



D'AMICO INTERNATIONAL SHIPPING S.A. INTERIM MANAGEMENT STATEMENTS – FIRST QUARTER 2023

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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 March 2023

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BOARD OF DIRECTORS AND CONTROL BODIES

BOARD OF DIRECTORS

Chairman, Chief Executive Officer
Paolo d'Amico

Directors

Antonio Carlos Balestra di Mottola, *Chief Financial Officer*

Cesare d'Amico – Executive Director

Marcel C. Saucy – Non-executive, Lead Independent Director

Tom Loesch – Non-executive, Independent Director

Monique I.A. Maller – Non-executive, Independent Director

INDEPENDENT AUDITORS

MOORE Audit S.A.

KEY FIGURES

Financials

<i>US\$ Thousand</i>	Q1 2023	Q1 2022
Total net revenue	107,463	44,007
EBITDA *	76,410	17,773
<i>as % of margin on Total net revenue</i>	71.10%	40.39%
EBIT *	60,603	290
<i>as % of margin on Total net revenue</i>	56.39%	0.66%
Net profit (loss)	54,116	(6,496)
<i>as % of margin on Total net revenue</i>	50.36%	(14.76)%
Adjusted Net loss**	56,505	(4,037)
Basic earnings (loss) per share	US\$ 0.044	US\$ (0.005)
Operating cash flow	99,207	10,241
Gross capital expenditure (CapEx)*	(4,827)	(419)
	As at	As at
	31 March 2023	31 December 2022
Total assets	1,057,320	1,054,885
Net financial indebtedness*	316,128	409,850
Shareholders' equity	531,008	478,414

*see Alternative Performance Measures on page 9

** Excluding results on disposal and non-recurring financial items, as well as the asset impairment – please refer also to the summary of financial results for the first quarter of 2023.

OTHER OPERATING MEASURES

<i>US\$ Thousand</i>	Q1 2023	Q1 2022
Daily operating measures - TCE earnings* per employment day (US\$) ¹	34,056	13,796
Fleet development - Total vessel equivalent	36.0	36.1
- Owned	20.7	18.1
- Bareboat chartered	7.3	8.0
- Time chartered	8.0	10.0
Off-hire days/ available vessel days ² (%)	2.0%	0.3%
Fixed rate contract/ available vessel days ³ (coverage %)	25.2%	44.5%

*see Alternative Performance Measures on page 9

¹ This figure represents time charter (“TC”) equivalent earnings for vessels employed on the spot market and time charter contracts, net of commissions. Please refer to the Alternative Performance Measures included further on in this report.

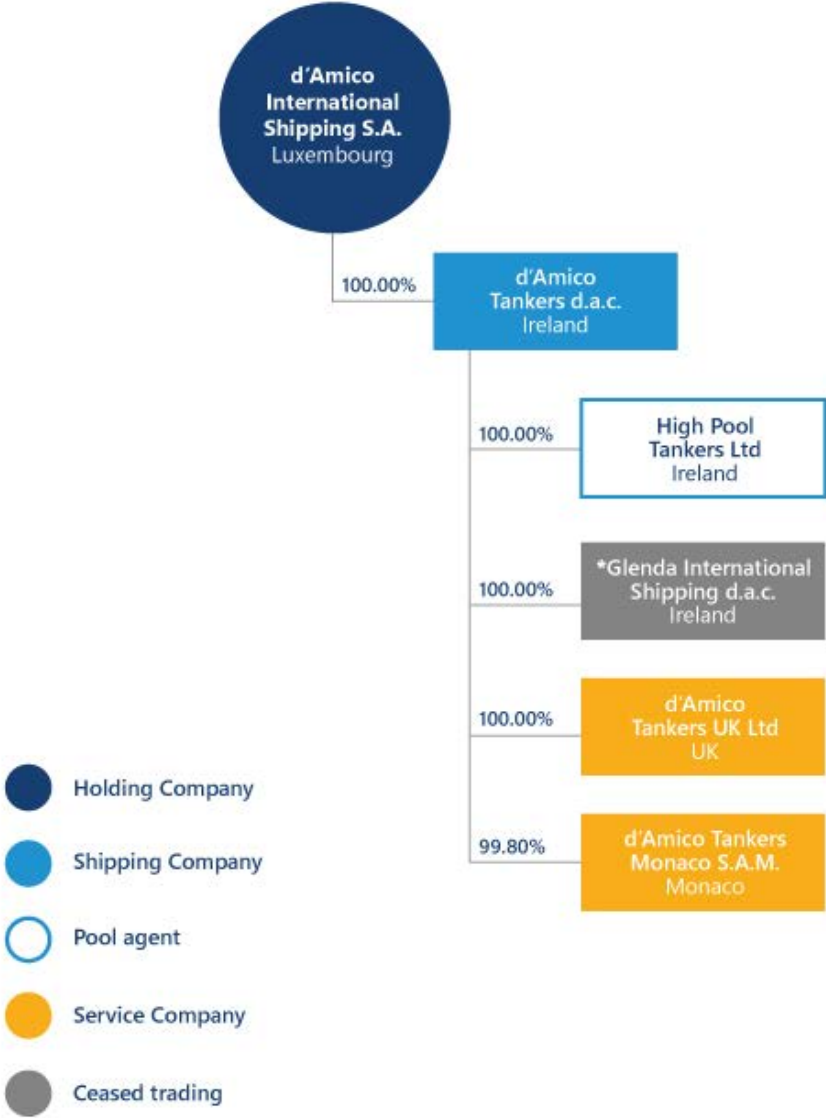
² This figure is equal to the ratio of the total off-hire days, inclusive of dry-docks, and the total number of available vessel days.

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

CONSOLIDATED MANAGEMENT REPORT

GROUP STRUCTURE

Set out below is d'Amico International Shipping's Group structure as at 31 March 2023:



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

d'AMICO INTERNATIONAL SHIPPING GROUP

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 March 2023, 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 29.0 owned and bareboat vessels (with purchase obligations), with an average age of approximately 7.9 years, compared to an average in the product tankers industry of 12.7 years for MRs (25,000 – 54,999 dwt) and 13.7 for LR1s (55,000 – 84,999 dwt). All DIS' vessels are double-hulled and are primarily engaged in the transportation of refined oil products, providing worldwide shipping services to the major oil companies and trading houses. All the vessels are compliant with IMO (International Maritime Organization) regulations, including MARPOL (the International Convention for the Prevention of Pollution from Ships), with the requirements of oil-majors and energy-related companies and other relevant international standards. Based on MARPOL/IMO rules, cargoes such as palm oil, vegetable oil and other chemicals can only be transported by vessels that meet certain requirements (IMO Classed). As at 31 March 2023, 77.8% of DIS' controlled fleet was IMO Classed, allowing the Group to transport a large range of products.

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\$ 140.2 million in Q1 2023 (+110.8% from Q1 2022) (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.

DIS' Global Footprint

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 March 2023, DIS employed 538 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.

Fleet

The DIS Group controlled as at 31 March 2023, either through ownership or charter arrangements, a modern fleet of 36.0 product tankers (31 December 2022: 36.0 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.

The following table sets forth information about DIS' fleet on the water as at 31 March 2023.

Name of vessel	Dwt	Year built	Builder, Country ⁴	IMO classed
LR1 fleet				
Owned				
Bright Future ⁵	75,000	2019	Hyundai Mipo, South Korea (Vinashin, Vietnam)	-
Cielo di Cagliari	75,000	2018	Hyundai Mipo, South Korea (Vinashin, Vietnam)	-
Cielo Rosso	75,000	2018	Hyundai Mipo, South Korea (Vinashin, Vietnam)	-
Cielo di Rotterdam	75,000	2018	Hyundai Mipo, South Korea (Vinashin, Vietnam)	-
Cielo Bianco	75,000	2017	Hyundai Mipo, South Korea (Vinashin, Vietnam)	-
Bareboat with purchase options and purchase obligation				
Cielo di Houston	75,000	2019	Hyundai Mipo, South Korea (Vinashin, Vietnam)	-
MR fleet				
Owned				
High Adventurer ⁶	50,000	2017	Onomichi, Japan	IMO II/III
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 Voyager	45,999	2014	Hyundai Mipo, South Korea	IMO II/III
High Tide	51,768	2012	Hyundai Mipo, South Korea	IMO II/III
High Seas	51,678	2012	Hyundai Mipo, South Korea	IMO II/III
GLEND A Melissa	47,203	2011	Hyundai Mipo, South Korea	IMO II/III
GLEND A Meryl	47,251	2011	Hyundai Mipo, South Korea	IMO II/III
GLEND A Melody	47,238	2011	Hyundai Mipo, South Korea	IMO II/III
GLEND A Melanie	47,162	2010	Hyundai Mipo, South Korea	IMO II/III
Bareboat with purchase options and purchase obligations				
High Trust	49,990	2016	Hyundai Mipo, South Korea (Vinashin, Vietnam)	IMO II/III
High Trader	49,990	2015	Hyundai Mipo, South Korea (Vinashin, Vietnam)	IMO II/III
High Loyalty	49,990	2015	Hyundai Mipo, South Korea	IMO II/III
High Freedom ⁷	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

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

⁵ Ex-Cielo di Londra.

⁶ In September 2022, d'Amico Tankers d.a.c. exercised its purchase option on the MT High Adventurer, with delivery occurred in December 2023.

⁷ In January 2023, d'Amico Tankers d.a.c. exercised its purchase option on the MT High Freedom, with delivery expected in Q2 2023.

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	-

Handy-size fleet
Owned

Cielo di Salerno	39,043	2016	Hyundai Mipo, South Korea (Vinashin, Vietnam)	IMO II/III
Cielo di Hanoi	39,043	2016	Hyundai Mipo, South Korea (Vinashin, Vietnam)	IMO II/III
Cielo di Capri	39,043	2016	Hyundai Mipo, South Korea (Vinashin, Vietnam)	IMO II/III
Cielo di Ulsan	39,060	2015	Hyundai Mipo, South Korea (Vinashin, Vietnam)	IMO II/III
Cielo di New York	39,990	2014	Hyundai Mipo, South Korea	IMO II/III
Cielo di Gaeta	39,990	2014	Hyundai Mipo, South Korea	IMO II/III

Fleet Employment

As at 31 March 2023, DIS directly employed 36.0 Vessels: 3 LR1s ('Long Range 1'), 4 MRs ('Medium Range') and 2 Handy-size vessels on term contracts at fixed rates, whilst 3 LR, 20 MR and 4 Handy-size vessels were at the same date employed on the spot market.

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 March 2023, 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.

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.

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 FOR THE FIRST QUARTER OF 2023

The product tanker market has remained strong so far in 2023, though with significant volatility and on average slightly below the very firm levels seen at the end of 2022.

The reopening of the Chinese economy from COVID lockdowns has contributed to an acceleration in oil demand growth, which expanded by 810 thousand b/d in the first quarter of 2023. However, the higher Chinese domestic demand also affected product exports which declined by 20% in March relative to the previous month, although still 39% higher year-on-year. The product tanker market in the first few months of 2023 was also negatively affected by refinery maintenance activity in the US, which started earlier than usual, because of the impacts on the sector from the freezing temperatures experienced towards the end of 2022. The refinery turnarounds were also more extensive than usual because some units had delayed maintenance in the fall of 2022 due to the exceptionally strong markets at the time. A big ramp-up in refining activity in the US is expected from April to June '23.

The official EU sanctions on Russian exports, which came into force on 5 February '23, started impacting the market towards the end of the first quarter, with exports to the EU collapsing and those to Turkey (+130 thousand b/d m-o-m in March), the Middle East (+350 thousand b/d m-o-m in March), Africa (+320 thousand b/d m-o-m in March) and Latin America (+80 thousand b/d m-o-m in March), increasing sharply. The resulting increase in ton-miles is expected to be beneficial for the product tankers market.

The one-year time-charter rate is always the best indicator of spot market expectations and as at the end of March 2023 was assessed at around US\$ 31,250 per day for a conventional MR2, with an Eco MR2 assessed at a premium of around US\$ 3,000 per day.

In Q1 2023, DIS recorded a Net profit of US\$ 54.1 million vs. a Net loss of US\$ (6.5) million posted in the same quarter of 2022. Such positive variance is attributable to an improved product tanker market relative to the same period of last year. Excluding results on disposal and non-recurring financial items, as well as the asset impairment, DIS' Net result would have amounted to US\$ 56.5 million in Q1 2023 compared with US\$ (4.0) million recorded in Q1 2022.

DIS generated an EBITDA of US\$ 76.4 million in Q1 2023 vs. US\$ 17.8 million achieved in Q1 2022, whilst its **operating cash flow was positive for US\$ 99.2 million in Q1 2023** compared with US\$ 10.2 million generated in the same quarter of last year.

In terms of spot performance, **DIS achieved a daily spot rate of US\$ 36,652 in Q1 2023** vs. US\$ 12,857 in Q1 2022, due to the much stronger market relative to the same period of last year.

At the same time, 25.2% of DIS' total employment days in Q1 2023, were covered through 'time-charter' contracts at an average daily rate of US\$ 26,367 (Q1 2022: 44.5% coverage at an average daily rate of US\$ 14,968). 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\$ 34,056 in the first quarter of 2023** compared with US\$ 13,796 achieved in the same quarter of the previous year.

<i>US\$ Thousand</i>	Q1 2023	Q1 2022
Revenue	140,233	66,538
Voyage costs	(33,967)	(23,717)
Time charter equivalent earnings*	106,266	42,821
Bareboat charter revenue	1,197	1,186
Total net revenue	107,463	44,007
Time charter hire costs	(27)	(1,206)
Other direct operating costs	(24,427)	(21,129)
General and administrative costs	(4,220)	(3,378)
Result on disposal of vessels	(2,379)	(521)
EBITDA*	76,410	17,773
Depreciation and impairment	(15,807)	(17,483)
EBIT*	60,603	290
Net financial income	1,170	573
Net financial (charges)	(7,380)	(7,218)
Profit (loss) before tax	54,393	(6,355)
Income taxes	(277)	(141)
Net profit (loss)	54,116	(6,496)

*see Alternative Performance Measures on page 9

Revenue was of US\$ 140.2 million in Q1 2023 compared with US\$ 66.5 million realized in Q1 2022. 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 Q1 2023 (2.0%) was higher than in the same quarter of the previous year (0.3%), 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\$ (34.0) million in Q1 2023 compared with US\$ (23.7) million in Q1 2022. The higher costs reflect DIS' higher exposure to the spot market and higher bunker prices, relative to the same period of last year.

Time charter equivalent earnings were of US\$ 106.3 million in Q1 2023 vs. US\$ 42.8 million in Q1 2022. In detail, DIS realized a **daily average spot rate of US\$ 36,652 in Q1 2023** compared with US\$ 12,857 achieved in Q1 2022.

In Q1 2023, DIS maintained a good level of 'coverage'⁹ (fixed-rate contracts), securing an average of 25.2% (Q1 2022: 44.5%) of its available vessel days at a daily average fixed rate of US\$ 26,367 (Q1 2022: US\$ 14,968). 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.

⁹ 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\$ 6,885 (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.

DIS' total daily average TCE (Spot and Time Charter)¹⁰ was of US\$ 34,056 in Q1 2023 vs. US\$ 13,796 in Q1 2022.

DIS TCE daily rates (US dollars)	2022					2023
	Q1	Q2	Q3	Q4	FY	Q1
Spot	12,857	28,687	37,159	42,751	31,758	36,652
Fixed	14,968	15,373	15,497	19,957	15,925	26,367
Average	13,796	23,389	30,230	38,294	26,376	34,056

Bareboat charter revenue was of US\$ 1.2 million in Q1 2023 in line with the same period of last year 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\$ 11.0 million in Q1 2023 and by US\$ 12.4 million in Q1 2022, 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\$ (11.0) million in Q1 2023 compared with US\$ (13.6) million in Q1 2022. In Q1 2023, DIS operated a lower number of chartered-in vessels (8.0 equivalent ships) relative to the same quarter of 2022 (10.0 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\$ 5.0 million in Q1 2023 (US\$ 5.6 million increase in Q1 2022), 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\$ (19.4) million in Q1 2023 vs. US\$ (15.5) million in Q1 2022. In Q1 2023, the Company operated a larger fleet of owned and bareboat vessels relative to the same period of last year (Q1 2023: 28.0 vs. Q1 2022: 26.1). 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 d'Amico's vision and strategy.

General and administrative costs amounted to US\$ (4.2) million in Q1 2023 vs. US\$ (3.4) million in Q1 2022. These costs relate mainly to onshore personnel, together with office costs, consultancies, travel expenses and others.

Result on disposal of vessel was negative for US\$ (2.4) million in Q1 2023 vs. US\$ (0.5) million in same period of last year. The amount refers to the amortisation of the net deferred result on all vessels sold and leased back in the previous years. In addition, the amount for Q1 2023 includes US\$ (1.8) million negative charge related to the accelerated amortization of the deferred losses on M/T High Freedom, M/T High Trust, M/T High Trader and M/T High Loyalty, whose purchase options were or will be exercised by d'Amico Tankers d.a.c. within the next 12 months from the end of the period.

EBITDA was of US\$ 76.4 million in Q1 2023 compared with US\$ 17.8 million in Q1 2022, reflecting the better freight markets experienced in the first three months of the current year.

Depreciation, impairment, and impairment reversal amounted to US\$ (15.8) million in Q1 2023 vs. US\$ (17.5) million in Q1 2022. The amount for Q1 2022 included an impairment of US\$ (2.1) million on an MR vessel (M/T High

¹⁰ 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.

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.

EBIT was of US\$ 60.6 million in Q1 2023 compared with US\$ 0.3 million in Q1 2022.

Net financial income was of US\$ 1.2 million in Q1 2023 vs. US\$ 0.6 million in Q1 2022. The amount for Q1 2023 comprises mainly interest income on funds held with financial institutions on deposit or current accounts. The amount for Q1 2022 comprises mainly US\$ 0.4 million unrealized gain in relation to the ineffective part of DIS' interest rate swap agreements, US\$ 0.1 million commercial foreign exchange gain, as well as bank interest income on funds held with financial institutions on deposit or current accounts.

Net financial charges amounted to US\$ (7.4) million in Q1 2023 vs. US\$ (7.2) million in Q1 2022. The amount for Q1 2023 comprises mainly US\$ (7.3) 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. The amount recorded in the same quarter of last year included US\$ (6.9) 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 unrealized losses on freight derivative instruments and interest rate swaps and US\$ (0.1) million realized loss on foreign exchange derivative instruments used for hedging purposes.

DIS recorded a **Profit before tax** of US\$ 54.4 million in Q1 2023 vs. loss of US\$ (6.4) million in Q1 2022.

Income taxes amounted to US\$ (0.3) million in Q1 2023 vs. US\$ (0.1) million in the same quarter of last year.

In Q1 2023, DIS recorded a Net profit of US\$ 54.1 million vs. a Net loss of US\$ (6.5) million achieved in the same quarter of 2022. Excluding the result on disposals and non-recurring financial items from Q1 2023 (US\$ (2.4) million) and from Q1 2022 (US\$ (0.5) million), as well as the asset impairment (US\$ (2.1) million in Q1 2022), **DIS' Net result would have amounted to US\$ 56.5 million in Q1 2023** compared with US\$ (4.0) million recorded in the same quarter of the previous year.

Consolidated Statement of Financial Position

<i>US\$ Thousand</i>	As at 31 March 2023	As at 31 December 2022
ASSETS		
Non-current assets	801,600	818,401
Current assets	255,720	236,484
Total assets	1,057,320	1,054,885
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity	531,008	478,414
Non-current liabilities	321,632	419,681
Current liabilities	204,680	156,790
Total liabilities and shareholders' equity	1,057,320	1,054,885

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 March 2023). According to the valuation report provided by a primary broker, the estimated market value of DIS' owned and bareboat fleet as at 31 March 2023 was of US\$ 1,037.5 million.

Gross Capital expenditures (Capex) were of US\$ 4.8 million in Q1 2023 vs. US\$ 0.4 million in Q1 2022. These amounts include the capitalised dry-dock costs pertaining to owned and bareboat vessels.

Current assets as at 31 March 2023 amounted to US\$ 255.7 million. As at the same date, in addition to the working capital items (inventories and trade receivables amounting to US\$ 13.5 million and US\$ 77.7 million, respectively), current assets include 'cash and cash equivalent' of US\$ 155.2 million.

Non-current liabilities were of US\$ 321.6 million as at 31 March 2023 and mainly consist of the long-term portion of the debt due to banks (disclosed under the Net Indebtedness section of the report) and of lease liabilities.

Current liabilities, other than the debt due to banks and other lenders (disclosed under the Net Indebtedness section of the report), includes as at 31 March 2023, working capital items amounting to US\$ 37.9 million (mainly relating to trade and other payables), US\$ 110.2 million of lease liabilities, and US\$ 3.1 million of other current financial liabilities. As at 31 March 2023, the outstanding lease liabilities on M/T High Freedom, M/T High Trust, M/T High Loyalty, and M/T High Trader are included in 'Current liabilities', as d'Amico Tankers d.a.c. exercised or intends to the exercise its purchase options on said vessels within the next 12 months from the end of the period.

Shareholders' equity amounted to US\$ 531.0 million as at 31 March 2023 (US\$ 478.4 million as at 31 December 2022). The variance relative to year-end 2022 is mainly due to the Net result generated in the first quarter of 2023, as well as to the change in the valuation of cash-flow hedges during the period.

Net Indebtedness *

DIS' Net debt as at 31 March 2023 amounted to US\$ 316.1 million compared to US\$ 409.9 million as at 31 December 2022. Due to the application of IFRS 16 these balances include from 1 January 2019 an additional lease liability amounting to US\$ 34.1 million as at the end of March 2023 vs. US\$ 39.8 million as at the end of 2022. The net debt (excluding the IFRS16 effect) / fleet market value ratio was of 27.2% as at 31 March 2023 vs. 36.0% as at 31 December 2022 (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).

<i>US\$ Thousand</i>	As at 31 March 2023	As at 31 December 2022
Liquidity - <i>Cash and cash equivalents</i>	155,171	117,896
Other current financial assets	12,475	8,754
Other current financial assets – related party	35	33
Total current financial assets	167,681	126,683
Bank loans and other lenders – current	53,135	51,086
Liabilities from leases – current	110,176	71,740
Other current financial liabilities – 3 rd parties	3,051	3,129
Total current financial debt	166,362	125,955
roseNet current financial debt	(1,319)	(728)
Other non-current financial assets – third parties	4,167	9,077
Other non-current financial assets – related party	18	26
Total non-current financial assets	4,185	9,103
Bank loans – non-current	236,564	266,124
Liabilities from financial lease – non-current	81,915	150,225
Other non-current financial liabilities – 3 rd parties	3,153	3,332
Total non-current financial debt	321,632	419,681
Net non-current financial debt	317,447	410,578
Net financial indebtedness	316,128	409,850

*see Alternative Performance Measures on page 9

The balance of *Total Current Financial Assets* was of US\$ 167.7 million as at the end of March 2023. The total amount comprises mainly *Cash and cash equivalents* of US\$ 155.2 million, the current portion of deferred losses on disposal on sale and leaseback transactions, amounting to US\$ 3.6 million and the positive fair value of derivative financial instruments (interest rate swaps), amounting to US\$ 5.5 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 March 2023 amounted to US\$ 289.7 million, of which US\$ 53.1 million is due within one year. DIS' bank debt as at 31 March 2023 comprises mainly the following long-term facilities granted to d'Amico Tankers d.a.c. (Ireland), the key operating company of the Group:

- (i) US\$ 279.0 million (originally US\$ 250.0 million) term-loan facility granted by a pool of nine primary financial institutions (Crédit Agricole Corporate and Investment Bank, Nordea Bank, ING Bank, Banca IMI, Commonwealth Bank of Australia, Skandinaviska Enskilda Banken (SEB), The Governor and Company of the Bank of Ireland, Credit Industriel et Commercial, DnB), to provide financing for 1 existing vessel, with an outstanding debt of US\$ 23.4 million (this facility was fully reimbursed in April 2023).
- (ii) Crédit Agricole Corporate and Investment Bank and ING term-loan facility to refinance 1 MR vessel built in 2016 with an outstanding debt of US\$ 14.4 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\$ 50.2 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\$ 78.6 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\$ 37.8 million;
- (vi) Skandinaviska Enskilda Banken 5-years term-loan facility to finance 1 LR1 vessel built in 2017, with an outstanding debt of US\$ 18.1 million;
- (vii) Tokyo Century Corporation 5-years term-loan facility to finance 1 MR vessel built in 2017, with a total outstanding debt of US\$ 13.1 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\$ 14.2 million;
- (ix) Danish Ship Finance 7-year term-loan facility to refinance 2 MR vessels built in 2012, with an outstanding debt of US\$ 23.4 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\$ 19.6 million.

Lease liabilities include the leases on M/T High Freedom, M/T High Trust, M/T High Loyalty, M/T High Trader, and M/T Cielo di Houston, 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. As at 31 March 2023, the outstanding lease liabilities on M/T High Freedom, M/T High Trust, M/T High Loyalty, and M/T High Trader are included in 'Liabilities from leases – current', as d'Amico Tankers d.a.c. exercised or intends to exercise its purchase options on said vessels within the next 12 months from the end of the period. In addition, 'lease liabilities' include as at 31 March 2023, US\$ 34.1 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 Q1 2023, DIS' Net Cash Flow was positive for US\$ 46.9 million vs. US\$ 3.7 million in Q1 2022.

US\$ Thousand	Q1 2023	Q1 2022
Cash flow from operating activities	99,207	10,241
Cash flow from investing activities	(4,827)	9,778
Cash flow from financing activities	(47,447)	(16,340)
Change in cash balance	46,933	3,679
Cash and cash equivalents net of bank overdrafts at the beginning of the period	108,238	26,406
Cash and cash equivalents at the end of the period	155,171	45,438
Bank overdrafts at the end of the period	-	(15,353)
Cash and cash equivalents net of bank overdrafts at the end of the period	155,171	30,085

Cash flow from operating activities was positive, amounting to US\$ 99.2 million in Q1 2023 vs. US\$ 10.2 million in Q1 2022. This positive variance is attributable to the better operating performance achieved in Q1 2023 relative to the same period of last year.

The net **Cash flow from investing activities** was negative for US\$ (4.8) million in Q1 2023 (positive, amounting to US\$ 9.8 million in Q1 2022). The amount for Q1 2023 comprises the costs relating to drydocks which occurred in the period. The amount for the same quarter of 2022, comprised mainly the costs relating to drydocks which occurred in the period, off-set by US\$ 10.2 million generated from the sale of the M/T High Valor.

Cash flow from financing activities was negative, amounting to US\$ (47.4) million in Q1 2023. This figure comprises mainly: (i) US\$ (18.1) million in bank debt repayments; and **US\$ (29.4) million repayment of lease liabilities**, including US\$ (20.7) million related to the termination of the lease on High Voyager, following the d'Amico Tankers d.a.c.'s exercise of its purchase option.

SIGNIFICANT EVENTS OF THE FIRST QUARTER

In Q1 2023, the main events for the d'Amico International Shipping Group were the following:

D'AMICO INTERNATIONAL SHIPPING S.A.:

Dividend distribution: In March 2023, the Board of Directors of d'Amico International Shipping proposed to the Shareholders a dividend to be paid in cash of US\$ 22,011,953.96 gross (US\$ 18,710,160.87 net, after deducting the 15% applicable withholding tax), corresponding to US\$ 0.0153 per issued and outstanding share net of withholding taxes, to be paid out of the distributable reserves, including the share premium reserve.

D'AMICO TANKERS D.A.C.:

'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.

SIGNIFICANT EVENTS SINCE THE END OF THE PERIOD AND BUSINESS OUTLOOK

D’AMICO INTERNATIONAL SHIPPING S.A.:

Approval of the 2022 statutory and consolidated Financial Statement, the dividend distribution and the 2022-2024 medium-long term incentive plan: In April 2023, the Annual General Shareholders’ meeting of d’Amico International Shipping S.A. approved the 2022 statutory and consolidated financial statements of the Company, showing a consolidated net profit of US\$ 134,869,615. The Annual General Shareholders’ meeting furthermore resolved the payment of the gross dividend in cash proposed by the Board of Directors. The payment of the above-mentioned dividend was made to the Shareholders on April 26th, 2023 with related coupon n. 5 detachment date (ex-date) occurring on April 24th, 2023 and record date on April 25th, 2023 (no dividend was paid with reference to the 18,170,238 shares repurchased by the Company, treasury shares not carrying a dividend right). In addition, the Annual General Shareholders’ meeting of DIS approved the 2022-2024 Medium-Long Term Incentive Plan as illustrated in the Information Document, - drafted in accordance with art. Art. 84-bis of the Regulation adopted by CONSOB with resolution no. 11971 dated 14 May 1999 as amended and supplemented from time to time - and related report of the Board of Directors both approved on March 9th, 2023 and available on the Company’s web site.

D’AMICO TANKERS D.A.C.:

‘Time Charter-Out’ Fleet: In April 2023, d’Amico Tankers d.a.c. fixed a time charter-out contract with an oil-major for one of its MR vessels for 6 months, starting in April 2023.

In May 2023, d’Amico Tankers d.a.c. fixed a time charter-out contract with an oil-major for one of its MR vessels for 32 months, starting in May 2023.

Exercise of the purchase option on a bareboat chartered MR vessel: In May 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 Trust, a 49,990 dwt MR product tanker vessel, built in 2016 by Hyundai Mipo, South Korea at their Vinashin facility in Vietnam, for a consideration of approximately US\$ 22.2 million and with delivery expected in mid-July 2023.

Exercise of the purchase option on a bareboat chartered MR vessel: In May 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 Trader, a 49,990 dwt MR product tanker vessel, built in 2015 by Hyundai Mipo, South Korea at their Vinashin facility in Vietnam, for a consideration of approximately US\$ 21.6 million and with delivery expected at the end of July 2023.

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

	As at 31 March 2023				As at 11 May 2023			
	LR1	MR	Handysize	Total	LR1	MR	Handysize	Total
Owned	5	10	6	21	5	11	6	22
Bareboat chartered*	1	6	-	7	1	5	-	6
Long-term time chartered	-	5	-	5	-	5	-	5
Short-term time chartered	-	3	-	3	-	3	-	3
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:

Product Tanker Demand

- According to the IEA's April Oil Market Report, global refining throughput is forecast to average 82.0 million b/d this year, 100,000 b/d lower than in their last month's report due to a weaker than anticipated Q1 2023.
- The IEA expects crude runs to increase by 3.1 mb/d between March and August '23 thanks to the normalization of US crude runs and materially higher Chinese crude runs. Throughputs are projected to end the year around 1.2 mb/d above pre-covid levels.
- According to IEA's April report, global oil demand will grow by almost 2.7 mb/d between Q1 and Q4 '23, reaching 103.0 mb/d in the last quarter of the year (2.4 mb/d more than in Q4 '19).
- Reflecting the widening disparity between regions, non-OECD countries, buoyed by a resurgent China, will account for 90% of growth. OECD demand, dragged down by weak industrial activity and warm weather, contracted by 390,000 b/d year on year in Q1 2023, its second consecutive quarter of decline. Jet/kerosene accounts for 57% of 2023 gains
- In their latest Short Term Energy Outlook, the US EIA forecast refinery runs will climb from 15.9million b/d in April to 16.4million b/d and 17.2 million b/d in May and June respectively, supported by the winding down of a heavy maintenance season and weather-related outages.
- According to Clarksons' April 2023 outlook, tonne-mile demand for product tankers is projected to grow by 8.7% in 2023, on the back of inefficiencies and dislocation related to the war in Ukraine, oil demand gains and new refinery start-ups, with export growth expected to be led by Asia and the Middle East. Projections are slightly lower than previously amid potential for some knock-on impacts from OPEC cuts.
- In 2023 average distances sailed are expected to increase further as a result of the Ukrainian war, with Russia having recently increased exports to a range of non-European markets, including the Middle East, Turkey, Africa, and Latin America.
- In the longer-term, recovering demand and structural shifts in the location of refineries are likely to continue boosting long-haul product trades.

Product Tanker Supply

- At the beginning of the year, Clarksons estimated 44 MRs and LR1s would be delivered in 2023. 20 ships were scheduled for delivery in Q1 2023 of which only 12 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 April 2023 outlook, Clarksons estimated the product tanker fleet will grow by only 1.3% in 2023.
- The strong freight markets have subdued scrapping in Q1 2023 with only 4 vessels in the MR and LR1 sector have been scrapped during the period.

- According to Clarksons, as at the end of March 2023, 8.3% of the MR and LR1 fleet was over 20 years old (in dwt), whilst the current order book in these segments represented only 4.2% of the current trading fleet (in dwt). As at the same date, 36.9% 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.

D' AMICO INTERNATIONAL SHIPPING GROUP
INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

<i>US\$ Thousand</i>	Q1 2023	Q1 2022
Revenue	140,233	66,538
Voyage costs	(33,967)	(23,717)
Time charter equivalent earnings*	106,266	42,821
Bareboat charter revenue	1,197	1,186
Total net revenue	107,463	44,007
Time charter hire costs	(27)	(1,206)
Other direct operating costs	(24,427)	(21,129)
General and administrative costs	(4,220)	(3,378)
Result on disposal of vessels	(2,379)	(521)
EBITDA*	76,410	17,773
Depreciation and impairment	(15,807)	(17,483)
EBIT*	60,603	290
Net financial income	1,170	573
Net financial (charges)	(7,380)	(7,218)
Loss before tax	54,393	(6,355)
Income taxes	(277)	(141)
Net profit (loss)	54,116	(6,496)
Basic earnings (loss) per share ¹¹	US\$ 0.044	US\$ (0.005)

*see Alternative Performance Measures on page 9

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

<i>US\$ Thousand</i>	Q1 2023	Q1 2022
Profit (loss) for the period	54,116	(6,496)
<i>Items that may be reclassified subsequently into profit or loss</i>		
Movement of valuation of cash-flow hedges	(2,369)	5,748
Exchange differences in translating foreign operations	818	(113)
Total comprehensive income for the period	52,565	(861)
<i>The net result is entirely attributable to the equity holders of the Company</i>		
Basic comprehensive earnings (loss) per share	US\$ 0.043	US\$ (0.001)

¹¹ Basic earnings (loss) per share (e.p.s.), have been calculated on an average number of shares outstanding equal to 1,222,881,230 in the first quarter of 2023 and 1,222,728,658 in the first quarter of 2022. In Q1 2023 and in Q1 2022 diluted e.p.s. was equal to basic e.p.s..

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>US\$ Thousand</i>	Note	As at 31 March 2023	As at 31 December 2022
ASSETS			
Property, plant and equipment (PPE) and Right-of-use assets (RoU)		797,415	809,298
Other non-current financial assets		4,185	9,103
Total non-current assets		801,600	818,401
Inventories		13,492	18,303
Receivables and other current assets		77,704	91,498
Other current financial assets		9,353	8,787
Cash and cash equivalents		155,171	117,896
Current Assets		255,720	236,484
TOTAL ASSETS		1,057,320	1,054,885
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital		62,053	62,053
Accumulated earnings		108,054	53,938
Share Premium		368,827	368,827
Other reserves		(7,926)	(6,404)
Total shareholders' equity		531,008	478,414
Banks and other lenders		236,564	266,124
Non-current lease liabilities		81,915	150,225
Other non-current financial liabilities		3,153	3,332
Non-current liabilities		321,632	419,681
Banks and other lenders		53,135	51,086
Current lease liabilities		110,176	71,740
Payables and other current liabilities		37,946	30,734
Other current financial liabilities		3,051	3,129
Current tax payable		372	101
Current liabilities		204,680	156,790
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1,057,320	1,054,885

11 May 2023
On behalf of the Board

Paolo d'Amico
Chairman, Chief Executive Officer

Antonio Carlos Balestra di Mottola
Chief Financial Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

<i>US\$ Thousand</i>	Q1 2023	Q1 2022
Result for the period	54,116	(6,496)
Depreciation and amortisation PPE and RoU	15,807	15,403
Impairment	-	2,080
Current and deferred income tax	277	141
Net lease cost	2,916	3,844
Other net financial charges (income)	3,294	2,801
Movement in deferred result on disposal of fixed assets	2,378	521
Other non-cash items	820	(28)
Allotment for LTI	28	-
Cash flow from operating activities before changes in working capital	79,636	18,266
Movement in inventories	4,812	(1,872)
Movement in amounts receivable	13,941	(1,184)
Movement in amounts payable	6,588	571
Taxes paid	(5)	(81)
Net cash payment for interest portion of lease liability	(2,916)	(3,844)
Net interest paid	(2,849)	(1,615)
Net cash flow from operating activities	99,207	10,241
Acquisition of fixed assets	(4,827)	(419)
Net sale of fixed assets	-	10,197
Net cash flow from investing activities	(4,827)	9,778
Treasury shares	-	-
Movement in other financial receivables	-	77
Bank loan repayments	(18,065)	(22,857)
Bank loans draw-down	-	15,345
Repayments of principal portion of lease liability	(29,382)	(8,905)
Net cash flow from financing activities	(47,447)	(16,340)
Net increase (decrease) in cash and cash equivalents	46,933	3,679
Cash and cash equivalents net of bank overdrafts at the beginning of the period	108,238	26,406
Cash and cash equivalents net of bank overdrafts at the end of the period	155,171	30,085
Cash and cash equivalents at the end of the period	155,171	45,438
Bank overdrafts at the end of the period	-	(15,353)

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

	Share capital	Retained Earnings (Accumulated losses)	Share premium	Other Reserves			Total
				Share-based payments	Other	Cash-Flow hedge	
<i>US\$ Thousand</i>							
Balance as at 1 January 2023	62,053	53,938	368,827	238	(16,349)	9,707	478,414
LTI accruals, share-based (2019-2020 plan)	-	-	-	2	-	-	2
LTI accruals, share-based (2021-2022 plan)	-	-	-	27	-	-	27
Total comprehensive income	-	54,116	-	-	818	(2,369)	52,565
Balance as at 31 March 2023	62,053	108,054	368,827	267	(15,531)	7,338	531,008

	Share capital	Retained Earnings (Accumulated losses)	Share premium	Other Reserves			Total
				Share-based payments	Other	Cash-Flow hedge	
<i>US\$ Thousand</i>							
Balance as at 1 January 2022	62,053	(80,568)	368,823	38	(16,505)	(1,459)	332,382
Other changes	-	(254)	-	-	329	-	75
Total comprehensive income (loss)	-	(6,496)	-	-	(113)	5,748	(861)
Balance as at 31 March 2022	62,053	(87,318)	368,823	38	(16,289)	4,289	331,596

NOTES

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

The financial statements of the 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 liabilities, which are stated at fair value through profit or loss or other comprehensive income for the effective portion of the hedges.

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

1. ACCOUNTING POLICIES

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

Basis of Preparation

The financial statements present the consolidated results of the parent company, d'Amico International Shipping S.A., and its subsidiaries for the period ended 31 March 2023.

The interim condensed consolidated financial statements do not contain all information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 31 December 2022.

Critical Accounting Judgments and Key Estimates

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

Segment Information

d'Amico International Shipping provides transportation services of refined petroleum products and vegetable oil, operating in only one business segment, Product Tankers. Furthermore, the Group only has one geographical segment, employing all its vessels worldwide, rather than in specific geographical areas. The Group's top management monitors, evaluates and allocates the Group's resources across the whole fleet, operations are run in one single currency – the US\$ – and DIS considers, therefore, the product tankers business as a single segment.

Accounting principles

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

Accounting principles adopted from 1 January 2023

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 its foreseeable transactions.

11 May 2023

On behalf of the Board

Paolo d'Amico
Chairman, Chief Executive Officer

Antonio Carlos Balestra di Mottola
Chief Financial Officer

The manager responsible for preparing the Company's interim financial reports, Antonio Carlos Balestra di Mottola, in his capacity as Chief Financial Officer of the Company, declares that the accounting information contained in this document corresponds to the results documented in the books, accounting and other records of the Company.

Antonio Carlos Balestra di Mottola
Chief Financial Officer