021), and the net effects of IFRS 16 from both periods (US$ 0.6 million in Q4 2022 and US$ US$ (0.4) million Q4 2021), **DIS' Net result would have amounted to US$ 69.6 million in Q4 2022** compared with US$ (6.5) million recorded in the same period of the previous year.

Consolidated Statement of Financial Position

US$ thousand	As at 31 December 2022	As at 31 December 2021
ASSETS		
Non-current assets	818,401	831,283
Current assets	236,484	94,836
Assets held for sale	-	10,197
Total assets	**1,054,885**	**936,316**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity	478,414	332,382
Non-current liabilities	419,681	466,111
Current liabilities	156,790	135,487
Banks associated to assets held-for-sale	-	2,336
Total liabilities and shareholders' equity	**1,054,885**	**936,316**

Non-current assets mainly relate to DIS' owned vessels net book value, including right-of-use assets (there are no vessels under construction as at 31 December 2022). According to the valuation report provided by a primary broker, the estimated market value of DIS' owned and bareboat fleet as at 31 December 2022 was of US$ 1,027.5 million.

Gross Capital expenditures (Capex) were of US$ 35.5 million in 2022 vs. US$ 7.0 million in 2021. These amounts include the capitalised dry-dock costs pertaining to owned and bareboat vessels. In addition, the amount for 2022 includes approximately US$ 30.4 million due to d'Amico Tankers' exercise of its purchase option on M/T High Adventurer (an MR vessel, time-chartered-in by d'Amico Tankers since 2017).

33 US$ (3.2) million loss on disposal, US$ US$ 2.3 million unrealized gain in relation to the ineffective part of DIS' interest rate swap agreements, US$ (1.1) million realized loss on foreign exchange derivative instruments used for hedging purposes, US$ (0.5) million realized loss on freight derivative instruments, US$ 0.5 million realized gain arising from the closing of some interest rate swaps), and US$ (2.5) million negative impact arising from the termination of the lease contracts on High Fidelity and High Discovery.

34 US$ (2.1) million loss on disposal, US$ 1.7 million mainly due to unrealized gain on Interest rates swap agreements, and US$ (0.2) million unrealized losses on freight derivative instruments and foreign exchange derivative instruments used for hedging purposes.

Total current assets as at 31 December 2022 amounted to US$ 236.5 million. As at the same date, in addition to the working capital items (inventories and trade receivables amounting to US$ 18.3 million and US$ 91.5 million, respectively), current assets include 'cash and cash equivalent' of US$ 117.9 million..

Non-current liabilities were of US$ 419.7 million as at 31 December 2022 and mainly consist of the long-term portion of the debt due to banks (disclosed under the Net Indebtedness section of the report) and of lease liabilities.

Total Current liabilities, other than the debt due to banks and other lenders (disclosed under the Net Indebtedness section of the report), includes as at 31 December 2022, working capital items amounting to US$ 30.8 million (mainly relating to trade and other payables), US$ 71.7 million of lease liabilities, and US$ 3.1 million of other current financial liabilities.

Shareholders' equity amounted to US$ 478.4 million as at 31 December 2022 (US$ 332.4 million as at 31 December 2021). The variance relative to year-end 2021 is mainly due to the Net result generated in 2022, as well as to the change in the valuation of cash-flow hedges during the period.

Net Indebtedness*

DIS' Net debt as at 31 December 2022 amounted to **US$ 409.9 million** compared to US$ 520.3 million as at 31 December 2021. Due to the application of IFRS 16 these balances include from 1 January 2019 an additional lease liability amounting to US$ 39.8 million as at the end of December 2022 vs. US$ 80.5 million as at the end of 2021. The net debt (excluding the IFRS16 effect) / fleet market value ratio was of 36.0% as at 31 December 2022 vs. 60.4% as at 31 December 2021 (65.9% as at 31 December 2020, 64.0% as at the end of 2019 and 72.9% as at the end of 2018).

US$ thousand	As at 31 December 2022	As at 31 December 2021
Liquidity - Cash and cash equivalents	117,896	43,415
Other current financial assets	8,754	2,638
Other current financial assets – related party **	33	36
Total current financial assets	**126,683**	**46,089**
Bank loans and other lenders – current	51,086	66,534
Liabilities from leases – current	71,740	36,480
Other current financial liabilities – 3rd parties	3,129	4,765
Total current financial debt	**125,955**	**110,115**
Net current financial debt	**(728)**	**64,026**
Other non-current financial assets – third parties	9,077	9,782
Other non-current financial assets – related party **	26	67
Total non-current financial assets	**9,103**	**9,849**
Bank loans – non-current	266,124	226,771
Liabilities from financial lease – non-current	150,225	237,478
Other non-current financial liabilities – 3rd parties	3,332	1,862
Total non-current financial debt	**419,681**	**466,111**
Net non-current financial debt	**410,578**	**456,262**
Net financial indebtedness	**409,850**	**520,288**

* See Alternative Performance Measures on page 102

** Please refer to the disclosures on related parties in the notes to the consolidated Financial Statements

The balance of *Total Current Financial Assets* was of US$ 126.7 million as at the end of December 2022. The total amount comprises *Cash and cash equivalents* of US$ 117.9 million, the current portion of deferred losses on disposal on sale and leaseback transactions, amounting to US$ 2.3 million and the positive fair value of derivative financial instruments (interest rate swaps), amounting to US$ 6.5 million.

Total Non-Current Financial Assets comprise mainly deferred losses on disposal on sale and leaseback transactions. The total outstanding bank debt (Bank loans) as at 31 December 2022 amounted to US$ 317.2 million, of which US$ 51.1 million is due within one year. In addition to some short-term credit lines, DIS' bank debt as at 31 December 2022 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 finance for 1 vessel, with an outstanding debt of US$ 23.8 million;

II. Crédit Agricole Corporate and Investment Bank and ING term-loan facility to finance 1 MR vessel built in 2016 with an outstanding debt of US$ 14.7 million;

III. Crédit Agricole Corporate and Investment Bank and ING 5-year term-loan facility to finance 1 Handysize vessel built in 2016 and 4 MR vessels previously owned by Glenda International Shipping d.a.c. and built between 2010 and 2011, with an outstanding debt of US$ 52.4 million;

IV. ING and Skandinaviska Enskilda Banken (SEB) 5-years term-loan facility to finance 3 LR1 vessels built in 2018 and 1 Handysize vessel built in 2014, with an outstanding debt of US$ 80.3 million;

V. ABN Amro 5-years term-loan facility to finance 3 Handysize vessels built respectively in 2014, 2015 and 2016, with an outstanding debt of US$ 38.9 million;

VI. Skandinaviska Enskilda Banken 5-years term-loan facility to finance 1 LR1 vessel built in 2017, with an outstanding debt of US$ 18.5 million;

VII. Century Tokyo Leasing 6-years term-loan facility to finance 1 MR vessel built in 2017, with a total outstanding debt of US$ 13.4 million;

VIII. Banco BPM S.p.A. 5-years term loan facility to finance 1 Handysize vessel built in 2016, with an outstanding debt of US$ 14.5 million;

IX. Danish Ship Finance 7-year term-loan facility to finance 2 MR vessels built in 2012, with an outstanding debt of US$ 24.3 million;

X. Skandinaviska Enskilda Banken (SEB) 5-years term-loan facility to finance 1 MR vessels built in 2017 and acquired by d'Amico Tankers in Q4 2022, with a total outstanding debt of US$ 20.0 million.

Lease liabilities include the leases on M/T High Freedom, M/T High Trust, M/T High Loyalty, M/T High Trader, M/T Cielo di Houston and M/T High Voyager, which were sold and leased back between 2017 and 2019 and the leases on M/T High Fidelity and M/T High Discovery, whose previous leases were terminated in Q3 2022, with the vessels then refinanced with new 10-year leases. In addition, 'lease liabilities' include as at 31 December 2022, US$ 39.7 million arising from the application of IFRS 16 on contracts classified until 2018 as 'operating leases'.

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

Cash Flow

In 2022, **DIS' net cash flow was of US$ 81.8 million** vs. US$ (18.9) million in 2021.

US$ thousand	2022	2021
Cash flow from operating activities	**147,804**	31,826
Cash flow from investing activities	**(41,769)**	6,653
Cash flow from financing activities	**(24,203)**	(57,367)
Change in cash balance	**81,832**	**(18,888)**
Cash and cash equivalents net of bank overdrafts at the beginning of the year*	**26,406**	**45,294**
Cash and cash equivalents at the end of the year	117,896	43,415
Bank overdrafts at the end of the year	(9,658)	(17,009)
Cash and cash equivalents net of bank overdrafts at the end of the year	**108,238**	**26,406**

* Please refer to note n.1 of the consolidated accounts

Cash flow from operating activities was positive, amounting to US$ 147.8 million in 2022 vs. US$ 31.8 million in 2021.

The net ***Cash flow from investing activities*** was negative for US$ (41.8) million in 2022 (US$ 6.7 million in 2021). In August 2022, d'Amico Tankers d.a.c. gained control of 100% of Glenda International Shipping d.a.c. (or "the JV") through the redemption of the shares owned by Topley Corporation (part of the Glencore Group) in the JV, for a consideration of US$ 27.4 million. The impact of this transaction, net of the cash equivalent acquired from the JV as at the redemption date, is reflected in the Cash flow from investing activities, amounting to US$ (25.5) million. The 2022 amount includes d'Amico Tankers d.a.c.'s exercise of its purchase option on the M/T High Adventurer for a consideration of JPY 4.1 billion (equivalent to approximately US$ 30.4 million). In addition, the total amount for the year, comprises also the costs relating to drydocks which occurred in the period, off-set by US$ 19.3 million generated from the sale of the M/T High Valor in Q1 2022 and M/T High Priority in Q2 2022. The 2021 amount comprised mainly the costs relating to drydocks which occurred in the period, off-set by the reimbursement of US$ 3.2 million of a sellers' credit relating to the sale and TC-back of two MRs in 2017 and by US$ 10.5 million generated from the sale of M/T High venture in Q4 2021.

Cash flow from financing activities was negative, amounting to US$ (24.2) million in 2022. This figure comprises mainly:

i) US$ (183.2) million in bank debt repayments, of which US$ (2.4) million were due to the reimbursement of the loan, including the balloon, for the M/T High Valor, sold in Q1 2022; US$ (1.9) million were due to the reimbursement of the loan, including the balloon, for the M/T High Priority, sold in Q2 2022; US$ (14.2) million were due to the reimbursement of the facility for the M/T Cielo di Salerno, whose debt, due to expire later in 2022, was refinanced in Q1 2022; US$ (94.4) million were due to the reimbursement of the facilities for the M/T High Seas, M/T High Tide, M/T Cielo di New York, M/T Cielo di Rotterdam, M/T Cielo Rosso and M/T Cielo di Cagliari, whose debt, due to expire in 2023, was refinanced in Q3 2022; US$ (33.7) million were due to the reimbursement of the facilities for the four MR vessels previously owned by GLENDA International Shipping, whose debt, was refinanced in Q3 2022; US$ (13.5) million were due to the reimbursement of the facility for the M/T Cielo di Capri, whose debt, due to expire in 2023, was refinanced in Q4 2022. **ii) US$ 194.5 million bank debt drawdown**, of which US$ 15.3 million related to the refinancing of the facility for the M/T Cielo di Salerno; US$ 82.0 million related to the refinancing of the facilities for the M/T Cielo di New York, M/T Cielo di Rotterdam, M/T Cielo Rosso and M/T Cielo di Cagliari; US$ 25.2 million related to the refinancing of the facilities for the M/T High Seas and M/T High Tide; US$ 38.9 million related to the refinancing of the facilities for the four MR vessels previously owned by GLENDA International Shipping; US$ 15.3 million related to the refinancing of the facility for the M/T Cielo di Capri; and US$ 20.0 million related to the financing of the M/T High Adventurer, purchased by d'Amico Tankers d.a.c. in Q4 2022. **iii) US$ 42.9 million inception of financial lease**, related to the refinancing of the leases on M/T High Fidelity and M/T High Discovery; **iv) US$ (78.5) million repayment of lease liabilities**, including US$ (39.5) million related to the termination of the previous leases on High Fidelity and High Discovery.

QUARTERLY RESULTS

Fourth Quarter results

US$ thousand	Q4 2022	Q4 2021
Revenue	167,845	65,120
Voyage costs	(47,667)	(22,031)
Time charter equivalent earnings*	**120,178**	**43,089**
Bareboat charter revenue	1,213	888
Total net revenue	**121,391**	**43,977**
Time charter hire costs	(341)	(880)
Other direct operating costs	(23,812)	(22,352)
General and administrative costs	(4,290)	(3,778)
Result from disposal of vessels	(1,651)	(533)
EBITDA*	**91,297**	**16,434**
Depreciation, impairment and impairment reversal	(13,569)	(16,402)
EBIT*	**77,728**	**32**
Financial income	2,106	(88)
Financial (charges)	(7,605)	(7,987)
Profit (loss) before tax	**72,229**	**(8,043)**
Income tax	(136)	(288)
Net profit (loss)	**72,093**	**(8,331)**

* See Alternative Performance Measures on page 102

Financials by Quarter

The 2022 quarterly financials largely reflect the strong performance of freight markets during the year.

US$ thousand	Q1	Q2	Q3	Q4	FY
Revenue	66,538	108,742	136,494	167,845	479,619
Voyage costs	(23,717)	(35,956)	(42,321)	(47,667)	(149,661)
Time charter equivalent earnings*	42,821	72,786	94,173	120,178	329,958
Bareboat charter revenue	1,186	1,200	1,213	1,213	4,812
Total net revenue	44,007	73,986	95,386	121,391	334,770
Time charter hire costs	(1,206)	(515)	(1,188)	(341)	(3,250)
Other direct operating costs	(21,129)	(21,012)	(20,199)	(23,812)	(86,152)
General and administrative costs	(3,378)	(3,462)	(4,414)	(4,290)	(15,544)
Result on disposal of vessels	(521)	(527)	(513)	(1,651)	(3,212)
EBITDA*	17,773	48,470	69,072	91,297	226,612
Depreciation and impairment	(17,483)	(15,045)	(14,837)	(13,569)	(60,934)
EBIT*	290	33,425	54,235	77,728	165,678
Net Financial income	573	320	(197)	2,106	2,802
Net Financial (charges)	(7,218)	(8,064)	(10,321)	(7,605)	(33,208)
Profit (loss) before tax	(6,355)	25,681	43,717	72,229	135,272
Income tax	(141)	33	(159)	(136)	(403)
Net profit (loss)	(6,496)	25,714	43,558	72,093	134,869

* See Alternative Performance Measures on page 102

The following table shows the **Net Debt** as at the end of the fourth quarter, compared with the figures at end of the third quarter of 2022:

US$ thousand	As at 31 December 2022	As at 30 September 2022
Total current financial assets	126,683	92,025
Total current financial debt	125,955	108,183
Net current financial debt	**(728)**	**16,158**
Total non-current financial assets	9,103	11,887
Total non-current financial debt	419,681	449,622
Net non-current financial debt	**410,578**	**437,735**
Net financial indebtedness*	**409,850**	**453,893**

* See Alternative Performance Measures on page 102

SIGNIFICANT EVENTS IN THE YEAR

d'Amico International Shipping S.A.:

Fifth and last exercise period of DIS' Ordinary shares warrants 2017-2022: On 17 May 2022, d'Amico International Shipping S.A. confirmed that the holders of "d'Amico International Shipping's Warrants 2017 – 2022", ISIN code n. LU1588548724 (the "Warrants") could apply for their Warrants to be exercised on any Banking Day (days on which banks in Luxembourg and in Italy are generally open for business as defined in the terms and conditions of the Warrants) starting from 1st June, 2022 until 30th June, 2022, both dates included (the "Fifth Exercise Period"), with the right to subscribe for newly issued ordinary shares of DIS admitted to trading on the Euronext STAR Milan segment of the Milan Stock exchange, organized and managed by Borsa Italiana, each without par value and with the same rights and features as DIS' ordinary shares outstanding at the issue date (the "Warrant Shares"), in the ratio of one (1) ordinary DIS share for one (1) Warrant exercised. After the termination of the Fifth Exercise Period, the unexercised Warrants were considered expired and can no longer be exercised. The exercise price for the Fifth Exercise Period amounted to EUR 0.412 (zero point four hundred and twelve Euros) per Warrant Share.

Capital increase following the fifth exercise period of DIS' Ordinary shares warrants 2017-2022: on 4 July 2022 following the completion of the Fifth Warrants exercise period, in which 10,000 Warrants were exercised, leading to the issuance of 10,000 new ordinary shares, the Company's share capital amounted to US$ 62,053,278.45, divided into 1,241,065,569 shares with no nominal value. The remaining 55,215,905 Warrants not exercised by the deadline of 30 June 2022 expired, becoming invalid for all purposes.

d'Amico Tankers d.a.c.:

Refinancing of two leases: In July 2022, d'Amico Tankers d.a.c. exercised its purchase options on the existing bareboat charter contracts for MT High Discovery (a 49,990 dwt medium-range product tanker vessel built in 2014 by Hyundai-Mipo, South Korea), for a consideration of US$ 20.3 million, and for MT High Fidelity (a 49,990 dwt medium-range product tanker vessel built in 2014 by Hyundai-Vinashin Shipyard Co. Ltd., Vietnam), for a consideration of US$ 19.2 million. In addition, d'Amico Tankers refinanced the two vessels with new 10-year leases (bareboat charter contracts), with a purchase obligation at the end of the contract, and purchase options starting from the second anniversary date for MT High Discovery and the third anniversary date for MT High Fidelity.

Refinancing of the bank debt maturing in 2023, related to four vessels through a new sustainability-linked loan: In July 2022, d'Amico Tankers d.a.c. signed a US$ 82.0 million 5-year term facility with ING and Skandinaviska Enskilda Banken (SEB), to refinance the bank loans maturing in 2023 on MT Cielo di Cagliari, MT Cielo Rosso, MT Cielo di Rotterdam, and MT Cielo di New York. For this new sustainability-linked loan, the margin is adjusted based on the CO2 emissions of d'Amico Tankers' fleet and associated AER (annual efficiency ratio) indicator, relative to the AER trajectory established by the Poseidon Principles for the type of vessels controlled by our Subsidiary. ING is acting as the Agent and the Sustainability Coordinator of this facility.

Refinancing of the bank debt related to three MR vessels, maturing in 2023: In July 2022, d'Amico Tankers d.a.c. secured the refinancing of the loan related to three of its MR vessels maturing in 2023, with their related balloons. In detail:

- d'Amico Tankers signed a US$ 25.2 million 7-year term loan facility with Danish Ship Finance A/S, to refinance the bank loans maturing in 2023 on MT High Seas and MT High Tide. This new loan was drawn down and the current financing reimbursed in July 2022.
- d'Amico Tankers signed an agreement with Tokyo Century Corporation to extend in direct continuation and for a further 4.5 years from its previous maturity in January 2023, the existing loan on MT High Challenge, with an amount then outstanding of US$ 13.8 million.

Refinancing of the bank debt related to five MR vessels: In September 2022, d'Amico Tankers d.a.c. signed a new US$ 54.2 million 5-year term loan facility with Credit Agricole Corporate and Investment Bank and ING aimed at refinancing the loans related to the following five vessels:

- MT Cielo di Capri, a 39,043 dwt handysize product tanker vessel built in 2016 by Hyundai-Vinashin Shipyard Co. Ltd., Vietnam, and whose previous bank debt matured in May 2023. The new loan facility related to this vessel was drawn down at the beginning of October 2022.
- MT Glenda Melissa, MT Glenda Meryl, MT Glenda Melody, MT Glenda Melanie, four 47,200 dwt MR vessels built between 2010 and 2011 by Hyundai-Mipo, South Korea, all formerly owned by Glenda International Shipping d.a.c.. The new loan facility related to these four vessels was drawn down in September 2022.

New bank debt financing related to the acquisition of an MR vessel: In December 2022, d'Amico Tankers d.a.c. signed a new US$ 20 million 5-year term loan facility with Skandinaviska Enskilda Banken (SEB) to finance the acquisition of MT High Adventurer.

Acquisition of the full control in GLENDA International Shipping d.a.c.: In August 2022, d'Amico Tankers d.a.c. gained control of 100% of Glenda International Shipping d.a.c. ("Glenda" or "the JV") through the redemption of the shares ("the Redemption") owned by Topley Corporation ("Topley", part of the Glencore Group) in the JV for a consideration of US$ 27.4 million. Prior to the transaction Topley owned a participation of 50% in Glenda International Shipping. The vessels owned at the time by Glenda International Shipping were the following MRs:

- GLENDA Melissa, 47,203 dwt, built in 2011, by Hyundai Mipo, South Korea;
- GLENDA Meryl, 47,251 dwt, built in 2011, by Hyundai Mipo, South Korea;
- GLENDA Melody, 47,238 dwt, built in 2011, by Hyundai Mipo, South Korea;
- GLENDA Melanie, 47,162 dwt, built in 2010, by Hyundai Mipo, South Korea.

Prior to the Redemption of the shares, the bank loans related to these vessels were fully reimbursed. In September 2022, d'Amico Tankers d.a.c. acquired these vessels from Glenda.

'Time Charter-Out' Fleet: In January 2022, d'Amico Tankers d.a.c. extended a time charter-out contract with an oil-major for one of its MR vessels for 12 months, starting from January 2022; and it extended another time charter-out contract with a reputable counterparty for one of its Handy-size vessels for 6 months, starting from January 2022.

In September 2022, d'Amico Tankers d.a.c. extended a time charter-out contract with an oil-major for one of its LR1 vessels for 12 months, starting from October 2022.

In October 2022, d'Amico Tankers d.a.c. fixed a time charter-out contract with an oil-major for one of its LR1 vessels for a period of between 10 to 12 months, starting from December 2022.

In November 2022 d'Amico Tanker d.a.c. fixed a time charter-out contract with an oil major for one of its MR vessels for 12 months, starting from November 2022.

Vessel Sale: In April 2022, d'Amico Tankers d.a.c. signed a memorandum of agreement for the sale of the M/T High Priority, a 46,847 dwt MR product tanker vessel, built in 2005 by Nakai Zosen, Japan, for a consideration of US$ 9.2 million.

Exercise of the purchase option on a TC-in MR vessels: In September 2022, d'Amico International Shipping S.A. announced that its operating subsidiary d'Amico Tankers d.a.c. exercised its purchase option on the M/T High Adventurer, a 50,000 dwt MR product tanker vessel, built in 2017 by Onomichi Dockyard Co., Japan, for a consideration of JPY 4.1 billion (equivalent to approximately US$ 30.4 million); this vessel's delivery occurred in December 2022.

Exercise of the purchase option on a bareboat chartered MR vessel: In December 2022, d'Amico International Shipping S.A. announced that its operating subsidiary d'Amico Tankers d.a.c. exercised its purchase option on the M/T High Voyager, a 45,999 dwt MR product tanker vessel, built in 2014 by Hyundai Mipo, South Korea, for a consideration of US$ 20.8 million; this vessel's delivery occurred in January 2023.

High Pool Tankers d.a.c.:

Time Charter-Out' Fleet: In April 2022, High Pool Tankers d.a.c. fixed a time charter-out contract with a reputable counterparty for one of its MR vessels for 6 months, starting in June 2022.

SIGNIFICANT EVENTS SINCE THE END OF THE PERIOD AND BUSINESS OUTLOOK

'Time Charter-Out' Fleet: In January 2023, d'Amico Tankers d.a.c. fixed a time charter-out contract with an oil-major for one of its handysize vessels for a minimum of 11 months and a maximum of 13 months, starting from January 2023.

In February 2023, d'Amico Tankers d.a.c. fixed a time charter-out contract with a leading trading-house for one of its handysize vessels for 12 months, starting from February 2023. In the same month, d'Amico Tankers d.a.c. fixed a time charter-out contract with another leading trading-house for one of its MR vessels for 12 months, starting from April 2023.

Exercise of the purchase option on a TC-in MR vessels: In January 2023, d'Amico International Shipping S.A. announced that its operating subsidiary d'Amico Tankers d.a.c. exercised its purchase option on the M/T High Explorer, a 50,000 dwt MR product tanker vessel, built in 2018 by Onomichi Dockyard Co., Japan, for a consideration of JPY 4.1 billion (equivalent to approximately US$ 30.0 million) and with delivery expected in May 2023.

Exercise of the purchase option on a bareboat chartered MR vessel: In January 2023, d'Amico International Shipping S.A. announced that its operating subsidiary d'Amico Tankers d.a.c. exercised its purchase option on the M/T High Freedom, a 49,999 dwt MR product tanker vessel, built in 2014 by Hyundai Mipo, South Korea, for a consideration of US$ 20.1 million and with delivery expected in April 2023.

Dividend distribution: the Board of Directors of d'Amico International Shipping proposes to the Shareholders a dividend to be paid in cash of US$ 22,011,953.96 (US$ 18,710,160.87 net, after deducting the 15% applicable withholding tax), corresponding to US$ 0.0153 net of withholding taxes, per issued and outstanding share (treasury shares are not entitled to dividends). The dividends will be paid out of the distributable reserves, including the share premium reserve. The dividend is subject to the approval of DIS' Shareholders at the 2023 Annual General Meeting and has not been included as a liability in these financial statements.

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

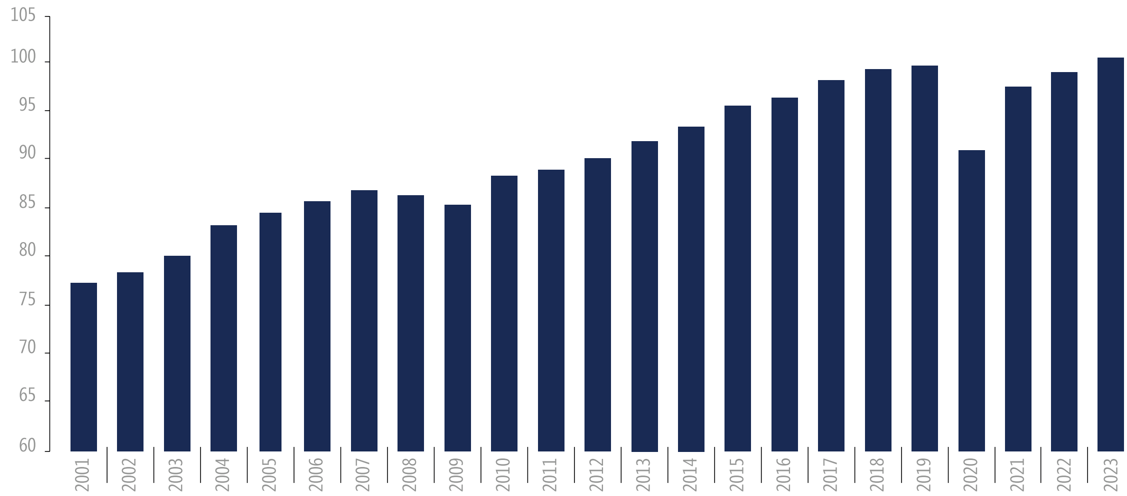
	As at 31 December 2022				As at 09 March 2023			
	LR1	MR	Handysize	**Total**	LR1	MR	Handysize	**Total**
Owned	5	9	6	**20**	5	10	6	**21**
Bareboat chartered-in*	1	7	-	**8**	1	6	-	**7**
Long-term time charte-	-	6	-	**6**	-	6	-	**6**
Short-term time charte-	-	2	-	**2**	-	2	-	**2**
Total	**6**	**24**	**6**	**36**	**6**	**24**	**6**	**36**

* with purchase obligation

Business Outlook

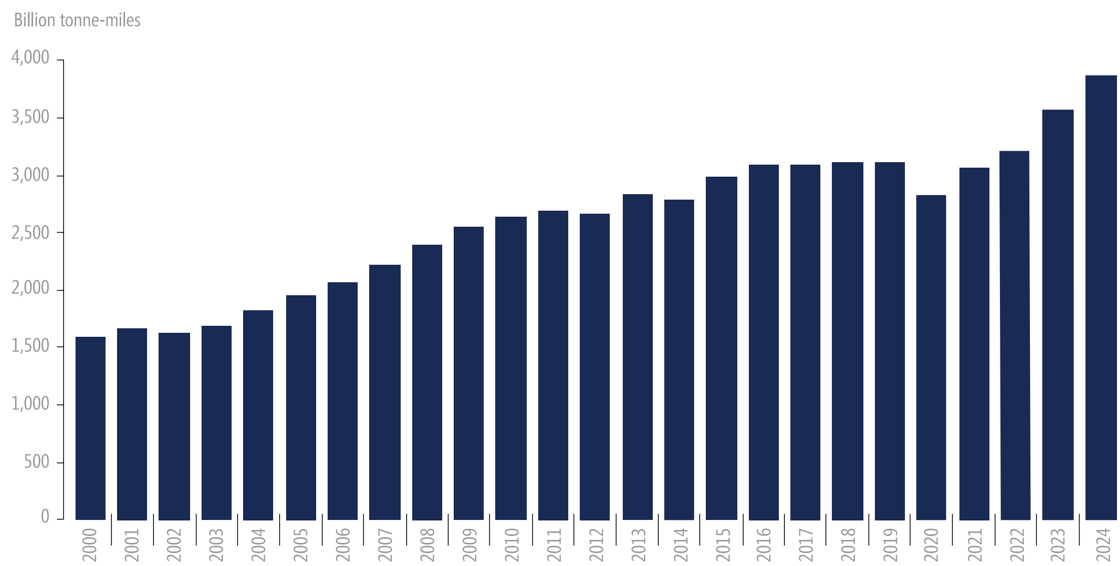
The key drivers that should affect the product tankers' freight markets and d'Amico International Shipping's performance are (i) the growth in global oil supply, (ii) refinery margins and throughput, (iii) demand for refined products, (iv) the structure of forward prices for both crude oil and refined petroleum products, (v) the product tankers' fleet growth rate, (vi) the efficiency of the fleet due to factors such as congestion, transhipments, and average sailing speeds and (vii) average sailing distances and ballast to laden ratios. Some of the factors that should continue supporting the current strong markets are detailed below:

World crude oil Product demand (million barrels per day)



Source: IEA-Annual Statistical Supplement for 2021 (2022 Edition) and IEA-Oil Market Report Feb 2023

World seaborne refined products trade



Source: Clarkson Research Services as at Feb'23

Product Tanker Demand

- According to the IEA's February Oil Market Report, following the Arctic freeze in the US at the end of last year, US refinery throughput fell by 1.5 million b/d from their post-pandemic peak of 16.4 million b/d in November '22 and is not expected to reach that level again before April-May 2023. Chinese runs have also moderated since the spike in November 2022.

- According to IEA's February report, world oil demand will climb by 2.0 million b/d in 2023 to reach 101.9 million b/d. The Asia-Pacific region (+1.6 million b/d), fuelled by a resurgent China (+900 kb/d), will be the main growth driver. Looking at demand growth by refined product, it will be led mostly by jet/kerosene, whose consumption is expected to rise by 1.1 million b/d this year, to reach 7.2 million b/d, equivalent to 90% of 2019 levels.

- In their February report, the IEA expects refinery runs to increase on average by 1.8 million b/d in d 2023, up from 80.3 million b/d in 2022. Most of the net increase comes from East of Suez as Russian run-cuts offset gains elsewhere in the Atlantic Basin. If all refinery startups materialise as expected, there should be sufficient capacity to meet refined product demand this year, even with the expectations of lower Russian product exports.

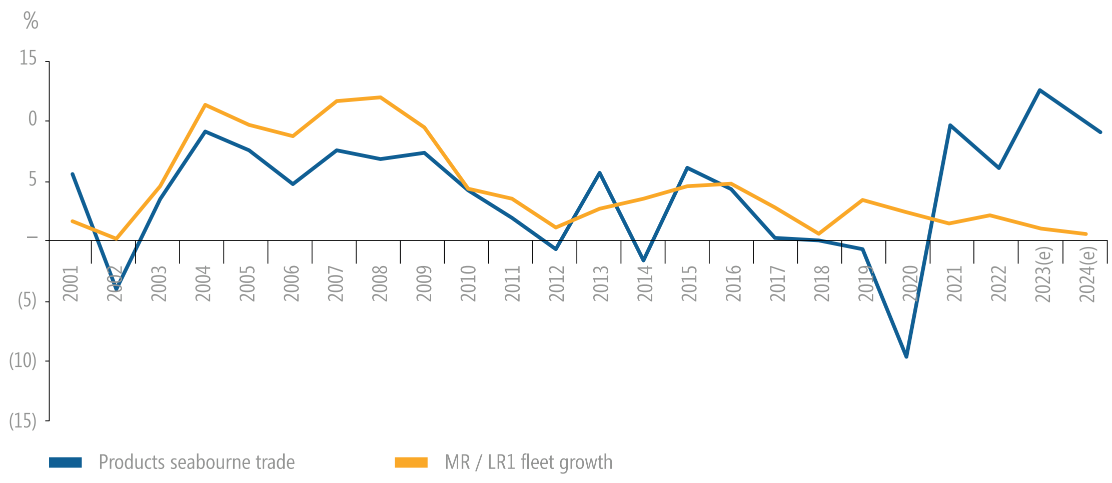
- According to IEA's February report, oil supply is expected to increase by 1.2 million b/d in 2023, much less than the anticipated increase in oil demand. The oil market is expected to be slightly oversupplied in Q1 '23, balanced in Q2 '23, and swing to an important deficit in the second half of the year.

- Oil supply growth in 2023 will be driven by the US (+1.0 million b/d), Brazil (+0.3 million b/d), Norway (+0.1 million b/d) and Canada (+0.1 million b/d). Overall non-OPEC volume is expected to increase by 1.8 million b/d, compensated by an-OPEC decline of 590 thousand b/d, with Russian output expected to decline by 1.0 million b/d. Given this scenario it is likely that oil prices will be well supported in 2023 and that OPEC+ will have to step-up production in the second half of the year to rebalance the market.

- According to Clarksons' January 2023 outlook, seaborne products trade volumes are projected to increase by approximately 4% in 2023, on the back of oil demand gains, with new refineries in the Middle East in particular expected to drive regional export growth. However, the market is experiencing significant shifts in product trade patterns and inefficiencies arising from the sanctions being imposed on Russian exports of refined products, which from the 5th February 2023 includes also those from the EU. Clarksons therefore expects total products tonne-mile trade to increase by around 11.2% in 2023, to be followed by a robust 8.3% expansion in 2024.

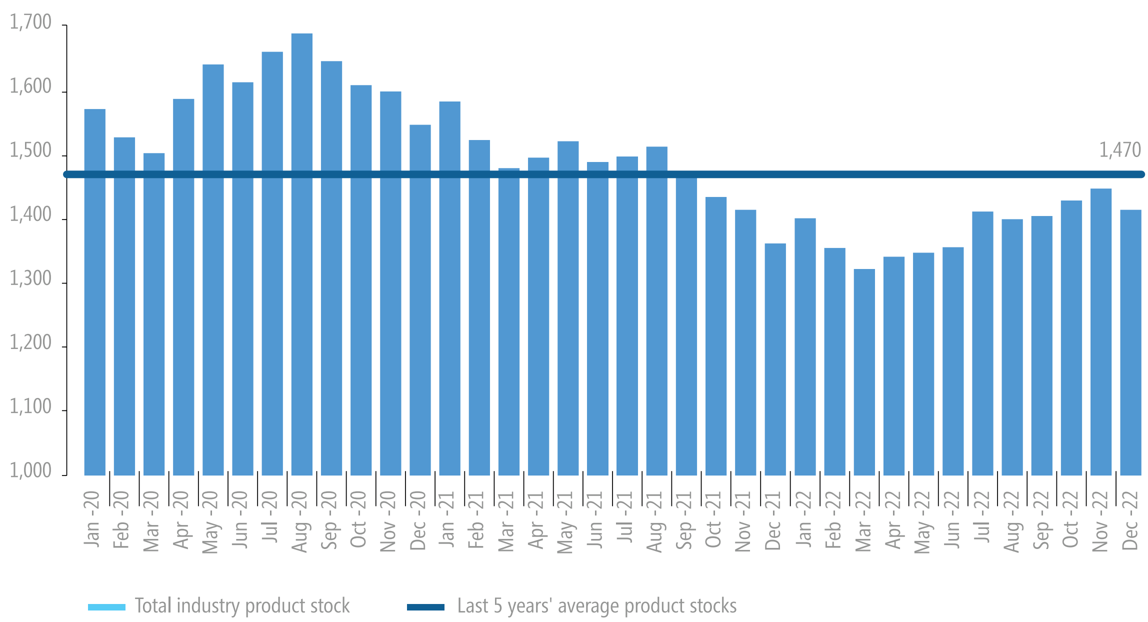
- In the longer-term, recovering demand and structural shifts in the location of refineries are likely to continue boosting long-haul product trades.

Net fleet growth vs. Product seaborne trade



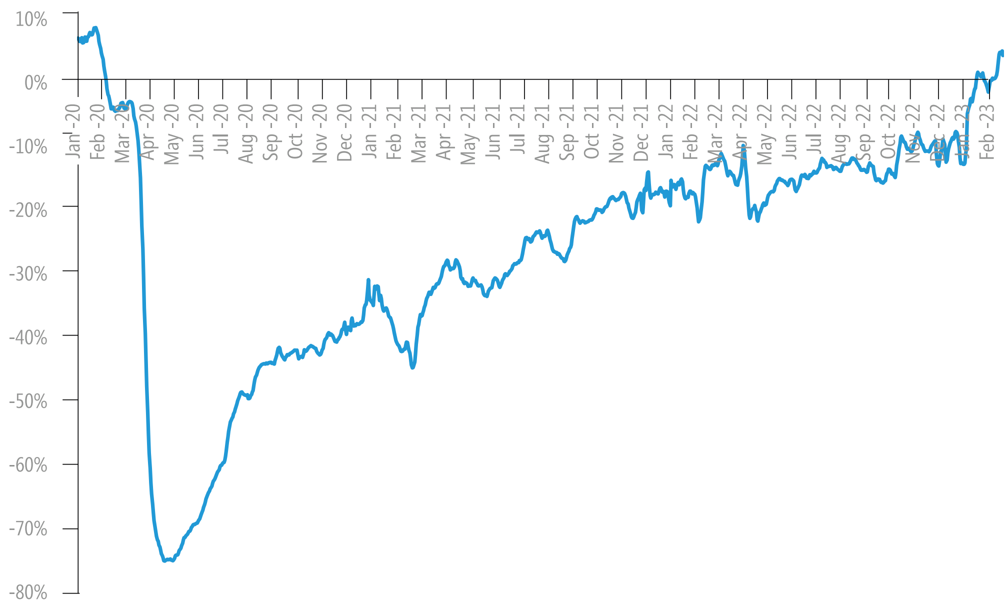
Source: Clarkson Research Services as at Feb'23

OECD industry refined product stocks (in million barrels)



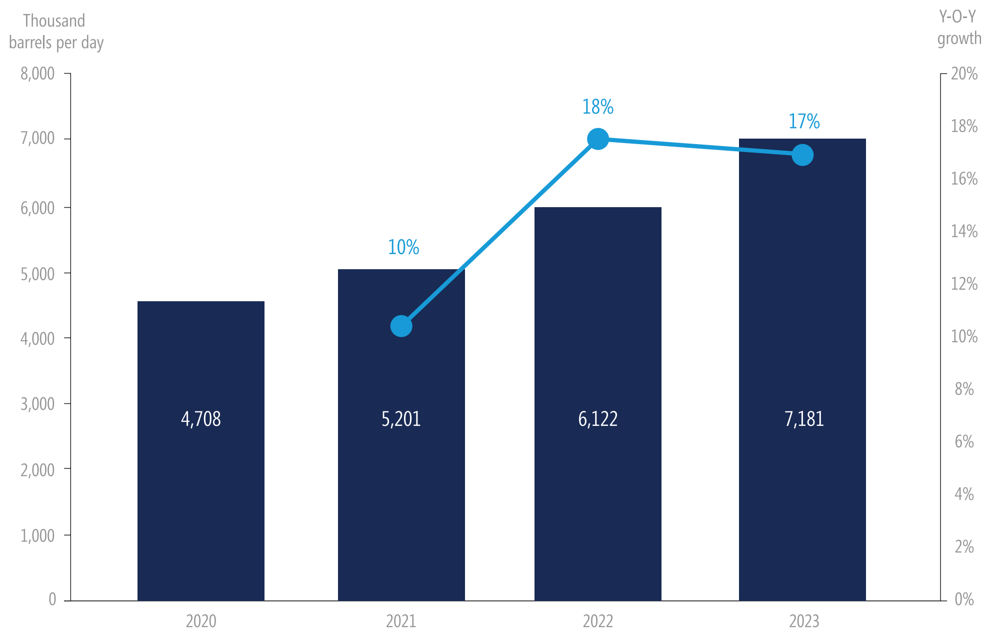
Source: IEA as of Feb'23

% Change in number of commercial flights vs. 2019



Source: www.flightradar24.com/data/statistics as of Feb'23

Jet fuel & kerosene demand 2020-2023



Source: IEA-Oil Market Report Feb 2023

Product Tanker Supply

- At the beginning of the year, Clarksons estimated 67 MRs and LR1s would have been delivered in 2022; only 57 such vessels were delivered.

- Trading inefficiencies, as transhipments of cargoes and ballast to laden ratios increased, have been one of the factors reducing fleet productivity and contributing to the strong freight markets since the onset of the war in Ukraine.

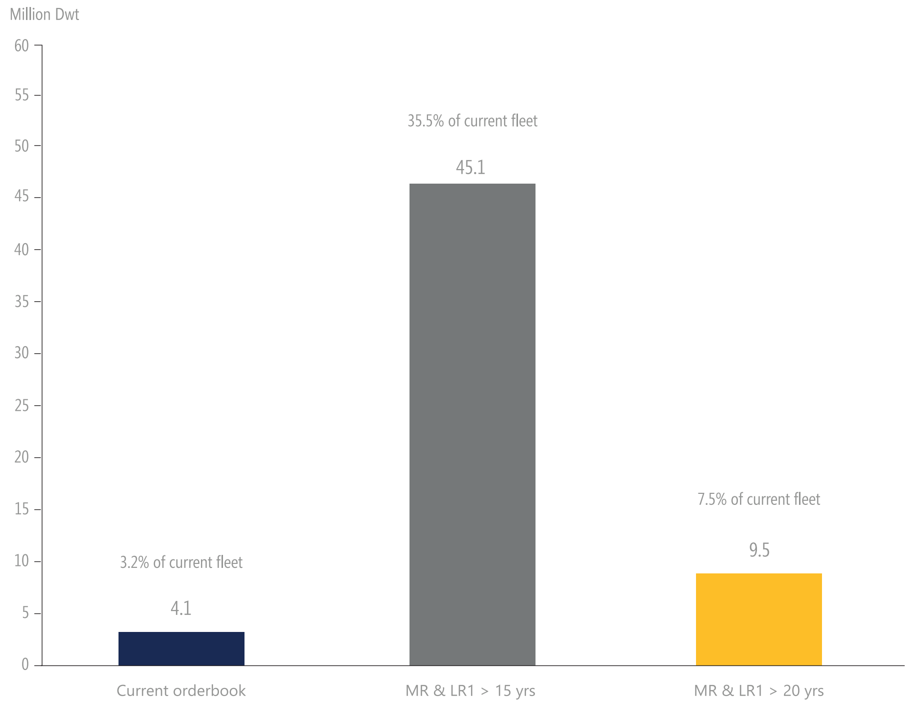
- In their January 2023 outlook, Clarksons estimated the product tanker fleet will grow by only 0.4% in 2023.

- Despite the strong freight markets, 23 vessels in the MR and LR1 sector have been scrapped in 2022.

- According to Clarksons, as at February 2023, 7.5% of the MR and LR1 fleet was over 20 years old (in dwt), whilst the current order book in these segments represented only 3.2% of the current trading fleet (in dwt). As at the same date, 35.5% of the MR and LR1 fleet (in dwt) was more than 15 years old, and this percentage should continue rising fast over the coming years.

- The IMO's 2030 and 2050 targets for reducing greenhouse gas emissions are high on the shipping agenda. Many owners and banks now require 'green recycling' of vessels in line with EU and IMO conventions, while the EU is set to include shipping in its Emissions Trading Scheme. Furthermore, important cargo charterers including oil majors such as Shell and Total, as well as leading trading houses such as Trafigura, have recently signed the Sea Cargo Charter with the aim of disclosing the CO2 emissions of the vessels they operate and reducing these in line with the IMO targets. From January 2023 operators are required to measure their vessels' energy efficiency existing ship index (EEXI), reflecting their technical efficiency and their carbon intensity indicator (CII), assessing how efficiently they are managed. Both measures aim to cut emissions progressively from 2023 to 2030. The expected technological change required to meet the increasingly demanding environmental regulations is reducing appetite for new building orders, since such vessels could be obsolete soon after delivery. Furthermore, the increase in new building costs and decrease in yard availability is also negatively affecting the appetite for new orders.

Current MR & LR1 fleet age profile



Source: Clarkson Oil & Tanker Trades Outlook - Feb'23

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

Livange, 9 March 2023

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **d'Amico International Shipping S.A.** and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements (pages 134 to 190) present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (“Law of 23 July 2016”) and with International Standards on Auditing (“ISAs”) as adopted for Luxembourg by the “*Commission de Surveillance du Secteur Financier*” (“CSSF”). Our responsibilities under the EU Regulation N°537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of “*réviseur d’entreprises agréé*” for the Audit of the consolidated Financial Statements » section of our report.

We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of the vessel fleet recoverable amounts

The Property Plant and Equipment caption, including mostly the vessels represents the most significant caption of the total assets for a net book amount of US$ thousand 809,298 as at 31 December 2022.

Management's assessment on the value in use of the vessels fleet requires significant judgement as those estimates are based on the future cash flows. We focused on the area as management is required to exercise considerable judgement because of the inherent complexity in this estimation.

When there is an indication of impairment, management calculates the value in use of the group's cash generating unit (CGU). Due to the significant remaining life of the Group's vessels, management need to make key assumptions involving significant estimates with respect to a) expected future rates, b) expected future operating costs, and c) cost of capital.

Reference is made to note 12 ("Property, plant and equipment") in the consolidated financial statements.

How our audit addressed the Key Audit Matter

Our audit procedures related to estimates of the value of vessel fleet recoverable amounts included the following, among others:

- We obtained an understanding of Management's process and controls related to the identification of the impairment indicators and the impairment test of the vessels;
- We evaluated Management's methodology used to estimate the recoverable amount of the vessels in respect to the identification of the cash generating units (CGU) and the value in use of the vessels;
- We tested the reasonableness of the key assumptions used by reference to available data, such as broker estimates, operating costs, estimated future capital expenditure, vessel useful life, residual value and consumer price index, as well as competitor analysis;
- We recomputed the discount rate with reference to weighted average cost of capital (WACC) used in the Management's estimates and compared with peers' benchmark;
- We re-executed the calculations of value in used prepared by Management to check its mathematical accuracy;
- We considered the appropriateness of the disclosures in Note 12 to the consolidated financial statements.

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Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the management report and non-financial statements but does not include the consolidated financial statements (pages 98 to 146) and our report of “réviseur d’entreprises agréé” thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The Board of Directors is responsible for presenting and marking up the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format (“ESEF Regulation”).

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

Responsibilities of the “réviseur d’entreprises agréé” for the Audit of the Consolidated Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of “réviseur d’Entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of Board of Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of “réviseur d’entreprises agréé” to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of “réviseur d’entreprises agréé”. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

- Assess whether the consolidated financial statements have been prepared, in all material aspects, in compliance with requirements laid down in the ESEF Regulation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on Other Legal and Regulatory Requirements

We have been appointed as "*réviseur d'entreprises agréé*" by the General Meeting of the Shareholders on 21 April 2020 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is six years.

The consolidated management report (pages 102 to 125) is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

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The Corporate Governance Statement, as published on the Company's website https://en.damicointernationalshipping.com/, is the responsibility of the Board of Directors. The information required by Article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent, at the date of this report, with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in the EU Regulation No 537/2014 were not provided and that we remained independent of the Group in conducting the audit.

We have checked the compliance of the consolidated financial statements of the Group as at 31 December 2022 with the filename 2221005IWV4R4EP4D553-2022-12-31-en(4).zip with relevant statutory requirements set out in the ESEF Regulation that are applicable to consolidated financial statements.

For the Group it relates to:

- Consolidated financial statements prepared in XHTML format;

- The iXBRL markup of the consolidated financial statements using the core taxonomy and the common rules on markups specified in the ESEF Regulation.

In our opinion, the consolidated financial statements of the Group as at 31 December 2022 with the filename 2221005IWV4R4EP4D553-2022-12-31-en(4).zip have been prepared in all material aspects, in compliance with the requirements laid down in the ESEF Regulation.

MOORE Audit S.A.

Raphael LOSCHETTER
Réviseur d'Entreprises Agréé

d'AMICO INTERNATIONAL SHIPPING GROUP
CONSOLIDATED FINANCIAL STATEMENTS
Year ended 31 December 2022

Consolidated Income Statement

US$ thousand	Note	2022	2021
Revenue	(3)	479,619	246,455
Voyage costs	(4)	(149,661)	(72,369)
Time charter equivalent earnings*	**(5)**	**329,958**	**174,086**
Bareboat charter revenue	(3)	4,812	888
Total net revenue		**334,770**	**174,974**
Time charter hire costs	(6)	(3,250)	(3,395)
Other direct operating costs	(7)	(86,152)	(91,107)
General and administrative costs	(8)	(15,544)	(14,006)
Result from disposal of vessels	(9)	(3,212)	(2,144)
EBITDA *		**226,612**	**64,322**
Depreciation, impairment and impairment reversal	(12), (13)	(60,934)	(71,224)
EBIT *		**165,678**	**(6,902)**
Financial income	(10)	2,802	2,048
Financial (charges)	(10)	(33,208)	(31,962)
Profit (loss) before tax		**135,272**	**(36,816)**
Tax	(11)	(403)	(445)
Net profit (loss)		**134,869**	**(37,261)**
Basic earnings per share in US$[(1)]		**0.110**	**(0.030)**

*see Alternative Performance Measurements on page 102

Consolidated Statement of Other Comprehensive Income

US$ thousand	2022	2021
Profit (loss) for the period	134,869	(37,261)
Items that can subsequently be reclassified into Profit or Loss		
Movement in valuation of Cash flow hedges	11,166	4,251
Movement in conversion reserve	(129)	7
Total comprehensive result for the period	**145,906**	**(33,003)**
Basic comprehensive income (loss) per share in US$ [(1)]	**0.119**	**(0.027)**

The notes from page 138 to 190 form an integral part of these consolidated financial statements

[(1)] Basic earnings per share (e.p.s.) in 2022 was calculated on an average number of 1,222,793,506 outstanding shares, while in 2021 it was calculated on an average number of 1,222,912,808 outstanding shares. There was no dilution effect either in 2022 or in 2021 e.p.s.

Consolidated Statement of Financial Position

US$ thousand	Note	As at 31 December 2022	As at 31 December 2021
ASSETS			
Property, plant and equipment (PPE) and Right-of-use assets (RoU)	(12)	809,298	821,434
Other non-current financial assets	(14)	9,103	9,849
Total non-current assets		**818,401**	**831,283**
Inventories	(15)	18,303	11,643
Receivables and other current assets	(16)	91,498	37,104
Other current financial assets	(14)	8,787	2,674
Cash and cash equivalents	(17)	117,896	43,415
Current Assets		**236,484**	**94,836**
Assets held for sale	(13)	-	10,197
Total current assets		**236,484**	**105,033**
TOTAL ASSETS		**1,054,885**	**936,316**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	(18)	62,053	62,053
Accumulated earnings (losses)	(18)	53,938	(80,568)
Share Premium	(18)	368,827	368,823
Other reserves	(18)	(6,404)	(17,926)
Total shareholders' equity		**478,414**	**332,382**
Banks and other lenders	(19)	266,124	226,771
Non-current lease liabilities	(20)	150,225	237,478
Other non-current financial liabilities	(14)	3,332	1,862
Non-current liabilities		**419,681**	**466,111**
Banks and other lenders	(19)	51,086	66,534
Current lease liabilities	(20)	71,740	36,480
Payables and other current liabilities	(21)	30,734	27,665
Other current financial liabilities	(14)	3,129	4,765
Current tax payable	(22)	101	43
Current liabilities		**156,790**	**135,487**
Banks associated to assets held-for-sale	(13)	-	2,336
Total current liabilities		**156,790**	**137,823**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,054,885**	**936,316**

9 March 2023

On behalf of the Board

Paolo d'Amico,
Chairman, Chief Executive Officer

Antonio Carlos Balestra di Mottola,
Chief Financial Officer

The notes from page 138 to 190 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

US$ thousand	2022	2021
Profit (loss) for the period	**134,869**	**(37,261)**
Depreciation and amortisation	60,845	64,802
Net Impairment (impairment reversal)	89	6,422
Current and deferred income tax	403	445
Net lease cost	17,152	17,131
Other financial charges (income)	13,253	12,783
Result on disposal of fixed assets	3,212	2,144
Other non-cash changes	(203)	(61)
Share-based accruals LTI Plan	219	38
Cash flow from operating activities before changes in working capital	**229,839**	**66,443**
Movement in inventories	(6,414)	(2,758)
Movement in amounts receivable	(50,545)	(1,570)
Movement in amounts payable	2,891	419
Tax paid	(351)	(389)
Net cash payment for the interest portion of the IFRS16 related lease liability	(14,598)	(17,130)
Net interest paid	(13,018)	(13,189)
Net cash flow from operating activities	**147,804**	**31,826**
Acquisition of fixed assets	(35,486)	(7,033)
Proceeds from disposal of fixed assets	19,259	10,486
Sale of fixed assets	-	3,200
Increase in participation in Glenda International Shipping*	(25,542)	-
Net cash flow from investing activities	**(41,769)**	**6,653**
Share capital increase	4	1
Other changes in shareholders' equity	-	(31)
Movement in treasury shares	-	(336)
Net movement in other financial receivables	121	2,023
Bank loan repayments	(183,182)	(91,878)
Bank loan drawdowns	194,478	76,756
Lease inception	42,900	-
Net repayments of principal portion of leases	(78,524)	(43,902)
Net cash flow from financing activities	**(24,203)**	**(57,367)**
Net increase (decrease) in cash and cash equivalents	**81,832**	**(18,888)**
Cash and cash equivalents net of bank overdrafts at the beginning of the year	26,406	45,294
Cash and cash equivalents net of bank overdrafts at the end of the year	**108,238**	**26,406**
Cash and cash equivalents	117,896	43,415
Bank overdrafts	(9,658)	(17,009)

* The consideration paid by d'Amico Tankers d.a.c. (US$27.4 million) for the increase in participation in Glenda International Shipping d.a.c., was allocated to the fair value of the assets and liabilities acquired.

The notes from page 138 to 190 form an integral part of these consolidated financial statements

Consolidated Statement of Changes in Shareholders' Equity

US$ thousand	Share Capital	Retained Earnings (Accumulated losses)	Share Premium	Other Reserves			Total
				Share-based payments reserve	Other	Cash-Flow hedge	
Balance as at 1 January 2022	**62,053**	**(80,568)**	**368,823**	**38**	**(16,505)**	**(1,459)**	**332,382**
Share capital increase	-	-	4	-	-	-	4
LTI accruals, share-based (2021-2022 plan)	-	-	-	219	-	-	219
LTI allotment, share-based (2019-2020 plan)	-	(109)	-	(19)	128	-	-
Other changes	-	(254)	-	-	157	-	(97)
Total comprehensive income	-	134,869	-	-	(129)	11,166	145,906
Balance as at 31 December 2022	**62,053**	**53,938**	**368,827**	**238**	**(16,349)**	**9,707**	**478,414**

US$ thousand	Share Capital	Retained Earnings (Accumulated losses)	Share Premium	Other Reserves			Total
				Share-based payments reserve	Other	Cash-Flow hedge	
Balance as at 1 January 2021	**62,053**	**(43,307)**	**368,853**	**-**	**(16,155)**	**(5,710)**	**365,734**
Share capital increase	*--	-	1	-	-	-	1
Treasury shares	-	-	-	-	(336)	-	(336)
LTI accruals, share-based (2019-2020 plan)	-	-	-	38	-	-	38
Other changes	-	-	(31)	-	(21)	-	(52)
Total comprehensive income	-	(37,261)	-	-	7	4,251	(33,003)
Balance as at 31 December 2021	**62,053**	**(80,568)**	**368,823**	**38**	**(16,505)**	**(1,459)**	**332,382**

* Following the exercise of the warrants, on 1 July and on 29 December 2021 the Share capital increased by US$ 128; that amount falls below DIS' US$ thousand reporting threshold.

The notes from page 138 to 190 form an integral part of these consolidated financial statements

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 DIS Group is d'Amico Società di Navigazione. DIS is an international marine transportation company, operating, mainly through its fully owned subsidiary, d'Amico Tankers d.a.c. (Ireland), as well as other indirectly controlled subsidiaries. All DIS' vessels are double-hulled and are primarily engaged in the transportation of refined oil products, providing worldwide shipping services to the major oil companies and trading houses.

The financial statements of d'Amico International Shipping Group are prepared in accordance with International Financial Reporting Standards (IFRS – International Financial Reporting Standards and IAS – International Accounting Standards) as issued by the 'IASB' (International Accounting Standards Board) and adopted by the European Union. The designation 'IFRS' also includes all 'IAS', as well as all interpretations of the International Financial Reporting Interpretations Committee 'IFRIC', formerly the Standing Interpretations Committee 'SIC' as adopted by the European Union. The consolidated financial statements are prepared on the basis of the historic cost convention, with the exception of certain financial assets and 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. Rounding is applied to the nearest thousand.

The financial statements have been prepared under the assumption that the DIS Group operates on a going concern basis, assuming it will be able to discharge its liabilities as they fall due. The assumption is based on the DIS Group's annual budget and long-term forecast, where liquidity is constantly monitored through cash-flow projections. Furthermore, DIS closely monitors the ratio between its consolidated net worth, defined as the sum of its shareholders' equity and any subordinated shareholder's loan, and its consolidated total assets (for further details refer to disclosure in note n.2)

1. ACCOUNTING POLICIES

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

Basis of consolidation

The financial statements present the consolidated results of the parent company, d'Amico International Shipping S.A., and its subsidiaries for the year ended 31 December 2022.

Subsidiaries

Subsidiaries are entities over which the group has control. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date the control ceases.

The assets and liabilities of the parent and subsidiary companies are consolidated on a line-by-line basis and the carrying value of the investments held by the parent company and other consolidated subsidiaries is eliminated against shareholders' equity. Intra-group balances and transactions, and gains arising from intra-group transactions, are eliminated in preparing the consolidated financial statements, as well as unrealized gains and losses from intra-group operations. Non-controlling interests and net profit attributable to minorities, if any, are listed separately from the DIS Group's equity, on the basis of the percentage of DIS Group's net assets they possess.

Joint Arrangements

Jointly controlled entities are enterprises over whose activities the DIS Group has joint control, as defined in IFRS11 – Joint Arrangements. The accounting treatment is dependent on the type of joint arrangement, which is determined by considering the rights and obligations of the investor. The consolidated financial statements include the assets and liabilities, revenue and costs of joint operations on a proportional basis, based on the DIS Group's share; joint ventures are accounted for using the equity method: the DIS Group's share of the investee's profit or loss is recognized in the Consolidated income statement; distributions received from an investee reduce the carrying amount of the investment; post-acquisition movements in Other comprehensive income (loss) are recognized in Other comprehensive income (loss) with a corresponding adjustment to the carrying amount of the investment.

When the DIS Group's share of the losses of a joint venture or associate exceeds the DIS Group's interest in that joint venture or associate, the DIS Group discontinues recognizing its share of further losses. Additional losses are provided for, and a liability is recognized, only to the extent that the DIS Group has incurred legal or constructive obligations or made payments on behalf of the joint venture or associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the DIS Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount on a line adjacent to the 'share of profit (loss) of Associates' in the income statement.

In August 2022, d'Amico Tankers d.a.c. gained control of 100% of Glenda International Shipping d.a.c. ("Glenda" or "the JV") through the redemption of the shares ("the Redemption") owned by Topley Corporation ("Topley", part of the Glencore Group) in the JV, for a consideration of US$ 27.4 million. Prior to the transaction Topley owned a participation of 50% in Glenda International Shipping. Glenda International Shipping owned the following MRs at the time of the Redemption:

- GLENDA Melissa, 47,203 dwt, built in 2011, by Hyundai Mipo, South Korea;
- GLENDA Meryl, 47,251 dwt, built in 2011, by Hyundai Mipo, South Korea;
- GLENDA Melody, 47,238 dwt, built in 2011, by Hyundai Mipo, South Korea;
- GLENDA Melanie, 47,162 dwt, built in 2010, by Hyundai Mipo, South Korea.

Prior to the Redemption, the bank loans related to these vessels were fully reimbursed. In September 2022, d'Amico Tankers d.a.c. acquired all of Glenda's vessels.

Where business combinations are deemed to be the acquisition of a group of assets the guidance in IFRS 3 2(b) is relevant, requiring the Company to identify and recognise the individual identifiable assets acquired and liabilities assumed and allocate the cost of the purchase to the individual identifiable assets and liabilities based on their relative fair values at the date of the acquisition. In DIS' consolidated accounts, in accordance with IFRS 3 2(b), the consideration of US$27.4 million net of the cash acquired in the JV of US$1.9 million, paid to increase d'Amico Tankers d.a.c.'s participation in Glenda, was therefore allocated to the fair value of the net assets acquired

Foreign currencies

Most of the DIS Group's revenues and costs are denominated in U.S. dollars, which is the functional currency of the DIS Group. Transactions during the year in currencies other than U.S. dollars have been translated at the appropriate rate ruling at the time of the transactions. Monetary assets and liabilities denominated in currencies other than the U.S. dollar have been translated into U.S. dollars at the rate ruling at the financial position date. All exchange differences have been accounted for in the income statement. For non-monetary assets, please refer to Critical accounting judgements, disclosed further on.

In the consolidated financial statements, the income statements of subsidiaries, which do not report in U.S. dollars, are translated at the average exchange rate for the period (if no significant fluctuations occur), whereas statement of financial position items are translated at the exchange rates at the financial position date. Exchange differences arising on the translation of financial statements into U.S. dollars are recognized directly in other comprehensive income.

Areas of uncertainty

Climate related matters

The ongoing energy transition and the new regulations that are coming into force, will affect the product tanker shipping industry. It is possible that the demand for oil might peak before the end of this decade due to the ongoing energy transition, negatively affecting the demand for seaborne transportation of refined products. Freight rates depend, however, on the balance between demand and supply for the transportation of refined products, and it is possible that the supply of vessels will contract in response to an anticipated longer-term decline in demand. Although in such a scenario, it is possible to envisage a market with low and unprofitable freight rates, which would eventually lead to a rebalancing of supply and demand through higher demolition of older vessels, it is also possible that through very low levels of ordering, as we have witnessed in the last few years, initially vessel supply contracts faster than demand, leading to strong freight markets. It is also possible that the mix of cargoes transported by the product tankers that we operate will change in the future, from predominantly petroleum products to a larger share of renewable fuels, such as biofuels or green methanol. There is therefore significant uncertainty and it is difficult for DIS to currently make predictions about how the transition to cleaner fuels will affect our industry.

The new regulations which have come into force in 2023, namely the Energy Efficiency Existing Ship Index (EEXI) and the Carbon Intensity Indicator (CII), as well as the EU emissions trading scheme (ETS), which will come into force in 2024, are likely to encourage the demolition of older vessels. The demolition of vessels, however, depends on several factors including steel prices and the prevailing and expected freight rates. The EU ETS, in particular, is likely to lead to higher voyage costs as ship operators will have to pay also for the costs of the CO2 emissions their vessels generate. Since these new regulations seek to encourage the adoption of new, less polluting fuels, it is likely that the price of the EU allowances for the emissions generated will have to be set at the levels which incentivise companies to pursue such switch. It is very difficult for DIS to assess today how this likely increase in voyage costs will affect its earnings, since there were many instances in the past, including recently, when the Company was very profitable when bunker prices were high (please refer also to note n.12 for a discussion of how climate related matters affected our value-in-use calculations).

DIS, has a modern fleet with an average of 7.6 years as at 31 December 2022, relative to an industry average of 12.8 years for MRs and LR1s (25,000 – 84,999 dwt), as at the same date. DIS, is therefore favourably positioned to confront such changes. The Company has also planned expenditures on energy saving devices, to further increase the fuel efficiency of its fleet (please refer to the Environmental section to the non-financial report for a more detailed discussion of these initiatives).

Covid-19

The negative effects of Covid-19 on the world economy and in the consumption of refined oil products has decreased significantly and are expected to diminish further in 2023 through the gradual ongoing reopening of the Chinese economy. Management therefore does not consider that Covid-19 will have a negative impact neither on its future revenues nor on its future operating and general and administrative expenses (for a discussion of how Covid-19 affected our value-in-use calculations, revenues and receivables, please refer also to notes 12, 3 and 16, respectively).

The Ukrainian War

The Ukrainian war has significantly impacted the market for the seaborne transportation of refined products. The sanctions imposed by several economies and in particular, the EU, the US and the UK on Russia, have generated important inefficiencies in the market, which have reduced the productivity of product tankers and contributed to a tighter demand-supply balance, resulting in a large increase in freight rates (for a discussion of how the Ukrainian war affected our value-in-use calculations, revenues and receivables, please refer also to notes 12, 3 and 16, respectively).

Inflation and interest rates

The onset of the Ukrainian war, the extraordinary fiscal and monetary stimulus of the last few years, and the rapid reopening of the world economy following the Covid-19 pandemic, contributed to a surge in inflation in many countries worldwide. Also, the shipping industry is currently confronted with rapidly rising operating costs, in particular for crew members, fuel and insurance. Central banks although initially hesitant, have recently reacted forcefully by substantially raising discount rates and through quantitative tightening. These policies are likely to gradually contain inflationary pressures. The resulting increase in interest rates, will increase debt service costs for the DIS Group, for the part of its financial indebtedness which is subject to variable rates (US$ LIBOR or SOFR) and not hedged through interest rate swaps (please refer to note 24, for an analysis of DIS Group's sensitivity to changes in interest rates).

Further information is disclosed in the Risk Assessment paragraph within the Management System section of the Non-financial statements.

Critical accounting judgments and key estimates

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

Vessel carrying values. The carrying value of vessels may significantly differ from their market value. It is affected by the Management's assessment of the remaining useful lives of the vessels, their residual value and indicators of impairment. If the carrying value of vessels exceeds the recoverable amount, then an impairment charge is recognized. Further details concerning the valuation of the right-of-use assets and inherent liabilities are given in note 12.

Demurrage revenues. Demurrage revenues are recognized as part of the voyage over-time, in accordance with the terms and conditions of the charter parties, based on an estimate of the amount earned during the period on uncompleted voyages and represents the compensation estimated for the additional time incurred for loading and discharging a vessel (please refer to Revenues' recognition policy further in the note).

Voyage expenses. Voyage expenses on uncompleted voyages are estimated based on our latest estimates of such expenses for each specific voyage.

Tax liabilities. The tax liabilities are calculated based on our tax situation as affected by the regulatory frameworks of the jurisdiction in which we operate. The liability for tax may be affected by changes in the treatment or assessment of trading income, freight tax, tonnage tax and value added tax.

Measurement of Fair Values. The 'fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal or most advantageous market at the measurement date at the current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. The fair value of financial instruments is represented by market quotations or, in their absence, by the value resulting from the adoption of suitable financial valuation models which take into account all the factors adopted by the market operators and the prices obtained in similar actual transactions in the market.

For significant fair value measurement, quoted prices or broker information are obtained to support the valuations and valuation adjustments together with unobservable inputs are reviewed regularly for the classification of such valuations in the appropriate level of fair value. In the measurement of fair values market data are used to the farthest possible extent.

Three levels of inputs to the fair value valuation techniques are used to measure the fair values:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities;
- Level 2 inputs are other than quoted prices included within Level 1 that are observable directly or indirectly for the asset or the liability;
- Level 3 inputs are not observable from market data.

Should the inputs used to measure the fair value of an asset or a liability belong to different categories, then the fair value measurement is categorised entirely in the lowest and most significant fair value hierarchy basket. The transfer between levels of fair value hierarchy is recognised at the end of the reporting period during which the change has occurred.

Some of the following accounting policies require the measurement of fair values for financial and non-financial assets and liabilities. Further information about fair value calculation is found in note 24.

Revenue recognition

Revenues are recognised according to IFRS 15, a standard developed to provide a comprehensive set of principles in presenting the nature, amount, timing and certainty of revenue and cash flows arising from a contract with a customer: consideration of the timing for the transfer of control over goods or services is cornerstone for revenue recognition under this principle.

All of DIS' revenues from contracts with its customers are recognised over time. As recognised in detail in the Alternative Performance Measures section of this report for "Spot voyages", freight is paid at voyage completion, for moving cargo from the loading to the discharging port and revenues are recognized during such laden voyages. Costs incurred in positioning the tanker from the last discharge port to the next load port ('ballast cost') are capitalized at the end of the ballast voyage and amortised during the next laden voyage, from the load port to the discharge port. All freight revenues from vessels are recognized on a percentage of completion basis. The load-to-discharge basis is used in determining percentage of completion for all spot voyages and voyages servicing contracts of affreightment (COAs). Under this method, the freight revenue is recognized over the period from the departure of a vessel from its original load port to the next discharge port ('load-to-discharge').

For voyages in progress at the end of a reporting period the DIS Group recognizes a percentage of the estimated revenue for the voyage equal to the percentage of the estimated duration of the voyage completed at the financial position date. The estimate of revenue is based on the expected duration and destination of the voyage. Revenues from time charter contracts are recognized on a pro-rata temporis basis over the rental periods of such charters, as service is performed.

Demurrage revenues

Freight contracts contain conditions regarding the amount of time available for loading and discharging of the vessel. Demurrage revenues, recognized over time, represent the compensation estimated for the additional time incurred for loading and discharging a vessel. An allowance as per IFRS 9 requirements is made for the part of the demurrage revenue which the Company estimates will not be collectible (please refer to note 24).

The application of the IFRS 15 standard includes five steps for recognising revenue:

1. Identification of the contract;
2. Identification of the performance obligations in the contract. From this analysis the DIS Group concluded that IFRS15 would only apply to Spot contract revenues for the transport of refined petroleum products from a loading port to a discharge port; IFRS 15 does not apply to time-charter revenues since they fall under another standard (IFRS16, Leases);
3. Determination of the transaction price. On Spot voyages, which are performed through voyage charter contracts, transaction prices are equivalent to the product of spot freight rates and the quantity of goods transported, at the time of closing of the transaction. Demurrage is an additional sum payable by the charterer, which arises when the vessel takes longer than stipulated in the voyage charter contract, to load and/or discharge the cargo; no financing element is present in the contract therefore the Company does not make use of the practical expedient allowed by IFRS15;
4. Allocation of the transaction price to the performance obligation. This occurs on a load-to-discharge basis;
5. Recognition of revenue when a performance obligation is satisfied. This occurs on a load to discharge basis. In particular, revenue is recognised over time based on the duration of the spot voyage. Demurrage revenue is considered a variable consideration which depends on the demurrage rate and the delay to the load and discharge operations; the performance obligation is satisfied over time based on the duration of the spot voyage and the amount is invoiced after discharging.

The standard also provides that specific principles apply when there is a contract modification, accounting for contract costs and accounting for refunds and warranties. When a repositioning is required for a vessel to satisfy its performance obligation (with no additional benefit from such voyage), these costs are capitalised prior to loading if they meet all of the following three conditions: 1. they relate directly to a contract; 2. they generate or enhance resources to be used in meeting obligations under the contract; 3. they are expected to be recovered.

Voyage costs

Voyage costs (port expenses, canal passage, bunker fuel consumption and commissions) are incurred in connection with the employment of the fleet on the spot market and under COAs (contracts of affreightment) and are recognized over time according to the matching principle of IFRS15.

Other direct operating costs

Time Charter hire rates incurred for chartering in vessels, for contracts with an initial term of less than 12 months, are charged to the income statement on an accruals basis. Vessel operating costs such as crew, repairs, spares, stores, insurance, commercial fees and technical fees are charged to the income statement as incurred. The cost of lubricants is based on the consumption in the period.

General and administrative costs

Administrative expenses, which comprise administrative staff costs, management and director fees, office expenses and other expenses relating to administration, are expensed as incurred.

Financial income and charges

Financial income and charges include interest, realized and unrealized exchange gains or losses relating to transactions in currencies other than the functional currency, and other financial income and charges, including value adjustments of certain financial instruments not accounted for as hedging instruments. Interest is recognized in accordance with the accrual basis of accounting using the effective interest method.

Result from disposal of vessels

The result on disposals of vessels is recognized at the time of delivery to the buyer and represents the difference between the disposal proceeds less costs to sell and the carrying value of the vessel.

In making their judgement for the recognition of gains or losses incurred on the disposal of vessels, management considers the detailed criteria set out in IFRS 15 and, in particular, whether the Company has satisfied its performance obligation by transferring the asset to the buyer and the latter has obtained control of the asset and whether the transaction price net of costs relating to the disposal is reported in contractual terms. For vessels already classified as "Assets held for sale", the gain or loss recognised will be equal to the sale price less costs of disposal net of the lower of the vessel's carrying amount or fair value at the last financial position date.

Taxation

The current taxation of the holding company d'Amico International Shipping S.A. and certain subsidiaries (service companies) is based on taxable income for the year using local tax rates that have been enacted at the financial position date. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not subject to tax or are not deductible.

The key operating company of the DIS Group, d'Amico Tankers d.a.c. (Ireland) as well as Glenda International Shipping d.a.c. (Ireland) are taxed under the Irish Tonnage Tax regime in respect of all eligible activities. Under the tonnage tax regime, the tax liability is not calculated on the basis of income and expenses as under the normal corporate taxation but is based on the controlled fleet's notional shipping income, which in turn depends on the total net tonnage of the controlled fleet. The tonnage tax charge is included within the income tax charge in the Consolidated Income Statement. For all of the Irish activities, which fall outside tonnage tax, income tax expense represents the tax charge based on the result for the year adjusted for items, which are non-assessable or disallowed. It is calculated using tax rates enacted or substantially enacted at the financial position date.

Deferred tax, if any, represents tax the DIS Group is expecting to pay or recover on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the calculation of taxable profit. It is accounted for using the financial position liability method. Liabilities relating to deferred tax are generally recognized for all taxable temporary differences. Assets relating to deferred tax are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. The carrying amounts of deferred tax assets are reviewed at each financial position date and reduced in the event that it is not considered probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. Deferred tax is calculated at the applicable tax rates during the period when liability is settled, or the asset realized. It is charged or credited in the income statement, unless it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also accounted for in other comprehensive income.

Fixed assets (Fleet)

Vessels

The owned vessels are measured in the statement of financial position at cost less accumulated depreciation and any impairment loss. Cost includes the acquisition cost of the vessels as well as other costs which are directly attributable to the acquisition or construction of the vessel, including interest expenses incurred during the period of construction based on the loans obtained for the vessels.

Depreciation is calculated on a straight-line basis to the estimated residual value over the estimated useful life of the major components of the vessels. The vessels contracted by the DIS Group are estimated to have a useful economic life normally of 25 years, depending on the specifications and expected type of employment. Residual value is estimated as the lightweight tonnage of each vessel multiplied by the current market scrap value per ton, which is reassessed every year. The vessel tank coatings are depreciated over ten years and the dry dock element is depreciated over the period to the expected next dry dock (see below). The remaining useful economic life is estimated at the date of acquisition or delivery from the shipyard and is periodically reassessed.

Vessels in the course of construction (new buildings) are shown at cost less any identified impairment losses. Costs relating to new buildings include instalment payments made to date, and other vessel costs incurred during the construction period including capitalized interest. Depreciation commences upon vessel delivery.

The DIS Fleet is considered as a single Cash Generating Unit (CGU): a cash-generating unit is the smallest group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Identification of an asset's cash-generating unit involves judgement. DIS management has identified one Cash Generating Unit: a single vessel does not generate cash inflows that are largely independent of those from other vessels because vessels are mostly of the same type and similar age and have a similar customer base.

The DIS Group employed some of its controlled vessels through partnership arrangements. Most of those vessels were managed by DIS, which is responsible for their commercial, operational and technical management, as well as financial administration. Therefore, these partnership vessels could reasonably be replacements for the purpose of commercial commitments. 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).

DIS' internal management reporting, on the basis of which the DIS Group makes strategic decisions, is designed to measure the performance of the tanker fleet as a whole rather than that of individual vessels.

Dry-docking costs

To comply with industry certification or governmental requirements, the vessels are required to undergo planned major inspections from classification societies for major repairs and maintenance, which cannot be carried out while the vessels are operating; these therefore occur during dry-docks. For vessels younger than 15 years, dry-docking takes place approximately every 5 years depending on the nature of work and external requirements, with an Intermediate in-water survey (IWS) every 2.5 years. For vessels older than 15 years dry-docking takes place every 2.5 years. The costs of dry-docks are capitalized and depreciated on a straight-line basis over the period to the next dry-docking. If the next dry-dock of a vessel is performed before expenditures relating to its last dry-docking have been fully amortised, such residual balance is written off.

For new buildings and other vessels acquired, the initial dry-docking asset is separated and capitalized separately. The cost of such asset is estimated based on the expected costs related to the first dry-docking.

Impairment of assets

The value of the entire fleet, including vessels time-charted-in and classified as right of use assets, is considered as a single cash-generating unit (CGU), and is reviewed regularly to assess whether there in any indication of impairment. The carrying amount of the CGU is tested for impairment whenever events or changes in circumstance indicate that the carrying amount might not be recoverable. If any such indication exists, the recoverable amount of the CGU is estimated, to determine the extent of the impairment. Recoverable amount is normally defined as the higher of the fair value less costs of disposal of all the vessels and their value in use, that is, the net present value of the cash flows from the remaining useful lives of the vessels. In assessing the value in use, the estimated future cash flows are discounted to their present value. An impairment charge is recorded when the carrying amount exceeds its recoverable amount and such a difference is determined not to be temporary. The impairment is then allocated to each single vessel on a pro-rata basis, based on the carrying amount of each vessel in the CGU, with the limit of the higher of fair value less cost of disposal and value in use.

The cash flows are determined by applying various assumptions regarding future revenues net of commissions, operating expenses, scheduled dry-docking, expected off-hire and scrap values. Specifically, in estimating future charter rates, management takes into consideration rates currently in effect for existing time charters and estimated daily time charter equivalent rates for each vessel class for the unfixed days over the estimated remaining lives of each of the vessels. The estimated daily time charter equivalent rates used for unfixed days are based on a combination of internally forecasted rates that are consistent with forecasts provided to senior management and to board members, and the trailing 10-year historical average market earnings, based on data published by maritime researchers. The internally forecasted rates are applied to short-term estimations, whilst the 10-year historical average is used for long-term estimations. Management recognizes that rates tend to be cyclical and subject to significant volatility based on factors beyond its control.

Estimated outflows for operating expenses and dry-docking requirements are based on historical and budgeted costs. Forecasts also take into account the cost of complying with new regulations, and planned investments to increase the energy efficiency of our vessels. Utilization is based on historical levels achieved and estimates for the residual value are consistent with historical averages, based on market research, for the scrap value.

Although management believes that the assumptions used to evaluate potential impairment are reasonable and appropriate, such assumptions are highly subjective and likely to change, possibly materially, in the future. There can be no assurance as to how long charter rates and vessel values will remain at their current levels or whether they will improve or decline by a significant degree.

At each reporting date management assesses whether there is any indication that an impairment loss recognised in a previous period either no longer exists or has decreased. If there is such an indication management estimates the recoverable amount of the cash generating unit and, in case of a positive difference with the carrying amount, a reversal of the impairment is recognised. The reversal is limited to the value that would have been recognised had the original impairment not occurred. A possible trigger event for the reversal of the impairment recognised in previous years is the gain arising from the sale of the vessels to which that impairment was allocated.

Assets held for sale

In accordance with IFRS 5, non-current assets (vessels) are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, the asset is available for immediate sale in its present condition and the asset is being actively marketed for sale at a price that is reasonable compared to its current fair value. Management must be committed to the sale, which should be expected within one year from the date of classification as held for sale.

Immediately before classification as held for sale, the assets are re-measured in accordance with the DIS Group's accounting policies. Thereafter, the assets are recognised at the lower of their carrying amount and fair value less cost to sell. Assets classified as held for sale, are not depreciated. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement, if the vessel is no longer classified as held-for-sale, are included in the income statement.

If the conditions for classification of non-current assets and disposal groups as held for sale are no longer met, classification as held for sale ceases. Non-current assets that cease to be classified as held for sale are re-measured at the lower of their carrying amount before classification as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset or disposal group not been classified as held for sale, and its recoverable amount at the date of the subsequent decision not to sell.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of property, plant and equipment are deemed to be qualifying assets as defined in IAS23 – *Borrowing Costs and* are therefore capitalized.

Leases

From 1 January 2019 assets and liabilities arising from a lease are initially measured on a present value basis, recognising a Right of Use asset (RoU) and a lease liability, where the right-of-use assets should be 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 present value calculations should use the interest rate implicit in the lease, or the incremental borrowing rate, if the first is not readily determinable.

Within the Income Statement, charter hire costs are replaced with other direct operating costs, interest and depreciation, so key metrics like TCE, EBITDA (please refer to APMs on page 75), EBIT and Net result have been affected. The interest portion of the financial leases is deducted from operating cash-flows, which however is positively affected, since the remaining cash payments for the lease liability are classified within financing activities.

Leases (following application of IFRS 16 and excluding those previously identified as leases in accordance with IAS 17) are discounted using DIS' marginal borrowing rate, for groups of contracts with the same term, and is obtained by adding to the interest rate swap the margin applied to the most recent third-party financings; for leases previously identified as such in accordance with IAS 17, the lease payments are discounted using DIS' (the lessee's) inherent rate in the lease. All DIS' discount rates for such contracts vary between 2.8% and 7.1%, with a weighted average rate of 5.5%.

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 is reasonably certain to exercise the termination option.

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

- not to recognise as leases 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 as 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.

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

DIS, as lessor, recognises lease payments from operating leases as income on a straight-line basis for time-charter and bareboat charter income.

Inventories

Inventories relate to intermediate fuel oil (IFO), marine diesel oil (MDO) and luboil onboard vessels. IFO and MDO inventories and luboils onboard vessels are shown at cost, calculated using the first-in first-out method. The cost includes the expenses incurred in delivering the inventory to the vessels.

Financial assets and liabilities

Financial assets are measured at amortised cost, fair value through profit or loss or fair value through other comprehensive income. A financial asset can only be measured at amortised cost when the DIS Group has a business model to hold the asset to collect contractual cash flows and the cash flows arise on specific dates and are solely for payment of principal and interest on the principal outstanding. When the requirements for measuring the financial asset at amortised cost are met, but the business model also includes the selling of those instruments, then these financial assets are measured at fair value through other comprehensive income. All other financial assets are measured at fair value through profit or loss.

The impairment model in IFRS 9 is based on expected credit losses, rather than on incurred losses under IAS 39. The impairment requirements apply to financial assets measured at amortised cost and fair value through other comprehensive income, with losses initially recognised based on expected credit losses over the next 12 months; or, if there has been a significant increase in the credit risk of the financial asset then the impairment is based on lifetime expected losses. A three-stage approach is considered for impairment: in the first instance (12 months expected credit losses) if there is no significant increase in credit risk, expected credit losses are recognised and updated at each reporting date and the asset continues to be presented on a gross basis; in the second stage due to the significant increase in credit risk, a lifetime credit loss is expected and recognised, with the asset continuing to be presented on a gross basis; in the last stage a lifetime expected credit loss is recognised, and following the impairment the asset is presented on a net basis.

The accounting policies adopted for specific assets and liabilities are disclosed below.

Trade and other receivables

Receivables arising from outstanding freight are initially measured at their nominal value (representative of the fair value of the transaction) and are subsequently measured at amortized cost, net of write-downs for impairment and allowance for credit losses. Impairment is recognized in the income statement when there is objective evidence that the asset is impaired. Such write-downs are calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the asset's original effective interest rate. Particularly with regards to short-term trade receivables, considering the short period of time, the measurement at amortized cost is equivalent to the nominal value, less write-downs for impairment. Outstanding freight deriving from voyages in progress results in contract assets as indicated under IFRS15; contract assets represent accrued income arising from the DIS Group's right to consideration for work performed but not billed at the reporting date on spot contracts (conditional right to consideration for the part of the contractual obligation performed). The freight is invoiced upon delivery of the service.

Expected credit losses are calculated on demurrage receivables and are based on an assessment about lifetime expected credit losses, adopting the simplified approach, and determined at initial recognition and subsequently adjusted for any changes in expectations.

Under IFRS 9 the impairment is assessed with reference to the expected credit losses associated with trade receivables (demurrages) with the change in the provision recognised through the income statement. For demurrages, the DIS Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime credit losses to be recognised from initial recognition of the receivables, but the impairment methodology applied depends on whether there has been a significant increase in credit risk.

In the assessment of credit risk and expected losses, management considers the risk of default by assigning a probability for each set window of payment, on an ongoing basis. An increase in the payment days delay is considered by management an indicator of an increase in the risk of default – management has therefore established clusters for such payment delays to which it assigned a higher probability of default the longer the delay in payment, and for which it therefore recognises provisions which represent an increasing percentage of amounts outstanding. The policy is to write off any undue demurrages at the closing of trade negotiations, following the agreed terms.

Cash and cash equivalents

Cash and cash equivalents include cash in-hand, current accounts and deposits held on demand with banks, and other short-term, highly-liquid investments readily convertible to a known amount of cash within three months from inception and that are subject to an insignificant risk of changes in value. Cash and cash equivalents are measured at fair value, corresponding to their nominal value, or at cost plus interest charges, if any.

Banks and other lenders

Interest-bearing bank loans relating to the financing of vessels and overdrafts are recorded on the basis of the amounts received net of transaction costs and are subsequently measured at amortized cost, using the effective interest rate method, with the difference between the loan proceeds and the nominal value being recognized in the income statement over the term of the loan.

Trade and other payables

Trade and other payables are measured at amortized cost, which considering the characteristics and maturity of such payables, is generally equivalent to the nominal value. Payments received in advance under time charter contractual agreements lead to the recognition of deferred income.

Derivative instruments

Derivative financial instruments are primarily used to hedge the exposure to interest rate risks (through interest rate swaps), currency fluctuations, freight rates (through freight forward agreements) and bunker prices. In accordance with IFRS 9 a hedging relationship qualifies for hedge accounting only when:

- the hedging relationship consists only of eligible hedging instruments and eligible hedged items,
- at the inception of the hedge there is a formal designation and documentation of the hedging relationship,
- there is an economic relationship between the hedged item and the hedging instrument,
- the effect of credit risk does not dominate the value changes that result from that economic relationship, and
- the hedge ratio of the hedging relationship is the same as the one resulting from the quantity of the hedged item that the entity actually hedges, and the quantity of the hedging instrument used by the entity for that specific hedged item, therefore not reflecting an imbalance between hedged item and hedging instrument as to be inconsistent with the purpose of hedge accounting.

When effectiveness is subsequently not met with regards to the hedge ratio, but the risk management objective remains the same, the hedging relationship is adjusted to take into account only the hedged amount.

The fair value measurement of derivative instruments is recurring, at each closing date; derivatives are classified as an asset or a liability. The fair value of a derivative instrument classification is split between non-current and current asset or liability. The non-current asset or liability is the remaining maturity of the hedging instrument that is more than twelve months from the reporting date and the current asset or liability is the maturity of the hedging instrument expected to be settled in twelve months from the reporting date.

Provisions for risks and charges

Provisions for risks and charges are recognized when the DIS Group has a present obligation arising from a past event and it is likely that the DIS Group will be required to settle that obligation. Provisions are measured at the Directors' best and reliable estimate of the expenditure required to settle the obligation at the financial position date and are discounted to present value.

Treasury shares

Treasury shares acquired following a buy-back program, are recognized at cost and are presented as a deduction from equity (under a separate item of equity). The original cost of treasury shares and the proceeds of any subsequent sale are presented as movements in equity. Removal of treasury shares is recognised following the average purchase cost method.

Long Term Incentive Plan including Equity Compensation (Share Based Payments)

The Company provides additional benefits to certain members of senior management and in accordance with IFRS 2 – share-based payment, and with IAS 19 Employee benefits; this plan represents a component of the recipient's remuneration.

In April 2019 (following expiry of the former stock-option plan), a new management compensation plan (Long Term Incentive Plan, LTI), involving share-based payments, was approved; a revision of the Plan, to include also elements connected with the Fleet's environmental performance, was incorporated in November 2021.

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

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

I. the adjusted ROCE (60% 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 (15% 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 (7.5% of the pool), which attempts to measure how efficient is the DIS Group's cost structure;
IV. the percentage change in the daily operating costs (7.5% of the pool), which attempts to measure how efficient is the DIS Group's owned and bareboat fleet cost structure;
V. CO_2 per ton-miles for owned and bareboat vessels operated on the spot market (5% of the pool), which attempts to measure how efficient is the DIS Group's management of its owned and bareboat fleet operated on the spot market in terms of CO_2 emissions. This measure will depend on DIS vessels' technical features as well as on how efficiently they are operated; DIS can only influence the operational efficiency of vessels which are not employed through time-charter contracts;
VI. CO_2 per ton-miles for all owned and bareboat vessels (5% of the pool), which attempts to measure how efficient is the DIS Group's fleet in terms of CO_2 emissions, irrespective of how it is managed. This measure will depend only on DIS vessels' technical features.

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).

Following this new management compensation plan, at the end of the vesting period of each cycle, the number of DIS shares allotted to the senior management 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.

Cash component. The cash component of the Plan is classified as long-term benefits under IAS 19 – Employee Benefits and the share component of the Plan is classified as a share-based payment plan equity settled under IFRS 2 Share-Based Payments.

The obligations of the cash component are measured as the present value of expected future payments to be made in respect of services provided by the Plan's recipients up to the end of the reposting period, using the projected unit credit method. Consideration is given to the actuarial assumptions, including the estimates relating to the achievement of specific performance targets of the Plan. As long as the cash component of the Plan has a very short-term nature (it is paid within six months from its measurement), management considers its present value equivalent to the amount of the cash-flows.

Remeasurements as a result from experience adjustments and changes in actuarial assumptions, where applicable, are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet, if DIS does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

Share component. The share component is classified as a share-based payment, equity settled with a staged vesting (share allotment, in the consolidated financial statements).

The fair value of the awards is determined at grant date and the expense to be recognised under IFRS is determined at each reporting date based on the estimates performed on employee service and other non-market conditions included in the Plan (and in particular on the average ROCE achieved by DIS over each rolling two-year Period), over the relevant service period, which is 3 years for the first tranche of shares and 4 years for the second tranche.

Dividends

Dividends payable are reported as a movement in equity in the period in which they are approved by the shareholders' meeting.

Segment Information

d'Amico International Shipping is providing transportation services of refined petroleum products and vegetable oils, operating in only one business segment, Product Tankers. Furthermore, the DIS Group only has one geographical segment, employing all its vessels worldwide, rather than in specific geographical areas. The DIS Group's top management monitors, evaluates and allocates the DIS Group's resources as a whole, operations are run in one single currency – the US$ – and DIS regards, therefore, the product tankers business as a single segment.

Seasonality

In the Product Tankers business and for d'Amico International Shipping as a global Product Tanker player, there is some element of seasonality in freight markets, however, there are other factors that can have a much more important influence on the demand for our vessels and in their earnings potential.

R&D, Own shares

The Company has no research and development costs; Own shares are disclosed under note 18.

Accounting principles

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

New and amended IFRS Accounting Standards that are effective for the current year

There were no new accounting standards having a material impact on the consolidated financial statements of the DIS Group.

New and revised IFRS Accounting Standards in issue but not effective

Based on current assessments, the accounting standards issued and not yet applied are not expected to have a material impact on the consolidated financial statements of the DIS Group.

Interest Rate Benchmark Reform

US$ LIBOR rates for periods of 3 months and 6 months, which has been the reference rates for all of our mortgage loans, should not be published anymore from 30 June 2023. All our loans which will be affected have or will include transition clauses to the Secured Overnight Financing Rate (SOFR), the new risk-free reference rate. All new loans from January 2022, already include the SOFR as the reference rate, from the loan's start date. The reference rate can either be based on the Term SOFR, or the Cumulative Compounded SOFR in arrears. Effective hedges can be performed for loans linked to both the Term SOFR and the Cumulative Compounded SOFR in arrears (please refer to note n. 19 for more details relating to the transition to SOFR).

2. CAPITAL DISCLOSURE

The d'Amico International Shipping Group's objectives in managing capital are:

- To safeguard the Group's ability to continue as a going concern, so it can continue to provide returns for shareholders and benefits for other stakeholders, and
- To provide an adequate return to shareholders while managing market risk by covering a portion of its vessel employment days through fixed rate contracts.

The capital of the Group was established at the beginning of 2007 as part of an Initial Public Offering. It was established at a level deemed appropriate, taking into consideration the risks affecting d'Amico International Shipping as a company and the industry where the Group operates. The capital increases were consistent with the Company's strategy of modernising the fleet and of strengthening its balance sheet.

The Group also has various bank facilities, credit lines and leases (see notes 20 and 21).

The capital structure is reviewed during the year and, if needed, adjusted depending on the Group's capital requirements, changes in the general economic conditions and industry risk characteristics. The Group monitors its capital on the basis of the 'assets cover ratio' equal to the sum of the outstanding amounts on its facilities and lease liabilities over the fair market value of the owned and bareboat vessels. (see further details in notes 12 and 20).

Furthermore, DIS closely monitors the ratio between its consolidated net worth, defined as the sum of its shareholders' equity and any subordinated shareholder's loan, and its total consolidated total assets, since according to covenants included in most of DIS' bank loans, this ratio must be at all times of at least 25%.

US$ thousand	As at 31 December 2022	As at 31 December 2021
Shareholders' equity	478,414	332,382
Net worth	478,414	332,382
Total assets	1,054,885	936,316
Net worth to total assets >25%	**45%**	**36%**

3. REVENUE, INCLUDING BAREBOAT CHARTER REVENUE

US$ thousand	2022	2021
Revenues from voyage-charter (spot) – freight and demurrage	381,542	141,061
Revenue from leases (time-charter)	74,697	73,501
Revenue from subleasing of RoU (time-charter)	21,457	30,943
Other revenues	1,923	950
Revenue, excluding bareboat charter revenue	**479,619**	**246,455**
Bareboat charter revenue*	**4,812**	**888**
Total revenue	**484,431**	**247,343**

*see also Alternative Performance Measures on page 102

Revenue represents vessel income comprising time charter hire, freight, demurrage and bareboat charter hire and is recognized over time. DIS has only one revenue stream and it originates from the employment of its vessels for the transportation of refined petroleum products.

All contractual revenues – as defined by IFRS15 – result from freight and demurrage: for these revenues, payment is settled at completion of the voyage, and therefore no performance obligations are recognized to be outstanding.

Costs to fulfil a contract (ballast days to the first loading port) are recognised over the time and capitalised at the reporting date; they amount to US$ 3.8 million as at the end of 2022 (US$ 0.7 million as at 31 December 2021) and will be amortised throughout the term of the relevant contracts.

Revenue from leases represent income from owned vessels that are time-chartered-out. Revenue from subleasing represents revenue on vessels controlled through time-charter-in contracts, that are time-charted-out.

Bareboat charter revenue represents vessel income from the employment of a vessel through a bareboat hire contract; in such contracts the charterer is responsible for the vessel's technical management, including the payment of its crew costs. Bareboat charter revenue in 2022 was of US$ 4.8 million, while in 2021 it was of US$ 0.9 million, entirely generated during Q4.

Other revenues comprise income from vessel deviations, including compensation for bunker expenses.

In 2022, one customer contributed to the generation of US$ 49.5 million in revenues, equivalent to around 10.2% of the Group's total. In 2021, one customer contributed to the generation of US$ 37.9 million in revenues, equivalent to around 15.4% of the Group's total (see also note 24 on credit risk). The Company's 5 biggest customers accounted for US$ 146.0 million of the Group's revenues in 2022, corresponding to 30.1% of the total. The Company's 5 biggest customers accounted for US$ 108.1 million of the Group's revenues in 2021, corresponding to 43.9% of the total.

The Covid-19 pandemic did not have an impact on revenue recognition. The Ukrainian war had so far, a significant impact on the market for the seaborne transportation of refined products. The sanctions imposed by several economies and in particular, the EU, the US and the UK on Russia, have generated important inefficiencies in the market, which have reduced the productivity of product tankers and contributed to a tighter demand-supply balance, resulting in a large increase in freight rate since February 2022 (please refer also to the Significant Events of the period).

4. VOYAGE COSTS

US$ thousand	2022	2021
Bunkers (fuel)	(93,270)	(43,348)
Commissions payable	(14,650)	(6,085)
Port charges	(27,996)	(19,436)
Other	(13,745)	(3,500)
Total	**(149,661)**	**(72,369)**

Voyage costs arise from the employment, directly or through our partnerships, of DIS' vessels, through voyage charters or contracts of affreightment. When vessels are employed through time charters, they do not incur voyage costs. Bunkers are supplied through the related party Rudder S.A.M., which charges a commission of between US$2.0 and US$5.0 per metric ton, depending on payment terms; bunker cost calculations are based on an estimate of the voyage consumption using the first-in-first-out method and depend on figures for the residual balances of fuel onboard provided by the vessels. Other voyage costs include all other voyage expenses arising during the performance of the voyage such as surveys, tank cleaning, and additional insurance.

5. TIME CHARTER EQUIVALENT EARNINGS

US$ thousand	2022	2021
Time charter equivalent earnings*	329,958	174,086

**see also Alternative Performance Measures on page 102*

Time-charter equivalent earnings represent revenue, excluding bareboat charter revenue, less voyage costs. In 2022 vessel days on fixed rate contracts represented about 34.0% of total available vessel days (47.5% in 2021).

6. TIME CHARTER HIRE COSTS

US$ thousand	2022	2021
Time-charter hire costs	(3,250)	(3,395)

Time-charter hire costs represent the cost of chartering-in vessels from third parties. The amounts relate essentially to the cost of chartering-in vessels with terms that are shorter than one year at their start date (short-term leases; please refer also to note 1).

7. OTHER DIRECT OPERATING COSTS

US$ thousand	2022	2021
Crew costs	(34,035)	(38,806)
Technical expenses	(11,600)	(11,229)
Luboil	(2,133)	(2,250)
Technical and quality management	(10,973)	(10,549)
Insurance	(2,447)	(3,819)
Service costs related to leased vessels	(21,705)	(22,511)
Other costs	(3,259)	(1,943)
Total	**(86,152)**	**(91,107)**

Other direct operating costs include crew costs, technical expenses, lubricating oils, technical and quality management fees and sundry expenses originating from the operation of the vessel, including insurance costs. Service costs related to leased vessels represent one of the non-lease components of a TC contract, which is expensed in the income statement.

Personnel

As at 31 December 2022, d'Amico International Shipping SA and its subsidiaries employed an equivalent of 593 seagoing personnel and 24 onshore personnel (as at 31 December 2021: 558 seagoing personnel and 23 onshore personnel); the average number of seagoing personnel in 2022 was 543 (2021: 594), while the average number of onshore personnel was 23.4 (2021: 24.8); for more details about DIS Group's workforce, please refer to the Human Resources section of the Non-financial statements. Onshore personnel costs are included under general and administrative costs. The Group has no liabilities with regards to pensions and other post-retirement benefits.

8. GENERAL AND ADMINISTRATIVE COSTS

US$ thousand	2022	2021
Personnel	(6,047)	(5,654)
Other general and administrative costs	(9,497)	(8,352)
Total	**(15,544)**	**(14,006)**

Personnel costs relate to onshore personnel salaries, as well as in 2022, US$ 0.9 million relating to director fees and US$ 0.9 million relating to remuneration earned by senior managers including the CEO, COO, CFO and other managers with strategic responsibilities (2021: US$ 0.9 million of director fees and US$ 1.0 million for senior managers). In 2022, personnel cost includes also US$ 1.1 million relating to the 2021-2022 rolling period of Long-Term Incentive Plan, granted to the key managers and executive directors of DIS and adopted in 2019. Please refer to the note 1, Long-Term Incentive Plan including Equity Compensation (Share Based Payments), for full details and disclosure of calculations for this Plan. In 2021 the conditions to activate the LTI Plan's bonus pool were not realised and no amount was accrued. DIS' shares serving the Plan, are those held in portfolio by the Company as at 9 March 2023

(n. 18,170,238 own shares without nominal value). For more details about DIS Group's Remuneration please refer to the Corporate Governance and Human Resources sections of the Non-financial statements.

The other general and administrative costs comprise consultancies including audit fees, office rental fees, and other sundry expenses originating from the operation of d'Amico International Shipping Group's companies. They include in 2022 management fees with related parties on brand and trademark, IT, legal and internal audit services amounting to US$ 7.0 million (US$ 5.9 million in 2021) (see also note 25). They also include negligible expenses relating to short-term leases, relating mainly to office equipment.

Expenses in 2022 and 2021, relating to fees charged by the statutory auditor of d'Amico International Shipping and by the auditors of its subsidiaries for the statutory audits of the annual and consolidated financial statements, as well as the review of the consolidated interim financial statements, were as follows:

US$ thousand	2022	2021
Audit fees	(347)	(334)

The statutory auditors did not provide non-audit services in 2022 and 2021 to the DIS Group.

9. RESULT FROM DISPOSAL OF FIXED ASSETS

US$ thousand	2022	2021
Net profit (loss) on disposal of vessel	(3,212)	(2,144)

The 2022 amount includes the unrealized portion of the deferred result (over the duration of the lease) on the disposal of all leased back vessels, as well as a US$ (1.3) million charge in relation to the early termination of the bareboat charter contract for the High Voyager (whose purchase option was exercised by d'Amico Tankers); in 2021 it includes only the amortisation of the deferred result on the disposal of all leased-back vessels.

10. NET FINANCIAL INCOME (CHARGES)

US$ thousand	2022	2021
Financial income		
Loans and receivables at amortised cost		
Interest Income	482	32
Realised exchange differences	-	360
At fair value through income statement		
Unrealised gains on derivative instruments	2,320	1,656
Total financial income	**2,802**	**2,048**
Finance charges		
Financial liabilities measured at amortised cost		
Interest expense and financial fees	(14,943)	(14,592)
Financial lease cost	(17,157)	(17,139)
Realised losses on derivative instruments	(1,100)	(231)
Realised exchange differences	(8)	-
Total financial charges	**(33,208)**	**(31,962)**
Net financial charges	**(30,406)**	**(29,914)**

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In 2022, financial income includes realized interest income amounting to US$0.5 million deriving from funds held with financial institutions on deposit and current accounts; the unrealised amount of US$ 2.3 million represents the positive change in the fair value of the ineffective portion of hedging interest-rate swaps amounting to US$ 1.5 million, and of the non-hedging interest rate swaps, amounting to US$ 0.8 million.

Financial charges in 2022 include realised interest expenses and financial fees amounting to US$14.9 million, comprising US$ 12.8 million of interest on bank loans relating to DIS' owned vessels, overdraft facilities and the realised result on interest rate swaps, as well as US$ 2.2 million in financial fees or amortisation of such fees. Realised financial charges in 2022 include also US$ 17.2 million interest implicit in leases and US$ 1.1 million realised losses on hedging foreign exchange and freight-forward agreements. No unrealised losses were recorded in 2022.

In 2021, financial income includes realized interest income amounting to US$0.03 million deriving from funds held with financial institutions on deposit and current accounts, as well as realised foreign exchange differences of US$ 0.4 million; the unrealised amount of US$ 1.7 million represents positive changes in the fair value of the ineffective portion of hedging interest-rate swaps amounting to US$ 0.2 million, and of non-hedging interest rate swaps, amounting to US$ 1.5 million.

Financial charges in 2021 include realised interest expenses and financial fees amounting to US$14.6 million, comprising US$ 12.8 million for interest on bank loans relating to DIS' owned vessels, overdraft facilities and the realised result on interest rate swaps, as well as US$ 1.8 million in financial fees or amortisation of such fees. Realised financial charges in 2021 include also US$ 17.1 million interest implicit in leases and US$ 0.2 million realised losses on hedging foreign exchange and freight-forward agreements. No unrealised losses were recorded in 2021.

11. TAX

d'Amico Tankers d.a.c. (DTL), and Glenda International Shipping d.a.c. (GIS) qualified to be re-elected under the terms of the Tonnage Tax regime in Ireland, for a period of 10 years, ending on 31 December 2024 for DTL and on 31 December 2028 for GIS.

The tax liability under the tonnage tax regime is based on the controlled fleet's notional shipping income, which in turn depends on the total net tonnage of the controlled fleet. The 2022 tonnage tax provision for d'Amico Tankers d.a.c. and Glenda International Shipping d.a.c. amounted to US$ 0.2 million (2021: US$ 0.2 million). Certain minor activities will not fall within the tonnage tax regime and are subject to standard rates of local corporation tax (currently 12.5% on trading income, 25% on passive income, and 33% on non-tonnage tax capital gains). These activities could give rise to deferred tax assets and liabilities. Items of other comprehensive income are taxed depending on the tax regime they fall within.

The holding company, d'Amico International Shipping SA had, at the end of 2022, accumulated tax losses to be carried forward, amounting to approximately € 60.7 million (equivalent to US$ 64.7 million). No deferred tax asset has been accounted for as management does not foresee taxable profits against which the accumulated losses could be offset. The holding company is subject to the Luxembourg Net Wealth Tax regime which is based on the net assets of the Company and which for 2022 generated a tax charge of equivalent US$ 23.2 thousand (2021: US$ 7.06 thousand) and is reported under General and administrative costs.

US$ thousand	2022	2021
Current tax:		
Taxation at corporate tax rates	(233)	(215)
Tonnage Tax	(170)	(222)
Net wealth tax / other tax	-	(8)
Total current tax	**(403)**	**(445)**
Profit (loss) before tax	**135,272**	**(36,816)**
Theoretical income tax (tax rate 24.94%)	(33,737)	9,182
- not subject to income tax (due to Tonnage Tax regime)	33,822	(9,862)
- impact of overseas tax rates	106	141
- effect of temporary differences	(424)	324
Taxation at corporate tax rates	**(233)**	**(215)**

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

US$ thousand	Total Owned Fleet	Other	Total PPE	RoU	Total PPE & RoU
Gross carrying amount					
at Jan.1 2022	**725,219**	**571**	**725,790**	**373,688**	**1,099,478**
Reclassification	(20,886)	(46)	(20,932)	-	(20,932)
Additions	35,486	(185)	35,301	42,020	77,321
Change in contractual terms	-	-	-	(18,753)	(18,753)
Acquisition of Glenda International Shipping's vessels	41,279	-	41,279	-	41,279
Disposals	-	-	-	(63,922)	(63,922)
Transfer to Assets held-for-sale	(16,119)	-	(16,119)	-	(16,119)
Exchange differences	-	(25)	(25)	(114)	(139)
at December 31, 2022	**764,979**	**315**	**765,294**	**332,919**	**1,098,213**
Accumulated depreciation & impairment					
at Jan.1 2022	**178,754**	**315**	**179,069**	**98,975**	**278,044**
Reclassification	(20,886)	(277)	(21,163)	-	(21,163)
Disposals	-	-	-	(21,889)	(21,889)
Transfer to Assets held-for-sale	(7,011)	-	(7,011)	-	(7,011)
Impairment upon reclassification to AHFS	2,080	-	2,080	-	2,080
Impairment reversal	(1,991)	-	(1,991)	-	(1,991)
Depreciation charge	28,636	41	28,677	32,168	60,845
at December 31, 2022	**179,582**	**79**	**179,661**	**109,254**	**288,915**
Carrying amount at December 31, 2021	**546,465**	**256**	**546,721**	**274,713**	**821,434**
Carrying amount at December 31, 2022	**585,397**	**236**	**585,633**	**223,665**	**809,298**

Property, Plant and Equipment

US$ thousand	Owned Fleet Vessels	Owned Fleet Dry-dock	Other	Total PPE
Gross carrying amount				
at Jan.1 2022	**712,703**	**12,516**	**571**	**725,790**
Reclassification	(20,886)	-	(46)	(20,932)
Additions	30,024	5,462	(185)	35,301
Acquisition of Glenda International Shipping's vessels	43,601	(2,322)	-	41,279
Transfer to AHFS	(13,195)	(2,924)	-	(16,119)
Exchange differences	-	-	(25)	(25)
at December 31, 2022	**752,247**	**12,732**	**315**	**765,294**
Accumulated depreciation & impairment				
at Jan.1 2022	**175,169**	**3,585**	**315**	**179,069**
Reclassification	(20,886)	-	(277)	(21,163)
Transfer to AHFS	(5,065)	(1,946)	-	(7,011)
Impairment upon reclassification to AHFS	2,080	-	-	2,080
Impairment reversal	(1,991)	-	-	(1,991)
Depreciation charge	26,915	1,721	41	28,677
at December 31, 2022	**176,222**	**3,360**	**79**	**179,661**
Carrying amount at December 31, 2021	**537,534**	**8,931**	**256**	**546,721**
Carrying amount at December 31, 2022	**576,025**	**9,372**	**236**	**585,633**

Right-of-Use Assets

US$ thousand	RoU Vessels ex-IAS17	Other RoU Vessels	RoU Dry-dock	RoU Other	Total RoU
Gross carrying amount					
at Jan.1 2022	**229,062**	**136,388**	**5,287**	**2,951**	**373,688**
Additions	-	42,020	-	-	42,020
Change in contractual terms	(1,828)	(18,186)	-	1,261	(18,753)
Disposal RoU	(53,017)	(9,735)	-	(1,170)	(63,922)
Exchange differences	-	-	-	(114)	(114)
at December 31, 2022	**174,217**	**150,487**	**5,287**	**2,928**	**332,919**
Accumulated depreciation & impairment					
at Jan.1 2022	**30,998**	**63,867**	**2,154**	**1,956**	**98,975**
Disposal of depreciation fund	(10,984)	(9,735)	-	(1,170)	(21,889)
Depreciation charge	8,518	22,012	1,056	582	32,168
at December 31, 2022	**28,532**	**76,144**	**3,210**	**1,368**	**109,254**
Carrying amount at December 31, 2021	**198,064**	**72,521**	**3,133**	**995**	**274,713**
Carrying amount at December 31, 2022	**145,685**	**74,343**	**2,077**	**1,560**	**223,665**

For comparison purpose hereby are reported the relevant values for the year 2021:

US$ thousand	Total Owned Fleet	Other	Total PPE	RoU	Total PPE & RoU
Gross carrying amount					
at Jan.1 2021	**775,269**	**2,936**	**778,205**	**394,508**	**1,172,713**
Reclassification	-	163	163	-	163
Additions	5,867	235	6,102	9,065*	15,167
Change in contractual terms	-	-	-	(3,666)	(3,666)
Disposals	-	-	-	(12,161)	(12,161)
Write-offs	-	(2,763)	(2,763)	(841)	(3,604)
Transfer to AHFS	(71,512)	-	(71,512)	-	(71,512)
Transfer between categories	15,595	-	15,595	(13,195)	2,400
Exchange differences	-	-	-	(22)	(22)
at December 31, 2021	**725,219**	**571**	**725,790**	**373,688**	**1,099,478**
Accumulated depreciation & impairment					
at Jan.1 2021	**190,138**	**2,901**	**193,039**	**77,909**	**270,948**
Reclassification	-	163	163	-	163
Disposals	-	-	-	(10,634)	(10,634)
Write-offs	-	(2,763)	(2,763)	-	(2,763)
Transfer to AHFS	(50,893)	-	(50,893)	-	(50,893)
Transfer between categories	2,283	-	2,283	(2,283)	-
Impairment upon reclassification to AHFS	6,422	-	6,422	-	6,422
Depreciation charge	30,804	14	30,818	33,983	64,801
at December 31, 2021	**178,754**	**315**	**179,069**	**98,975**	**278,044**
Carrying amount at January 1, 2021	**585,131**	**35**	**585,166**	**316,599**	**901,765**
Carrying amount at December 31, 2021	**546,465**	**256**	**546,721**	**274,713**	**821,434**

**includes inception of lease US$ 8,134 thousand*

Fleet

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

The net book value of DIS' property plant and equipment and right of use assets as at 31 December 2022, amounts to US$ 809.3 million, comprising right of use assets amounting to US$ 223.7 million and property plant and amounting to US$ 585.6 million.

The net book value of DIS' Fleet (the Group's shipping related assets, owned or leased) amounts to US$ 807.5 million as at 31 December 2022, and consists of the net book value of the Fleet on the water and associated dry-docks, amounting to US$ 585.4 million, as well as the capitalised and depreciated value of DIS' shipping related lease obligations and associated dry-docks (Rights of Use assets, as per IFRS 16), amounting to US$ 222.1 million. A detailed description of the Fleet is provided in the relevant section of the management report.

The value of other non-shipping related PPE and ROU assets as at 31 December 2022 amounts to US$ 1.8 million and comprise mostly office rental lease obligations and the net book value of fixture, fittings and office equipment.

In April 2022 the M/T High Priority was sold by d'Amico Tankers d.a.c. for a price of US$ 9.2 million. In July 2022, d'Amico Tankers d.a.c. gained control of 100% of Glenda International Shipping d.a.c. ("the JV" or "Glenda") through the redemption of the shares owned by Topley Corporation ("Topley", part of the Glencore Group) in the JV for a consideration of US$ 27.4 million. The consideration paid less the cash in Glenda of US$ 1.9 million was allocated to the fair value of the net assets acquired as follows, vessels US$ 41.3m, other net assets US$ 0.1m less bank loans US$ 15.9m. Prior to the transaction Topley owned a participation of 50% in Glenda International Shipping. Following the transaction, Glenda International Shipping's four vessels (M/T GLENDA Melissa, M/T GLENDA Meryl, M/T GLENDA Melody, M/T GLENDA Melanie) were sold to d'Amico Tankers d.a.c. in September 2022.

In DIS' consolidated accounts, the consideration of US$ 27.4 million net of the cash acquired in the JV of US$ 1.9 million, paid to increase d'Amico Tankers d.a.c.'s participation in Glenda, was allocated to the fair value of the net assets acquired.

In December 2022, d'Amico Tankers purchased the M/T High Adventurer for a price of JPY 4.1 billion, equivalent to US$ 30.4 million.

The net book value of leased vessels for which a purchase obligation or a bargain purchase option exists, amount to US$ 189.1 million as at 31 December 2022.

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

Vessels name, M/T	Year the lease begins	Purchase obligation	Option to repurchase the vessel
High Voyager	2019	10^{th} year from sale	Option exercised
High Freedom	2018	10^{th} year from sale	Option exercised
Cielo di Houston	2019	n.a.	from 5^{th} year
High Trust, High Loyalty, High Trader	2018	10^{th} year from sale	from 2^{nd} year
High Discovery	2022	10^{th} year from sale	from 2^{nd}year
High Fidelity	2022	10^{th} year from sale	from 3^{rd} year

The leasing transactions for the High Discovery and High Fidelity were refinanced in 2022 through new transactions.

The capitalised and depreciated value of DIS' leases obligations (Rights of Use assets) are discounted using DIS' marginal borrowing rate, which is obtained by adding to the swap interest rate for liabilities with the same term as the lease obligations, the margin applied to the most recent third-party financings; for leases previously identified as such in accordance with IAS 17, the lease payments are discounted using DIS' (the lessee's) inherent rate in the lease; The net impact on Retained earnings at the beginning of the IFRS16 application period (January 1, 2019) was a decrease of US$ 2.0 million, which is being amortised over the duration of the assets resulting from the application of this accounting principle.

Dry-dock includes expenditure for the fleet's dry-docking programme and related amortization; additions in the period ended 31 December 2022, relate to instalments paid to the yard for dry-docks, for both PPE and RoU assets corresponding to US$ 5.5 million and nil, respectively. During 2022 three of DIS' vessels dry-docked; two vessels completed their dry-dock in 2022 while one of the dry-docks was still in progress at the end of the year.

The total fair value of the DIS Group's fleet as 31 December 2022 amounts to US$ 1,028 million and includes d'Amico Tankers d.a.c.'s owned vessels and d'Amico Tankers d.a.c.'s bareboat vessels. The value of DIS' owned vessels and of its leased vessels with purchase obligations and bargain purchase options is based on charter-free independent broker valuations, while for the remaining Right-of-use Assets it is based on their value-in-use, as described below.

All bank financings on the vessels owned by the DIS Group are secured through first-lien mortgages. The total fair value of DIS Group's vessels which are subject to mortgages was of US$ 725.5 million as at 31 December 2022 and as at the same date the net book value of these vessels and related dry-docks was of US$ 578.2 million and the total value of loans outstanding was of US$ 300.8 million.

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

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

As at the reporting date, there wasn't an impairment indicator since as that date the fair value (broker valuations) of DIS' Fleet was higher than its book-value by US$ 247.6 million.

Whenever an impairment indicator exists, the impairment test is performed.

For impairment test purposes, management's estimates take into consideration the market information available, including reported sales of similar vessels, as well as past experience and future expectations. Value-in-use calculations have been based on the following key assumptions: (i) Earnings under contracts concluded and estimates of future time-charter equivalent rates; (ii) Useful economic life of 25 years. Management has considered if climate related matters would affect the remaining useful life of our vessels. Although there is a risk that oil consumption and demand for transportation of refined products might peak before the end of the useful lives of some of our vessels, it is currently not possible for us to estimate how such a scenario would impact their remaining useful lives, since the transportation of refined products is expected to be required for many years after such an event. The expected useful life of our vessels therefore have not been adjusted due to climate related matters (please refer to note 1. Areas of uncertainty, for a more detailed discussion of how climate related matters could affect our industry); (iii) Estimated economic value at end of vessels' life based on the average of the last 10 years' demolition prices (iv) General and administrative costs reflecting DIS' current corporate structure; (v) a nominal discount rate (WACC), which represents the Group's weighted average cost of capital based on the Group's estimated cost of debt financing and DIS' estimate of its required return on equity. Since a nominal discount rate is used for the projected cash-flows, including revenue, costs, capital expenditures and residual values, for consistency, these cash-flows are adjusted to reflect expected inflation, which is equal to the last ten years' average US core consumer price index. Due to the very high inflation experienced in 2022, this average has increased significantly relative to the previous year; in 2022 the WACC was 5.5%, while in 2021 it was 6.05%; (vi) from 2022 Climate-related matters were considered in our value-in-use calculations used to estimate the recoverable amounts of our vessels, although these were not deemed key assumptions as their impact on such values was not considered material by management. Regarding the expenditures arising from climate related matters, we included those required to meet the new EEXI environmental regulations approved by the IMO, by 'derating' the engines and installing energy saving devices in some of our older vessels. We have also included in such estimates the planned investments to improve the fuel efficiency of all our vessels, including through the use of 'low-friction' paint for the hulls. (please refer to note 1. Areas of uncertainty, for a more detailed discussion of how climate related matters could affect our industry as well as to the Environmental Impact and Regulatory framework within the Environmental responsibility section of the Non-financial Statements for expenditures in relation with improvement of energy efficiency). (vii) Depending on the expected developments for Covid-19, its effects would be taken into account in our value-in-use calculations: should it be the case, management would use lower time-charter equivalent rates for its open days (available vessel days still not covered through contracts) than the applicable 10-year market averages, to reflect weaker market conditions, to be followed by a recovery in rates. The negative effects of Covid-19 on the world economy and in the consumption of refined oil products has decreased significantly and are expected to diminish further in 2023 through the gradual ongoing reopening of the Chinese economy. Management therefore does not consider that Covid-19 will have a negative impact neither on its future revenues nor on its future operating and general and administrative expenses. (viii) the Ukrainian war had so far, a significant impact on the market for the seaborne transportation of refined products. The sanctions imposed by several economies and in particular, the EU, the US and the UK on Russia, have generated important inefficiencies in the market, which have reduced the productivity of product tankers and contributed to a tighter demand-supply balance, resulting in a large increase in freight rates. The war has therefore contributed to an increase in the near-term broker freight estimates used in our value-in-use calculations, which are higher than the last ten-years' average for 2023. Since management cannot forecast how long the Ukrainian war will last, for the following two years, 2024 and 2025, we have prudently assumed freight rates will decrease substantially relative to 2023, while remaining above the last ten-years' average, despite the strong market fundamentals. From 2026 time-charter equivalent rates have been assumed to be aligned with the last ten-years' average.

Impairment loss reversal, impairment loss

At the end of 2022, independent broker valuations of the Fleet's vessels were significantly higher than their book value, therefore a reversal of a previously recognised impairment, amounting to US$ 2.0 million, was recorded during Q4.

In the second half of 2021, management transferred two vessels it planned to sell within the following twelve months to 'Assets held-for-sale', in accordance with IFRS 5, the M/T High Venture and the M/T High Valor, recognising an impairment totalling US$ 6.4 million upon such transfer.

Please refer also to the management report for further information (more details in note 13).

Other assets

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

13. ASSETS HELD FOR SALE - LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE

US$ thousand	2022	2021
As at 1 January		
Opening net book amount	**10,197**	**-**
Transfer from PPE	-	20,683
Disposals, sales	(10,197)	(10,486)
As at 31 December		
Closing net book amount	**-**	**10,197**

US$ thousand	As at 31 December 2022	As at 31 December 2021
Liabilities related to assets held-for-sale	**-**	**2,336**

In January 2022, the two vessels considered as held for sale at the end of 2021 were delivered to their respective buyers. No vessels were recorded as "Assets held-for-sale" as at 31 December 2022, therefore no liabilities relating to such assets existed as at the same date.

As at 31 December 2021, the assets held-for-sale amounted to US$ 10.2 million and related to one of the two vessels which the company had classified as held-for-sale during the year; this vessel was delivered to its buyers in early January 2022 (please refer also to note 12). The liability relating to such asset, corresponding to the residual bank loan balance, amounted to US$ 2.3 million as at 31 December 2021.

14. OTHER FINANCIAL ASSETS (LIABILITIES)

US$ thousand	As at 31 December 2022			As at 31 December 2021		
	Non-current	Current	Total	Non-current	Current	Total
Fair value of derivative instruments	3,303	6,479	9,782	451	169	620
Deferred loss on leased assets	5,774	2,275	8,049	9,331	2,348	11,679
Financial receivable	26	33	59	67	157	224
Total other financial assets	**9,103**	**8,787**	**17,890**	**9,849**	**2,674**	**12,523**
Fair value of derivative instruments	(9)	(36)	(45)	(1,208)	(3,668)	(4,876)
Deferred profit on leased assets	(3,284)	(558)	(3,842)	(615)	(235)	(850)
Other financial liabilities	(39)	(2,535)	(2,574)	(39)	(862)	(901)
Total other financial liabilities	**(3,332)**	**(3,129)**	**(6,461)**	**(1,862)**	**(4,765)**	**(6,627)**

As at 31 December 2022, other non-current financial assets amount to US$ 9.1 million (31 December 2021: US$ 9.8 million) and include mainly the portion of cumulative deferred losses on the sale and leasebacks of vessels, which will be amortised beyond the next twelve months, amounting to US$ 5.8 million (31 December 2021: US$ 9.3 million), interest rate swaps hedging instruments valued at US$ 3.3 million (31 December 2021: interest rate hedging instruments valued at US$ 0.5 million), and finance lease receivables (sublease of office space by the subsidiary d'Amico Tankers UK Ltd) of US$ 0.03 million (31 December 2021: interest rate swaps hedging instruments valued at US$ 3.3 million (31 December 2021: interest rate hedging instruments valued at US$ 0.5 million), and finance lease receivables (sublease of office space by the subsidiary d'Amico Tankers UK Ltd amounting to US$ 0.07 million).

Total current financial receivable of US$ 8.8 million as at 31 December 2022 (31 December 2021: US$ 2.7 million), comprises US$ 2.3 million cumulative deferred losses on the sale and leasebacks of vessels, which will be amortised over the next twelve months (31 December 2021: US$ 2.3 million), interest rate swaps and foreign exchange hedging instruments valued at a total of US$ 6.5 million (31 December 2021: interest rate swaps valued at US$ 0.2 million), and lease receivable amounting to US$ 0.03 million (31 December 2021: US$ 0.1 million deposit of collateral funds and US$ 0.04 million lease receivable). The Group's exposure to various risks associated with financial instruments and the derivative instruments' fair value calculation techniques are discussed within note 24.

As at 31 December 2022, other non-current financial liabilities totalling US$ 3.3 million (31 December 2021: US$ 1.8 million) include mainly US$ 3.0 million receivable from the sale of the leased M/T High Discovery and MT/T High Fidelity and US$ 0.3 million deferred profit on the disposal of vessels sold and leased back (31 December 2021: US$ 0.6 million deferred profit on vessels sold and leased back) and the insignificant fair value of interest rate swap hedging instruments (31 December 2021: US$ 1.2 million fair value of interest rate swap hedging instruments).

As at 31 December 2022, other current financial liabilities totalling US$ 3.1 million (31 December 2021: US$ 4.8 million), comprise the fair value of interest rate swap hedging instruments amounting to US$ 0.04 million (31 December 2021: US$ 3.7 million), deferred profit on the disposal of vessels sold and leased back amounting to US$ 0.6 million (31 December 2021: US$ 0.2 million) and other current financial liabilities amounting to US$ 2.5 million, composed by financial interest accrued on bank loans and overdrafts (31 December 2021: US$ 0.9 million).

DIS' management evaluated whether its current and non-current financial assets and liabilities were affected by Covid-19, Ukraine War and high inflation rates, and deems that adjustments to these amounts aren't required (please refer also to notes n.1 and n.12. and to the Significant Events of the Period for further disclosure of areas of uncertainty impact on the Group).

16. INVENTORIES

US$ thousand	As at 31 December 2022	As at 31 December 2021
Inventories	**18,303**	**11,643**

Inventories represent stocks of Intermediate Fuel Oil (IFO), Marine Diesel Oil (MDO) – collectively bunker fuels – and luboils, onboard vessels. The amounts expensed during the period are detailed in notes 4 and 7.

16. RECEIVABLES AND OTHER CURRENT ASSETS

US$ thousand	As at 31 December 2022	As at 31 December 2021
Contractual receivables	63,783	20,970
Contract assets (accruals)	22,591	9,859
Prepayments (TC) charters, other receivables & accruals	1,964	4,745
Other debtors	3,160	1,530
Total	**91,498**	**37,104**

As at 31 December 2022, receivables and other current assets include contractual receivables amounting to US$ 63.8 million (31 December 2021: US$ 21.0 million), net of allowance for credit losses of US$ 1.1 million (31 December 2021: US$ 0.2 million). Contractual receivables are recognised when the right to consideration becomes unconditional, that is, in the case of voyage charters, when the voyage is completed, and the customer is billed. The DIS Group holds trade receivables with the objective of collecting the contractual cash-flows and therefore measures them subsequently at amortised cost. Details about DIS Group's impairment policies and the calculation of the loss allowance are described under note 25.

Revenue-related contract assets, represent accrued income arising from the DIS Group's right to consideration for work performed but not billed at the reporting date on the aforementioned voyage charters (conditional right to consideration for the part of the contractual obligation performed, which is invoiced at the end of the performance obligation) and amounts to US$ 22.6 million as at 31 December 2022 (US$ 9.9 million as at 31 December 2021). Changes in contract assets depend among others on the duration of voyages, on freight rate levels, and on the number of vessels employed through such contracts. 100% of the transaction price allocated to contract assets as at 31 December 2022 was invoiced during the month of January 2023.

Other prepayments, receivables and accruals amount to US$ 2.0 million (US$ 4.7 million as at 31 December 2021) and represent prepayments for TC-in contracts, other prepayments, and rebillable expenses.

Other debtors amounting to US$ 3.2 million in 2022 consist of non-trade receivables and agency advances (31 December 2021: non-trade receivables and agency advances of US$ 1.5 million).

The ageing of trade receivables is disclosed below.

US$ thousand	As at 31 December 2022	As at 31 December 2021
0-60 days	49,160	14,697
61-90 days	3,180	2,301
91-120 days	5,978	1,237
>120 days	5,465	2,735
Total	**63,783**	**20,970**

Amounts due over 90 and 120 days mainly represent demurrage receivables. Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historic payment behaviour and extensive analysis of customer credit risk, since they are mostly due by first-class counterparties (oil majors and large trading houses). DIS' clients are primarily oil majors and the leading commodity trading houses. The credit ratings of these counterparties were not affected by the war in Ukraine, with most of DIS' clients recording very strong results in 2022, also due to the increase in the oil price and in its volatility, resulting from the war, creating more arbitrage opportunities for trading. DIS hasn't therefore experienced so far and does not expect to experience in the future, an increase in credit losses or in overdue receivables, due to the Ukrainian war.

17. CASH AND CASH EQUIVALENTS

US$ thousand	As at 31 December 2022	As at 31 December 2021
Cash and cash equivalents	117,896	43,415

Cash and cash equivalent are represented by cash-on-board, cash at bank and short-term deposits with a maturity of up to 3 months.

18. SHAREHOLDERS' EQUITY

Changes in 2022 Shareholders' equity items are detailed in the statement of changes in shareholders' equity.

Share capital

In 2022, the share capital of the Company increased on 4 July by 10,000 shares (US$ 500.00) due to the exercise of an equivalent number of warrants, at a share price of € 0.412. The total amount of the aforesaid capital increase, including the share premium, was of € 4.1 thousand.

As at 31 December 2022, the share capital of d'Amico International Shipping amounted to US$ 62,053,278.45 corresponding to 1,241,065,569 ordinary shares with no nominal value (31 December 2021: US$ 62,052,778.45 corresponding to 1,241,055,569 ordinary shares with no nominal value).

The authorised capital of the Company, including the issued share capital, is set at US$ eighty-seven million five hundred thousand (US$ 87,500,000), divided into one billion seven hundred fifty million (1,750,000,000) shares with no nominal value.

Retained earnings (accumulated losses)

As at 31 December 2022, the item includes previous years and current year net results, as well as deductions for dividends approved for distribution.

Share premium reserve

The share premium reserve initially arose as a result of DIS Group's IPO and related increase of share capital in May 2007 and thereafter from further capital increases. By statutory provision these reserves are available for distribution. Certain costs and charges connected with the listing process and further capital raises (mainly bank commissions and related advisory fees and charges), have been deducted from the share premium reserve and are reported under "Other changes" within the consolidated Statement of changes in equity.

Share-based payment reserve

It was established to account for the part of the compensation relating to the Company's LTI plan which is settled with shares. In 2022 shares equivalent to an accrued amount of US$ 19,265 were delivered to the LTI plan's beneficiaries, while the accrued expense for the year, relating to amounts to be settled in shares was of US$ 225,448. An adjustment of US$ 6.4 thousand was made in relation to amounts accrued for prior-years.

Other reserves

The other reserves include the following items:

US$ thousand	As at 31 December 2021	Movement in 2022	As at 31 December 2022
Total Other reserves	(17,926)	11,522	(6,404)
Cash-flow hedge reserve (trough OCI)	(1,459)	11,166	9,707
Share-based payments reserve	38	200	238
Other	(16,505)	156	(16,349)
of which			
Treasury shares	(19,316)	128	(19,188)
Retranslation reserve (through OCI)	(218)	(129)	(347)
Legal and Consolidation reserves	3,029	157	3,186

Treasury shares

Treasury shares as at 31 December 2022 consist of 18,170,238 ordinary shares, with a book value of US$ 19.3 million, corresponding to 1.46% of the issued shares as at the same date. These shares were acquired as part of DIS' authorised own shares buyback programmes. A new own shares buyback programme was authorised by the Annual General meeting of the shareholders held on 20 April 2021, and subsequently enacted by the DIS' Board on 6 May 2021, allowing the Company to purchase up to 186,157,950 of its own ordinary shares (including the Own Shares already repurchased and held in the Company's portfolio, in compliance with Article 430-15 of the Luxembourg Law). The purpose of the new programme is the same as that of the previous programme that terminated in April 2021. During 2022 DIS delivered to the beneficiaries of its Long-Term Incentive Plan adopted in 2019, comprising DIS Group's key managers and executive directors, n.156,673 own shares at a total average cost of US$ 129 thousand (0.00013% of its share capital), as the first tranche of the compensation in-kind on the rolling 2019-2020 period. In 2022, DIS purchased none of its own shares, while in 2021, DIS purchased 2,849,015 own shares.

Hedging reserve

The cash-flow hedge reserve is not distributable and arose from the movement in the value of the effective portion of DIS' interest rate swap agreements connected to some of its bank facilities. Details of the fair value of the derivative financial instruments are set out in note 24.

Retranslational reserve

The reserve is not distributable and is the result of the conversion into US$ of the shareholders' equity of DIS Group's companies having functional currencies other than the United States Dollars.

Legal Reserve

The legal reserve is a requirement of Luxembourg Law. The balance is not distributable.

19. BANKS AND OTHER LENDERS

US$ thousand	As at 31 December 2022	As at 31 December 2021
Banks and other lenders – Non-current liabilities	266,124	226,771
Banks and other lenders – Current liabilities	51,086	66,534
Total	**317,210**	**293,305**

Bank loans outstanding as at 31 December 2021 comprised the following facilities:

Lender / Details	Asset	Repayment terms	interest%	Loan-to -value covenant	Financial covenants	Short-term	Long-term	Total 31 Dec. 2022
DTL								
Crédit Agricole CIB + 8 syndicated Banks / March 2016 US$ 250m Term Loan Facility (supplemented and amended)	Cielo di Londra	17 consecutive quarterly instalments + balloon at maturity	US$ LIBOR + 2.0 % or + 2.15% according to vessel employment	< 76.9%	Liquid assets > US$ 25m Net worth > US$ 100m Net worth ratio > 25%	1,720	22,120	23,840
Crédit Agricole CIB & ING Bank N.V. London Branch/ November 2020 US$ 29.0m Term Loan Facility	High Wind	20 consecutive quarterly instalments + US$ 10.91m balloon at maturity	US$ LIBOR + 2.00%-2.15% for first year and 2.50% for the remaining period	< 76.9%	Liquid assets > US$ 25m Net worth > US$ 100m Net worth ratio > 25%	1,263	13,438	14,701
Skandinaviska Enskilda Banken AB December 2021 US$ 20m Term Loan Facility	Cielo Bianco	20 consecutive quarterly instalments + US$ 12.4m balloon at maturity	US$ LIBOR + 2.4 % or + 2.3% according to vessel employment	< 76.9%	Liquid assets > US$ 25m Net Worth > US$ 100m Net worth ratio > 25%	1,520	16,960	18,480
ABN Amro N.V./ December 2021 US$43m Term Loan Facility (amended and restated from time to time – Sustainability Linked Loan)	Cielo di Gaeta	20 consecutive quarterly instalments + US$ 6.2m balloon at maturity	US$ LIBOR + 2.4 %[1]	< 76.9%	Liquid assets > US$ 25m Net worth > US$ 100m Net worth ratio > 25%	1,554	10,916	12,470
	Cielo di Hanoi	20 consecutive quarterly instalments + US$ 8.5m balloon at maturity	US$ LIBOR + 2.4 %[1]	< 76.9%	Liquid assets > US$ 25m Net worth > US$ 100m Net worth ratio > 25%	1,293	12,365	13,658
	Cielo di Ulsan	20 consecutive quarterly instalments + US$ 7.5m balloon at maturity	US$ LIBOR + 2.4 %[1]	< 76.9%	Liquid assets > US$ 25m Net worth > US$ 100m Net worth ratio > 25%	1,302	11,421	12,723
Banco BPM SpA/ December 2021 US$ 15.5m Term Loan Facility	Cielo di Salerno	20 consecutive quarterly instalments + US$ 8.97m balloon at maturity	US$ LIBOR + 2.4%	< 76.9%	Liquid assets > US$ 25m Net worth > US$ 100m Net worth ratio > 25%	1,305	13,216	14,521
Tokyo Century Corp. November 2015 US$ 21.78m Term Loan Facility	High Challenge	24+18 consecutive quarter-ly instalments + US$ 6.6m balloon at maturity	Term SOFR + 2.40%	<87.0%	Liquid assets > US$ 25m Net worth > US$ 100m Net worth ratio > 25%	1,452	11,979	13,431
Danish Ship Finance A/S / July 2022 US$ 25.2m Term Loan Facility	High Seas	28 consecutive quarterly instalments, no balloon at maturity	Compounded SOFR + 2.30%	< 76.9%	Liquid assets > US$ 25m Net worth > US$ 100m Net worht ratio > 25%	1,800	10,350	12,150
	High Tide					1,800	10,350	12,150

ING Bank N.V., London Branch & Skandinaviska Enskilda Banken AB/ July 2022 US$82m Term Loan Facility	Cielo di Cagliari	20 consecutive quarterly instalments + US$ 13.2m balloon at maturity	Compounded SOFR + 2.20%	< 76.9%	Liquid assets > US$ 25m Net worth > US$ 100m Net worth ratio > 25%	1,696	19,923	21,619
	Cielo Rosso	20 consecutive quarterly instalments + US$ 13.2m balloon at maturity				1,696	19,923	21,619
	Cielo di Rotterdam	20 consecutive quarterly instalments + US$ 13.2m balloon at maturity				1,696	19,923	21,619
	Cielo di New York	20 consecutive quarterly instalments + US$ 13.2m balloon at maturity				1,762	13,668	15,430
Crédit Agricole CIB & ING Bank N.V. London Branch/ September 2022 US$ 54.213m Term Loan Facility	Glenda Melanie	20 consecutive quarterly instalments, no balloon at maturity	Compounded SOFR + 2.30%	< 76.9%	Liquid assets > US$ 25m Net worth > US$ 100m Net worth ratio > 25%	1,845	6,919	8,764
	Glenda Melody	20 consecutive quarterly instalments + US$ 0.471m balloon at maturity				1,886	7,543	9,429
	Glenda Meryl	20 consecutive quarterly instalments + US$ 0.9m balloon at maturity				1,800	7,650	9,450
	Glenda Melissa	20 consecutive quarterly instalments + US$ 0.9m balloon at maturity				1,800	7,650	9,450
	Cielo di Capri	20 consecutive quarterly instalments + US$ 8.34m balloon at maturity				1,390	13,898	15,288
Skandinaviska Enskilda Banken AB/ December 2022 US$ 20m Term Loan Facility	High Adventurer	20 consecutive quarterly instalments + US$ 11.7m balloon at maturity	Compounded SOFR + 2.30%+ Sustainability differential (+/- 10bps)	< 76.9%	Liquid assets > US$ 25m Net worth > US$ 100m Net worth ratio > 25%	1,660	18,340	20,000
Banca Intesa / Hot Money	n.a.	n.a.	n.a.	n.a.	n.a.	10,000	-	10,000
Bank of Ireland/ Overdraft for working capital	n.a.	n.a.	n.a.	n.a.	n.a.	5,287	-	5,287
MPS / Overdraft	n.a.	n.a.	n.a.	n.a.	n.a.	2,415	-	2,415
Banco Popolare/ Overdraft	n.a.	n.a.	n.a.	n.a.	n.a.	1,956	-	1,956
Financial Fees						(812)	(2,428)	(3,240)
Total 31 December 2022						**51,086**	**266,124**	**317,210**

[1] Sustainability linked loan including a premium or penalty of up to 5bps in the margin depending on d'Amico Tanker's owned and bareboat fleet AER indicator relative to some established targets.

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Bank loans outstanding as at 31 December 2021 comprised the following facilities:

Lender / Details	Asset	Repayment terms	interest%	Loan-to -value covenant	Financial covenants	Short-term	Long-term	Total 31 Dec. 2021
DTL								
Crédit Agricole CIB + 8 syndicated Banks / March 2016 US$ 250m Term Loan Facility (supplemented and amended from time to time	Cielo di New York Cielo di Rotterdam Cielo di Cagliari Cielo Rosso Cielo di Londra	17/27 consecutive quarterly instalments + balloon at maturity (total balloon = US$ 89.056m)	US$ LIBOR + 2.0 % or + 2.15% according to vessel employment	< 76.9%	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	7,787	94,976	102,763
Crédit Agricole CIB & ING Bank N.V. London Branch/ November 2020 US$ 29.0m Term Loan Facility	High Priority	9 consecutive quarterly instalments, no balloon at maturity	US$ LIBOR + 2.50%	< 76.9%	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	1,669	680	2,349
	High Wind	20 consecutive quarterly instalments + US$ 10.91m balloon at maturity	US$ LIBOR + 2.00%-2.15% for first year and 2.50% for the remaining period	< 76.9%	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	1,263	14,700	15,963
DNB Bank ASA/ December 2018 US$ 16.25m Term Loan Facility	High Seas	20 consecutive quarterly instalments + US$ 8.87m balloon at maturity	US$ LIBOR + 2.80%	< 74.1%	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	1,476	10,347	11,823
ING Bank N.V., London Branch/ December 2018 US$ 15.6m Term Loan Facility	High Tide	20 consecutive quarterly instalments + US$ 8.5m balloon at maturity	US$ LIBOR + 2.70%	< 74.1%	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	1,418	9,927	11,345
Skandinaviska Enskilda Banken AB/ December 2021 US$ 20m Term Loan Facility	Cielo Bianco	20 consecutive quarterly instalments + US$ 12.4m balloon at maturity	US$ LIBOR + 2.4 % or + 2.3% according to vessel employment	< 76.9%	Liquid assets > US$ 25m Net Worth > US$ 100m Equity ratio > 25%	1,520	18,480	20,000
Banca IMI SpA/ October 2014 US$ 45.080m Term Loan Facility	Cielo di Capri	14 consecutive semi-yearly instalments + US$ 12m balloon for each vessel at maturity	US$ LIBOR + 2.65%	< 75.0%	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	1,506	12,753	14,259
ABN Amro N.V./ December 2021 US$43m Term Loan Facility (Sustainability Linked Loan)	Cielo di Gaeta	20 consecutive quarterly instalments + US$ 6.2m balloon at maturity	US$ LIBOR + 2.4 %[2]	< 76.9%	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	1,555	12,470	14,025
	Cielo di Hanoi	20 consecutive quarterly instalments + US$ 8.5m balloon at maturity	US$ LIBOR + 2.4 %[2]	< 76.9%	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	1,292	13,658	14,950
	Cielo di Ulsan	20 consecutive quarterly instalments + US$ 7.5m balloon at maturity	US$ LIBOR + 2.4 %[2]	< 76.9%	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	1,302	12,723	14,025
Tokyo Century Corporation/ December 2014 US$ 41.6m Term Loan Facility	Cielo di Salerno	24 consecutive quarterly instalments + US$ 12.5m balloon for each vessel at maturity	US$ LIBOR + 2.3%	<87.0%	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	13,860	-	13,860
Tokyo Century Corporation/ November 2015 US$ 21.78m Term Loan Facility	High Challenge	24 consecutive quarterly instalments + US$ 13.1m balloon at maturity	US$ LIBOR + 2.175%	<87.0%	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	1,452	13,431	14,883

Tokyo Century Corporation/ August 2016 US$ 10.47m General Working Capital Facility	Cielo di Salerno High Challenge	22 consecutive quarterly instalments, no balloon at maturity	US$ LIBOR + 2.45%	n.a.	Liquid assets > US$ 25m Net worth > US$ 100m Equity ratio > 25%	812	-	812
Banca Intesa / Hot Money	n.a.	n.a.	n.a.	n.a.	n.a.	10,000	-	10,000
Bank of Ireland/ Overdraft for working capital	n.a.	n.a.	n.a.	n.a.	n.a.	5,634	-	5,634
Banco Popolare/ Overdraft	n.a.	n.a.	n.a.	n.a.	n.a.	2,076	-	2,076
MPS / Overdraft	n.a.	n.a.	n.a.	n.a.	n.a.	5,548	-	5,548
GIS								
Standard Chartered Bank/ September 2020 US$ 45m Term Loan Facility [3]	Glenda Melanie Glenda Melissa Glenda Melody Glenda Meryl	24 consecutive quarterly instalments, no balloon at maturity	US$ LIBOR +2.40%	< 75.2% for first 3Y then < 70.4%	n.a.	3,750	14,063	17,813
DIS								
UniCredit SpA/ Overdraft for working capital	n.a.	n.a.	n.a.	n.a.	n.a.	3,752	-	3,752
Financial Fees						(1,138)	(1,437)	(2,575)
Total 31 December 2021						**66,534**	**226,771**	**293,305**

[2] Sustainability linked loan including a premium or penalty of up to 5bps in the margin depending on d'Amico Tanker's owned and bareboat fleet AER indicator relative to some established targets.

[3] GIS is a proportionally consolidated subsidiary. In DIS' consolidated accounts we therefore include only 50% of such loans, a portion which is equivalent to d'Amico Tankers d.a.c. participation in GIS' share capital.

All bank loans are guaranteed by d'Amico International Shipping S.A. and comply with their respective covenants in both the 2022 and 2021 financial years.

DIS' mortgage loans outstanding as at 31 December 2022 amounted to US$ 300.8 million, of which an amount outstanding of US$ 262.3 million already include clauses which regulate the transition from US$ LIBOR to SOFR. For DIS' remaining mortgage loans with an amount outstanding of US$ 38.5 million as at 31 December 2022, the Company is currently finalising the amendments to the documents which will regulate this transition.

DIS also has one lease facility outstanding with an amount outstanding of US$ 16.5 million as at 31 December 2022, which will have to transition from the US$ LIBOR to SOFR. The Company is currently finalising the amendments to the documents which will regulate this transition.

Finally, DIS also has facilities not subject to mortgages (overdraft or medium-term financings), amounting to US$ 20.1 million as at 31 December 2022, of which US$ 19.6 million was outstanding as at the same date. Of these facilities an amount corresponding to US$ 2.6 million will have to transition from US$ LIBOR rates to SOFR. The company will soon start working on the amendments to the documents that will regulate this transition.

This transition to SOFR does not increase our expose to interest rate risk and doesn't change the entity's risk management policy.

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20. LEASE LIABILITIES

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

US$ thousand	As at 31 December 2022	As at 31 December 2021
Total future minimum lease payments (gross investment)	**263,561**	**331,439**
due within one year	81,932	51,297
due in one to five years	106,637	196,047
due over five years	74,992	84,095
Principal repayments of minimum lease payments	**221,965**	**273,958**
due within one year	71,740	36,480
due in one to five years	81,827	160,685
due over five years	68,398	76,793
Finance charge included in the minimum lease payments	**41,596**	**57,481**
of which pertaining to the period	17,157	17,139

The carrying amount of the assets held under finance leases, as well as the main lease terms, are disclosed under note 12; the annual rate of return on DIS' leasing transactions were, at the moment they were closed, aligned with market rates. A non-lease component (service element) is excluded the from initial calculation of the lease liability for time-charter contracts; its amount was estimated at US$ 6,926/day flat, for the entire term of all such contracts, in line with the following year's budgeted amounts for operating costs for the owned vessels of the Fleet, at the time of initial recognition.

21. PAYABLES AND OTHER CURRENT LIABILITIES

US$ thousand	As at 31 December 2022	As at 31 December 2021
Trade payables	25,339	24,043
Other creditors	2,695	1,164
Accruals & deferred income	2,700	2,458
Total	**30,734**	**27,665**

Payables and other current liabilities as at 31 December 2022 as well as at 31 December 2021, mainly include trade payables. They include a provision for the cash component of the employee benefits relating to DIS' long-term incentive plan, amounting to US$ 1.0 million as at December 31, 2022. The carrying amount of DIS' payables is considered to be the same as their fair value, due to their short-term nature.

The DIS Group has financial risk management policies in place to ensure all payables are settled within agreed terms. Further information is disclosed in note 24.

22. CURRENT TAX PAYABLE

US$ thousand	As at 31 December 2022	As at 31 December 2021
Current tax liabilities	**101**	**43**

The balance at the end of 2022 and at the end of 2021 relates to the corporate income taxes payable by DIS' subsidiaries and the net wealth tax payable by DIS Group's holding company.

23. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

US$ thousand	As at 31 December 2021	Net cash-flows	Non-cash changes							As at 31 December 2022
			Amortised financial fees	Lease cost	Change in contractual terms write-off*, and foreign exchange	Inception of lease	Derivatives P&L Realised movements	Derivatives P&L Unrealised movements	Cash-flow hedge OCI	
Lease liabilities	**273,958**	(47,694)	-	17,157	(22,717)	1,261	-	-	-	**221,965**
Banks and other lenders	**295,641**	19,799	1,770	-	-	-	-	-	-	**317,210**
Liabilities from derivative instruments	**4,255**	(1,605)	-	-	-	-	1,620	(2,840)	(11,166)	**(9,736)**

*cancellation of residual lease payments, following exercise of the purchase option and new lease (inception) on M/T High Fidelity and M/T High Discovery.

24. FINANCIAL RISK MANAGEMENT

The DIS Group is exposed to a variety of risks connected with its operations. DIS must take new risks to conduct its business and achieve its objectives, but aims to do so by identifying, measuring, managing and controlling them, so as to ensure the Company's long-term success. The shipping industry is highly sensitive to market fluctuations, which can determine significant changes in freight rates and vessel prices. One of DIS' key risk management objectives is to reduce DIS' earnings exposure to cyclical fluctuations.

During the budget process, the DIS Group identifies the key risks, and seeks to systematically take the necessary actions to manage such exposures also through hedges with derivative financial instruments. Specific risk control policies and guidelines are in place to measure the DIS Group's aggregate trading limits and variances on a regular basis. Duties are distributed between its back-and front offices, to properly monitor compliance with internal control procedures. This section provides qualitative and quantitative disclosure on the effects that those risks may have on the DIS Group.

The Control and Risk Management Committee – established within the Board of Directors – develops and monitors the DIS Group's risk management policies, reporting regularly to the Board on its activities, as required by the Company's Corporate Governance structure.

DIS adopted an Internal Control and Risk Management System aimed at identifying, measuring, managing and monitoring the main risks faced by the Company. The system contributes to safeguard corporate assets, the efficiency and effectiveness of management procedures, the reliability of financial information and the compliance with laws and regulations, as well as the Company's by-laws and internal procedures.

DIS Group's financial instruments consist mainly of deposits with banks, accounts receivable and payables, loans to and from associated entities, loans from banks, leases and derivatives.

Market risk

DIS and its subsidiaries are exposed to market risk in respect of vessels trading on the spot market, since they are exposed to fluctuations in market freight rates. In particular, when chartering-out vessels the hire rates may be too low to ensure an adequate return or to cover costs. The following risk management strategies are applied: (i) If possible, the DIS Group aims to cover a portion of its available vessel days over the next twelve months, thus reducing its exposure to the spot market; (ii) the vessels trade on a worldwide basis to reduce the effect of different regional market conditions; (iii) DIS Group uses derivative financial instruments, such as freight forward agreements and bunker swaps, to manage its exposure to spot market rates.

Financial markets risk

As a multinational group that has operations throughout the world, DIS is exposed to the market risk of changes in foreign currency exchange rates and fluctuation in interest rates.

Currency risk

DIS uses US$ as a functional currency and the majority of its transactions are denominated in U.S. Dollars. The DIS Group is exposed to currency risk in respect of transactions denominated in currencies other than U.S. Dollars.

The DIS Group monitors its exposure to currency risk on a regular basis. Management does not consider the DIS Group has significant exposure to foreign exchange risk from operational activities, as almost all of the DIS Group's revenues and most of its operating costs are denominated in U.S. Dollars. The DIS Group systematically identifies and monitors its exposure to foreign currency fluctuation and imbalances, to detect potential negative effects in advance and take the necessary mitigating actions, hedging its foreign currency exposure, when appropriate, to keep it within acceptable levels. In particular, the exchange rate exposure on forecasted financial and operational cashflows could be hedged by currency swaps, forward contracts and currency options, subject to specific risk policies and guidelines and internal control procedures. In 2022, DIS' forward currency exchange contracts were deemed effective cash flow hedges with their unrealized results recognized in equity reserves as other comprehensive income. Counterparties to these agreements are major financial institutions. Certain transactions may also have as counterpart the related party, d'Amico Finance d.a.c.

The foreign exchange risk relating to cash flows not denominated in U.S. Dollars, arises mainly from administrative expenses and operating costs denominated in Euros. For 2022, foreign currency payments amounted to an equivalent of US$ 26.2 million, representing 11.23 % of total operational, administrative, financial and fiscal expenses, with Euro transactions representing 8.9% of such total payments (79.4% of total foreign currency payments). Other foreign currencies do not represent a significant portion of DIS' cash flows. Net of forward currency exchange contracts used for hedging purposes, foreign currency payments amounted to an equivalent of US$ 14.6 million.

US$ thousand	2022		2021	
	+ 10%	- 10%	+ 10%	-10%
US$ / Ccy	1,364	(1,364)	2,678	(2,678)

Through a sensitivity analysis, we established that net of currency hedges a 10% fluctuation in the U.S. Dollar exchange rate against all other currencies would have resulted in a variation of +/- US$ 1.4 million in the Group's 2022 net result (US$ +/- 1.0 million in 2021). The DIS Group's overall sensitivity to currency risk has not changed significantly from the prior year.

In 2022, DIS also hedged its exposure in Yen in relation to the exercise of two purchase options on vessels previously time chartered-in. In detail:

- it purchased in 2022, 4.1 billion Yen (equivalent to US$30.0 million) against US$ through forward currency exchange contracts, to hedge the exposure relating to the exercise of the purchase option for the M/T High Adventurer, delivered to d'Amico Tankers in December 2022. This contract was closed upon the vessel's delivery to d'Amico Tankers d.a.c.

- it purchased in 2022, 4.1 billion Yen (equivalent to US$30.0million) against US$ through forward currency exchange contracts, to hedge the exposure relating to the exercise of the purchase option for the M/T High Explorer, which is expected to be delivered to the Company in May 2023. This contract was still open as at 31 December 2022.

Both of these contracts were deemed effective hedges. The unrealised result of the hedge for the M/T High Explorer as at year-end was accounted for in equity reserves through other comprehensive income.

Interest rate risk

The DIS Group is exposed to interest rate risk since its bank deposits and its credit facilities used to finance the purchase of new-buildings and second-hand vessels, respectively, earn or pay interest at variable rates. The risk is managed by the DIS Group through interest rate swap contracts and the hedging activity is regularly evaluated to ensure an adequate coverage is in place.

The risk management strategies provide that: (i) a portion of d'Amico Tankers d.a.c.'s (a fully-owned subsidiary of d'Amico International Shipping SA) facilities are fixed using Interest rate swap (IRS) agreements. For the agreements classified as a hedge for accounting purposes (IFRS9), the effective portion of the gain or loss on the hedging instrument is recognised under other comprehensive income. For interest swaps which are not considered hedges, the change in fair value is recognised directly through the income statement. Management considers that by fixing a portion of the loan's interest expense, it improves the predictability of future interest costs, to a level considered appropriate for the business, allowing the DIS Group to reduce the risk of significant fluctuations in interest rates (cash-flow hedge). To comply with the ongoing requirements of hedge accounting the effectiveness of the hedge is reviewed and confirmed on a quarterly basis; (ii) Management continuously reviews financing conditions available in the market to ensure its facilities are competitive.

Interest rate (i) Sensitivity

US$ thousand	2022		2021	
	i+1% Increase	*i*-1% Decrease	*i*+1% Increase	*i*-1% Decrease
Interest rate cost (net of hedges)	508	(508)	355	(355)
Interest rate swap year-end valuation	2,710	(2,710)	3,648	(3,648)

Net of the interest rate swap hedges and assuming all other variables are unchanged, an increase in the level of interest rates of 100 basis points would have increased net financial charges by US$ 0.5 million (US$ 0.4 million in 2021) while a reduction in interest rates of 100 basis points would have decreased net financial charges by US$ 0.5 million (US$ 0.4 million in 2021). As at 31 December 2022, had interest rates been 100 bp higher/lower, with all other variables unchanged, the valuation of the swaps would have increased by US$ 2.7 million or decreased by US$ 2.7 million, respectively (2021: US$ 3.6 million increase or decrease, respectively).

The following movements in the cash-flow hedge reserve relate to interest rate and foreign-exchange hedges:

US$ thousand	Cash-flow hedge reserve Interest rate swap	Cash-flow hedge reserve forward ccy contracts	Cash-flow hedge reserve
As at 1 January 2021	(5,845)	137	(5,708)
Change in fair value of hedging instruments recognised in OCI	4,697	(446)	4,251
as at 31 December 2021	(1,148)	(309)	(1,457)
Change in fair value of hedging instruments recognised in OCI	8,921	2,245	11,166
as at 31 December 2022	7,773	1,936	9,709

Financial instruments – Fair values and Risk Management

Fair value risk and valuation techniques

The fair value of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (Level 1).
- The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash-flow analysis is performed. *Foreign currency forward contracts are measured* using quoted forward exchange rates and yield curves derived from quoted interest rates matching the maturities of the contracts (Level 2). *Interest rates swaps* are measured at the present value of the future cash-flow estimated and discounted based on the applicable yield curves derived from quoted interest rates.
- The fair value of other financial assets and financial liabilities (excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash-flow analysis.
- The fair value of financial instruments accounts for the risk of counterparty (financial assets) and the entity's own credit risk (liabilities).

Accounting classification and fair values

The following table shows the carrying amounts and the fair values of financial assets and liabilities, and their related accounting policies, together with their levels within the fair value hierarchy, as at 31 December 2022.

31 December 2022

US$ thousand	Amortised cost	FVTPL	Derivatives used for hedging (FV)	Total	Fair Value		Total
					Level1	*Level 2*	
ASSETS							
Other financial assets	8,108	-	9,782	17,890	-	9,782	9,782
Receivables and other current assets	91,498	-	-	91,498	-	-	-
Cash and cash equivalents	117,896	-	-	117,896		-	-
LIABILITIES							
Banks and other lenders	317,210	-	-	317,210	-	-	-
Liabilities from leases	221,965	-	-	221,965	-	-	-
Other financial liabilities	6,416	28	45	6,489	-	73	73
Payables and other current liabilities	30,734	-	-	30,734	-	-	-

The following table shows the carrying amounts and the fair values of financial assets and liabilities, and their related accounting policies, together with their levels within the fair value hierarchy, as at 31 December 2021.

31 December 2021							
US$ thousand	**Amortised cost**	**FVTPL**	**Derivatives used for hedging (FV)**	**Total**	**Fair Value** *Level1*	*Level 2*	**Total**
ASSETS							
Other financial assets	8,928	3,359	620	12,907	-	3,979	3,979
Receivables and other current assets	37,104	-	-	37,104	-	-	-
Cash and cash equivalents	43,415	-	-	43,415	-	-	-
LIABILITIES							
Banks and other lenders	293,305	-	-	293,305	-	-	-
Liabilities from leases	273,958	-	-	273,958	-	-	-
Other financial liabilities	1,716	35	4,876	6,627	-	4,911	4,911
Payables and other current liabilities	27,665	-	-	27,665	-	-	-

The Level 2 financial instruments in the above tables refer to derivative instruments held at fair value. Counterparties to these derivatives are financial institutions which are rated from A1 to Ba1 (Moody's). Due to the high credit rating of these financial institutions, no adjustments for non-performance risk are deemed necessary.

The fair value of receivables and payables is equivalent to their carrying amount, due to their short-term nature.

The carrying amount of financial assets represents the maximum credit exposure.

In 2022, the realised losses amounted to US$ 1.1 million, relating to FFA and foreign exchange hedging derivatives (2021: realised losses of US$ 0.2 million from FFA and foreign exchange hedging derivatives); unrealised gains in 2022 amounted to US$ 2.3 million, relating to interest rate swaps (2021: US$ 1.7 million unrealised gain relating to interest rate swaps). There weren't unrealised losses recorded neither in 2022 nor in 2021.

Derivative instruments

Interest rate swaps

As at 31 December 2022, d'Amico Tankers d.a.c. had in place twenty interest rate swap contracts (IRS) to hedge the risk relating to interest rates on bank financing. All of these interest rate swaps are linked to the financing of vessels and deemed highly effective hedges, with the effective part of the unrealized gain/loss for the period recognized in other comprehensive income and the ineffective part recognised in profit or loss. These contracts were held with the following counterparties: one with Bank of Ireland, five with ING Bank N.V., five with ABN Amro Bank N.V., three with Banco BPM S.p.A., one with MPS Capital Services Banca per le Imprese S.p.A., one with DnB Bank ASA and four with Skandinaviska Enskilda Banken AB.

The following table shows the accounting impact of the year-end valuation of the DIS Group's interest rate swaps in DIS' profit and loss and year-end other equity reserves in 2022 and 2021:

US$ thousand	2022		2021	
	Profit or Loss	Δ Equity Reserve	Profit or Loss	Δ Equity Reserve
Interest rate swaps, year-end valuation	28	8,921	(1,656)	4,251

The outstanding derivative instruments fair value at the end of the year is shown under Other Current/Non-current financial assets and Other current/Non-current financial liabilities (please refer also to note 14).

Forward currency contracts

As at 31 December 2022, the DIS Group had hedging arrangement in place to cover exchange rate fluctuations for a notional amount of EUR 8.4 million (as at 31 December 2021 notional amount of EUR 8.4 million). The DIS Group also had as at year-end 2022, forward currency contracts for the purchase of 4.1 billion Yen against US$, to hedge the currency exposure relating to the exercise of the purchase option for the M/T High Explorer, expected to be delivered to d'Amico Tankers d.a.c. in May 2023.

The following table shows the accounting impact of the year-end valuation of the DIS Group's Euro forward currency contracts in DIS' profit and loss and year-end other equity reserves in 2022 and 2021:

US$ thousand	2022		2021	
	Profit or Loss	Δ Equity Reserve	Profit or Loss	Δ Equity Reserve
Euro forward currency contract, year-end valuation	-	455	219	-

The following table shows the accounting impact of the year-end valuation of the DIS Group's Yen forward currency contracts in DIS' profit and loss and year-end other equity reserves in 2022 and 2021:

US$ thousand	2022		2021	
	Profit or Loss	Δ Equity Reserve	Profit or Loss	Δ Equity Reserve
Yen forward currency contract, year-end valuation	-	1,790	-	-

The outstanding derivative instruments fair value at the end of the year is shown under Other current/Non-current financial assets and Other current/Non-current financial liabilities (please refer also to note 14).

Measurement of Fair Value

The fair value measurement for interest rate swaps has been categorised within Level 2, since their fair value measurement is derived from inputs other than quoted prices that are observable (please refer to note 1). The disclosures envisaged for Level 3 categories of fair value are not applicable to the current measurement.

The fair value of existing derivative instruments and hedging instrument is recurrent, at each closing date.

The counterparties to DIS' derivatives contracts are banks and financial institution counterparties, which are rated A1 to Ba1 (Moody's).

Credit risk

The DIS Group is exposed to credit risk resulting from the possible non-performance of any of its counterparties, primarily customers, agents, joint venture partners and financial institutions. The DIS Group normally deals only with creditworthy counterparties and has financial risk management policies in place to ensure all payables are settled within agreed terms. Such policies include a continuous monitoring and evaluation, also of the default risk of the industry and country in which its customers operate, to limit its exposure to delayed payments. To minimise its credit risk the DIS Group has the following risk management strategies: (i) for receivables, balances are reviewed on an ongoing basis. The recovery of demurrage income and expenses incurred on behalf of charterers is followed by a dedicated team. DIS' customers include several oil majors, and large oil trading companies. Historically DIS has, therefore, not experienced significant losses on trade receivables. Nevertheless, the DIS Group recognises an allowance for impairment that represents its estimate of losses that will be incurred with respect to trade and other receivables; (ii) for payments relating to services such as crew management, technical and bunker purchases, advances are planned to minimise credit risk. (iii) for instalment payments relating to vessels under construction, advances are covered by appropriate bank guarantees from creditworthy institutions; (iv) for payments to port agents, these are managed by the DA Desk, a professional and external organisation specialised in ensuring an effective and timely execution of commercial transactions. The relationships with the agents and the DA Desk are managed through an in-house team with significant experience. (v) for banks holding its cash deposits, the Group's policy is to deal only with large institutions with strong credit ratings, a first-class reputation and in most cases, specialised in shipping. (vi) the possible effects of Covid-19 on the DIS Group's counterparties was evaluated and it was established that it did not increase the credit risk of our customers (please refer also to the Significant Events of the period for further disclosure). (vii) the effects of Ukraine on DIS Group's counterparties war evaluated and it was established that it did not increase the credit risk of our customers. DIS' clients are primarily oil majors and the large oil trading companies. The credit ratings of these counterparties were not affected by the war in Ukraine, with most of DIS' clients recording very strong results in 2022, also due to the increase in the oil price and in its volatility, resulting from the war, creating more arbitrage opportunities for trading. (please refer also to notes n.1, n.12 and to the Significant events of the period.)

DIS' top 10 customers in 2022 represented approximately 43.6% of its revenues (2021: 55.8%). As at 31 December 2022, 58.6% of the total trade receivables were due from the DIS Group's ten largest customers (as at year-end 2021: 29.1%). DIS primarily deals with oil majors and large oil trading companies, with strong credit ratings. Counterparty risks, therefore, mainly relate to demurrage receivables and expenses incurred on behalf of charterers. Each of these receivables are regularly monitored on an individual basis.

To measure the expected credit losses, management has used time-slots risk indices for overdue demurrages as per the table below (please also refer to the accounting principles). The following tables show relevant data for 2022:

US$ thousand	< 30 days	30<days < 60	60< days <90	90< days < 120	> 120 days	Total
Demurrage receivable	5,173	6,735	2,354	5,674	3,504	**23,440**
Percentage of risk of overdue receivables	3.5%	4.0%	4.5%	5.5%	6.8%	**-**
YE '22 provision for life-time credit loss (gross interest)	181	269	106	312	216	**1,084**
YE '22 life-time impairment of credits under legal dispute	-	-	-	-	-	**-**

The following tables show relevant data for 2021:

US$ thousand	< 30 days	30<days < 60	60< days <90	90< days < 120	> 120 days	Total
Demurrage receivable	1,414	1,166	1,201	870	615	**5,266**
Percentage provision for expected credit loss	3.5%	4.0%	4.5%	5.5%	6.8%	**-**
YE '21 provision for life-time credit loss (gross interest)	51	47	53	48	42	**241**
YE '21 life-time impairment of credits under legal dispute	-	-	-	-	-	**-**

As at year-end 2022 allowances for credit losses increased by US$ 0.8 million relative to 31 December 2021; the total allowance for trade and other receivables losses as at 31 December 2022 amounted to US$ 1.1 million (2021: US$ 0.2 million).

The Group has significant cash deposits with the following banks, which have the following credit ratings from Moody's: BGL BNP Paribas (A2), Banco BPM (Ba1), Credit Agricole Bank (Aa3), DNB (Aa2), JP Morgan (A1), and Bank of Ireland (Baa1).

Other financial assets as at 31 December 2022 (not taking into consideration the unamortized deferred losses on the sale and leasebacks of vessels) are mainly made up of the US$ 3.3 million fair value of derivative instruments (please refer also to note 15 for further details).

Under IFRS 9, these assets are assessed at each period-end to ascertain whether the credit risk relating to them has increased significantly since its initial recognition. If it has, then an allowance is made for the lifetime expected credit losses. If it has not, then only credit losses expected on defaults within 12 months of the period end are recognised. Risk of default is assessed on an individual basis on the counterparty and expected credit losses are measured based on the historical and current data.

Liquidity risk

The DIS Group experiences liquidity risk since due to its exposure to the spot market, freight rates earned might not be sufficient to cover its operating costs, required investments and financial commitments, leading to a reduction in cash balances.

DIS manages its liquidity risk through appropriate financial planning, which is regularly reviewed and updated. DIS targets a capital structure that balances the significant credit lines and funds currently available with the expected cash generation of the operating activities, to allow it to maintain an adequate level of liquidity. In this respect, the DIS Group also seeks to manage the terms, maturity and composition of its financing facilities. The DIS Group's capital structure is set within the limits established by the Company's Board of Directors and the DIS Group's Management regularly reviews the DIS Group's facilities and cash requirements.

Despite the challenging credit market conditions, the DIS Group has succeeded in maintaining access to a wide range of funding at competitive rates through financial institutions, private debt capital and the capital markets (see also note 20 and 21).

The following tables detail for the years 2022 and 2021, respectively, the DIS Group's prospective cashflows, relating to principal repayments, for its financing liabilities based on contractual terms. The tables have been drawn-up based on undiscounted cash-flows, excluding interest, on the earliest date in which the DIS Group can be required to pay.

US$ thousand	As at 31 December 2022				
	< 1 y	1-2 y	2-5 y	> 5 y	Total
Total banks and other lenders	51,086	51,426	208,398	6,300	**317,210**
Leasing	71,740	19,403	62,424	68,398	**221,965**
Total	**122,826**	**70,829**	**270,822**	**74,698**	**539,175**

US$ thousand	As at 31 December 2021				
	< 1 y	1-2 y	2-5 y	> 5 y	Total
Total banks and other lenders	66,534	129,957	96,814	-	**293,305**
Banks financing assets held-for-sale	2,336	-	-	-	**2,336**
Leasing	36,480	38,193	122,492	76,793	**273,958**
Total	**105,350**	**168,150**	**219,306**	**76,793**	**569,599**

For all financial liabilities, as disclosed in the maturity analysis above, it is not expected that the cash-flows could occur significantly earlier or with significantly different amounts.

26. RELATED-PARTY TRANSACTIONS

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

The business relationships with the related parties are generally conducted under the same conditions as for non-related parties.

Related party transactions and outstanding balances between d'Amico International Shipping S.A. and its subsidiaries (intra-group related party transactions) are disclosed in the statutory financial statements.

The significant transactions for the DIS Group for 2022 and with these related parties, are the following:

US$ thousand	2022		2021	
	Total	Of which related parties	Total	Of which related parties
Revenue	479,619	10,933	246,455	8,278
Voyage costs	(149,661)	(399)	(72,369)	(327)
Bareboat charter revenue	4,812	-	888	-
Time charter hire costs	(3,250)	-	(3,395)	-
Other direct operating costs	(86,152)	(7,342)	(91,107)	(7,312)
General and administrative costs	(15,544)	(4,702)	(14,006)	(5,862)
Result from disposal of vessels	(3,212)	(20)	(2,144)	-
Depreciation, impairment and impairment reversal	(60,934)	(488)	(71,224)	(505)
Net financial income (charges)	(30,406)	(771)	(29,914)	(49)

Voyage costs include purchases of fuel oil and gasoil from Rudder SAM, on a back-to-back basis from third-party suppliers, at an average margin per metric ton of US$ 3.49 in 2022 and US$ 3.44 in 2021, for 114,511 Mts in 2022 and 87,213 Mts in 2021, resulting in a gross margin for Rudder SAM of US$ 399 thousand in 2022 and US$ 300 thousand in 2021. The total amount invoiced by Rudder SAM to the DIS Group in relation to these transactions was US$ 97.3 million in 2022 and US$ 46.1 million in 2021.
Please refer also to the Environmental responsibility section of the Non-financial statements for details of technical management services provided to the DIS Group by the d'Amico Group.

The effects of related party transactions on DIS Group's consolidated statement of financial position not elsewhere disclosed in the present financial report as at 31 December 2022 and 31 December 2021, are the following:

US$ thousand	As at 31 December 2022		As at 31 December 2021	
	Total	Of which related parties	Total	Of which related parties
ASSETS				
Non-current assets				
Property, plant and equipment and Right-of-use assets	809,298	1,559	821,434	720
Other non-current financial assets	9,103	-	9,849	67
Current assets				
Inventories	18,303	-	11,643	-
Receivables and other current assets	91,498	4,367	37,104	4,020
Other current financial assets	8,787	-	2,674	36
Cash and cash equivalents	117,896	-	43,415	-
Assets held for sale	-	-	10,197	-
LIABILITIES				
Non-current liabilities				
Banks and other lenders	266,124	-	226,771	-
Non-current lease liabilities	150,225	982	237,478	672
Other non-current financial liabilities	3,332	-	1,862	-
Current liabilities				
Banks and other lenders	51,086	-	66,534	-
Liabilities from leases	71,740	488	36,480	126
Payables and other current liabilities	30,734	7,422	27,665	5,581
Other current financial liabilities	3,129	-	4,765	-
Current taxes payable	101	-	43	-
Banks associated with assets held-for-sale	-	-	2,336	-

The effects, by legal entity, of related party transactions on the Group's consolidated Income Statement for 2022 are the following:

US$ thousand	d'Amico International Shipping (consolidated)	Total for Related Party	d'Amico Shipping UK Ltd	d'Amico Dry d.a.c	d'Amico International S.A.	d'Amico Società di Nav SpA	d'Amico. Shipping Singapore	d'Amico. Shipping USA	Ishima Pte.Ltd.	Rudder SAM	COGEMA SAM	St.Andrews Estates Limited sarl	d'Amico Dry Maroc
Total revenue	**484,431**												
of which													
Freight out		10,933	-	-	-	-	10,933	-	-	-	-	-	-
Voyage costs	**(149,661)**												
of which													
Bunkers		(399)	-	-	-	-	-	-	-	(399)	-	-	-
Commissions		(122)	-	-	-	-	(122)	-	-	-	-	-	-
Other direct operating costs	**(86,152)**												
of which													
Technical management expenses and SQE		(7,342)	-	-	-	(6,787)	-	-	(555)	-	-	-	-
General & Administrative costs	**(15,544)**												
of which													
Rent		(535)	-	(127)	(29)	-	-	-	-	-	-	(379)	-
Service agreement - LTI		(81)	-	-	-	-	(36)	(45)	-	-	-	-	-
Service agreement - Consultancy		(4,585)	(245)	-	-	(2,454)	-	(1,122)	-	-	(790)	-	26
Result on disposal of vessels	**(3,212)**												
of which													
Commissions		(20)	(20)	-	-	-	-	-	-	-	-	-	-
Depreciation, impairment and impairment reversal	**(60,934)**												
of which													
Depreciation of RoU		(488)	-	(107)	(29)	-	-	-	-	-	-	(352)	-
Net financial income (charges)	**(30,406)**												
of which													
Lease income (cost)		(77)	4	(35)	(1)	-	-	-	-	-	-	(45)	-
Total		**(2,716)**	**(261)**	**(269)**	**(59)**	**(9,241)**	**10,775**	**(1,167)**	**(555)**	**(399)**	**(790)**	**(776)**	**26**

Additional related-party transactions include payments to the directors and key managers of DIS Group totalling US$ 1.8 million (2021: US$ 1.9 million).

The following table shows the effects, by legal entity, of related party transactions on the DIS Group's consolidated income statement for the year 2021:

US$ thousand	d'Amico International Shipping (consolidated)	Total for Related Party	d'Amico Shipping UK Ltd	d'Amico Dry d.a.c.	d'Amico International S.A.	d'Amico Società di Nav. SpA	d'Amico Shipping Singapore	d'Amico. Shipping USA	Ishima Pte.Ltd.	Rudder SAM	COGEMA SAM	St.Andrew Estates Limited sarl
Total revenue	**247,343**											
of which												
Freight out		8,278	-	-	-	-	8,278	-	-	-	-	-
Voyage costs	**(72,369)**											
of which												
Bunkers		(300)	-	-	-	-	-	-	-	(300)	-	-
Commissions		(27)	-	-	-	-	(27)	-	-	-	-	-
Other direct operating costs	**(91,107)**											
of which												
Technical management expenses and SQE		(7,312)	-	-	-	(6,918)	-	-	(394)	-	-	-
General & Administrative costs	**(14,006)**											
of which												
Service agreement - Consultancy		(5,862)	(150)	-	-	(1,704)	(1,827)	(1,022)	-	-	(1,159)	-
Depreciation and impairment	**(71,224)**											
of which												
Depreciation of RoU		(505)	-	(107)	(28)	-	-	-	-	-	-	(370)
Net financial income (charges)	**(29,914)**											
of which												
Interest income (charge)		(49)	7	(45)	(3)	-	-	-	-	-	-	(8)
Total		**(5,777)**	**(143)**	**(152)**	**(31)**	**(8,622)**	**6,424**	**(1,022)**	**(394)**	**(300)**	**(1,159)**	**(378)**

The effects, by legal entity, of significant related party transaction on the DIS Group's consolidated Statement of Financial Position as at 31 December 2022, were as follows:

US$ thousand	d'Amico International Shipping (consolidated)	Total for Related Party	d'Amico Shipping UK Ltd	d'Amico Dry d.a.c	d'Amico International S.A.	d'Amico Società di Nav SpA	d'Amico. Shipping Singapore	d'Amico. Shipping USA	Ishima Pte.Ltd.	Rudder SAM	St.Andrews Estates Limited sarl	d'Amico Dry Maroc	COGEMA S.A.M.	Anglo Canadian Shipping Company
Right-of-use assets	**223,665**													
of which		1,559	150	591	104	-	-	-	-	-	714	-	-	-
Receivables and other current assets	**91,498**													
of which		4,367	272	60	2	5	3,652	3	101	-	-	27	245	-
Non-current Lease Liabilities	**150,225**													
of which		982	-	536	70	-	-	-	-	-	376	-	-	-
Current Lease Liabilities	**71,740**													
of which		488	-	97	34	-	-	-	-	-	357	-	-	-
Payables and other current liabilities	**30,734**													
of which		7,422	45	181	54	353	192	78	66	6,391	-	-	11	51
Total		**(2,966)**	**377**	**(163)**	**(52)**	**(348)**	**3,460**	**(75)**	**35**	**(6,391)**	**(19)**	**27**	**234**	**(51)**

The effects, by legal entity, of significant related party transactions on the DIS Group's consolidated Statement of Financial Position as at 31 December 2021, were as follows:

US$ thousand	d'Amico International Shipping S.A. (consolidate)	Total for Related Party	d'Amico Shipping UK Ltd	d'Amico Dry d.a.c	d'Amico International S.A.	d'Amico Società di Nav SpA	d'Amico. Shipping Singapore	Glenda International Shipping d.a.c.	Ishima Pte.Ltd.	Rudder SAM
Right-of-use assets	**274,713**									
of which		720	-	698	22	-	-	-	-	-
Other non-current financial assets	**9,849**									
of which		67	67	-	-	-	-	-	-	-
Receivables and other current assets	**37,104**									
of which		4,020	29	-	-	19	3,927	31	14	-
Other current financial assets	**2,674**									
of which		36	36	-	-	-	-	-	-	-
Non-current Liabilities from leases	**237,478**									
of which		672	-	672	-	-	-	-	-	-
Current Liabilities from leases	**36,480**									
of which		126	-	97	29	-	-	-	-	-

US$ thousand	d'Amico International Shipping S.A. (consolidate)	Total for Related Party	d'Amico Shipping UK Ltd	d'Amico Dry d.a.c	d'Amico International S.A.	d'Amico Società di Nav SpA	d'Amico. Shipping Singapore	Glenda International Shipping d.a.c.	Ishima Pte.Ltd.	Rudder SAM
Payables and other current liabilities	**27,665**									
of which		5,581	-	158	-	2,206	309	20	208	2,680
Other current financial liabilities	**4,765**									
of which		-	-	-	-	-	-	-	-	-
Total		**(1,536)**	**132**	**(229)**	**(7)**	**(2,187)**	**3,618**	**11**	**(194)**	**(2,680)**

26. COMMITMENTS AND CONTINGENCIES

Capital commitments

Apart from scheduled dry-docks, the only capital commitment as at 31 December 2022 relates to the exercise of the purchase option for the M/T High Explorer expected to be delivered to DIS in May 2023, for a purchase price of Yen 4.1 billion, equivalent to US$ 30.0 million. As at 31 December 2021, apart from scheduled dry-docks, DIS did not have any capital commitments. The last vessel which was part of DIS' fleet renewal program was delivered to DIS in October 2019.

Ongoing disputes

The DIS Group is currently involved in several ongoing commercial disputes concerning both our owned and chartered-in vessels. The majority are cargo contamination claims (for further details please refer to the Clients section of the Non-financial statements). The disputes are mostly covered by the P&I Club insurance and therefore no significant financial exposure is expected.

Deferred taxation

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

Joint ventures, contingent liabilities and commitments

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

27. d'AMICO INTERNATIONAL SHIPPING GROUP COMPANIES

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

High Pool Tankers Limited (HPT) is treated as joint operation and consolidated proportionally line-by-line (during 2022 d'Amico Tankers d.a.c. was the only participant in HPT, holding 100% of the company's shares); in August 2022 Glenda International Shipping d.a.c. (GIS) redeemed the shares owned by Topley Corporation (part of the Glencore Group) in the company. Following this transaction d'Amico Tankers d.a.c owns 100% of GIS' shares.

Name	Registered Office	Share Capital	Currency	Interest %	Consolidation Method
d'Amico International Shipping S.A.	Luxembourg	62,052,650	US$	n.a.	Integral
d'Amico Tankers d.a.c.	Dublin / Ireland	100,001	€	100.0%	Integral
High Pool Tankers Limited	Dublin / Ireland	2	€	100.0%	Proportional
Glenda International Shipping d.a.c.	Dublin / Ireland	202	US$	100.0%	Integral
d'Amico Tankers Monaco SAM	Monaco	150,000	€	99.8%	Integral
d'Amico Tankers UK Ltd	London / UK	50,000	GB£	100.0%	Integral

Interest in jointly controlled entities

As at 31 December 2022, the DIS Group does not have interests in jointly controlled entities, since in August 2022 Glenda International Shipping d.a.c. (GIS) redeemed the shares owned by Topley Corporation (part of the Glencore Group) in the company. Following this transaction d'Amico Tankers d.a.c owns 100% of GIS' shares.

As at 31 December 2021, GIS was a jointly controlled entity that was consolidated proportionally at 50%, equivalent to d'Amico Tankers d.a.c.'s participation in the company as at the same date. The following amounts expressed in US$ thousands represent 100% of the balance sheet and income statement of Glenda International Shipping d.a.c as at 31 December 2021 and the Income Statement until the month of August 2022:

US$ thousand	Glenda International Shipping d.a.c.	
SUMMARY BALANCE SHEET		**31 Dec.2021**
Non-current assets		106,593
Current assets		3,188
Net equity		73,991
Non-current liabilities		27,715
Current liabilities		8,075
SUMMARY INCOME STATEMENT	**2022 (until August 2022)**	**2021**
Time Charter Equivalent Earnings	13,042	18,638
Other direct operating costs	(5,956)	(9,298)
General and administrative costs	(114)	(161)
Depreciation and impairment	(22,929)	(7,130)
Financial costs	(184)	(1,256)
Tax	(15)	(18)
Result of the period	**(16,156)**	**775**

28. NON-ADJUSTING SUBSEQUENT EVENTS

For a detailed disclosure of the Events Subsequent to the closing of the reporting period, please refer to the Significant events after the reporting period and Business outlook section of the consolidated Management report.

29. EARNINGS PER SHARE (E.P.S.)

US$	2022	2021
Basic e.p.s.	0.110	0.030
Diluted e.p.s.	0.110	0.030
Weighted average number of ordinary shares used as the denominator in calculating basic e.p.s.	1,222,793,756	1,222,912,808
Adjustment for calculation of diluted e.p.s. – options	-	-
Weighted average number of ordinary shares used as the denominator in calculating diluted e.p.s.	1,222,793,756	1,222,912,808

30. APPROVAL OF THE ANNUAL REPORT BY THE BOARD OF DIRECTORS

The consolidated financial statements for the year ended 31 December 2022 (including comparatives) were approved by the board of directors on 9 March 2023.

Chief Financial Officer's Responsibility Statement

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

9 March, 2023

Antonio Carlos Balestra di Mottola,
Chief Financial Officer

d'AMICO INTERNATIONAL SHIPPING S.A.
MANAGEMENT REPORT AND STATUTORY FINANCIAL STATEMENTS
Year ended 31 December 2022

This document is available on **www.damicointernationalshipping.com**

d'Amico International Shipping S.A.
RCS LUXEMBOURG B 124 790
25C Boulevard Royal, Luxembourg
Share capital US$ 62,052,778.45 as at 31 December 2022

MANAGEMENT REPORT

dd'Amico International Shipping S.A. (the "Company", DIS) a company with limited liability, was incorporated under the laws of the Grand-Duchy of Luxembourg on 9 February 2007; its statutory seat is in Luxembourg.

The object of the Company is the investment in enterprises operating in the shipping industry, including the relevant services and facilities, as well as the administration, management, control and development of such participating interests. Its principal activity is to act as the holding company for d'Amico Tankers d.a.c..

On 3 May 2007 d'Amico International Shipping S.A. completed its initial public offering (IPO) of shares, which are listed on the Milan (Italy) Stock Exchange. Subsequent capital increases occurred on several occasion, the last of which in July 2022, aimed at financing the subsidiaries' fleet expansion and to strengthen the Company's balance sheet.

The Corporate Governance Report is available to everyone at the registered office of the Company and on its website (www.damicointernationalshipping.com) in the relevant Corporate Governance section.

Please refer to the non-financial report and management report for disclosures about financial and non-financial key performance indicators (APM), the Company's likely future developments (Events after the reporting period and business outlook), and earnings per share, to comply with the requirements of the Luxembourg Law. The Company does not have financial instruments that are significant to the Company's financial position.

Financial review of d'Amico International Shipping S.A.

Operating performance

In 2022 the Company recorded a net loss of US$ 1.2 million. The Company's Income Statement is summarized in the following table.

US$ thousand	2022	2021
Investment income (dividends)	75	1,515
Investment income (profit on disposal)	-	1,358
Personnel costs	(1,053)	(606)
Other general and administrative costs, including depreciation and tax	(2,229)	(1,445)
Financial income (charges)	1,992	4,256
Net Profit (Loss)	**(1,215)**	**5,078**

Investment income totalling US$ 0.1 million was received in 2022.

Costs are essentially made up of personnel costs and other general and administrative expenses.

Financial income results mainly from the issue of financial guarantees on bank loans and leasing transactions for the benefit of its fully controlled subsidiary, d'Amico Tankers DAC.

The Company has no branches; there are no Research & Development costs; Own shares are disclosed under note 12.

Statement of Financial Position

US$ thousand	31 December 2022	31 December 2021
Non-current assets	407,423	404,150
Current assets	2,156	9,150
Total assets	**409,579**	**413,300**
Shareholders' Equity	407,980	408,972
Non-current liabilities	70	-
Current Liabilities	1,529	4,328
Total liabilities and shareholders' equity	**409,579**	**413,300**

- The Company's Non-current assets of US$ 407.4 million as at 31 December 2022, represent mainly the book-value of the investment in d'Amico Tankers d.a.c. (DTL)— the key operating subsidiary of the Group;
- Current assets of US$ 2.2 million mainly include US$ 0.6 million financial and commercial receivables from the subsidiary d'Amico Tankers d.a.c. and US$ 1.5 million cash;
- Current liabilities of US$ 1.5 million include mainly accrued expenses relating to the LTI plan of US$ 0.9 million and other accrued general and administrative expenses.

9 March 2023
On behalf of the Board

Paolo d'Amico, Chief Executive Officer

Antonio Carlos Balestra di Mottola, Chief Financial Officer

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

Livange, 9 March 2023

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **d'Amico Shipping International S.A.** (the "Company"), which comprise the statement of financial position as at 31 December 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements (pages 200 to 221) present fairly, in all material respects, the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "*Commission de Surveillance du Secteur Financier*" ("CSSF"). Our responsibilities under the EU Regulation N°537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "*réviseur d'entreprises agréé*" for the Audit of the Financial Statements » section of our report.

MOORE

We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standard Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of the investments in subsidiaries

The Company has investments in subsidiaries of US $ 407,301,320 as at 31 December 2022. Management's assessment of the recoverable amount of investments in subsidiaries requires significant judgement in the determination of the level at which the investments in subsidiaries are tested for impairment taking into account the substance of the business activity.

Moreover, the determination of the recoverable value requires significant estimates as it relates to the estimation of the net present value of the underlying assets of the subsidiaries.

We focused on this area due to the inherent complexity and judgement in the estimate for the recoverable amount of the investments in subsidiaries and the materiality of the balance.

How our audit addressed the Key Audit Matter

Our audit procedures related to estimates of the investments in subsidiaries included the following, among others:

- We obtained an understanding of Management's process and controls related to the identification of the impairment indicators and the impairment test of the investments in subsidiaries;

- We evaluated Management's methodology used to estimate the recoverable amount of the investments in subsidiaries, including of the cash generating units of underlying assets of the subsidiaries, their interdependency with the cash flows and the value in use of the underlying assets;

- We tested the reasonableness of the key assumptions used by reference to available data, such as broker estimates, operating costs, estimated future capital expenditure, assets useful life, residual value and consumer price index, as well as competitor analysis;

- We recomputed the discount rate with reference to weighted average cost of capital (WACC) used in the Management's estimates and compared with peers' benchmark;

- We re-executed the calculations of value in used prepared by Management to check its mathematical accuracy;

- We considered the appropriateness of the disclosures in Note 8 to the Financial Statements.

Other information

The Board of directors is responsible for the other information. The other information comprises the information stated in the annual report including the management report and the Corporate Governance Statement but does not include the financial statements and our report of "réviseur d'entreprises agréé" thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and Those Charged with Governance for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Board of Directors is responsible for presenting the financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format ("ESEF Regulation").

MOORE

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Responsibilities of the "réviseur d'entreprises agréé" for the Audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of "*réviseur d'entreprises agréé*" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

MOORE

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Assess whether the financial statements have been prepared, in all material aspects, in compliance with requirements laid down in the ESEF Regulation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats of safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on Other Legal and Regulatory Requirements

We have been appointed as "*réviseur d'entreprises agréé*" by the General Meeting of the Shareholders on 21 April 2020 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is six years.

The management report from (pages 191 to 193) is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

MOORE

The Corporate Governance Statement, as published on the Company's website https://en.damicointernationalshipping.com is the responsibility of the Board of Directors. The information required by Article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in the EU Regulation No 537/2014 were not provided, and that we remained independent of the Company in conducting the audit.

We have checked the compliance of the financial statements of the Company as at 31 December 2022 with relevant statutory requirements set out in the ESEF Regulation that are applicable to consolidated financial statements.

For the Company it relates to:

- Financial statements prepared in XHTML format.

In our opinion, the financial statements of the Company as at 31 December 2022 have been prepared in all material aspects, in compliance with the requirements laid down in the ESEF Regulation.

MOORE Audit S.A.

Raphael LOSCHETTER
Réviseur d'entreprises agréé

d'Amico International Shipping S.A. Financial Statements and Notes

for the year ended 31 December 2022

Statement of Income and Other Comprehensive Income

US$	Note	2022	2021
Revenue	(3)	74,844	2,872,618
General and administrative costs	(4)	(3,248,293)	(2,022,306)
Gross operating result		**(3,173,449)**	**850,312**
Depreciation	(7)	(34,089)	(28,648)
Operating result		**(3,207,538)**	**821,664**
Financial income	(5)	2,125,170	4,571,926
Financial charges	(5)	(132,680)	(316,027)
Net profit (loss)		**(1,215,048)**	**5,077,563**
Total comprehensive result for the period		**(1,215,048)**	**5,077,563**
Basic comprehensive income (loss) per share in US$[1]		(0.001)	0.0042

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

The notes on pages 204 to 221 form an integral part of these statutory financial statements

[1] Basic earnings per share (e.p.s.) in 2022 was calculated on an average number of 1,222,793,756 outstanding shares, while in 2021 it was calculated on an average number of 1,222,912,808 outstanding shares. There was no dilution effect either in 2022 or in 2021 e.p.s.

Statement of Financial Position

US$	Note	As at 31 December 2022	As at 31 December 2021
Non-current assets			
Property, Plant and Equipment	(7)	17,476	2,493
Right-of-use assets	(7)	103,718	25,768
Financial fixed assets	(8)	407,301,320	404,121,920
Total non-current assets		**407,422,514**	**404,150,181**
Current assets			
Receivables and other current assets	(10)	632,471	4,611,199
Current financial receivables	(9)	-	4,066,050
Cash and cash equivalents	(11)	1,523,969	472,568
Total current assets		**2,156,440**	**9,149,817**
Total assets		**409,578,954**	**413,299,998**
Shareholders' equity			
Share capital	(12)	62,053,278	62,052,778
Retained earnings	(12)	(7,375,471)	(5,797,202)
Share Premium	(12)	368,826,283	368,822,504
Other reserves	(12)	(15,523,728)	(16,105,977)
Total shareholders' equity		**407,980,362**	**408,972,103**
Non-current liabilities			
Lease payable	(14)	70,087	-
Total non-current liabilities		**70,087**	**-**
Current liabilities			
Bank and other lenders	(13)	-	3,751,976
Lease payable	(14)	33,815	29,450
Payables and other current liabilities	(15)	1,494,690	546,469
Total current liabilities		**1,528,505**	**4,327,895**
Total liabilities and shareholders' equity		**409,578,954**	**413,299,998**

9 March 2023

On behalf of the Board

Paolo d'Amico,
Chief Executive Officer

Antonio Carlos Balestra di Mottola,
Chief Financial Officer

The notes on pages 204 to 221 form an integral part of these statutory financial statements.

Statement of Cash Flows

US$	2022	2021
Profit (loss) for the period	**(1,215,048)**	**5,077,563**
Dividend	(74,844)	(1,515,000)
Result on participation disposal	-	(1,357,618)
Depreciation	34,089	28,648
Financial charges (income)	132,680	284,814
Accruals LTI Plan* (share-based payments)	219,026	38,529
Non-cash-items from fixed assets	-	9,309,226
Non-cash-items from creditors	-	(4,309,226)
Non-cash-items from loans payables	-	(5,000,000)
Cash flow from operating activities before changes in working capital	**(904,097)**	**2,556,936**
Movement in amounts receivable	3,970,200	(4,560,429)
Movement in amounts payable	40,929	(58,340)
Movement in payables for LTI Plan* (cash payments)	901,792	(89,902)
Interest paid	(120,406)	(244,296)
Taxes (paid)	(5,497)	(5,780)
Net cash flow from operating activities	**3,882,921**	**(2,401,811)**
Acquisition of tangible fixed assets	(20,382)	(3,063)
Investment in fully-owned subsidiary	(3,179,400)	-
Repayment of loan to fully-owned subsidiary	4,074,578	1,860,634
Investment income – Dividend	74,844	1,193,407
Net cash flow from investing activities	**949,640**	**3,050,978**
Share capital increase	4,279	1,154
Costs relating to capital increase	-	(30,939)
Increase in treasury shares	-	(336,443)
Cash payment for the interest portion of the lease liability	(1,275)	(2,506)
Repayment for the principal portion of the lease liability	(32,188)	(32,702)
Net cash flow from financing activities	**(29,184)**	**(401,436)**
Change in cash balance	**4,803,377**	**247,731**
Cash and cash equivalents net of bank overdraft at the beginning of the year	(3,279,408)	(3,527,139)
Cash and cash equivalents net of bank overdraft at the end of the year	**1,523,969**	**(3,279,408)**
Cash and cash equivalents at the end of the year	1,523,969	472,568
Bank overdrafts at the end of the year	-	(3,751,976)

* LTI Plan stands for Long-Term Incentive Plan, further details are disclosed in note n.1

The notes on pages 204 to 221 form an integral part of these statutory financial statements.

Statement of Changes in Shareholders' Equity

US$	Share Capital	Retained Earnings	Share premium	Other Reserves			Total
		(Accumulated losses)		*Legal Reserve*	*Own shares Reserve*	*Share-based payments Reserve*	
Balance as at 1 January 2022	62,052,778	(5,797,202)	368,822,504	3,171,198	(19,315,705)	38,530	408,972,103
Share capital increase	500	-	3,779	-	-	-	4,279
LTI allotment, share-based (2019-2020 plan)		(109,343)	-	-	128,608	(19,265)	-
LTI accruals, share-based (21-22 plan)	-	-	-	-	-	219,028	219,028
Other changes	-	(253,878)	-	253,878	-	-	-
Total comprehensive income	-	(1,215,048)	-	-	-	-	(1,215,048)
Balance as at 31 December 2022	62,053,278	(7,375,471)	368,826,283	3,425,076	(19,187,097)	238,293	407,980,362

US$	Share Capital	Retained Earnings	Share premium	Other Reserves			Total
		(Accumulated losses)		*Legal Reserve*	*Own shares Reserve*	*Share-based payments Reserve*	
Balance as at 1 January 2021	62,052,650	(10,874,765)	368,852,418	3,171,198	(18,979,263)	-	404,222,238
Share capital increase	128	-	1,026	-	-	-	1,154
Treasury shares	-	-	-	-	(336,442)	-	(336,442)
LTI allotment and accruals	-	-	-	-	-	38,530	38,530
Cost of issue	-	-	(30,940)	-	-	-	(30,940)
Total comprehensive income	-	5,077,563	-	-	-	-	5,077,563
Balance as at 31 December 2021	62,052,778	(5,797,202)	368,822,504	3,171,198	(19,315,705)	38,530	408,972,103

The notes on pages 204 to 221 form an integral part of these statutory financial statements.

Notes

d'Amico International Shipping S.A. (the "Company", DIS) a company with limited liability (Sociéte Anonyme), was incorporated under the laws of the Grand-Duchy of Luxembourg on 9 February 2007; its statutory seat is in Luxembourg. The purpose for which the company was formed is all transactions pertaining directly or indirectly to the taking of participating interest in any enterprises in whatever form, operating in the shipping industry including the relevant services and facilities, as well as the administration, the management the control and the development of such participating interests.

d'Amico International Shipping S.A. has adopted International Financial Reporting Standards (IFRS – International Financial Reporting Standards and IAS – International Accounting Standards) as issued by the 'IASB' (International Accounting Standards Board) and endorsed by the Luxembourg law of 10 December 2010, article 26. 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'. The Company prepares consolidated financial statements which are part of this Annual report.

The d'Amico International Shipping S.A. has adequate resources to continue in operational existence for the foreseeable future; accordingly, the financial statements have been prepared on a going concern basis.

The financial statements are expressed in U.S. Dollars, which is the functional currency of the Company, rounded to the nearest dollar.

1. ACCOUNTING POLICIES

These financial statements have been prepared under the historical cost convention as and in accordance with the applicable International Financial Reporting Standards (IFRS) as adopted by the European Union.

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

Revenue recognition

It is represented by dividends income received from subsidiaries. Dividend income is recognised when the subsidiary profit is distributed to holders of equity investment, in proportion to their holdings of capital.

General and administrative costs

Administrative expenses, which comprise administrative staff costs, management costs, office expenses and other expenses relating to administration, are expensed as incurred.

Long Term Incentive Plan including Equity Compensation (Share Based Payments and Employee benefits)

The Company provides additional benefits to certain members of senior management and in accordance with IFRS 2 – share-based payment, and with IAS 19 Employee benefits; this plan represents a component of the recipient's remuneration.

In May 2019 (following expiry of the former stock-option plan), a new management compensation plan (Long Term Incentive Plan, LTI), involving share-based payments, was approved; a revision of the Plan, to include also elements connected with the Fleet's environmental performance, was incorporated in November 2021.

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

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

I. the adjusted ROCE (60% 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 (15% 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 (7.5% of the pool), which attempts to measure how efficient is the Group's cost structure;
IV. the percentage change in the daily operating costs (7.5% of the pool), which attempts to measure how efficient is the Group's owned and bareboat fleet cost structure;
V. CO_2 per ton-miles for owned and bareboat vessels operated on the spot market (5% of the pool), which attempts to measure how efficient is the Group's management of its owned and bareboat fleet operated on the spot market in terms of CO_2 emissions. This measure will depend on DIS vessels' technical features as well as on how efficiently they are operated; DIS can only influence the operational efficiency of vessels which are not employed through time-charter contracts;
VI. CO_2 per ton-miles for all owned and bareboat vessels (5% of the pool), which attempts to measure how efficient is the Group's fleet in terms of CO_2 emissions, irrespective of how it is managed. This measure will depend only on DIS vessels' technical features.

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).

Following this new management compensation plan, at the end of the vesting period of each cycle, the number of DIS shares allotted to the senior management 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.

Cash component. The cash component of the Plan is classified as long-term benefits under IAS 19 – Employee Benefits and the share component of the Plan is classified as a share-based payment plan equity settled under IFRS 2 Share-Based Payments.

The obligations of the cash component are measured as the present value of expected future payments to be made in respect of services provided by the plan's recipients up to the end of the reposting period, using the projected unit credit method. Consideration is given to the actuarial assumptions, including the estimates relating to the achievement of specific performance targets of the Plan. As long as the cash component of the Plan has a very short-term nature (it is paid within six months from its measurement), management considers its present value equivalent to the amount of the cash-flows.

Remeasurements as a result from experience adjustments and changes in actuarial assumptions, where applicable, are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet, if DIS does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

Share component. The share component is classified as a share-based payment, equity settled with a staged vesting.

The fair value of the awards is determined at grant date and the expense to be recognised under IFRS is determined at each reporting date based on the estimates performed on employee service and other non-market conditions included in the plan (and in particular on the average ROCE achieved by DIS over each rolling two-year Period), over the relevant service period, which is 3 years for the first tranche of shares and 4 years for the second tranche.

Financial Income and charges

Financial income and charges include interests, which are recognized in accordance with the accrual basis of accounting, using the effective interest method.

Taxation

The current taxation is based on taxable income for the period using local tax rates that have been enacted by the reporting date. Taxable profit differs from profit as reported in the income statement as it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible.

Current taxation includes also the Net Wealth Tax, which is calculated as 0.5% of the taxable wealth of the Company, which is its Net Worth; the Company's unitary value is established on 1 January of each year; Net Wealth Tax is allocated to the General and Administrative costs.

Deferred tax, if any, represents tax the Company is expecting to pay or recover on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the calculation of taxable profit. It is accounted for using the financial position liability method. Liabilities relating to deferred tax are generally recognised for all taxable temporary differences. Assets relating to deferred tax are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The carrying amounts of deferred tax assets are reviewed at each financial position date and reduced if it is not considered probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. Deferred tax is calculated at the applicable tax rates during the period when liability is settled, or the asset realised. It is charged or credited in the income statement, unless it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also accounted for in other comprehensive income.

Foreign currencies

Transactions during the year in currencies other than U.S. dollars have been translated at the appropriate rate ruling at the time of the transactions. Assets and liabilities denominated in currencies other than the U.S. dollar have been translated into U.S. dollars at the rate ruling at the financial position date. All exchange differences have been accounted for in the Statement of Comprehensive Income.

Tangible assets

The tangible assets are shown at cost less accumulated depreciation and any impairment loss. Cost includes the acquisition cost as well as other costs which are directly attributable to the acquisition. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset.

Financial assets and liabilities

Financial assets are measured at amortised cost, fair value through profit and loss or fair value through other comprehensive income. A financial asset can only be measured at amortised cost when the Group has a business model to hold the asset to collect contractual cash flows and the cash flows arise on specific dates and are solely for payment of principal and interest on the principal outstanding. When the requirements for measuring the financial asset at amortised cost are met, but the business model also includes the selling of those instruments, then these financial assets are measured at fair value through other comprehensive income. All other financial assets are measured at fair value through profit or loss.

Embedded derivatives within a host contract in the scope of IFRS 9 are no longer separated and the whole contract is measured at fair value through profit or loss, when the host contract is an asset; they might be separated, however, if the host contract is a liability within the scope of IFRS 9. There are no changes to the treatment of embedded derivatives in a host contract that is not a financial instrument. The Group has embedded derivatives within its contracts, although they are not financial instruments within the scope of IFRS 9 and therefore are not recognised within these financial statements.

The impairment model in IFRS 9 moves to one that is based on expected credit losses, rather than the IAS 39 incurred loss model. The impairment requirements apply to financial assets measured at amortised cost and fair value through other comprehensive income, with expected credit losses recognised on initial recognition based on 12 months expected credit losses; or, if there has been a significant increase in the credit risk of the financial asset then the impairment is based on lifetime expected losses. A three-stage approach is considered for impairment: the first instance (12 months expected credit losses) is applicable when there's no significant increase in credit risk, expected credit losses are recognised and updated at each reporting date and interest is presented on gross basis; in the second stage a lifetime credit loss is expected and recognised, due to the increase of credit risk, with interest continuing to be presented on a gross basis; the last stage considers a lifetime expected credit loss, with the subsequent impairment of the credit and interest presented on a net basis.

The accounting policies adopted for specific assets and liabilities are disclosed below.

Non-current financial assets (investment in subsidiaries)

Investments in subsidiaries, jointly controlled entities and associated companies are stated at cost adjusted for any impairment losses.

Any positive difference, arising at the time of the acquisition, between the acquisition cost and the fair value of net assets acquired by the Company is therefore included in the investment carrying value. If there is any evidence that these investments have been permanently impaired, the impairment loss is recognised directly under the income statement. If the impairment loss subsequently no longer exists or is reduced, it is reversed, and the reversal is recognised under income statement up to the limit of the value initially accounted for as cost of the investment.

Receivables

Receivables are initially measured at their nominal value (representative of the 'fair value' of the transaction) and are subsequently measured at amortized cost, net of write-downs for impairment and allowance for credit losses. Impairment is recognised in the income statement when there is objective evidence that the asset is impaired. Such write-downs are calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the asset's original effective interest rate. Particularly with regards to short-term trade receivables, considering the short period of time, the measurement at amortized cost is equivalent to the nominal value, less write-downs for impairment.

Under IFRS 9 the impairment is assessed with reference to the expected credit losses associated with trade receivables with the change in the provision recognised through the income statement.

In the assessment of credit risk and expected losses, management considers a risk of default and its probability for each set window of payment. An increase in the number of payment days delay is considered by management an indicator of an increase in the risk of default – management has therefore established clusters for such payment delays to which a higher probability of default is assigned, the longer the delay in payment, and for which it therefore recognises provisions which represent an increasing percentage of amounts outstanding.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, current accounts and deposits held on demand with banks, and other short-term highly-liquid investments readily convertible to a known amount of cash within three months from inception and that are subject to an insignificant risk of changes in value. Cash and cash equivalents are measured at fair value, corresponding to their nominal value, or at cost plus interest charges, if any.

Bank and other lenders

Short-term bank overdrafts are recorded based on the amounts received net of transaction costs and are subsequently measured at amortized cost, using the effective interest rate method, with the difference between the loan proceeds and the nominal value being recognized in the income statement over the term of the loan.

Payables

Payables are measured at amortized cost, which considering the characteristics and maturity of such payables, is generally equivalent to the nominal value.

Provisions for risks and charges

Provisions for risks and charges are recognised when the Company has a present obligation as a result of a past event and it is likely that the Company will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the financial position date and are discounted to present values where the effect is material.

Treasury shares

Treasury shares are recognized at their historical purchase cost and are presented as a deduction from equity (under a separate item of equity). The original cost of treasury shares and the proceeds of any subsequent sale are presented as movements in equity.

Dividends

Dividends payable are reported as a movement in equity in the period in which they are approved by the shareholders' meeting.

Leases

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

Leasing is a means of gaining access to assets, of obtaining finance and of reducing an entity's exposure to the risk of asset ownership. The new approach to leases results in a more faithful representation of a lessee's assets and liabilities and, together with enhanced disclosures, provides greater transparency of a lessee's financial leverage and capital employed; the net impact on Retained earnings at the beginning of the application period (January 1, 2019) was negligible – lower than € 1 thousand, and was therefore not recorded.

The RoU asset is amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset, whichever is shorter.

The Company has also elected to use the practical expedient allowing 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.

Critical accounting Judgments and key estimates

The preparation of the financial statements requires Management to make accounting estimates and in some cases assumptions in the application of accounting principles. The Directors' 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. The key areas where this applies are listed below.

Measurement of Fair Values

The 'fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal / most advantageous market at the measurement date at the current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. The fair value of financial instruments is represented by market quotations or, in their absence, by the value resulting from the adoption of suitable financial valuation models which account for all the factors adopted by market operators and the prices obtained in similar actual transactions in the market.

For significant fair value measurement, quoted prices or broker information are obtained to support the valuations and valuation adjustments together with unobservable inputs are reviewed regularly for the classification of such valuations in the appropriate level of fair value. In the measurement of fair values, market data are used to the farthest possible extent.

Three levels of inputs to the fair value valuation techniques are used to measure the fair values:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities;
- Level 2 inputs are, other than quoted prices included within Level 1, observable directly or indirectly for the asset or the liability;
- Level 3 inputs are not observable from market data.

When the inputs used to measure the fair value of an asset or a liability belong to different categories, the fair value measurement is categorised entirely in its lowest and most significant fair value hierarchy. The transfer between levels of fair value hierarchy is recognised at the end of the reporting period during which the change has occurred.

Provision for tax liabilities

Tax liabilities are calculated on the current understanding of the Company's tax situation as impacted by Luxembourg regulatory framework.

New accounting principles

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

Accounting principles adopted from 1 January 2022

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

Accounting principles, amendments and interpretations not yet effective

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

2. CAPITAL DISCLOSURE

d'Amico International Shipping S.A. manages its capital to ensure that it will be able to continue as a going concern while maximising the return to its shareholders.

The capital of the Company was established at the beginning of 2007 as part of an Initial Public Offering. It was established at a level deemed appropriate taking into consideration the risks affecting d'Amico International Shipping S.A. as a company and the industry where its subsidiaries operate. The capital of the Company was subsequently increased in several occasions, the last one in July 2022. The capital increases were consistent with the Company's strategy of modernising the fleet of its fully-owned subsidiary, d'Amico Tankers, and of strengthening its balance sheet. It includes issued and fully paid capital, reserves and retained earnings as detailed in note 12.

The capital structure is reviewed during the year and - if needed - adjusted depending on the Company's capital requirements, as result of changes to investment plans or changes in current and prospective freight market conditions. The Company monitors its capital also by monitoring the 'assets cover ratio' of the DIS' Group, equal to the sum of the outstanding amounts on the Group's facilities and lease liabilities over the fair market value of Group's owned and bareboat vessels.

3. REVENUE

US$	2022	2021
Dividend income	74,844	1,515,000
Profit on participation disposal	-	1,357,618
Revenue	74,844	2,872,618

A dividend from the key operating subsidiary, d'Amico Tankers d.a.c., equivalent to US$ 75 thousand, was received in 2022 (2021: US$ 1.5 million from d'Amico Tankers d.a.c.).

In 2021, the liquidation and strike-off from the Maltese business register of DIS' subsidiary, Eco Tankers Ltd., resulted in a capital gain of US$ 1.4 million.

4. GENERAL AND ADMINISTRATIVE COSTS

US$	2022	2021
Wages, benefits and director fees	(1,052,654)	(535,108)
Other operating charges	(2,195,639)	(1,487,198)
Total General & Administrative costs	**(3,248,293)**	**(2,022,306)**

Employees, wages, benefits and director fees

The Company employs one administrative employee (2021: one administrative employee). The total charge for wages and salaries, including social contributions, amounted to equivalent US$ 138,658 in 2022 (in 2021 the total charge for wages and salaries was of US$ 146,925).

Total general and administrative costs include also US$ 1.1 million relating to the 2021-2022 rolling period of the Long-Term Incentive (LTI) Plan granted to the key managers and executive directors of DIS, adopted in 2019; of that amount, US$ 0.5 million pertain to the category of staff benefits, while US$ 0.6 million represent Other operating charges, arising from invoices received from related parties through for services offered in relation to the LTI plan. Please refer to the note 1, Long Term Incentive Plan including Equity Compensation (Share Based Payments), for full details and disclosure of calculations for this Plan. In 2021 the conditions to activate the LTI Plan's bonus pool were not realised and no amount was accrued. DIS' shares serving the Plan, are those held in by the Company as at 9 March 2023 (n. 18,170,238 own shares without nominal value).

Fees were paid to the Company's directors for services rendered to the Company and attending the Board's meetings. A total amount of € 330,000 was paid in 2022, which after a 20% withholding tax represents a net remuneration of € 264,000 (2021: total € 330,000, to which 20% withholding tax was also applicable). Fees were paid to the Supervisory Committee members for services rendered to the Company, amounting to € 35,000 in 2022 (2021: € 25,000). In 2022 no commitments arose in respect of retirement plans and no advances or loans were granted to the Company's employees (2021: nil).

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Other operating charges

They amount to US$ 2,195,639 in 2022, comprising mostly professional fees and advisory costs relating to the Company's publicly listing status (2021: US$ 1,346,366) as well as accrued LTI costs amounting to US$ 0.6 million. In 2022, expense related to the réviseur d'entreprise agree amounted to equivalent US$ 84.8thousand. Other operating charges in 2022 include € 21.4 thousand Net Wealth Tax (2021: € 7.0 thousand Net Wealth Tax).

5. FINANCIAL INCOME (CHARGES)

US$	2022	2021
Financial income	2,125,170	4,571,926
Financial charges	(132,680)	(316,027)
Net financial income (charges)	**1,992,490**	**4,255,899**

Financial income in 2022 comprises mainly guarantee income, and interest income on the financing provided to the subsidiary d'Amico Tankers d.a.c., totalling US$ 2,125,170 (2021: guarantee and interest income US$ 4,571,926, including also the guarantee income for the year 2020). Financial charges in 2022 include interest expense due on the overdraft facility US$ 85,109 (2021: US$ 236,123), US$ 35,297 financial fees (2021: US$ 8,173), US$ 1,275 lease cost on the leased office space (2021: US$ 2,507) and net losses on commercial foreign exchange differences of US$ 10,999 (2021: US$ 69,224 loss).

6. TAX EXPENSE

d'Amico International Shipping S.A. had, at the end of 2022, cumulative tax losses to be carried forward, including the result of the year, of approximately € 60.9 million (equivalent to US$ 65.0 million). For this reason, no cost for corporate income tax or municipal business tax was accrued for in 2022 (2021: no tax cost).

No deferred tax asset has been accounted for as management does not foresee taxable profits against which the accumulated losses could be offset.

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

Tangible assets classified as Property, Plant and Equipment represents IT equipment for the Luxembourg office, which is depreciated at an 8.33% quarterly rate over its useful life. Right-of-use asset (RoU), represents leased office space, recognized and amortized over the duration of the lease contract; the lessor of the office space is the related party and shareholder, d'Amico International S.A.

Additions in PPE arise from investments for a new technical equipment (firewall).

The movement in RoU arise from the end of the old office lease contract and the commencement of the new one.

US$	2022		2021	
	PPE	RoU	PPE	PPE
At 1 January				
Cost or valuation	35,616	110,082	32,553	110,082
Accumulated depreciation	(33,123)	(84,314)	(32,553)	(56,236)
Opening net book amount	**2,493**	**25,768**	**-**	**53,846**
Additions	20,382	106,640	3,063	-
Write-off - assets	(20,840)	(110,282)	-	-
Write-off – depreciation fund	20,840	110,282	-	-
Depreciation charge for the period	(5,399)	(28,690)	(570)	(28,078)
Closing net book amount	**17,476**	**103,718**	**2,493**	**25,768**
As at 31 December				
Cost or valuation	35,158	106,640	35,616	110,082
Accumulated depreciation	(17,682)	(2,922)	(33,123)	(84,314)

8. FINANCIAL FIXED ASSETS

Investment in subsidiaries

Company	Country	Ownership	Ccy	Book value as at 31 December 2021	Increase (decrease)	Book value at 31 December 2022
d'Amico Tankers d.a.c.	IRL	100%	USD	404,121,920	3,179,400	407,301,320

d'Amico Tankers d.a.c. (DTL) is the only direct subsidiary of d'Amico International Shipping.

In August 2022, d'Amico Tankers d.a.c. gained control of 100% of Glenda International Shipping d.a.c. ("Glenda" or "the JV") through the redemption of the shares ("the Redemption") owned by Topley Corporation ("Topley", part of the Glencore Group) in the JV, for a consideration of US$ 27.4 million. Prior to the transaction Topley owned a participation of 50% in Glenda International Shipping. The vessels owned at the time by Glenda International Shipping were the following MRs:

- GLENDA Melissa, 47,203 dwt, built in 2011, by Hyundai Mipo, South Korea;
- GLENDA Meryl, 47,251 dwt, built in 2011, by Hyundai Mipo, South Korea;
- GLENDA Melody, 47,238 dwt, built in 2011, by Hyundai Mipo, South Korea;
- GLENDA Melanie, 47,162 dwt, built in 2010, by Hyundai Mipo, South Korea

Prior to the Redemption of the shares, the bank loans related to these vessels were fully reimbursed. In September 2022, d'Amico Tankers d.a.c. acquired all of Glenda's vessels.

Investments through d'Amico Tankers d.a.c.:

Company	Effective Interest	Country	Activity
High Pool Tankers Limited	100%	Ireland	Pool company
Glenda International Shipping d.a.c.	100%	Ireland	Shipping
d'Amico Tankers Monaco S.A.M.	99.8%	Monaco	Services
d'Amico Tankers UK Limited	100%	UK	Services

d'Amico International Shipping made an investment of US$ 3,179,400 in the shareholder's equity of its fully-owned subsidiary, d'Amico Tankers d.a.c., in the last quarter of 2022.

For the year ended on 31 December 2022 the capital and reserves of d'Amico Tankers amount to US$ 465,449 thousand while its profit was of US$ 132,131 million. At year-end the Company's management considers no impairment is needed to be recognised for this investment, since the book value of DIS' investment in d'Amico Tankers d.a.c. is lower than the recoverable amount.

9. FINANCIAL RECEIVABLES

US$	As at 31 December 2022	As at 31 December 2021
Non-current financial receivable	-	-
Current financial receivable	-	4,066,050
Total	-	4,066,050

The total balance for financial receivables as at year-end 2021, represented by the advance granted to the Company's fully-owned subsidiary, d'Amico Tankers d.a.c., was reimbursed in the first half of 2022.

10. RECEIVABLES AND OTHER CURRENT ASSETS

US$	As at 31 December 2022	As at 31 December 2021
Receivables and other current assets	632,471	4,611,199

As at year-end 2022 the balance represents mainly the guarantee fees invoiced to d'Amico Tankers d.a.c. in the fourth quarter of the year, amounting to US$ 582 thousand, in addition to other sundry debtors and prepaid company expenses (2021: US$ 4.5 million guarantee fees invoiced to d'Amico Tankers d.a.c., other sundry debtors and prepaid company expenses).

11. CASH AND CASH EQUIVALENTS

US$	As at 31 December 2022	As at 31 December 2021
Cash and cash equivalents	1,523,969	472,568
Bank overdrafts	-	(3,751,976)
Total cash and cash equivalents	**1,523,969**	**(3,279,408)**

Cash and cash equivalents represent cash held at the bank (please refer to note 1). As at 31 December 2021 the balance included a bank overdraft (please refer also to note 13).

12. CAPITAL AND RESERVES

Subscribed capital

In 2022, the share capital of the Company increased on 4 July increased by 10,000 shares (US$ 500.00) due to the exercise of an equivalent number of warrants, at a share price of € 0.412 (please refer to the Terms and Conditions for the exercise of the Warrants). The total amount of the aforesaid capital increase, including the share premium, was of € 4.1 thousand.

As at 31 December 2022, the share capital of d'Amico International Shipping amounted to US$ 62,053,278.45 corresponding to 1,241,065,569 ordinary shares with no nominal value (31 December 2021: US$ 62,052,778.45 corresponding to 1,241,055,569 ordinary shares with no nominal value).

The authorised capital of the Company, including the issued share capital, is set at US$ eighty-seven million five hundred thousand (US$ 87,500,000), divided into one billion seven hundred fifty million (1,750,000,000) shares with no nominal value.

Retained earnings

As at 31 December 2022, the item includes previous years' and current year's net results, as well as deductions for dividends distributed.

Share premium reserve

The share premium reserve arose initially from the Group's IPO and related increase of share capital (May 2007) and thereafter from further capital increases, with the latest occurring in July 2022. By statutory provision, it is available for distribution. Certain costs and charges connected with the listing processes and further capital raisings (mainly bank commissions and related advisory fees and charges) have been offset against these reserves.

Other reserves

The other reserves include the following items:

US$	As at 31 December 2021	Movements in 2022	As at 31 December 2022
Legal reserve	3,171,198	253,878	3,425,076
Treasury shares	(19,315,705)	128,608	(19,187,097)
Share-based payment reserve	38,530	199,763	238,293
Total	**(16,105,977)**	**582,249**	**(15,523,728)**

Legal reserve

It is a legal requirement in Luxembourg and is constituted through an allocation of 5% of annual net income until this reserve equals 10% of the subscribed share capital. The reserve may not be distributed. US$ 253,879 (i.e. 5% of 2021 net income) was allocated to this reserve in 2022.

Treasury shares

Treasury shares as at 31 December 2022 consist of 18,170,238 ordinary shares, with a book value of US$ 19.2 million, corresponding to 1.46% of the issued shares as at the same date. These shares were acquired as part of DIS' authorised own shares buyback programme. A new own shares buyback programme was authorised by the Annual General meeting of the shareholders held on 20 April 2021, and subsequently enacted by DIS' Board on 6 May 2021, allowing the Company to purchase up to 186,157,950 of its own ordinary shares (including the Own Shares already repurchased and held in the Company's portfolio, in compliance with Article 430-15 of the Luxembourg Law). The purpose of the new programme is the same as that of the previous programmes that terminated in April 2021. During 2022 DIS delivered to the beneficiaries of its Long-Term Incentive Plan adopted in 2019, comprising the Group's key managers and executive directors, n.156,673 own shares at a total average cost of US$ 128,608 (0.00013% of its share capital), as the first tranche of the compensation in-kind on the rolling period 2019-2020. In 2022, DIS purchased none of its own shares, whilst in 2021, DIS purchased 2,849,015 own shares.

Share-based payment reserve

It was established to account for the part of the compensation relating to the Company's LTI plan which is settled with shares. In 2022 shares equivalent to an accrued amount of US$ 19,265 were delivered to the LTI plan's beneficiaries, while the accrued expense for the year, relating to amounts to be settled in shares was of US$ 225,448. An adjustment of US$ 6.4 thousand was made in relation to amounts accrued for prior-years.

13. BANK AND OTHER LENDERS

US$	As at 31 December 2022	As at 31 December 2021
Bank and other lenders	**-**	**3,751,976**

The overdraft for general corporate from Unicredit was terminated in 2022, with all amounts outstanding under the facility reimbursed prior to year-end (31 December 2021: overdraft of US$ 3.8 million in relation to the Unicredit facility). The average interest rate in 2022 on the amount used of the Unicredit facility was of 5.5% (2021: 5.5%).

14. LEASE PAYABLE

US$	As at 31 December 2022	As at 31 December 2021
Total future min. lease payments (gross investment)	**111,983**	**30,308**
due within one year	38,394	30,308
due in one to three years	73,589	-
Principal repayments of minimum lease payments	**103,902**	**29,450**
due within one year	33,815	29,450
due in one to three years	70,087	-

The entry into force of IFRS 16 on 1 January 2019, led to the recognition of a short and a long-term liability corresponding to the remaining payments under the current lease contract for the right of use of DIS' office space. Please refer to note n.7 for additional information.

15. PAYABLES AND OTHER CURRENT LIABILITIES

US$	As at 31 December 2022	As at 31 December 2021
Payables and other current liabilities	**1,494,690**	**546,469**

Payable and other current liabilities as at 31 December 2022 include US$ 0.2 million in payables and accruals from suppliers of services, arising from the day-to-day administrative activity of the Company (31 December 2021: US$ 0.5 million payables and accruals from suppliers of services, arising from the day-to-day administrative activity of the Company). As at 31 December 2022, they include the accrued provision for the cash component of the LTI employee benefits, amounting to US$ 0.9 million, as well as Net Wealth Tax payable equivalent to US$ 17.7 thousand. No Other current liabilities were posted as at 31 December 2022 (31 December 2021: no Other current liabilities were posted).

16. RISK MANAGEMENT

The Company is exposed to the following risks connected with its operation:

Market risk

DIS' subsidiaries are exposed to market risk in respect of vessels trading on the spot market, because of fluctuations in market freight rates. In particular, when chartering-out vessels the hire rates may be too low to ensure an adequate return or to cover costs. The following risk management strategies are applied: (i) If possible, the DIS Group aims to have a fixed contract coverage for a portion of its fleet over the next twelve months, thus reducing the exposure to the spot market; (ii) the vessels trade on a worldwide basis to reduce the effect of different regional market conditions; (iii) The Group uses derivative financial instruments, such as freight forward agreements and bunker swaps, to manage its exposure to spot market rates.

Currency risk

The Company's functional currency is the US$, and most of its income (dividends and interest income) are in US$, while most of its expenses – director fees and the remuneration paid to managers and external consultants – are in Euros. The Company monitors its exposure to currency risk on a regular basis.

A 10% fluctuation in the average U.S. Dollar exchange rate against Euros would have resulted in a variation of +/- US$ 0.2 million in the net result of the Company in 2022 (US$ +/- 0.2 million in 2021). The Company's overall sensitivity to currency risk has not changed significantly from the prior year.

Interest rate risk

The Company is exposed to interest rate risk arising from the fact that its bank deposits, financial receivables and financial liabilities bear interest at variable rates. Management identifies and monitors these risks, seeking to anticipate potential negative effects and take appropriate mitigating action.

The interest rate sensitivity of the Company with respect to its financial liabilities is not material due the short period of utilization of the amounts borrowed in both 2022 and 2021. As far as its financial assets are concerned (financing to d'Amico Tankers d.a.c.) an increase of 1% in the interest rates in 2022 would have resulted in an increase of financial income of US$ 12 thousand (2021: increase in financial income of US$ 18 thousand) while a decrease in the interest rates of 1% would result in a decrease of financial income of US$ 12 thousand (2021: decrease of financial income of US$ 15 thousand).

Liquidity risk

The Company is exposed to liquidity risk from the possible mismatch between cash requirements and cash-inflows. DIS manages its liquidity risk through regular financial planning, seeking an appropriate capital structure and minimum cash balance, given the planned expenses, available credit lines and forecasted cash to be generated from its subsidiaries. The Company's capital structure is set within the limits established by the Company's Board of Directors.

The following table details for 2022 the Company's prospective cashflows for its financial liabilities, based on contractual repayment terms.

	As at 31 December 2022			
	< 6 months	6-12 months	1-5 years	Total
Leasing	19,197	19,197	73,589	**111,983**

Accounting classification and fair values

All the financial instruments fall within the category of loans and receivables; their fair value classification is not disclosed as their carrying amount is reasonably approximate to their fair value.

17. RELATED PARTIES TRANSACTIONS

During 2022, d'Amico International Shipping S.A. had transactions with related parties. These transactions have been carried out through arrangements negotiated on commercial market terms and conditions.

No loans or advances were granted to the key management or to the directors in the period.

The effects, by legal entity, of related party transactions on the Company's income statement for 2022 (excluding VAT impact) were the following:

US$	d'Amico International Shipping S.A.	d'Amico Società di Nav. S.p.A.	d'Amico Tankers Monaco SAM	d'Amico Tankers d.a.c.	d'Amico International S.A.	d'Amico Shipping Singapore	d'Amico Shipping USA	d'Amico Tankers UK Ltd.	Key management*
Revenue	**74,844**								
of which									
Dividend	74,844	-	-	74,844	-	-	-	-	-
Gen.& administrative costs	**(3,248,293)**								
of which									
Personnel cost / director fees	(343,142)	-	-	-	-	-	-	-	(343,142)
Long Term Incentive benefits	(1,127,241)	-	(257,011)	-	-	(36,072)	(45,090)	(247,993)	(541,075)
Services agreement	(407,330)	(332,332)	(74,998)	-	-	-	-	-	-
Depreciation	**(34,089)**								
of which									
Depreciation of RoU	(28,690)	-	-	-	(28,690)	-	-	-	-
Net financial income (charges)	**1,992,490**								
of which									
Net Financial interest	49,552	-	-	49,552	-	-	-	-	-
Financial guarantees	2,075,136	-	-	2,075,136	-	-	-	-	-
Financial lease interest cost	(1,275)	-	-	-	(1,275)	-	-	-	-
Total		**(332,332)**	**(332,009)**	**2,199,532**	**(29,965)**	**(36,072)**	**(45,090)**	**(247,993)**	**(884,217)**

The effects, by legal entity, of related party transactions on the Company's income statement for 2021 (excluding VAT impact) were the following:

US$	d'Amico International Shipping S.A.	d'Amico Società di Nav. SpA	d'Amico Tankers Monaco SAM	d'Amico Tankers d.a.c.	Eco Tankers Ltd.	d'Amico International S.A.	Key management*
Revenue	**2,872,618**	**-**	**-**	**-**	**-**	**-**	**-**
of which							
Dividend	1,515,000	-	-	1,515,000	-	-	-
Profit on participation disposal	1,357,618	-	-	-	1,357,618	-	-
Gen.&administrative costs	**(2,022,306)**	**-**	**-**	**-**	-	-	**-**
of which							
Personnel cost / director fees	(383,840)	-	-	-	-	-	(383,840)
Services agreement	(267,820)	(184,242)	(83,578)	-	-	-	**-**
Depreciation	**(28,648)**	**-**	**-**	**-**	-	-	**-**
of which							
Depreciation of RoU	(28,078)	-	-	-	-	(28,078)	-
Net financial income (charges)	**4,255,899**						
of which							
Net Financial interest	31,213	-	-	31,213	-	-	-
Financial guarantees	4,540,713	-	-	4,540,713	-	-	-
Financial lease interest cost	(2,507)	-	-	-	-	(2,507)	-
Total		**(184,242)**	**(83,578)**	**6,086,926**	**1,357,618**	**(30,585)**	**(383,840)**

* Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any directors (whether executive or otherwise) of the entity.

The effect, by legal entity, of related-party transactions on the Company's Statement of Financial Position as at 31 December 2022 were as follows:

US$	d'Amico International Shipping S.A.	d'Amico Tankers d.a.c.	d'Amico International S.A.	d'Amico Societa' di Navigazione	d'Amico Shipping Singapore	d'Amico Shipping USA	d'Amico Tankers Monaco	Tankers UK Ltd.
Right-of-Use assets	**103,718**							
of which related party	103,718	-	103,718	-	-	-	-	-
Receivables&other current assets	**632,471**							
of which related party	583,624	582,022	1,602	-	-	-	-	-
Current liabilities	**1,494,690**							
of which related party	708,029	-	49,074	176	40,080	50,100	293,051	275,548
Non-current liabilities	**70,087**							
of which related party	-	-		-	**-**	**-**	**-**	**-**
Net total	**(20,687)**	**582,022**	**56,246**	**(176)**	**(40,080)**	**(50,100)**	**(293,051)**	**(275,548)**

The effect, by legal entity, of related-party transactions on the Company's Statement of Financial Position as at 31 December 2021 were as follows:

US$	d'Amico International Shipping S.A.	d'Amico Tankers d.a.c.	d'Amico International S.A.	d'Amico Società di Navigazione
Right-of-Use assets	**25,768**			
of which related party	*25,768*	-	*25,768*	-
Current financial receivable	**4,066,050**	-		-
of which related party	*4,066,050*	*4,066,050*	-	-
Receivables&other current assets	**4,611,199**			
of which related party	*4,542,537*	4,540,713	1,824	-
Current liabilities	**546,969**			
of which related party	*75,860*	-	*29,450*	*46,410*
Total		**8,606,763**	**(1,858)**	**(46,410)**

18. ULTIMATE HOLDING COMPANY

The immediate parent company of d'Amico International Shipping S.A. is d'Amico International S.A., a company incorporated in Luxembourg.

The ultimate holding company is d'Amico Società di Navigazione S.p.A., incorporated in Italy, which controls d'Amico International S.A.

19. GUARANTEES AND COMMITMENTS

d'Amico International Shipping S.A. has provided guarantees to its subsidiary company, d'Amico Tankers d.a.c., as at 31 December 2022, in respect of the following:

Bank	Committed Amount	Outstanding amount
Crédit Agricole CIB + 8 syndicated Banks	279,000	23,840
Crédit Agricole CIB & ING Bank N.V. London Branch	28,998	14,701
Skandinaviska Enskilda Banken AB	20,000	18,480
ABN Amro Bank N.V.	43,000	38,851
Banco BPM SpA	15,500	14,521
Tokyo Century Corporation	21,780	13,431
Danish Ship Finance A/S	25,200	24,300
ING Bank N.V. London Branch & Skandinaviska Enskilda Banken AB	82,000	80,287
Crédit Agricole CIB & ING Bank N.V. London Branch	54,213	52,380
Skandinaviska Enskilda Banken AB	20,000	20,000
Total	**589,691**	**300,791**

Owner	Vessel	Lease liability
	High Loyalty	23,193
	High Trader	22,253
	High Voyager	20,796
	High Fidelity	20,154
	Cielo di Houston	31,083
	High Discovery	21,082
	High Freedom	20,565
Total		**159,126**

20. NON-ADJUSTING SUBSEQUENT EVENTS

For a detailed disclosure of the Events Subsequent to the closing of the reporting period, please refer to the Significant events after the reporting period and Business outlook section of the consolidated Management report.

Chief Financial Officer's Responsibility Statement

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

9 March, 2023

Antonio Carlos Balestra di Mottola,
Chief Financial Officer

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