Annual Report 2023

d'Amico International Shipping S.A.

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2023 Annual Report

CONSOLIDATED AND STATUTORY FINANCIAL STATEMENTS

Year ended 31 December 2023

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 2023

This document is available on www.damicointernationalshipping.com

This version of the consolidated financial statements has been prepared based on the ESEF version, which is the only authoritative one and is available on https://en.damicointernationalshipping.com

d'AMICO INTERNATIONAL SHIPPING NON-FINANCIAL STATEMENTS

Letter from our CEO

Dear Shareholders,

I am delighted to share with you the remarkable achievements of d'Amico International Shipping in 2023, the most profitable in our company's history. **In 2023, we achieved a net profit of US$ 192.2 million, representing a significant increase from the US$ 134.9 million recorded in the prior year.** Our adjusted net result, excluding results on disposals and non-recurring financial items, as well as asset impairments, amounted to US$ 196.7 million in 2023, compared with US$ 139.5 million in 2022.

These outstanding financial results were driven by a buoyant product tanker market. Notably, our Company secured an average daily spot rate of US$ 32,873 in FY 2023, compared with US$ 31,758 in FY 2022. Additionally, DIS covered 29.8% of its employment days at an average daily TCE rate of US$ 28,107 in FY 2023.

Last year we also further strengthened our financial structure, thanks mostly to a strong cash generation. As at the end of 2023, our Net Financial Position (NFP) stood at US$ 224.3 million, a significant improvement from US$ 409.9 million at the end of 2022. Notably, our leverage ratio decreased to 18.0% by the end of December 2023, underscoring our commitment to financial prudence.

Thanks to a positive market outlook and to the financial solidity we have achieved, we have also increased the amount of cash returned to our shareholders. In 2023, DIS distributed gross dividends of US$ 22.0 million in Q2 and an interim gross dividend of US$ 20.0 million in Q4, in addition to repurchasing own shares amounting to US$ 7.1 million. Today, DIS' Board of Directors proposed a gross dividend distribution of US$ 30.0 million to the upcoming Annual Shareholders' Meeting.

Throughout 2023, the product tanker market remained robust, though not reaching the peak levels observed in late 2022. A brief dip in earnings at the beginning of the fourth quarter was followed by a recovery in mid-October, largely due to disruptions in Panama Canal transits caused by a severe drought and to a seasonal increase in refining activity. Incidents in the Red Sea, involving attacks by Houthi rebels on commercial shipping, further stimulated the market, prompting some operators, including ourselves, to opt for longer routes via the Cape of Good Hope.

Several factors bolstered demand for product tankers in 2023, including shifts in oil trade routes due to sanctions on Russia, higher Chinese oil consumption, congestion in the Panama Canal, limited fleet capacity growth, low refined product stockpiles, volatile oil prices creating arbitrage opportunities and robust refining margins. Additionally, non-OPEC oil production expansion and the ongoing replacement of older refineries with more efficient facilities situated farther from major consumption hubs also supported the market.

Based on estimates from the IEA, global oil demand saw a notable increase of 2.3 mb/d in FY 2023, reaching an average of 101.8 mb/d, equivalent to a 1.0 mb/d growth relative to FY 2019. Looking ahead, the IEA predicts oil demand will continue rising rapidly, by 1.2 mb/d to an average of 103.0 mb/d in FY 2024.

While jet fuel was the main contributor to the increase in demand in 2023, the growth drivers in 2014 are anticipated to be naphtha, motor gasoline, and diesel.

According to the IEA, global refinery throughput rose by 1.5 mb/d in 2023 compared with the previous year, reaching an average of 82.3 mb/d. Projections suggest a further increase of 1.0 mb/d in 2024, with growth mainly concentrated in countries East of Suez. Notably, the significant 1.8 mb/d increase in non-OECD refinery throughput in 2023 was predominantly driven by China (+1.3 mb/d). In FY 2024, expansion will be led by the Middle East (+0.63 mb/d), with China (+0.34 mb/d) and Africa (+0.26 mb/d) following suit. This rise in Middle East refinery throughput, attributable to capacity additions in Kuwait and Oman, alongside a resurgence in Saudi Arabian output, is expected to translate into increased volumes transported by product tankers. Moreover, inventories are currently below their 5-year average, indicating a possible need to replenish stocks in 2024, further bolstering the product tanker market.

The oil and tanker markets were significantly impacted by Russia's invasion of Ukraine, disrupting trade flows for both crude oil and refined products. Additionally, EU sanctions and price caps on Russian oil product exports, effective since February 5, 2023, had a considerable effect on the product tanker market. While Russian exports to the EU declined sharply, exports to other more distant location surged, leading to an increase in average distances sailed by product tankers.

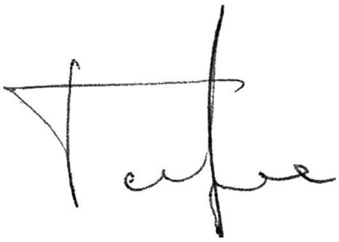
We are confident of the enduring positive prospects for the product tanker sector. The ongoing shift of refinery capacity primarily to the Middle East and Asia, away from major consumption hubs like Europe, the USA, and Australia, is expected to significantly boost ton-mile demand for product tankers. From a supply standpoint, our industry appears to be in a robust position. Despite a recent increase in vessel orders, market participants are exercising caution regarding investments in newbuilding vessels due to rising costs, uncertainties regarding technological advancements, and limited availability at shipyards, leading to prolonged delivery timelines, often extending beyond 2026. Furthermore, the global fleet is aging rapidly. According to Clarksons, as at the end of 2023, 10.8% of the MR and LR1 fleet (measured by deadweight tonnage) was over 20 years old, with 43.1% exceeding 15 years, while the current order book for these segments represented only 7.7% of the existing trading fleet.

As we celebrate the best financial results in our company's history, I am proud of the progress we've made. We can count on a modern and primarily 'eco' fleet, which we strive to continue managing and operating as efficiently as possible, thanks also to our first-class technical management team. Our experienced executive team has adeptly navigated the prolonged market downturn and then pivoted to benefit from the current robust market, showcasing our resilience and adaptability.

Additionally, I am proud of the strides we are making on the ESG (Environmental, Social, and Governance) front, which remains a continuing journey and always at the top of our agenda.

Our solid financial structure grants us the agility to capitalize on emerging opportunities swiftly. This, coupled with our forward-thinking approach, fills me with optimism for DIS' future. I am confident in our ability to tackle both the opportunities and challenges ahead to achieve sustainable success.

I express my heartfelt gratitude to our teams worldwide for their unwavering commitment and professionalism. I also extend a special thank you to our crew members for their exceptional work, in a challenging geopolitical environment. To our shareholders, I express sincere appreciation for your continued trust and support. Together, we will navigate dynamic market conditions and strive for enduring growth and value creation.



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

KEY FIGURES

GOVERNANCE Responsibility	2023
Cases of corruption, bribery or anti-competitive behaviour	-
Instances for which fines were incurred	-

ENVIRONMENTAL RESPONSIBILITY (owned and bareboat vessels)[1]	2023
EEXI Compliant ships (as at year-end)	100.0%
EEDI - Pre-EEDI (%) (as at year-end)	20.7%
EEDI - Phase 1 ships (%) (as at year-end)	0.0%
EEDI - Phase 2 ships (%) (as at year-end)	62.1%
EEDI - Phase 3 ships (%) (as at year-end)	17.2%
EEDI/EEXI (g CO2/dwt tonne* miles)	(0.4%) from 2022
IMO classed fleet % (as at year-end)	82.1%
Fleet age (years)	8.7
Fleet certified for the use of Biofuel blends up to B30 (%) (as at year-end)	21.0%
Fleet with installed water ballast treatment system (%) (owned (as at year-end)	100.0%
EEOI (g CO2/tonne* miles)	(2.1%) from 2022
CO2 emissions per nautical mile (tCO2/ Nautical Mile)	+4.7% from 2022
SOx emissions per nautical mile	+5.7% from 2022
Total waste per vessel (m3/vessels)	+4.8% from 2022
Accident and spills	-
Number of marine casualties	-
Fresh water used	+3.9% from 2022

SOCIAL RESPONSIBILITY	2023
Onshore personnel (as at year-end)	25
Seagoing personnel (as at year-end)	626
Seagoing personnel (overall during the year)	1,270
Nationalities within the personnel	18
% of female employees onshore	40.0%
Expenses on training for onshore and seagoing personnel (US$)	+206.1% from 2022
Work-related injuries	-

1 Excluding M/T Bright Future (ex-M/T Cielo di Londra) since it is bareboat chartered out.

GROUP PROFILE

GRI 2-6 / ESRS 2

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 2023, d'Amico International Shipping controls – 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). The whole controlled fleet has an **average age of approximately 8.8 years**, compared to an average in the product tankers industry of 13.5 years for MRs (25,000 – 55,000 dwt) and 14.8 years for LR1s (55,000 – 84,999 dwt).

All DIS' vessels are double-hulled and are **primarily engaged in the transportation of refined oil products**, providing worldwide shipping services to the major oil companies and trading houses. All the vessels are **compliant with IMO** (International Maritime Organization) **regulations**, including MARPOL (the International Convention for the Prevention of Pollution from Ships), with the requirements of oil-majors and energy-related companies and other relevant international standards. Based on MARPOL/IMO rules, cargoes such as palm oil, vegetable oil and other chemicals can only be transported by vessels that meet certain requirements (IMO Classed). As at 31 December 2023, 77.8% of DIS' controlled fleet was IMO Classed.

DIS' purpose and values are presented below.

Purpose

Connecting the world by sea, our responsibility is to create economic and social value, respecting the environment and guaranteeing reliable and transparent relationships for our stakeholders

Values

Long-term vision family tradition and innovation	Business ethics
Inspired by the values of our family, we build our business with a long-term view, focusing on innovative solutions and adequate risk management.	*Our sustainable business model pursues the goal of creating value and generating a positive impact on the communities we work with. Integrity, transparency and an open dialogue are the foundations of our relations with stakeholders.*
Strong commitment to sustainability	**People Care**
Respect for the environment is a priority. Safeguarding the planet and a strong focus on future generations guide our investment choices, without compromises. At all times, we take care of our seas and promote a sustainable lifestyle for our people.	*We believe in the value of diversity and promote a multi-cultural, inclusive and motivating work environment where our people are part of a unique team.* *We offer our people an 'employee experience' that allows them to develop their skills, and to nurture their talent for their professional and personal fulfilment, while taking care of their well-being.*

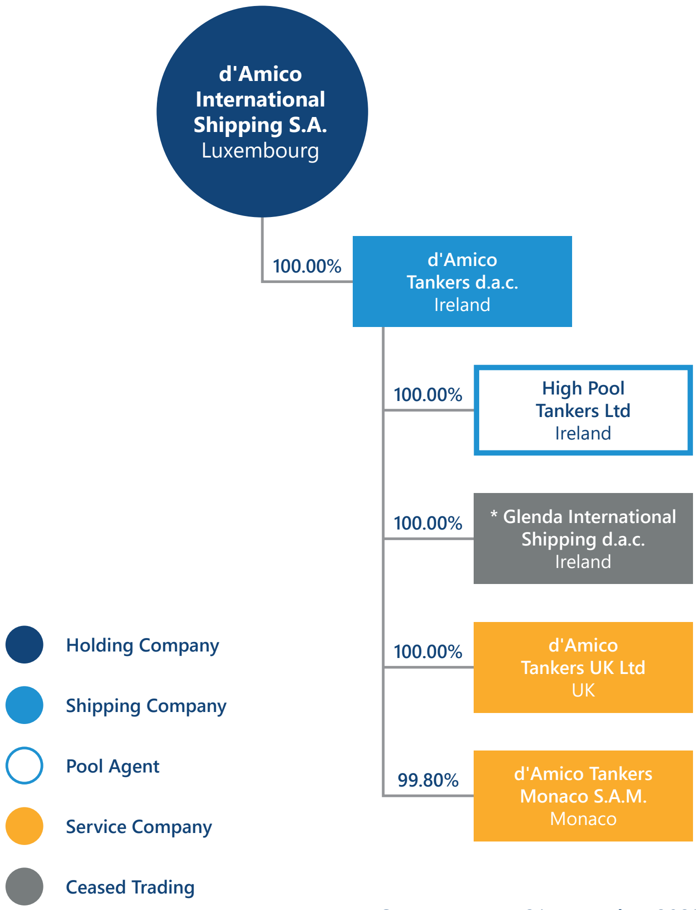
GLOBAL PRESENCE AND GROUP STRUCTURE

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

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) it is also in compliance with relevant Italian laws. As at 31 December 2023, d'Amico International S.A, which is fully-owned by d'Amico Società di Navigazione S.p.A, controlled 65.65% of the capital (voting shares) of d'Amico International Shipping S.A.

DIS is present with its offices in the **key maritime centres around the world**: Luxembourg, Dublin (Ireland), London (U.K.), Monte Carlo (Monaco), Singapore, New York (USA) and Rome (Italy). The Group 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 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 2023, DIS employed **626 seagoing personnel and 25 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.



Structure as at 31 December 2023

* 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) / ESRS 2

US$ 401.8 million	36	12,856	17.1 million tons
total net revenue, +20.0% from 2022	product tankers vessels controlled	employment days, +0.6% from 2022	cargo loaded, +17.6% from 2022

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

DIS Group's revenue, amounting to **US$ 401.8 million in 2023** (+20.0% from 2022), 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 the 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. **Accountability, transparency and a focus on quality are pillars of its operations and key to DIS Group's success.**

Total net revenue (time charter equivalent earnings)

	2021	2022	2023	Var 2023/22	Var 2023/21
Total net revenue (US$ thousands)	174,974	334,770	401,839	+20.0%	+129.7%

Total capitalization breakdown – at year-end

	2021	2022	2023	Var 2023/22	Var 2023/21
Net financial indebtedness (US$ thousands)	520,288	409,850	224,344	(45.3%)	(56.9%)
Shareholders' Equity (US$ thousands)	332,382	478,414	617,806	+29.1%	+85.9%

Fleet

The DIS Group controlled as at 31 December 2023, either through ownership or charter arrangements, **a modern fleet of 36.0 product tankers** (unchanged compared to December 31, 2022). DIS Group's product tanker vessels range from approximately 36,000 to 75,000 dwt.

Controlled fleet - number of vessels - at year-end

	2021	2022	2023	Var 2023/22	Var 2023/21
Controlled fleet	37	36	36	0.0%	(2.7%)
of which owned and bareboat	27	28	29	+3.4%	+6.9%

Controlled fleet dwt - at year-end

	2021	2022	2023	Var 2023/22	Var 2023/21
Controlled fleet DWT (mt)	1,919,319	1,872,703	1,872,703	0.0%	(2.4%)
of which owned and bareboat	1,471,069	1,474,452	1,524,451	+3.3%	+3.5%

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 is committed to operating a fuel-efficient fleet, in compliance with recent environmental legislation. To this end, the DIS Group has ordered 22 newbuildings since 2012, the last of which was delivered in October 2019. They cater to the high standards required by the Group's oil major customers, in addition to being highly cost effective.

Operating a large fleet enhances the generation of earnings and operating efficiencies, 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 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.

In 2023, **DIS vessels were employed for a total of 12,856 days** – 98% of the available days, with a slight increase compared to 2022 (+0.6%) – **and transported 17.1 million tons of products**, particularly gasoil and unleaded gasoil.

Controlled fleet's available and employment days

	2021	2022	2023	Var 2023/22	Var 2023/21
Available days	13,920	13,040	13,140	+0.8%	(5.6%)
Employment days	13,503	12,785	12,856	+0.6%	(4.8%)

Distance sailed[2]

	2021	2022	2023	Var 2023/22	Var 2023/21
Ballast (Nautical Miles)	626,657.9	723,759.8	672,417.7	(7.1%)	7.3%
Laden (Nautical Miles)	1,289,832.2	1,226,358.8	1,124,651.2	(8.3%)	(12.8%)
Port (Nautical Miles)[3]	52,295.8	48,563.5	46,416.0	(4.4%)	(11.2%)
Total	**1,968,785.8**	**1,998,682.1**	**1,843,484.9**	**(7.8%)**	**(6.4%)**

Cargo loaded[4]

	2021	2022	2023	Var 2023/22	Var 2023/21
Cargo loaded (tons)	16,884,714.5	14,502,530.0	17,059,460.0[5]	+17.6%	+1.0%

Products transported[6]

	2021	2022	2023[7]
Gasoil	39.9%	36.6%	31.1%
Unleaded Gasoline	22.0%	25.9%	26.5%
Fuel oil	11.2%	13.4%	17.4%
Naphta	12.8%	13.4%	10.9%
Jet A1	7.2%	6.4%	9.8%
Vegetable oil	3.7%	2.2%	2.4%
Easy chemicals	0.6%	0.7%	1.3%
Gasoline components	2.7%	1.4%	0.6%

DIS in 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' trading opportunities also arise because of regional differences in refining costs and mismatches between local refining output and demand for specific refined products.

2 The values for 2021 and 2022 have been revised with respect to what was published in the Annual Report 2022, in order to cover the controlled fleet.

3 Distance sailed from anchorage to the terminal.

4 The values for 2021 and 2022 have been revised with respect to what was published in the Annual Report 2022, in order to cover the controlled fleet.

5 Excluded from this count is the Bright Future (formerly Cielo di Londra) which is not operated commercially by d'Amico Tankers.

6 % estimated on a selection of the top 8 products transported.

7 Excluded from this count is the Bright Future (formerly Cielo di Londra) which is not operated commercially by d'Amico Tankers.

The product tanker industry

Product tanker class (dwt)	Characteristics	Voyages	Flexibility	Arbitrage voyages	% World fleet [8]
Short range (SR) 10,000 – 25,000	Trades in specialised markets regionally. Focused primarily on the distribution side	Only short	High	No	5.6%
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	39.2%
Long range (LR) 55,000 – 120,000	Better economies of scale over longer haul voyages	Short and long	Medium (LR1) Low (LR2)	Yes	55.2%

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 2023, 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.

As at 31 December 2023, DIS directly employed 36.0 Vessels: 3 LR1s ('Long Range 1'), 7 MRs ('Medium Range') and 4 Handysize vessels on term contracts at fixed rates, whilst 3 LR, 17 MR and 2 Handy-size vessels were employed on the spot market.

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

DIS' Fleet (owned and bareboat)

LR1 fleet

Name of vessel	Dwt	Year of construction	Builder, Country	IMO classed
Owned				
Bright Future[9]	75,000	2019	Hyundai Mipo, South Korea (Vinashin, Vietnam)	-
Cielo Rosso	75,000	2018	Hyundai Mipo, South Korea (Vinashin, Vietnam)	-
Cielo di Cagliari	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	74,999	2019	Hyundai Mipo, South Korea (Vinashin, Vietnam)	-

8 Source: Clarksons Research, as of January 1, 2024. Percentage on DWT of global product tanker fleet (285.4 million DWT) excludes vessels with stainless steel tanks.

9 Ex-Cielo di Londra.

MR fleet

Name of vessel	Dwt	Year of construction	Builder, Country	IMO classed
Owned				
High Explorer	49,999	2018	Onomichi, Japan	IMO II/III
High Adventurer	49,999	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 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 Voyager	45,999	2014	Hyundai Mipo, South Korea	IMO II/III
High Freedom	49,990	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
GLENDA Melissa	47,203	2011	Hyundai Mipo, South Korea	IMO III
GLENDA Meryl	47,251	2011	Hyundai Mipo, South Korea	IMO III
GLENDA Melody	47,238	2011	Hyundai Mipo, South Korea	IMO III
GLENDA Melanie	47,162	2010	Hyundai Mipo, South Korea	IMO III
Bareboat with purchase options and purchase obligations				
High Fidelity	49,990	2014	Hyundai Mipo, South Korea (Vinashin, Vietnam)	IMO II/III
High Discovery	50,036	2014	Hyundai Mipo, South Korea	IMO II/III
TC-in long-term with purchase options				
High Leader	49,999	2018	Japan Marine, Japan	IMO II/III
High Navigator	49,999	2018	Japan Marine, 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

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 were employed through Glenda International Shipping d.a.c., the former joint venture with the Glencore Group, in which d'Amico Tankers d.a.c. owned a 50% interest. 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. and on 22 September 2022 Glenda International Shipping d.a.c ceased trading.

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 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.

CORPORATE GOVERNANCE

GRI 2-9 (2021) / ESRS 2; G1

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.

The Company has decided to generally comply with the principles and recommendations of the **Borsa Italiana Corporate Governance Code**[10] , as the implementation of some of its principles and recommendations is essential to remain listed on the Euronext STAR Milan segment. At the end of 2022, DIS was one of the only two foreign-based companies listed on the Italian Stock Exchange complying fully with the Italian Corporate Governance Code.

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 have to provide the specific reasons for each deviation, as well as all relevant information, in its Corporate Governance Report available on the Company's website.

The Company has adopted a corporate governance system based on the a**ctive role of the Board of Directors** (hereinafter referred to also as the "**Board**"), currently comprising six members, three of whom are executives and three are independent. In addition, the Company has established a **Nomination and Remuneration Committee** and a **Control and Risk Committee** (following the "**Committees**"), both 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 a Board of Directors member and 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 carried out (pursuant to the Borsa Italiana Corporate Governance Code) by the Board of Directors itself 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 and an external consultant

10 the "Corporate Governance Code" available in its latest version at www.borsaitaliana.it

from time to time entrusted by the Chairman with the purpose of proposing an optimal list of candidates and, in general, of improving 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 now formalised in a written procedure duly approved by the Board of Directors during 2023 and also mentioned in the Board of Directors' Regulation available on the Company's website.

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.

DIS' policies, regulations and procedures

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

- Rules of procedure governing material 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;
- Policy for managing dialogue with Shareholders;
- Policy on the process of self-assessment of the Board of Directors and the internal committees.

All of DIS' policies, regulations and procedures are included in its Integrated Management System.

BOARD OF DIRECTORS

GRI 2-10 (2021); GRI 2-11 / ESRS 2; G1

The Company's system of corporate governance centres 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.** The Board of Directors directs the business as a whole and intervenes 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 – at year-end

Gender	2021		2022		2023	
	Nr	%	Nr	%	Nr	%
Male members	5	83%	5	83%	5	83%
Female members	1	17%	1	17%	1	17%

Composition of the Board of Directors – at year-end

Role and independence	2021		2022		2023	
	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 – at year-end

	2021	2022	2023
Average tenure of the members (years)	8	9	10

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. 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 statement 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 statement in accordance with the requirements 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, the Board of Directors itself may appoint a new director (co-optation), provided that the next following general Shareholders' meeting confirms such appointment. 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 he exercises final indirect joint control over the Company, together with DIS' Chairman.

Independent Directors

The **three independent members of the Board of Directors** are Marcel C. Saucy, Tom Loesch, and Monique I.A. Maller. Independent 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 independent 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 may call 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[11]	Executive	Independence in accordance with Corporate Governance Code	N° of other important offices[12]
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	4
Tom Loesch 26/4/1956	Director	20/04/2021	20/04/2021 31/12/2023	No	Yes	6

Induction activities

During the first three-years mandate 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.
- on the **Self-Assessment Policy** as newly implemented.

11 The mandate is going to expire with the meeting of shareholders approving the 2023 financial statements.

12 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 31/12/2023.

OTHER GOVERNANCE BODIES
ESRS 2; G1

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 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).

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	Independent director in accordance with the Corporate Governance Code	Member	President
Marcel C.Saucy	Independent director in accordance with the Corporate Governance Code	Member	Member
Tom Loesch	Independent director 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 2023, 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 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 9 March 2023 for a three-year period ending on the ordinary general meeting approving the 2025 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	2021		2022		2023	
	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)

	2021	2022	2023
Average tenure of the members (years)	10	11	12

Activities of the governing bodies

Below, the number of meetings of the bodies and their respective participation rates are reported.

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

	2021	2022	2023
Board of Directors	4	4	6
Control and Risk Committee	2	2	4
Nomination and Remuneration Committee	2	3	5
Supervisory Committee	5	4	3

% of members who participated at each meeting

	2021	2022	2023
Board of Directors	100%	100%	97%
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

5 GENDER EQUALITY

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 can foster ideas, innovation, understanding, and solutions, thus contributing to its sustainable economic success and to the creation of value for stakeholders in the medium and 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** so far, 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 above mentioned 1/3 parameter.

Moreover, **each committee is composed of three independent directors**, the majority of whom were judged having an adequate knowledge and experience in accounting and finance, 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.

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

		2021	2022	2023
Under 30 years old	Male	-	-	-
	Female	-	-	-
30 - 50 years old	Male	1	1	1
	Female	-	-	-
Over 50 years old	Male	4	4	4
	Female	1	1	1

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

		2021	2022	2023
Under 30 years old	Male	-	-	-
	Female	-	-	-
30 - 50 years old	Male	-	-	-
	Female	1	1	1
Over 50 years old	Male	2	2	2
	Female	-	-	-

REMUNERATION

ESRS 2 GOV-3:

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

- **fixed** remuneration;
- **variable short-term** remuneration;
- **variable long-term** remuneration
- **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.

During 2023, the annual Shareholders general meeting approved, on the proposal of the Board of Director and with the prior favourable opinion of the Nomination and Remuneration Committee, the **adoption of the new Medium-Long Term Variable Incentive Plan**. The Plan involves the assignment of a bonus of combined cash and DIS ordinary shares free of charge to the people of the Company considered strategic against the achievement of specific performance targets, strictly correlated to the Strategic Plan and measured at the end of the vesting period.

The assignment of the bonus is subject to the meeting of various conditions, among which the following **sustainability-related targets:**

- **EEDI/EEXI – CO2 per dwt ton-miles for all owned and bareboat vessels** – a predetermined percentage reduction in the annual average CO_2 emissions per dwt ton-miles, based on the technical specification of each vessel;

- **EEOI – CO2 per ton-miles for owned and bareboat vessels operated on the spot market** – a predetermined percentage reduction in the average CO_2 emissions per ton-miles, defined as the sum of the product of the actual metric tons transported and the actual miles sailed.

DIS' STAKEHOLDERS

GRI 2-29 (2021) / ESRS 2

DIS' main categories of stakeholders are detailed as follows.

DIS' stakeholders

Internal stakeholders

- Personnel
- Board members
- Other unlisted subsidiaries

External stakeholders

- 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
- Stock exchange regulators
- Stock exchange

Internal Stakeholders

Stakeholders	Needs and expectations	Strategy
Personnel	• Employment guarantees • Competitive remuneration • Occupational health and safety • Professional qualification • Positive organisational environment • Flexible working hours • Participation • Cutting-edge information systems • Corporate culture • Focus on the local environment	• Reviewing the organisational structure to keep up with personnel needs • Ongoing professional development for all personnel • Continuous performance evaluation • Welfare initiatives for employees • Internal process management • Technological innovation and updating of equipment and software
Board members	• Alignment of the interests of shareholders with those of the Company • Compliance with the provisions of the Luxembourg laws and regulations, the Articles of Association, and the recommendations of the Corporate Governance Code	• Implementation of the new Self-Assessment Policy
Other unlisted subsidiaries	• Economic and financial soundness • Group efficiency	• Reviewing how business is conducted and the company's performance • Examining current and future market needs

External Stakeholders

Stakeholders	Needs and expectations	Strategy
Shareholder	• Group stability • Soundness of the organisation • Process efficiency • Business' financial sustainability throughout market cycles • A return on equity which exceeds the cost of equity • Satisfactory economic and financial performance • Optimisation of the organisation's resources • Appropriate risk management policies • Sound ship management practices • Continuous innovation • Compliance with management systems and regulations	• Focus on market dynamics and fundamentals • Evaluate investments in new sectors • Establish and update policies and procedures • Attention to technological innovation to improve efficiency of existing services and capture new investment opportunities • Adopt appropriate risk management procedures • Focus on compliance through continuous review of policies and procedures
Clients	• Efficiency, quality and reliability of services • Price • Respect for workers' rights • Compliance with contractual requirements • Compliance with safety standards • Environmental impact of services • Business continuity	• Long-term approach to relationships • Focus on quality of construction and maintenance of vessels • HSQE (Health, Safety, Quality and Environment) department focused on pollution prevention and workers' safety • Appropriate policies and procedures and knowledgeable internal legal corporate and shipping teams • Investments in technology to increase efficiency, quality and reliability • Internal training • Strong corporate governance code

Trade and joint-venture partners	• Business continuity • Solvency • Compliance with contractual conditions • Rapid and prompt payments • Compliance with safety standards • Environmental impact of services • Quality of technical management	• Long-term approach to relationships • Focus on quality of construction and maintenance of vessels • HSQE (Health, Safety, Quality and Environment) department focused on pollution prevention and workers' safety • Appropriate policies and procedures and knowledgeable internal legal corporate and shipping teams • Investments in technology to increase efficiency, quality and reliability • Internal training • Strong corporate governance code
Suppliers	• Business continuity • Solvency • Compliance with contractual conditions • Rapid and prompt payments • Compliance with safety standards • Environmental impact of services • Quality of technical management • Appropriate risk management policies	• Long-term approach to relationships • Focus on quality of construction and maintenance of vessels • HSQE (Health, Safety, Quality and Environment) department focused on pollution prevention and workers' safety • Appropriate policies and procedures and knowledgeable internal legal corporate and shipping teams • Investments in technology to increase efficiency, quality and reliability • Internal training • Strong corporate governance code • Focus on risk management
Debt providers and insurance companies	• Business continuity • Solvency • Compliance with contractual conditions • Compliance with safety standards • Environmental impact of services • Quality of technical management • Appropriate risk management policies • Transparency • Appropriate financial planning • Sound business judgment	• Focus on quality of construction and maintenance of vessels • HSQE (Health, Safety, Quality and Environment) department focused on pollution prevention and workers' safety • Appropriate policies and procedures • Knowledgeable compliance department, internal legal corporate and shipping teams • Investments in technology to increase efficiency, quality and reliability • Internal training • Strong corporate governance code • Focus on risk management and financial planning

Local communities	• Improvement of life quality and conditions • Respect for the environment and improvement of local environmental conditions • Contribution to local economy	• Establishing a positive and collaborative relationship with all local institutions and bodies, as well as with the community in general
Governments, Institutions and NGOs	• Compliance with rules and regulations • Transparency • Positive contribution to local economy and the environment • Positive relations with industrial bodies	• Invest in training of workforce, ashore and onboard ships • Appropriate policies and procedures • Knowledgeable compliance department, internal legal corporate and shipping teams • Seek opportunities to contribute to local community
Maritime and flag authorities	• Compliance with flag requirements • Compliance with class requirements • Compliance with local and international requirements, including those regarding the environment	• Proactive approach, anticipating laws and regulations, also through active participation in trade bodies • Knowledgeable compliance department, internal legal corporate and shipping teams • Focus on quality of construction and maintenance of vessels • HSQE (Health, Safety, Quality and Environment) department focused on pollution prevention and workers' safety • Appropriate policies and procedures • Investments in technology to increase efficiency, quality and reliability

Double materiality assessment

GRI 3-1 (2021); GRI 3-2 / ESRS 2; G1

DIS is adopting all the necessary measures to comply with the Corporate Sustainability Reporting Directive (CSRD) and steer its business strategy towards a sustainable future. As part of this process, the 2022 Annual Report marked the introduction of ESG performance reporting, with an integrated view. Through such reporting the Company aims to contribute to the sustainable development of maritime transport. Furthermore, such reporting can strengthen the Company's brand awareness, widening access to clients, suppliers and credit, whilst leading also to better economic terms on contracts with such counterparties.

During 2023 DIS conducted its first *double materiality assessment*, which led to the definition and evaluation of the **impacts, risks and opportunities (IRO)** that characterize its business operations and trade relations.

The double materiality

The assessment investigates the interactions between the Company and its stakeholders from two complementary perspectives:

- **inside-out perspective** (*impact assessment*) – the impacts caused by DIS' business operations on its stakeholders and the environment;
- **outside-in perspective** (*financial assessment*) – the risks and opportunities caused by social and environmental changes on DIS' business operation and growth prospects.

The process was articulated in the following stages:

- set-up of the mapping of topics and IROs that could be significant for DIS – on the basis of climate scenarios, industry reports, peer publications and ESRS topic-specific standards – with the contribution of the different departments;
- involvement of external stakeholders, through a digital questionnaire, to gather feedback in relation to the accuracy and completeness of IRO mapping;
- integration of feedback from external stakeholders into the mapping;
- involvement of internal stakeholders to assess the materiality of each impact, risk and opportunity;
- identification, based on the defined materiality threshold of 3 out of 5 on a relevance scale, of the final list of material topics and IROs to be included in the reporting.

The double materiality analysis involved 34 internal stakeholders – of which 15 also participated in the materiality assessment – and 75 external stakeholders.

Materiality assessment of impacts, risks and opportunities

Positive impacts	Negative impacts
Criteria for assessing materiality: • **magnitude:** how beneficial the impact is/would be on the stakeholders; • **scope:** how widespread the impact is/would be on the stakeholders; • **probability:** how likely is the impact to occur within the 2023-2027 timeframe.	Criteria for assessing materiality: • **magnitude:** how serious the impact is/would be on the stakeholders; • **scope:** how widespread the impact is/would be on the stakeholders; • **remedies:** to what extent can/could the effects and damages caused by the impact be remedied; • **probability:** how likely is the impact to occur within the 2023-2027 timeframe.
Risks	**Opportunities**
Criteria for assessing materiality: • **magnitude:** how serious the economic and financial consequences of the risk would be for the Company; • **probability:** how likely are the economic and financial consequences of the risk to occur within the 2023-2027 timeframe.	Criteria for assessing materiality: • **magnitude:** how beneficial the economic and financial consequences of the opportunity would be for the Company; • **probability:** how likely are the economic and financial consequences of the opportunity to occur within the 2023-2027 timeframe.

Results of the double materiality assessment

Here we present the **ranking of the sustainability topics**, classified according to the average relevance attributed to the related IROs. In the following chapters, individual impacts, risks, and opportunities identified as material (with significance above the defined materiality threshold) are made explicit for each topic, together with how they are managed and approached by the Company.

The management of material IROs regarding workers in the value chain is reported only with regard to child labour and forced labour.

ENVIRONMENTAL TOPICS	Average relevance			
	Positive impacts	Negative impacts	Risks	Opportunities
Climate change	●●●○○	●●◐○○	●●●◐○	●●●○○
Pollution	-	●●●○○	●●●○○	-
Water and marine resources	-	●●◐○○	●●◐○○	-
Biodiversity and ecosystems	-	●●●○○	●●●○○	-
Circular economy	-	●●●○○	●●◐○○	●●●○○

SOCIAL TOPICS	Average relevance			
	Positive impacts	Negative impacts	Risks	Opportunities
Group employee				
Secure	●●●○○	●●◐○○	●●◐○○	●●●○○
Health	●●●◐○	●●●○○		
Well	●●●◐○	●●●○○		
Training	●●●◐○	-		
Diversity	●●●○○	●●◐○○		

SOCIAL TOPICS	Average relevance			
	Positive impacts	Negative impacts	Risks	Opportunities
Workers in the value chain				
Secure	●●●○○	●●◐○○	●●◐○○	-
Health	-	●●●○○		
Well	-	●●●○○		
Training	●●●○○	-		
Diversity	-	●●◐○○		
child labour and forced labour	-	●●◐○○		
Affected communities	●●●○○	●●◐○○	●●◐○○	-

GOVERNANCE TOPICS	Average relevance			
	Positive impacts	Negative impacts	Risks	Opportunities
Business conduct	●●●◐○	●●◐○○	●●◐○○	●●●○○

Average relevance of the impacts, risks and opportunities of each sustainability topics

• relevance = 1	●	• average relevance from 2.5 to 3.49	●●●◐
• average relevance from 1 to 1.49	●◐	• average relevance from 3.5 to 4.49	●●●●◐
• average relevance from 1.5 to 2.49	●●◐	• Average relevance = 5	●●●●●

Ethics and integrity

GRI 2-23 (2021); GRI 2-26 / ESRS G1

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Zero

cases of corruption, bribery or anti-competitive behaviour, in the period 2021-2023

No

reports of violations of the 231 Model or of the Code of Ethics were received

Training program

on the newly restructured 231 Model and Whistleblowing system launched in 2022 and completed in 2023 for all ashore employees and top management

Material impacts, risks, opportunities and related management procedures

The double materiality analysis identified material negative impacts linked to the potential ineffectiveness of the whistleblowing system, resulting in incidents of corruption and violation of regulations and of the Code of Ethics, with risks arising from the reputational damage resulting from such events. The management of these material impacts and risks is outlined throughout the chapter.

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** approved by DIS seeks to prevent all forms of corruption by promoting a **"zero-tolerance" approach**, including in relation to any form of bribery arising from the behaviour of consultants, agents or contractors.

To further strengthen its governance and ethics, the Company is currently following multiple streams of action:

- **respecting the relevant Italian regulations relating to whistleblowing;**
- **enhancing information flows towards** the Supervisory Committee;
- **ensuring adequate training and information** on the Code of Ethics, anti-corruption and on the Organization, Management and Control Model.

Code of Ethics

Since 2008, DIS has approved and adopts its own Code of Ethics, which includes **the main rules** that the Company, its directors, statutory auditors, employees, consultants and partners, and in general all of those who act for the Company and/or 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 them to satisfy the applicable Luxembourg legislation.**

Updates to the Code of ethics:

- 7 May 2014 – following a review performed by the Control and Risk Committee.
- 26 November 2018 – following the entry into force of EU Regulation 679/2016 ("GDPR"), the Company has modified the section relating to "Data Protection".
- 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.

Code of Ethics

GENERAL ETHICAL PRINCIPLES

- compliance with the law
- honesty, fairness and transparency
- respect for the dignity of persons
- 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.

Information and training on the code of ethics

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 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. Suppliers of services** to the Company are also asked to accept the Code of Ethics.

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);
- **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 Company'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 d'Amico Group to prevent irregularities.

A specific register is set up by the Group's HR Department for each general and/or specific training course, indicating the 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 G1

Acting professionally, in a fair, honest, and ethical manner in all business dealings and relationships wherever the Group operates (or foresees 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 through the whistleblowing platform. Likewise, no DIS employee should 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, and accessible from the "whistleblowing" section of DIS' website.

In the period 2021-2023 there were no reported cases of corruption, bribery or anti-competitive behaviour.

ORGANISATION, MANAGEMENT AND CONTROL MODEL – 231 MODEL

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

Since 2008, the Company adopts its own 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 rules, and controls** included in the existing Group procedures and aimed at preventing and systematically reducing, during the performance of so-called sensitive activities, the **risk of commission or attempted commission of those offenses** (corruption and bribery included) **as listed in the Italian Legislative Decree No. 231 of 8 June 2001** (the "Decree 231").

The Decree 231

The Decree 231, which DIS has to comply 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 in Italy 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 his/her own interest, or in the interest of third parties (not linked to the Company) or for his/her own and sole benefit. Moreover, liability of the Company could be excluded or reduced 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.

Content of 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;
- 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; and crimes listed in the 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:

Content of the Company's 231 Model	
1. Relations with the Public Administration; 2. Management of litigations; 3. Human resources management; 4. Purchase of goods and services;	5. Management of financial flows, gifts, and donations; 6. Management of accounts, balance sheets, and transaction on shares; 7. Management of inside information.

Every year the adequacy and effectiveness of the 231 Model is duly monitored by the Supervisory Committee that suggests to the Board the necessity to update the risk assessment. The last risk assessment performed during 2022 evidenced that there wasn't a level of potential risk of commission of the considered offenses, and to allow the identification of one or more Sensitive Activities associated with them; only a formal update the General Part of the Company's 231 Model was, therefore, deemed necessary.

Following the changes that have recently taken place with respect to the reference regulatory framework, **on July 2023** the Company's Board of Directors upon suggestion of the Supervisory Committee resolved **to launch an update of the self-assessment risk**, to evaluate the level of risk and to subsequently update the Model 231 and the policy and procedure for managing whistleblowing reports.

Whistleblowing

With the aim of guaranteeing the confidentiality of identity and the anonymity of whistle-blowers, which may include third parties, **on March 2021, a platform was implemented**, to allow 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;
- Any other rules 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.

In 2023, the Company concluded the training program launched in 2022, supported by the Supervisory Committee and through the Group's Human Resources function, aimed at all DIS' ashore employees and top management, to explain the newly restructured 231 Model and the Whistleblowing system.

People taking part in training activities on business conduct (Code of ethics and Model 231)[13]

Onshore personnel		2022	2023
Top Managers	Male	3	1
	Female	1	-
Managers	Male	1	4
	Female	1	2
Employees	Male	1	3
	Female	5	1

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

Onshore personnel		2022	2023
Top Managers	Male	4.5	1.5
	Female	1.5	-
Managers	Male	1.5	6.0
	Female	1.5	3.0
Employees	Male	1.5	4.5
	Female	7.5	1.5

During 2023, **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.

13 The values reported in this table and in the following one have been revised with respect to what was published in the Annual Report 2022, as the training program was initially planned to be completed by 2022.

Management system

ESRS G1

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 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 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.

The COSO framework

The framework adopted by the Group is compliant with the most widely used framework around the world (the COSO[14] 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;
- **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 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.

14 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).

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.

Since 2022, in line with the evolution of regulatory requirements and anticipating the CSRD requests, 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.

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).**

ENVIRONMENTAL RESPONSIBILITY[15]

GRI 3-3 (2021)

Protection of and respect for the environment are strategic priorities for the Company. DIS, through the d'Amico Group, implemented programmes and procedures aimed at **ensuring 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 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 to the achievement of specific goals and periodically reporting on the results achieved.

DIS' choices and the results achieved, as reported in the following chapters, reflect a **growing commitment towards international climate change goals. The decarbonization of the port sector, maritime transport, and associated land logistics is a priority outlined in the European Sustainable and Smart Mobility Strategy[16]** and an urgency emphasized by various operators and organizations such as the European Sea Ports Organization (ESPO). At the same time, The European Green Deal calls for a 90% reduction in greenhouse gas emissions from the transport sector, aiming for the EU to achieve a climate-neutral economy by 2050. These goals become even more urgent when compared to the findings of the Global Risks Report 2024[17] by the World Economic Forum, which ranks extreme weather events as the second most severe risk over the next two years and the top risk within ten years.

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.

For the vessels time-charted-in by DIS, on the other hand, investments to improve their environmental performances and energy efficiency are the responsibility of their respective owners. Furthermore, the technical management of such vessels is undertaken by entities other than d'Amico Società di Navigazione, each adhering to its own standards and targets.

For this reason, **the data and information presented in the following chapters only cover owned and bareboat-chartered-in vessels.**

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

16 https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12438-Sustainable-and-Smart-Mobility-Strategy_en

17 https://www.weforum.org/publications/global-risks-report-2024/

Since before the introduction of the Tanker Management and Self-Assessment 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.**

DIS' 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.

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 on board without the need for a superintendent, an innovation which significantly eased the audit procedures during the pandemic.

Starting from January 2023, a new program of **independent environmental audits** was implemented on board DIS' vessels, with the aim of constantly maintaining compliance with the **environmental management system (EMS)** and with international and local regulations.

Audits are conducted in accordance with ISO 9001, ISO 14001 and ISO 50001, and the auditing principles of I**SO 19011.** Each audit provides a comprehensive evaluation of the Company's application of policies, procedures, and requirements set forth in the EMS, and helps to reach – and when possible, improve – the targets established. More than 10 audits have been carried out during 2023, and the outcomes have been employed to improve the EMS.

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 majors and energy-related companies.**

The primary goal of all the aforementioned systems and procedures is the **preservation of the marine environment.**

All managed vessels comply with the International Convention to Prevent Pollution from Ships (MARPOL), as well as with all other national or international laws concerning environmental protection.

No significant instances of non-compliance with environmental laws and regulations – leading to fines or non-monetary sanctions – have been recorded during the three-year period 2021-2023.

Furthermore, respecting ISO 50001 and ISO 14001, **DIS monitors and analyses all energy consumed on its vessels,** aiming to reduce emissions and protect people and the environment. The vessels' performances are reported within the annual Integrated Management System Review.

To strengthen **seafarers' awareness and compliance with the Group's safety standards, DIS adopted the STOP Working Card policy**, a tool which allows any seafarer to stop any activity in case of imminent danger for the environment or for the safety of the crew.

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 called **"Open reporting system" was adopted to provide all personnel with a tool to report environmental non-compliance** without any fear of retaliation. Information on this reporting procedure is available on all DIS' technically managed vessels, and both onshore and seagoing personnel can anonymously report via a free web portal, 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 environmental compliance plan.

In addition, understanding and awareness of environmental issues are measured regularly and thoroughly when evaluating the performance of Officers and Engineers, particularly senior ones.

Regulatory framework

GRI 2-27 (2021) / ESRS E1

DIS seeks to comply with all relevant regulations, including those outlined in the following paragraphs.

MARPOL Annex VI (Prevention of Air Pollution from Ships)

Under the amendments of **MARPOL Annex VI (Prevention of Air Pollution from Ships)**, introduced through the Resolution MEPC.278(70), **IMO requires a data collection system for fuel oil consumption by all ships of 5,000 gross tonnage and above**, starting from January 2019, to collect consumption data for each type of fuel oil used, as well as other additional 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, which the IMO uses to produce an annual report for the Marine Environment Protection Committee (MEPC), summarizing the data collected. The d'Amico Group, during 2018, updated all its vessels' Ship Energy Efficiency Management Plan (SEEMP) to 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 related to the data submitted**, covering the operation of each ship in the previous calendar year.

As established by Regulation 14 of MARPOL Annex VI, effective from 1 January 2020, **ships can burn fuels with a maximum sulphur content of 0.50%**. Sulphur oxides (SOx) are known to be harmful to human health, causing respiratory diseases. 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.

Ship Energy Efficiency Management Plan (SEEMP)

In line with the **IMO's guidelines on ship energy efficiency** and to optimize operational processes and improve profitability through the efficient use of the fleet, DIS has implemented on all its vessels a **Ship Energy Efficiency Management Plan (SEEMP)** since 2013.

During 2022, the **Company completed the development and the certification of SEEMP PART III, to document how it 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 **CO_2 reduction commitments**. SEEMP Part III includes:

- 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 how the procedures for self-evaluation will be performed.

Monitoring, Reporting and Verification (MRV) of CO_2 emissions

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 CO_2** 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 a procedure to provide all the necessary data. The monitoring started in January 2018. At the end of each calendar year, all data is verified and a comprehensive report is submitted to the EU Commission, which then issues a specific certificate for each vessel. **All of the Group's vessels involved in EU voyages have obtained the proper certificates from the implementation date**. During 2023, DIS worked to update the Monitoring and Reporting Plan required under MRV regulation, ensuring **compliance with the EU Emission Trading System (EU ETS) directive**; the updated plan will be submitted to the competent authority for approval no later than 1 April 2024.

DIS has more recently also established an internal process to manage purchasing and reporting of EU allowances, to comply with obligations arising from the introduction of the EU ETS from January 2024.

Interim Guidance on the Use of Biofuels

During 2023, The Marine Environment Protection Committee (MEPC) approved the interim guidance on the use of biofuels under regulations 26, 27 and 28 of MARPOL Annex VI (DCS and CII). The guidelines define a set of standards for the use of biofuels, which came into force on October 2023. In particular, for biofuels to be certified as environmentally friendly, they must reduce emissions by at least 65% compared to a regular fuel. To enable the calculation of the biofuels' emissions, suppliers are required to provide the CO_2 emission factor for each kind of biofuel and the actual pollution level is calculated based on the biofuel's emissions and energy value. If these standards are not met, the biofuels must be considered and treated like regular fuel.

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 CO_2 emissions: not only the total emissions, but also the Energy Efficiency Design Index (EEDI = grams of CO_2 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 CO_2 per deadweight tonne, per actual nautical miles sailed) and the Energy Efficiency Operational Index (EEOI = grams of CO_2 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 CO_2 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. Both the AER and the EEOI reflects the ship's operational efficiency; the AER considers the vessel's DWT and the fuel oil actually consumed, while the EEOI considers the cargo effectively transported and the fuel oil actually consumed. The EEOI, therefore, is more representative of the operational efficiency than the AER, 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 through the so-called CII (Carbon intensity index);
- 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.

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

ESRS E1

Impacts, risks, and opportunities resulting from double materiality and their management approaches

The double materiality analysis identifies as a priority for DIS the management of transition risks related to regulatory developments. These may have multiple drivers, such as a rapidly changing and increasingly stricter regulatory environment, generating a need to adapt vessels and procedures, need to adapt to more demanding standards of certain charterers, loss of competitiveness with respect to operators subject to lighter legal requirements, legal disputes and sanctions, adjustment of insurance conditions.

In addition to acting in the full respect of the present international regulatory environment, through the d'Amico Group's technical department, DIS constantly monitors regulatory developments and studies new technologies and innovative solutions (such as testing of biofuels blends on its vessels), attempting to foresee and when possible anticipate new industry regulations, to guarantee the commercial relevance of the Company.

Thanks to its young and modern eco-fleet, DIS guarantees a commercial activity aligned and compliant with the following forthcoming EU and IMO regulations.

EU fit for 55

"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)**, that will be extended to maritime transport from 2024. In particular, from 2024 it will be applied to all vessels over 5,000 gross tonnes, regardless of flag, and to all voyages between ports in the European Economic Area (EEA), 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 2022 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.

- the **Fuel EU** regulation, which sets a maximum limit on the greenhouse gas intensity of fuels used onboard. It will enter into force in 2025 and apply to all vessels over 5,000 gross tonnes calling at EEA ports. The aim is to **improve the GHG intensity of the fuels used for such 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 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 increase every five years between 2025 and 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 not complying with the rules by May 1 of the following year will have to pay a penalty, which 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 the fund are intended to stimulate the production of more renewable and low-carbon fuel for vessels.

IMO's 2023 Strategy for Reducing Greenhouse Gas Emissions from Ships

In addition, during 2023, the Marine Environment Protection Committee (MEPC) adopted the **IMO's 2023 Strategy for Reducing Greenhouse Gas Emissions from Ships**, strengthening targets to address harmful emissions and taking into consideration the life cycle GHG intensity of marine fuels as addressed in the Guidelines on the Life Cycle GHG Intensity of Marine Fuels (LCA Guidelines), with the overall goal of reducing GHG emissions from international shipping without a shift to other sectors.

The objectives that direct the IMO’s 2023 Strategy are as follows:

- to reduce the carbon intensity of ships by further improving the energy efficiency of new construction;
- to reduce the CO2 emissions per transport work, as an average across international shipping, by at least 40% by 2030, compared to 2008;
- to adopt technologies enabling the use of zero or near-zero GHG emission fuels and/or energy sources to reach at least 5%, striving for 10%, of the energy used by international shipping by 2030;
- to peak GHG emissions from international shipping as soon as possible and to reach net-zero GHG emissions by, or close to, 2050, considering different national circumstances, whilst pursuing efforts towards phasing them out in line with the long-term temperature goal set out in Article 2 of the Paris Agreement. In this regard, the MEPC established two indicative checkpoints to reach net-zero GHG emissions from international shipping:
  - to reduce the total annual GHG emissions from international shipping by at least 20%, striving for 30%, by 2030, compared to 2008;
  - to reduce the total annual GHG emissions from international shipping by at least 70%, striving for 80%, by 2040, compared to 2008.

Fleet decarbonisation

GRI 302-1 (2016); GRI 302-3; GRI 302-4 GRI 305-1 (2016); GRI 305-4; GRI 305-5; GRI 305-7; SASB TR-MT-110a.1 / ESRS E1

-14.5%	**-1.6%**	**100%**	**-1.6%**
Bunker fuel consumption per transport unit in 2023, vs 2022	fleet total energy consumption in 2023, vs 2022	vessels compliant with EEXI in 2023, +12.0% vs 2022	Scope 1 CO_2 emissions in 2023, vs 2022

Impacts, risks, and opportunities resulting from double materiality and their management approaches

The potential negative impacts identified by the analysis stems from the contribution to the **concentration of particulate matter and atmospheric pollutants**, also due to poor management and maintenance of pollutant sources, malfunction of monitoring equipment (especially for vessels with scrubbers), mismanagement and improper disposal of NOx abatement filters (selective catalytic reduction), and non-compliance of fuel supplied relative to BDN (bunker delivery notes).

The most significant risks arise from an **insufficient availability of biofuels** to meet regulatory requirements, as well as from the **unavailability of IT systems for the transmission, processing and storage of GHG and pollutants' emissions data**, required for regulatory compliance, as a result of cyber-attacks or infrastructure damage.

DIS' management is committed to increasing the energy efficiency and therefore reducing the GHG and pollutants' emissions of the fleet, also through investments in financially viable, clean energy efficient technologies.

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.

DIS aims to make its fleet increasingly environmentally sustainable, by evaluating potential retrofits, investments, operational procedures, fuel choices, and crew practices. The overarching goal is to c**ontribute to the mitigation of climate change impacts associated with maritime activities**, by working on:

- **Enhanced design efficiency**: focus on refining the design of tanker vessels to maximize energy efficiency. This involves adopting advanced hull design at new building stage, improvements in propulsion systems, and the implementation of technologies that reduce fuel consumption and emissions (Propeller Boss Cap Fins, eco nozzle) on the existing tonnage.

- **Optimized operational efficiency:** implement strategies aimed at improving day-to-day operations. This includes efficient route planning, hull and propeller degradation monitoring and proactive cleaning, led lighting, adapting of hull coating specification to the average increase of sea temperature, low friction paint, propeller silicon paint application, CII monitoring in real time and other measures to minimize fuel usage and enhance overall operational efficiency.
- **Biofuels and biofuel blends evaluation:** explore the feasibility of using biofuels and blends from renewable feedstock. Conduct tests to assess compatibility and performance in various joint industry projects, with the goal of gradually integrating these alternatives into the fleet's energy mix.
- **Carbon capture technology:** explore both post and precombustion technology for the C02 capture and storage on board.
- **Training the crew on energy management:** provide specialized training and procedures to tanker vessel crews on energy management best practices. This involves raising awareness about fuel-efficient navigation and other practices to optimize energy use throughout the tanker fleet.
- **Research Zero or Near-Zero emission technologies**: conduct thorough studies on technologies that offer zero or near-zero emissions for tanker vessels.

Reflecting the increased level of ambition of the IMO's strategy, the d'Amico Group's technical department has started in 2023 studying two additional innovative measures to be implemented through pilot projects:

- wind assisted propulsion system;
- air lubrication system.

Newbuildings and retrofits

DIS has adopted various technologies designed to reduce the energy consumption of its own fleet at the newbuilding 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.

All of DIS' "eco" vessels[18] have been designed with the aim of optimizing speed, which is lower than in the previous generation of conventional ships and entails an average **drop in the fuel consumption of about 6 tonnes per day/ ship compared to previous-generation ships.**

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 but 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. Finally, the **Propeller Boss Cap Fins** (PBCF) – installed on 38% of DIS' owned and bareboat fleet – guarantees an estimated 3% of power saving.

LED lighting

During 2023, DIS successfully **completed the transition from traditional lighting to LED lighting**: 100% of the fleet (owned and bareboat) is now certified with LED lighting, resulting in noteworthy environmental advantages. This shift led to an estimated decrease of around 90 tons of CO2 per ship per year, contributing to a total **fleet-wide annual reduction of 2,610 tons of CO_2**, solely attributed to the lighting upgrade.

18 Eco vessels are compliant with EEDI phase 1, phase or phase 3.

EEDI: Energy Efficiency Design Index

The energy efficiency of new vessels is measured by the **Energy Efficiency Design Index (EEDI)**, defined by the IMO and whose value **reflects how efficient the vessel's design is in terms of CO2 emissions per DWT nautical mile.**

The IMO requires the technical efficiency improvement of ships, and therefore of EEDI, over three phases. The phases envisage that the "EEDI required" by type of ship be subject to a gradual percentage reduction with respect to the reference value as follows:

- Phase 1 (2015-2019): a 10% reduction compared to the reference value;
- Phase 2 (2020-2024): a 20% reduction compared to the reference value;
- Phase 3 (from 2025 onward): a 30% reduction compared to the reference value.

EEDI compliance (owned and bareboat) – at year-end

	Pre-EEDI	Phase 1	Phase 2	Phase 3
EEDI compliant ships (%)	20.7%	0.0%	62.1%	17.2%

All newbuildings delivered to DIS from 2014 were already in Phase 2, exceeding the requirements at the date of delivery, with a small percentage of these vessels already in compliance with Phase 3. As at the end of 2023 only 20.7% of DIS' fleet was not compliant with Phase II of the EEDI; for these vessels an installation of overridable power limits will be required.

DIS is committed that potential new constructions at least meet the prevailing EEDI requirements.

EEXI: Energy Efficiency Existing Ship Index

The **Energy Efficiency Existing Ship Index (EEXI) entails the retroactive application of the EEDI to all existing vessels** above a certain size. In particular, it imposes 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.

EEXI compliance (owned and bareboat) – at year-end

	2021	2022	2023
EEXI compliant ships (%)	70.0%	89.3%[19]	100.0%

During 2023 the entire DIS fleet has been certified as EEXI compliant.

DIS primarily achieves compliance with the Energy Efficiency Existing Ship Index (EEXI) for its existing ships by reducing installed power through the use of overridable power limits (OPL). This strategy was applied to a limited percentage of pre-EEDI ships. However, in a proactive move to enhance overall efficiency and simultaneously meet EEXI standards, **d'Amico Group's technical management department has decided to adopt a dual approach, integrating both overridable power limits and energy-saving devices.** Moreover, even in cases where vessels already met EEXI requirements, the installation of these energy-saving devices led to an additional reduction in power consumption of 3-4%.

19 The value has been revised with respect to that published in the Annual Report 2022, due to the availability of more precise data.

Bunker fuel consumption efficiency[20]

Bunker fuel consumption (tons) (owned and bareboat)

	2021	2022	2023	Var 2023/22	Var 2023/21
Ballast	39,096.8	44,342.7	42,683.5	(3.7%)	+9.2%
Laden	82,419.9	75,834.0	73,158.8	(3.5%)	(11.2%)
Port	29,613.9	32,966.7	34,915.7	+5.9%	+17.9%
Total	**151,130.6**	**153,143.4**	**150,758.0**	**(1.6%)**	**(0.2%)**

Bunker fuel consumption per nautical mile (tons/nautical mile) (owned and bareboat)[21]

	2021	2022	2023	Var 2023/22	Var 2023/21
Ballast	0.075	0.077	0.078	+1.0%	+4.7%
Laden	0.082	0.082	0.085	+3.3%	+2.6%
Port	0.743	0.932	1.083	+16.2%	+45.7%
Total	**0.097**	**0.100**	**0.105**	**+4.7%**	**+8.1%**

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

	2021	2022	2023	Var 2023/22	Var 2023/21
Bunker fuel consumption per transport unit	0.01181 [22]	0.01256	0.01074	(14.5%)	(9.0%)

In 2023, the Company's continued commitment to improve fleet energy efficiency resulted in a **1.6% decrease in fuel consumption compared to the previous year.** The largest reductions are in the ballast and laden sailing phases, of 3.7% and 3.5%, respectively, compared to 2022. These reductions more than offset the increase in fuel consumption during the in-port phases.

The indicators of fuel consumption per nautical mile and fuel consumption per transport unit showed different trends. Fuel consumption per nautical mile experienced a 4.7% increase in 2023, mainly due to in-port phases. This increase was due to unfavorable trading patterns and **difficulties encountered in port operations**. Conversely, the analysis of fuel consumption per transport unit showed a sharp decrease from the previous year, underscoring DIS' **more efficient fleet management;** this indicator in 2023 fell by 14.5% compared to the previous year and by 9.0% compared to 2021.

20 All data regarding fuel consumption and emissions in 2022 consider the Glenda vessels as if completely owned by DIS thorough the whole year, even if until September DIS' ownership of the vessels amounted to 50%..

21 The values for Ballast and Port consumption in 2021 have been revised with respect to those published in the 2022 Annual Report, due to the availability of more precise data.

22 The value has been revised with respect to that published in the 2022 Annual Report, due to the availability of more precise data.

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

	2021	2022	2023	Var 2023/22	Var 2023/21
High sulphur heavy fuel oil	5,311.3	5,347.0	6,790.9	+27.0%	+27.9%
Low sulphur heavy fuel oil	-	-	-	0.0%	0.0%
Very low sulphur heavy fuel oil	117,937.7	121,731.4	119,648.2	(1.7%)	+1.5%
High sulphur diesel oil	-	-	-	0.0%	0.0%
Low sulphur diesel oil	27,671.3	26,065.0	24,319.0	(6.7%)	(12.1%)
Biofuel oil	210.3	-	-	0.0%	(100.0%)
Total	**151,130.6**	**153,143.4**	**150,758.0**	**(1.6%)**	**(0.2%)**

Fleet total energy consumption (owned and bareboat)[23]

	2021	2022	2023	Var 2023/22	Var 2023/21
Fleet total energy consumption [TJ]	6,136.2	6,221.5	6,121.3	(1.6%)	(0.2%)
Average energy per ton of fuel [MJ/tons]	40.6	40.6	40.6	(0.1%)	0.0%

In 2023, DIS fleet's **total energy consumption dropped by 1.6%** compared with the previous year. This reduction was achieved through decreases in fuel consumption, especially in very low sulphur heavy fuel oil and low sulphur diesel oil, which decreased by 1.7% and 6.7% respectively. Only the consumption of high sulphur heavy fuel oil increased in 2023 (due to the addition of a vessel to those that use such fuel), but the increase for this particular product is still negligible when compared to the total bunker fuel consumption. Furthermore, the average energy per ton of fuel indicator also recorded some improvement in 2023, decreasing by 0.1% with respect to the previous year.

Biofuel

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 the 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.

Characteristics of the fleet (owned and bareboat)

	2021	2022	2023
Fleet certified for the use of Biofuel blends up to B30 (%)	21.0%	21.0%	21.0%

23 The values for 2021 and 2022 have been revised with respect to those published in the 2022 Annual Report, due to the availability of more precise data.

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**. In 2024, DIS plans to test the biofuels B40 and B50, following the same methodology adopted by the pilot project, and to also test HVO (**Hydrotreated vegetable oil**), which is an interesting drop-in sustainable biofuel since its specification is very close to that of Distillate Marine Fuel[24].

CO_2 Emissions (owned and bareboat)[25]

	2021	2022	2023	Var 2023/22	Var 2023/21
CO_2 Emission Scope 1 [tCO_2]	473,174.1	479,286.3	471,697.8	(1.6%)	(0.3%)
CO_2 per nautical mile [tCO_2/ Nautical Mile]	0.30279	0.31248	0.32702	+4.7%	+8.0%
CO_2 per transport unit [tCO_2/tons]	0.03697	0.03932	0.03361	(14.5%)	(9.1%)

In 2023, CO_2 emissions decreased both relative to 2022 (-1.6%) and to 2021 (-0.3%). CO_2 emissions per nautical mile in 2023 instead increased due to adverse market trends and operational hurdles in port activities; while the emissions related to transported tons in 2023 decreased by 14.5% and 9.1%, respectively, compared with 2022 and 2021.

Scope 1 emission (owned and bareboat)[26]

	2021	2022	2023	Var 2023/22	Var 2023/21
Carbon dioxide (tCO_2)	473,174.1	479,286.3	471,697.8	(1.6%)	(0.3%)
Nitrous oxide (tN_2O)	23.9	24.2	23.9	(1.5%)	(0.1%)
Methane (tCH_4)	9.1	9.2	9.0	(1.6%)	(0.2%)
Carbon dioxide equivalent [tCO_2e]	**479,969.6**	**486,178.3**	**478,486.1**	(1.6%)	(0.3%)

The reduction in emissions is also observed in the other Scope 1 emissions, that is nitrous oxide (N_2O) and methane (CH_4). Specifically in 2023, N_2O emissions decreased by 1.5% while CH_4 emissions decreased by 1.6%. Overall, the fleet's direct emissions (Scope 1) decreased by 1.6% in 2023, reducing the Company's carbon footprint to 478,486 tons of CO_2 equivalent.

Annual Efficiency Ratio (AER) and carbon intensity metrics

The technical management department of the d'Amico Group has undertaken a comprehensive internal study on DIS' fleet. Employing the **Annual Efficiency Ratio (AER) as a key metric**, the study aimed to **assess the risk profile** associated with various factors, including vessel size, cargo type (heated or not), and challenging trade routes characterized by severe weather conditions.

Additionally, in 2021, the d'Amico Group launched a strategic project to calculate and monitor in real time the **Carbon Intensity Indicator (CII)** attained by DIS' fleet. This initiative serves the purpose of maintaining a dynamic evaluation of the fleet's carbon intensity and enables the implementation of prompt corrective actions when deemed necessary. **As of January 2023, the monitoring tools for both AER and attained CII have been effectively deployed**, showcasing the Group's commitment to proactive environmental stewardship and compliance with the IMO's short-term measures for emission reduction from maritime operations.

24 The categorization comes from the ISO 8217 Standard, which classifies marine fuels based on their properties and intended uses.

25 The values for 2021 and 2022 have been revised with respect to those published in the Annual Report 2022, due to the availability of more precise data.

26 The values for 2021 and 2022 have been revised with respect to those published in the Annual Report 2022, due to the availability of more precise data.

The calculation of the Carbon Intensity Indicator (**CII**) is influenced by several **drivers that lie outside the vessel owner's control**, making it more of a **"trade" metric** rather than solely an "efficiency" metric. In 2023, numerous vessels of DIS' fleet have experienced penalties in their CII rankings due to factors such as the duration and frequency of port calls, transit speeds between ports, and broader market dynamics. These aspects are predominantly dictated by charterers, terminal operators, and prevailing market conditions.

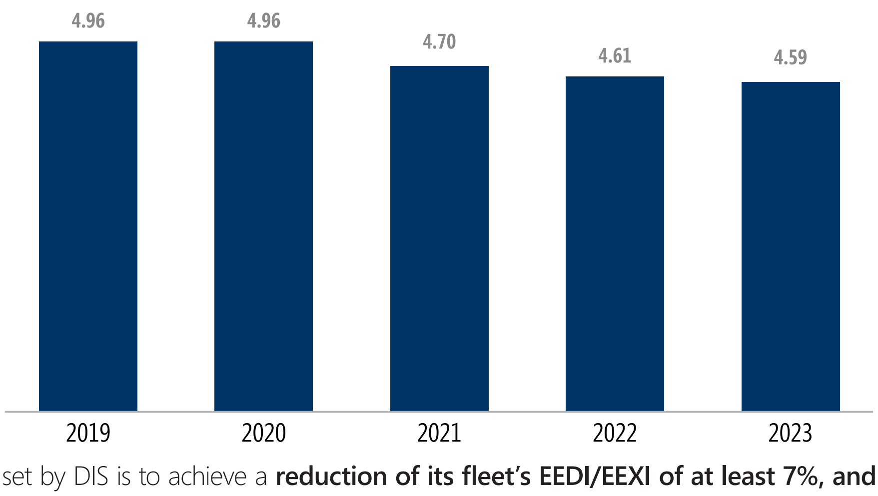
In addition, a notable limitation of the CII is its **failure to account for the actual weight of cargo transported** throughout the year, as it assumes that vessels are consistently operating at their full rated Deadweight Tonnage (DWT) capacity. This approach makes it **challenging to distinguish and reward vessels operated more efficiently** by their owners and/or charterers on a ton-mile basis: a vessel that carries more cargo over longer distances throughout the year inherently provides greater societal benefits per unit emission compared to a vessel that operates with significant empty capacity for extended periods.

The Energy Efficiency Operational Indicator (EEOI) addresses this limitation by considering the effective payload. This metric provides a more nuanced assessment of vessel efficiency, taking into account the actual cargo transported and the actual distances traveled, therefore **offering a more comprehensive evaluation** relative to CII.

Carbon intensity (owned and bareboat)[27]

	2019	2020	2021	2022	2023	Var 2023/22	Var 2023/21
AER [g CO_2/dwt tonne*miles]	6.74	6.44	6.16	6.38	6.73	+5.5%	+9.3%
EEDI/EEXI [g CO_2/dwt tonne*miles]	4.96	4.96	4.70	4.61	4.59	(0.4%)	(2.3%)
EEOI [g CO_2/tonne*miles]	n.a.	15.72	15.29	16.23	15.89	(2.1%)	+3.9%

EEDI/EEXI [g CO_2/dwt tonne*miles] (owned and bareboat)



The **2025 target** set by DIS is to achieve a **reduction of its fleet's EEDI/EEXI of at least 7%, and possibly of 11%, relative to 2019 levels**. In 2023, a reduction of 7.5%, relative to 2019 levels, was already achieved.

27 The values have been revised with respect to those published in the Annual Report 2022, due to the availability of more precise data..

Other emissions

SOx Emissions (owned and bareboat)[28]

	2021	2022	2023	Var 2023/22	Var 2023/21
SOx Emission Scope 1 [tSOx]	1,379.0	1,314.0	1,305.5	(0.6%)	(5.3%)
SOx per nautical mile [tSOx/ Nautical Mile]	0.00088	0.00086	0.00091	+5.7%	+2.6%
SOx per transport unit [tSOx/tons]	0.000108	0.000108	0.000093	(13.7%)	(13.7%)

In 2023, SOx emissions decreased by 0.6% compared with the previous year and by 5.3% relative to 2021. In 2023, also the emissions intensity per transported unit fell significantly, by 13.7% compared with both 2022 and 2021. These reductions, which reflect an increase in transportation efficiency, were not observed for the indicator measuring SOx emissions per nautical mile, due an increase in the number of days spent in port by DIS vessels in 2023, compared with both 2022 and 2021.

NOx Emissions (owned and bareboat)

	2021	2022	2023	Var 2023/22	Var 2023/21
NOx Emission Scope 1 [tNOx]	8,614.4	8,729.2	8,593.2	(1.6%)	(0.2%)
NOx per nautical mile [tNOx/ Nautical Mile]	0.00551	0.00569	0.00596	+4.7%	+8.1%
NOx per transport unit [tNOx/tons]	0.00067	0.00072	0.00061	(14.5%)	(9.0%)

In 2023, nitrogen oxide (NOx) emissions decreased compared with both 2022 and 2021, by 1.6% and 0.2%, respectively. NOx emissions measured in relation to tons transported also decreased in 2023, by 14.5% relative to 2022 and by 9.0% relative to 2021.

The Route Optimisation project

At the end of 2020 the d'Amico Group, together with a charterer, started the **Route Optimisation project**. The project consists of defining the ships' voyage plan with the objectives of saving fuel, reducing emissions and ensuring navigational safety.

The route optimisation process is divided into three steps:

- The **first step consists of taking the actual route sailed and 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 entails a re-simulation of the route, adjusting it to match the actual departure and arrival times**. This simulation allows to demonstrate that the calculated Fuel Oil Consumption for the re-simulated route closely matches the actual Fuel Oil Consumption reported during the voyage. Thus, it can be asserted that the unbiased re-simulation accurately matches the actual voyage.

28 The values have been revised with respect to those published in the Annual Report 2022, due to the availability of more precise data.

- During the **third and last step, there is another simulatio**n using a similar procedure to the one detailed above.

The result, along with a comparison with the output from the actual route, provides a **good estimate for how much extra fuel the vessel would have consumed had it followed the intended route**. Moreover, several KPIs are measured during the project and will be monitored and shared.

In 2023, the 27 transoceanic voyages managed with the Route Optimisation procedure led to fuel saving of about 73 tonnes.

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 the innovative digitalization projects developed and to the implementation of the latest software, DIS exploits the value of big-data and information as assets to support its operational performance. Big data analysis for example allows DIS to evaluate the impact of CO2-saving devices, validate the ship's performance model by considering weather conditions and to assess the hydrodynamic efficiency of its vessels.

Innovation and digitalisation

ESRS E1

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

100%

of vessels managed by DIS in 2023 are monitored for data collection

Digitisation

of the Garbage record book and Oil record book part I on all owned vessels in 2023

Pilot testing

of Tekomar software on 5 vessels in 2023, to optimise fuel efficiency and engine performance through engine diagnostics and advisories

Impacts, risks, and opportunities resulting from double materiality and their management approaches

The environmental and energy performance of the fleet is improved mainly through the adoption of new technologies that **reduce consumption, increase the fleet's energy efficiency and improve maintenance performances.**

As substantiated by the double materiality analysis, however, this activity entails a **technological risk that is inherent to the study and implementation of innovative solutions.** Not only investments may fail to deliver the expected results, but the speed of regulatory change might exceed that for the development of new technologies, with adopted technologies proving obsolete earlier than anticipated.

While embracing innovation, DIS and the d'Amico Group exercise caution in the implementation of new technologies, to minimise these risks.

In the future it is envisaged that though a **continuous flow of data** from the ships, fleet operators will be able to monitor vessels at all times and provide valuable assistance to the crew on board. The analysis of engineered data will enable fleet managers 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.

Robotics technologies

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. **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. 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. 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.

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 operating a preventive maintenance system and 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. Almost all of DIS' new constructions delivered from 2013 onwards 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 extend CBM and the related certification to all its vessels by the middle of 2024. Furthermore, during 2022, DIS' vessels adopted a vibration monitoring program, which replaced the previously used tools to monitor vibrations with high-performance condition monitoring solutions. In addition, 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 fleet's management tools, to better exploit the value of data by treating them as assets. In 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. **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 all 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 digital data relating to machinery and navigation every five minutes.

Big data has become an important decision-making support. Its availability and analysis allow DIS to:

- determine the best time to clean the hull/propeller (Hull & Propeller Management ISO 19030);
- evaluate the impact of CO_2-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 can perform part of the inspections 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 **digitalisation 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, 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 the great attention of the Company to issues identified by MARPOL and its focus on innovation. After being initially used only on a limited number of vessels, at the end of 2020 DIS decided to extend the application to its whole fleet: **the deployment of the Garbage record book and Oil record book part I on all owned vessels was completed during 2023.**

To further enhance the resourcefulness of data, the d'Amico Group developed an in-house database and reporting system named FRIDA, currently employed by DIS, which can receive data directly from vessels and share it both internally, with dedicated templates for each department, and externally with third parties. FRIDA is used by DIS to create and manage all the reports necessary to comply with existing emissions regulations (IMO and EU directives) as well as to cater for other internal needs. In particular, **FRIDA is used by DIS to monitor in real time the Carbon Intensity Indicator (CII) and the emissions covered by the EU-Emissions Trading Scheme.**

Tekomar software

During 2023 **DIS has installed an innovative software – Tekomar – on 5 vessels**, with the aim of **optimising fuel efficiency and engine performance through engine diagnostics and advisories**. The system delivers automatic updates and insights throughout each voyage, allowing for monitoring and decision-making to enhance vessels' efficiency.

In particular, Tekomar offers:

- **Diagnostics**: monitoring of engine performance and diagnostics in real-time, providing instant feedback on the health of the engines.
- **Automatic advisories:** based on diagnostic data, the crew is alerted about potential issues or corrective actions to optimise fuel efficiency.
- **Enhanced decision-making:** the data and advisories generated by the system empower the crew and operators to make informed decisions, potentially preventing breakdowns, minimising downtime and extending the life of the engines.
- **Automation:** the automatic delivery of diagnostic information and advisories reduces the burden on the crew, allowing them to focus on other critical aspects of vessel operation while the system handles ongoing monitoring and reporting.

Following this pilot **DIS plans to gradually deploy this software across its fleet.**

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 / ESRS E2; E3; E4

0	**100%**	**Biofouling**
spills recorded (2021-2023)	of managed vessels in 2023 are fitted with a Ballast Water Treatment System	risk is assessed and managed through adequate programmes

Impacts, risks, and opportunities resulting from double materiality and their management approaches

The analysis recognizes the significance of potential negative impacts to the marine ecosystem from **spills** and the **introduction of non-native species.**

Relevant risks have also been identified. Firstly, the increased frequency of **extreme weather events** could increase navigational hazards, generating risks for both personnel, vessels, and transported products (spills). **Regulatory developments** may also impose additional requirements on the Company's monitoring systems and maintenance and cleaning procedures, in relation in particular to the antifouling and ballast water treatment systems.

DIS might also suffer **reputational damage** in the case of spills or incorrect management of ballast water and biofouling (which could also entail legal disputes and sanctions).

The Company acts in the full respect of IMO regulations and it has installed Ballast Water Treatment Systems on all its owned and bareboat vessels.

The d'Amico Group believes that safety at sea, preventing accidents and environmental damage – especially damage to the marine environment – and the protection of human life, 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.

Considering the owned and bareboat fleet, **no spills were recorded in the three-year period 2021-2023**, for any cause (among which sabotage, earthquakes or leakage over time) or type (hydrocarbons, hazardous substances or other MARPOL Annex II noxious liquid substances).

Number of marine casualties (owned and bareboat)

	2021	2022	2023
Loss of a ship	-	-	-
Presumed loss of a ship	-	-	-
Abandonment of a ship	-	-	-
Material damage to a ship	1	-	-
Stranding or disabling of a ship	-	-	-
Involvement of a ship in a collision	-	-	-
Material damage to marine infrastructure external to a ship, that could seriously endanger the safety of the ship, another ship or an individual	-	-	-
Severe damage to the environment brought about by the damage of a ship or ships	-	-	-
Potential severe damage to the environment brought about by the damage of a ship or ships	-	-	-

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

DIS, through the d'Amico Group, has implemented 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.**

Presently **100% of DIS' owned and bareboat vessels are fitted with a 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.

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

	2021	2022	2023
Fleet with installed water ballast treatment system (%)	93.0%	100.0%	100.0%

Multiple other actions are in place to safeguard biodiversity and the environment, among which:

- developing and adhering to a **comprehensive biofouling management plan**, in accordance with the regulations and requirements of regions such as New Zealand, Australia, California, and others;
- monitoring the **risk profile of biofouling on hulls**, through a collaboration with the paint maker to ultimately address and mitigate the issues identified;

- completing the required retrofits to obtain the **United States Coast Guard certifications** for BWTSs on all owned and bareboat vessels (the last vessel is scheduled to do so at the first scheduled drydock of 2024);
- improving BWTSs, so that they can be used also in situations involving turbid water and the presence of mud;
- conducting **periodic analyses** of the BWTSs to ensure compliance with the Vessel General Permit (VGP).

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** aims to recognise those exemplary vessels that have consistently been compliant with environmental regulations, while also demonstrating an intense commitment to environmental stewardship.

In 2023, 17 of DIS' vessels were enrolled in QUALSHIP 21.

d'Amico Group adheres to the voluntary Slow Zones

In July 2021, the d'Amico Group 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

0% target	0.998/1.000	0.09%
of outstanding maintenance for critical equipment in 2023	actual fleet reliability registered in 2023	outstanding maintenance tasks for critical equipment in 2023, -88.3% vs 2022

Impacts, risks, and opportunities resulting from double materiality and their management approaches

The double materiality analysis identifies as material the risk that the need to adapt ships to more stringent environmental regulations may lead to **capacity saturation in shipbuilding and repair yards.**

The preventive maintenance system adopted by DIS, not only based on the recommendations and instructions provided by the manufacturers and on recognised standards, but also on the continuous monitoring of equipment conditions, allows to **plan maintenance activities as carefully and efficiently as possible,** mitigating such risk.

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.

In 2022 d'Amico introduced a more **challenging target for the management of critical equipment – 0% of outstanding maintenance – with the aim of increasing attention to the management of critical machinery.**

DIS integrates the traditional time-based maintenance with **Condition-Based maintenance (CBM)**, combining these different maintenance policies with a **risk-analysis approach.** This allows 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).

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.**

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 the related implementation of preventive actions or "barriers" make the system efficient and reactive.

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"), among which lie the incinerator, OWS (oil water separator), ODME (oil discharging monitoring equipment), sewage system, BWTS (ballast water treatment system), and IBTS (integrated bilge treatment system).

Actions taken to ensure operational safety and optimal performance include:

- regular monitoring of hull degradation, undertaking proactive cleaning measures when deemed necessary to maintain hull integrity;
- propeller cleaning every six months to minimise performance degradation and improve fuel efficiency.

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

- fleet reliability;
- fleet availability;
- outstanding maintenance tasks on non-critical machinery;
- outstanding maintenance tasks on critical machinery;
- drydock planning performance.

Fleet reliability (owned and bareboat)[29]

	2022	2023
DIS' target	1.000	1.000
Lower limit (industry standard)	0.970	0.970
DIS' fleet actual	0.998	0.998

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

Fleet availability (owned and bareboat)

	2022	2023
Max value	1.000	1.000
DIS' fleet actual	0.987	0.984

Outstanding maintenance tasks for non-critical equipment (owned and bareboat)

	2022	2023
DIS' target	0.30%	0.30%
DIS' fleet actual	0.27%	0.20%

Outstanding maintenance tasks for critical equipment (owned and bareboat)

	2022	2023
DIS' target	0.00%	0.00%
DIS' fleet actual	0.77%	0.09%

Drydock planning performance (owned and bareboat)

	2022	2023
DIS' target	19.0%	19.0%
DIS' fleet actual	25.0%	16.3%

In 2023, DIS confirmed the excellent results for the fleet reliability indicator, which had been achieved in 2022, validating the **excellence of its maintenance system.** The number of outstanding maintenance tasks for non-critical equipment was significantly below the target, and a marked improvement was achieved also for the indicator measuring outstanding tasks for critical equipment. These results, which **surpass industry standards,** are possible thanks to the management's constant focus high management standards, underscoring the Group's commitment to operational efficiency.

Fleet Operating Centre (FOC)

DIS, through the d'Amico Group, developed a **Fleet Operating Centre (FOC)**, which will be implemented as a pilot project by the end of April 2024. The main objectives of the FOC are to:

- define a risk profile for each vessel;
- understand how the ships are operated;
- facilitate the analysis of any triggered alarm;
- monitor compliance with the Company's instructions and policies.

Recently, **the FOC project** was modified to include also 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 energy management on board, contributing to DIS' decarbonisation trajectory.

Ship Recycling

ESRS E5

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Impacts, risks, and opportunities resulting from double materiality and their management approaches

The double materiality analysis identifies as material the negative potential impact of pollution from failure to monitor or incorrectly catalogue **hazardous materials**. The regulation in force, in fact, requires that both new and existing ships belonging to EU countries and ships belonging to non-EU countries that call at EU ports must have a verified **Inventory of Hazardous Materials (IHM)** and a Statement of Compliance on board.

The d'Amico Group has completed a **hazardous material inventory for 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.

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 Convention will enter into force on 26 June 2025, after ratification by Bangladesh and Liberia. The **key requirements** can be summarized in two main points:

- each ship of 500 GT and above shall have a certified Inventory of Hazardous Materials (IHM);
- Ship Recycling Facilities (SRF) shall be authorized by their competent authorities and shall only accept ships that comply with the HKC requirements.

Ships in service shall comply with this requirement by 26 June 2030, or before going to recycling in case this occurs previously. All vessels in compliance with the EU SRR also comply with the HKC.

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 / ESRS E5

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

-4.2%	**-13.9%**
waste discharged at sea in 2023, vs 2022	incinerator ashes produced in 2023, vs 2022

Impacts, risks, and opportunities resulting from double materiality and their management approaches

The double materiality analysis identifies as material the risk of potential reputational damage due to **waste disposal procedures** that do not comply with regulations (including through bribery events) or failure to provide documentation proving proper disposal and quantity delivered.

DIS ensures that waste management on all its vessels is carried out according to a detailed internal procedure in compliance with the regulatory requirements of IMO/MARPOL 73/7838.

DIS is committed to reducing the production of waste through specific processes and policies focusing on environmental pollution. In particular, these policies focus on:

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

Care for the environment, 3R campaign onboard dis' fleet

In 2021, DIS, through the d'Amico Group, launched the **3R Campaign**, focused on waste management by focusing on reducing, reusing and recycling.
The campaign aimed to:

- educate, teach and reinforce basic operational measures to reduce, reuse and recycle;
- rekindle Master and crew dormant awareness;
- define and monitor additional KPIs;
- contribute to the reversal of the ecosystem's destruction.

Why Practise the 3Rs?

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

Waste generated and disposed (owned and bareboat)

		2021	2022	2023	Var 2023/22	Var 2023/21
Waste discharged at sea (m^3)	Food waste	148.2	135.4	130.8	(3.4%)	(11.8%)
	Operational waste [30]	-	1.2	-	(100.0%)	0.0%
	Cargo residues (non-HME)	-	-	-	0.0%	0.0%
	Total	148.2	136.6	130.8	(4.2%)	(11.8%)
Waste incinerated (m^3)	Incinerator ashes	42.5	39.5	34.0	(13.9%)	(20.0%)
Waste disposed ashore (m^3)	Plastics and plastics mixed with non-plastic garbage	501.0	455.2	510.1	+12.1%	+1.8%
	Domestic waste, operational waste and recyclable or reusable material [31]	398.3	327.5	353.0	+7.8%	(11.4%)
	Operational waste [32]	180,0	192.6	214.4	+7.8%	+19.1%
	Electronic waste [33]	81.0	32.5	43.4	+33.5%	(46.4%)
	Cargo residues (HME)	-	-	-	0.0%	0.0%
	Total	1,160.3	1,007.8	1,007.8	+11.2%	(3.4%)
Total (m^3)		**1,351.1**	**1,183.8**	**1,285.7**	**+8.6%**	**(4.8%)**

The indicators of waste generated and disposed experienced a fluctuating trend over the last three years; there was a general downward trend from 2021 to 2022, followed by a slight increase in 2023. In 2023, **there was a reduction in all types of waste discharged at sea**, with operational waste and food waste, declining by 100.0% and 3.4%, respectively, compared with 2022. **The amount of waste incinerated was also reduced in 2023**, leading to a decline in emissions and ash produced, compared with 2022. In 2023, only the amount of waste disposed ashore increased compared with the previous year; this waste, however, was delivered already sorted by waste type, enabling it to be appropriately disposed of and facilitating its **recycling.**

Waste per vessel (owned and bareboat)

	2021	2022	2023	Var 2023/22	Var 2023/21
Total waste per vessel (m^3/vessels)	50.0	42.3	44.3	+4.8%	(11.3%)

While in 2023 the amount of waste generated per vessels increased slightly from 2022, by 4.8%, it fell markedly when compared with 2021, by 11.3%.

30 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.

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

32 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.

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

Water Management

GRI 303-3 (2018); GRI 303-4 / ESRS E3

-13.2%	**All vessels**
water processed by Oil Discharge Monitoring Equipment in 2023, vs 2022	as at year-end 2023, were equipped with an integrated bilge treatment system, an oil discharge monitoring equipment, a sewage treatment plant with a holding retention tank and a grey water tank

Impacts, risks, and opportunities resulting from double materiality and their management approaches

The analysis highlights the relevance of negative impacts related to **potential discharges that could pollute water.** Material transition risks are identified with respect to future **regulatory developments on water management**, which may require the Company to modify its routes, and **technological risks** relating to the potential need to upgrade on-board freshwater generators and the unavailability of IT systems to manage regulatory compliance of water discharge.

DIS respects the regulations in place, managing water withdrawal and discharge – of any type – in compliance with the prescriptions of both MARPOL and local authorities.

In managing water withdrawal, consumption and discharge, DIS goes beyond regulatory compliance, aiming to **constantly improve the efficiency of technical systems, avoiding any wastage.** To instil a culture of responsible water usage among crew members, **training sessions** are conducted to educate seafarers on proper tank washing practices and shower utilisation.

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.

In particular, boilers are used to **produce steam for multiple heating applications** (among which, fuel oil heating, shower heating and air conditioning). DIS has established a robust and comprehensive steam system maintenance program to prevent losses and ensure its boilers operate efficiently and reliably. Meticulous boiler treatment practices are in place to reduce blowdown, promoting efficient water usage while maintaining system integrity.

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.

The Company has adopted a proactive and preventive maintenance strategy which ensures that the freshwater generator consistently operates at its highest efficiency. This approach aims to minimize the reliance on shore water intake and its consumption. Upcoming, newly built ships will also incorporate state-of-the-art higher-capacity freshwater generators, significantly increasing water production during sailing and reducing the necessity for shore water intake.

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 main engine air cooler and the air conditioning units – from the bilge water. Clean drains, after being tested with a 15ppm detector, can be either discharged overboard or collected as technical water in the Aft peak tank, to be used for tank cleaning. This solution **enhances circularity and reuse of resources.**

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.

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

	2021	2022	2023	Var 2023/22	Var 2023/21
Produced water (freshwater generator)	67,791.0	67,962.0	65,461.0	(3.7%)	(3.4%)
Third-party water	6,903.0	4,654.0	9,987.0	+114.6%	+44.7%
Total	74,694.0	72,616.0	75,447.9	+3.9%	+1.0%

The total consumption of fresh water increased in the period 2022-2023 (+3.9%), reversing the positive trend of decreasing water consumption observed between 2021 and 2022. This growth, mainly due to an increase in consumption of third-party water, is attributable to an increase in the number of **short voyages with numerous port calls.** These unfavorable trading patterns have kept vessels for longer in ports, hampering the full functionality of the freshwater generators. In addition, an increase in **changes in the type of cargoes transported, also contributed to the growth in consumption of third-party water, as more tank washings and rinsing with fresh water were needed.**

Tank washing water

Water used for tank cleaning is disposed at sea after being decanted, through the **Oil Discharge Monitoring Equipment (ODME)**. Subject to the provision of regulation 4 of Annex I, any discharge at sea is prohibited except when all the following conditions are satisfied:

- the vessel is not within a special area;
- the vessel is more than 50 nautical miles distant from the 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.

All DIS vessels are equipped with an **ODME**, according to Marpol Annex I, and a slop tank arrangement to process water resulting from tank washing. **All chemicals used for tank washing are environmentally friendly.**

An upgrading of the ODMEs was recently performed, enabling them to process all tank washing water coming from cargo tanks loaded with **biofuel blends.**

The Company aims to minimise water wastage by streamlining and optimising tank cleaning operations. Furthermore, adhering to best practices, DIS prioritises the annual calibration of sensors associated with its Oily Water Separator (OWS) and ODME systems, exceeding MARPOL requirement of performing such activities every 5 years. This routine calibration ensures the accuracy and reliability of these systems, contributing to DIS' vessels **compliance with environmental standards** and to the **effective management of oily water and oil discharge.**

Water processed by Oil Discharge Monitoring Equipment (owned and bareboat)[34]

	2021	2022	2023	Var 2023/22	Var 2023/21
Oil Discharge Monitoring Equipment (m^3)	41,443.9	46,393.0	40,277.6	(13.2%)	(2.8%)

The attention of the Company to the effective management of oily water and oil discharges has resulted in the **reduction of tank washing water consumption**. Specifically, in 2023, the amount of washing water decanted and disposed of through the ODME was reduced by 13.2% compared with 2022 and by 2.8% compared with 2021.

Sewage effluents

To **safely manage sewage effluents**, all DIS vessels are also 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 discharge 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 then 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.

34 The values for 2021 and 2022 have been revised with respect to those published in the 2022 Annual Report, due to the availability of more precise data.

DIS' newbuildings employ vacuum toilets to significantly decrease water consumption; this solution contributes to an efficient water usage and minimises the discharge of sewage effluents.

Grey water effluent

All of the Company's 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 mainly subject to local rather than international regulations. DIS has in place a specific procedure to guide the ship's crew on the treatment of grey water in the different regions.

SOCIAL RESPONSIBILITY

HUMAN RESOURCES

GRI 3-3 (2021) / ESRS S1

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 **well-being, 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.

DIS does not establish business relationships or execute contracts with persons or entities included in the Antiterrorism Reference Lists, sanctioned person or entities or directly or indirectly owned/controlled by sanctioned person.

Furthermore, to **avoid forced labour situations**, such as through debt bondage **along the value chain**, the Company verifies with annual audits that the seafarers have not paid any fees or other charges for recruitment or placement to a seafarer recruitment and placement service, and includes this requirement in the shipowner's contracts with seafarer recruitment and placement services.

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 2-27 (2021) / ESRS S1

8 DECENT WORK AND ECONOMIC GROWTH

651	1,270	25%	30.8%
employees as at 31 December 2023. 96.2% are seagoing personnel	seafarers employed overall in 2023, +13.4% vs 2022	young seafarers (under 30) in 2023	women between managers and top managers (onshore) in 2023

As at 31 December 2023, DIS employed 626 seagoing personnel and 25 onshore personnel. In addition, 7 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

In 2023, the number of onshore employees reached 25. Overall, women represent 40.0% of the staff (2022: 41.7%) and hold 30.8% of managerial and top managerial positions. DIS can also count on an experienced but young workforce, with 48.0% of its employees in the 30 to 50 years' old age bracket.

Onshore personnel by gender (as at year-end)

	2021		2022		2023	
	Nr	%	Nr	%	Nr	%
Men	15	62.5%	14	58.3%	15	60.0%
Women	9	37.5%	10	41.7%	10	40.0%
Total	24	100.0%	24	100.0%	25	100.0%

Onshore personnel by age (as at year-end)

	2021				2022				2023			
	M	W	Tot	% W	M	W	Tot	% W	M	W	Tot	% W
< 30 years	-	-	-	-	1	1	2	50.0%	1	1	2	50.0%
30 - 50 years	11	5	16	31.3%	9	4	13	30.8%	8	4	12	33.3%
> 50 years	4	4	8	50.0%	4	5	9	55.6%	6	5	11	45.5%
Total	15	9	24	37.5%	14	10	24	41.7%	15	10	25	40.0%

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

	2021				2022				2023			
	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%	5	6	11	54.5%	6	6	12	50.0%
Total	15	9	24	37.5%	14	10	24	41.7%	15	10	25	40.0%

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

	2021				2022				2023			
	< 30	30-50	> 50	Tot	< 30	30-50	> 50	Tot	< 30	30-50	> 50	Tot
Top Manager	-	2	2	4	-	2	2	4	-	2	2	4
Manager	-	8	1	9	-	7	2	9	-	6	3	9
Employees	-	6	5	11	2	4	5	11	2	4	6	12
Total	-	16	8	24	2	13	9	24	2	12	11	25

Seagoing personnel

As at 31 December 2023, the DIS Group employed 626 seagoing personnel. However, a typical feature of the shipping industry is the **staff rotation of crews** since officers' contracts provide an average of 3 months of rest for every 5 months spent on board. Overall, in 2023 DIS employed 1,270 seafarers (+13.4% from 2022). Men represent 99.8% of seagoing personnel, in line with the industry averages. In terms of age, 62.6% of DIS' seafarers are aged between 30 and 50 years old, while 25.0% are young workers, under 30.

Seagoing personnel (as at year-end)

	2021	2022	2023	Var 2023/22
Total	559	593	626	+5.6%

Seagoing personnel by gender (overall, including rotations)

	2021		2022		2023	
	Nr	%	Nr	%	Nr	%
Men	1,363	99.9%	1,119	99.9%	1,268	99.8%
Women	1	0.1%	1	0.1%	2	0.2%
Total	1,364	100%	1,120	100%	1,270	100%

Seagoing personnel by age (overall, including rotations)

	2021			2022			2023		
	M	W	Tot	M	W	Tot	M	W	Tot
< 30 years	242	1	243	242	1	243	316	2	318
30 - 50 years	925	-	925	727	-	727	795	-	795
> 50 years	196	-	196	150	-	150	157	-	157
Total	1,363	1	1,364	1,119	1	1,120	1,268	2	1,270

Seagoing personnel by professional category (overall, including rotations)

	2021			2022			2023		
	M	W	Tot	M	W	Tot	M	W	Tot
Senior Officers	274	-	274	231	-	231	264	-	264
Junior Officers	288	1	289	221	1	222	252	-	252
Ratings	676	-	676	546	-	546	593	-	593
Trainees	125	-	125	121	-	121	159	2	161
Total	1,363	1	1,364	1,119	1	1,120	1,268	2	1,270

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

	2021				2022				2023			
	< 30	30-50	> 50	Tot	< 30	30-50	> 50	Tot	< 30	30-50	> 50	Tot
Senior Officers	0	225	49	274	-	196	35	231	-	226	38	264
Junior Officers	56	225	8	289	55	161	6	222	66	179	7	252
Ratings	77	460	139	676	81	356	109	546	102	379	112	593
Trainees	110	15	-	125	107	14	-	121	150	11	-	161
Total	243	925	196	1,364	243	727	150	1,120	318	795	157	1,270

Type of contracts

GRI 2-30 (2021) / ESRS S1

100%	**100%**	**87%**	**95%**
full time open-ended contracts for onshore personnel in 2023	retention rate for onshore personnel in 2023	open-ended contracts for seagoing personnel in 2023	retention rate for seagoing personnel, in line with market standards in 2023

Impacts, risks, and opportunities resulting from double materiality and their management approaches

Among the most relevant impacts identified in the analysis, those related to the **satisfaction of employees' contractual and income conditions** have emerged. Among the most significant risks is the **potential increase in personnel costs and the possible reduction in the Company's attractiveness,** due to a management of employment relationships and an organization of activities not aligned with employees' expectations.

The entire human resources management strategy is focused on the **continuity** of the relationship with employees, considered strategically important for achieving business goals. The **attention given to contractual conditions** results in **high retention rates**, as reported below.

Onshore personnel

All onshore personnel are employed through open-ended contracts and the retention rate in 2023 was 100%, demonstrating DIS' long-term investment in its resources.

Onshore personnel by type of contract (as at year-end)

			2021			**2022**			**2023**
	M	F	Tot	M	F	Tot	M	F	Tot
Full-time open-ended contracts	15	9	24	14	10	24	15	10	25
Fixed-term contracts	-	-	-	-	-	-	-	-	-
Part-time contracts	-	-	-	-	-	-	-	-	-
Total	15	9	24	14	10	24	15	10	25

Seagoing personnel

DIS employs all its 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). All of DIS' seafarers are **represented by the International Transport Federation (ITF).**

DIS also guarantees the **continuity of staff rotation on similar types of ships**, prioritising seafarers already employed by the Company, **as shown by the high retention rate of 95% in 2023**, a satisfactory result in line with market standards.

In 2023, the Company had 161 trainees in its fleet, representing 12.7% of total staff employed on board.

Seagoing personnel by type of contract (overall, including rotations)

	2021			2022			2023		
	M	F	Tot	M	F	Tot	M	F	Tot
Open-ended contracts	1,238	1	1,239	998	1	999	1109	-	1,109
Trainees	125	-	125	121	-	121	159	2	161
Total	1,363	1	1,364	1,119	1	1,120	1268	2	1,270

Recruitment, hiring and resignation

GRI 401-1 (2016); GRI 401-2 / ESRS S1

8 DECENT WORK AND ECONOMIC GROWTH

5%
rate of turnover for onshore personnel in 2023

58.8%
seafarers under 30 years old among the personnel hired in 2023

Impacts, risks, and opportunities resulting from double materiality and their management approaches

Significant opportunities for DIS lie in enhancing **talent attraction, retention and personnel productivity**. Similarly, relevant material risks are identified with respect to **increased personnel costs, lower supply of skilled workers** (in particular seafarers), reduced **attraction and retention** due to an offer not as appealing as those of other competitors.

In addition to managing the selection process in compliance with international standards – especially regarding seagoing personnel – **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.

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, while acting in coherence 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.**

An important recruitment source for highly qualified onshore professionals – especially for positions that directly support the operations and management of vessels – **is DIS' own seagoing personnel.** This synergy between the vessel and the office provides opportunities for professional growth, with the further intention of 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 members of the team and the organization.

In 2023, the DIS Group recorded 1 hiring and no resignations among onshore personnel, registering a rate of turnover of 5%, in decline with respect to the 19% rate in 2022.

Onshore personnel - hiring

	2021			2022			2023		
	M	W	Tot	M	W	Tot	M	W	Tot
< 30 years	-	-	-	-	-	-	1	-	1
30 - 50 years	1	1	2	1	1	2	-	-	-
> 50 years	-	-	-	-	-	-	-	-	-
Total	1	1	2	1	1	2	1	-	1

Onshore personnel - resignation

	2021			2022			2023		
	M	W	Tot	M	W	Tot	M	W	Tot
< 30 years	1 [35]	-	-	-	-	-	-	-	-
30 - 50 years	-	1	1	2	-	2	-	-	-
> 50 years	-	-	-	-	-	-	-	-	-
Total	1	1	2	2	-	2	-	-	-

Onshore personnel – rate of turnover

	2021	2022	2023
Rate of turnover	19%	19%	5%

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

Seagoing personnel[36]

The quality of its crew is paramount for DIS, as it guarantees safety, efficiency and reliability in the management of the fleet. 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 also involves 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. To strengthen its employees' sense of belonging to DIS, the d'Amico Group has therefore established **crewing and training structures in its seafarers' countries of origin**. It is the Group's general policy to recruit personnel from the countries where it has established crewing and training structures. To further increase the pool of highly qualified candidates, the d'Amico Group cooperates with nautical institutions such as the ITS Fondazione G. Caboto Higher Education Technical Institution, the National Maritime College of Ireland, the International Maritime Institute (IMI) in Mumbai and the Maritime Academy of Asia and the Pacific (MAAP) in Manila for the selection and training of its young cadets.

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.

In 2023, on average, for each rotation officers spent 4.3 months on board, while ratings spent 6.5 months[37]. The period is shorter than the previous year, thanks to the gradual normalization of crew changes after the travel restrictions imposed by Covid-19. The typical staff rotation (especially for officers) provides an **average of 3 months of rest for every 5 months spent on board.**

In 2023, the DIS Group recorded 226 hirings, 2 of which were women, as well as 111 resignations, among seagoing personnel.

Seagoing personnel - hiring

	2021			2022			2023		
	M	W	Tot	M	W	Tot	M	W	Tot
< 30 years	64	-	64	94	-	94	131	2	133
30 - 50 years	121	-	121	56	-	56	92	-	92
> 50 years	7	-	7	3	-	3	1	-	1
Total	192	-	192	153	-	153	224	2	226

36 Due to the staff rotation of crews typical of the shipping industry, the rate of turnover is not considered a useful index for seagoing personnel.

37 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.

Seagoing personnel - resignation

	2021			2022			2023		
	M	W	Tot	M	W	Tot	M	W	Tot
< 30 years	70	-	70	33	1[38]	34	28	-	28
30 - 50 years	174	-	174	102	-	102	75	-	75
> 50 years	29	-	29	6	-	6	8	-	8
Total	273	-	273	141	1	142	111	-	111

Equity, inclusion and multicultural approach

GRI 406-1 (2016) / ESRS S1

Guidelines for gender equality on board

issued in 2023

No discrimination

found during the three-year period 2021-2023

9

nationalities among onshore personnel in 2023

13

nationalities among seagoing personnel in 2023

Impacts, risks, and opportunities resulting from double materiality and their management approaches

DIS' approach to **equity with regard to employment, wages and roles,** has the potential to create positive impacts, risks and opportunities in terms of **talent attraction, retention and personnel productivity.**

The goal of Company is to create a **workplace environment where every employee – regardless of gender, nationality or any other personal characteristics – has the capacity to perform at the highest levels**. DIS promotes policies and practices aimed at maximizing and retaining talent, improving employee wellbeing, seeking to prevent unlawful behaviour and ensuring work-life balance for both genders.

As a global operator, DIS is moved by the idea that a diverse workforce not only reflects the broader community, but also leads to better decision-making, innovation, and long-term sustainability. **A diverse workplace grants DIS a competitive advantage,** since its vessels sail worldwide and it deals with counterparties across the globe.

38 The value was revised with respect to that published in the 2022 Annual Report, due to the availability of more precise data.

The strengthening of policies on diversity and inclusion has been one of DIS' main achievements in 2022 and 2023: during 2023, the d'Amico Group issued the **guidelines for gender equality on board**, which outline the commitment to foster a diverse and inclusive workplace that promotes gender equality at all levels. The concept of inclusion is identified with the recognition, understanding and encouragement of diversity and with the use of available human resources in a proactive way, creating a fair and welcoming social environment.

DIS aims to achieve diversity in ethnicity, age, style, gender, personality, religious and political ideas, personal experiences, sexual and emotional orientation, psychological, cognitive, physical, and social differences.

The key principles and values identified by DIS to foster a culture of diversity and inclusion, grounded on human rights, are:

- **gender equality**: equal social and economic treatment and ease of access to resources and job opportunities to all employees, regardless of gender;
- **inclusive culture:** promotion of a social and organizational environment that values the diversity of individuals.

With respect to **gender equality and inclusion onboard**, DIS' objective is to build an inclusive workforce that is free from any kind of discrimination while educating the crew and eliminating any gender discrimination behaviour onboard. DIS adopts all the necessary measures to guarantee equal opportunity to all jobs on board, regardless of gender diversity, and has in place policies that encourage the recruiting of female seafarers and ensure fair recruiting process.

A significant indicator of the equal opportunity granted to women in the Company is the gender pay gap: although still relevant, the gap shows a significant reduction from 34.2% in 2021, to 27.0% in 2023.

Overall gender pay gap[39]

	2021	2022	2023
Total gender pay gap	34.2%	31.9%	27.0%

Furthermore, the Company follows strict guidelines and procedures to grant **protection from harassment,** especially towards women, and provides dedicated emotional and health support and mentoring to women seafarers.

DIS conducts regular controls, ensuring a **job environment free from any discrimination,** and promotes a culture against any type of mistreatment, violence, or harassment both onshore and onboard, also through training activities and meetings about gender diversity. During 2024, courses on human rights under the relevant procedure will be delivered, including awareness on gender equity and inclusion.

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, and is one of the key indicators of a global organization. Open-mindedness and communication are among the core advantages of multiculturalism that can benefit the workplace. Multiculturalism encourages open dialogue to create understanding, collaboration, and teamwork among staff. Above all, it demonstrates **tolerance, respect, and acceptance**, which improve

39 The overall gender pay gap is calculated as the difference between the average gross annual pay of male employees and the average gross annual pay of female employees, compared to the average gross annual pay of male employees, without considering executives.

the Company's culture and reduce conflict within the workplace, giving equal attention and representation to all cultural needs.

No discrimination was found during the three-year period 2021-2023.

Onshore personnel

In 2023, DIS counted on **onshore employees from 9 nations** and registered a s**hare of women in its onshore personnel of 40.0% as at the end of the year,** in line with the share as at the end of 2022.

Onshore personnel – by country of origin

	2021			2022			2023		
	M.	W.	% of tot	M.	W.	% of tot	M.	W.	% of tot
Denmark	1	-	4.2%	1	-	4.2%	1	-	4.0%
France	2	2	16.7%	2	2	16.7%	2	2	16.0%
Greece	-	-	0.0%	-	1	4.2%	-	-	0.0%
India	2	-	8.3%	1	-	4.2%	1	-	4.0%
Ireland	1	-	4.2%	1	-	4.2%	2	-	8.0%
Italy	6	3	37.5%	5	3	33.3%	5	3	32.0%
Latvia	-	1	4.2%	-	1	4.2%	-	1	4.0%
Poland	-	1	4.2%	-	1	4.2%	-	1	4.0%
Portugal	-	-	0.0%	-	-	0.0%	-	-	0.0%
Slovenia	-	1	4.2%	-	1	4.2%	-	1	4.0%
UK	3	1	16.7%	4	1	20.8%	4	2	24.0%
Total	15	9	24	14	10	24	15	10	25

A significant indicator of the equal opportunities granted to women in the Company is the **gender pay gap;** although still significant, due to the presence of male employees in highly specialized and strategic roles, the gap for both managers and employees declined substantially from 40.6% and 11.9%, respectively, in 2021, to 37.5% and 2.0%, respectively, in 2023.

Onshore personnel – gender pay gap[40]

	2021	2022	2023
Managers	40.6%	38.8%	37.5%
Employees	11.9%	2.7%	2.0%

40 The gender pay gap for onshore and seagoing personnel is calculated as the difference between the average gross hourly pay of male employees and the average gross hourly pay of female employees compared to the average gross hourly pay of male employees.

Seagoing Personnel

DIS' seagoing personnel came from 13 nations as at the end of 2023. The large majority of seafarers are from India. The rest is mainly recruited in Ukraine and Russia, while the remaining portion comes mostly from Italy, Bangladesh and Romania. As at the end of 2023, 2 women were employed on board DIS' vessels. The gender pay gap is equal to 0% for all professional categories.

Seagoing personnel – by country of origin

	2021			2022			2023		
	M.	W.	% of tot	M.	W.	% of tot	M.	W.	% of tot
Australia	4	-	0.3%	-	-	0.0%	-	-	0.0%
Bangladesh	7	-	0.5%	7	-	0.6%	11	-	0.9%
Belarus	1	-	0.1%	-	-	0.0%	-	-	0.0%
Ethiopia	4	-	0.3%	2	-	0.2%	4	-	0.3%
Georgia	-	-	0.0%	-	-	0.0%	4	-	0.4%
India	1140	-	83.6%	984	-	87.9%	1,134	-	89.3%
Indonesia	6	-	0.4%	5	-	0.4%	-	-	0.0%
Ireland	-	-	0.0%	-	-	0.0%	3	1	0.3%
Italy	26	1	2.0%	19	1	1.8%	21	1	1.7%
Latvia	3	-	0.2%	2	-	0.2%	5	-	0.4%
Liberia	6	-	0.4%	6	-	0.5%	8	-	0.6%
Lithuania	1	-	0.1%	-	-	0.0%	-	-	0.0%
Pakistan	-	-	0.0%	-	-	0.0%	-	-	0.0%
Philippines	27	-	2.0%	12	-	1.1%	2	-	0.2%
Portugal	1	-	0.1%	-	-	0.0%	1	-	0.1%
Romania	17	-	1.2%	10	-	0.9%	9	-	0.7%
Russia	41	-	3.0%	30	-	2.7%	27	-	2.1%
Ukraine	79	-	5.8%	42	-	3.8%	39	-	3,1%
Total	1,363	1	1,364	1,119	1	1,120	1,268	2	1,270

People training and development

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

4 QUALITY EDUCATION

750 US$	15.2	18.8
Expenses on training per employee in 2023, more than tripled from 2022	average hours of training for onshore personnel in 2023	average hours of training for seagoing personnel in 2023

Impacts, risks, and opportunities resulting from double materiality and their management approaches

The analysis highlights the relevance of the positive impact stemming from **improved personnel's skills and competencies**, while training and development are significant in driving both material risks and opportunities in terms of **talent attraction and retention.**

DIS is aware that the management of these material impacts, risks and opportunities is critical for its success. For this reason, it assigns great importance to defining and implementing **training plans** for both seagoing and onshore personnel, **ensuring its employees acquire new competencies** and update those they already possess, while reinforcing their sense of belonging to the Group.

Investments in training activities demonstrate DIS' constant attention to the growth and professional development of its people; **the annual expenses on training per employee more than tripled from US$ 245 in 2022 to US$ 750 in 2023.**

Expenses on training for onshore and seagoing personnel [41]

	2021	2022	2023
Expenses on training per employee (US$)	140	245	750

Onshore personnel

Together with the reward and performance evaluation system, training and development are a fundamental part of the people management system and contribute to maintaining and strengthening the performance of DIS' employees. The aim of these 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

41 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.

enhancing and consolidating the learning culture at all organizational levels.

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

Onshore personnel - average hours of training

	2021		2022		2023	
	M	W	M	W	M	W
Top Managers	14.2	59.1	5.5	8.5	14.7	23.0
Managers	5.5	-	8.8	4.0	13.8	17.8
Employees	-	19.2	3.2	1.3	12.9	16.5

Main training initiatives

d'Amico's Corporate Academy 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 2023, several e-learning training initiatives were provided for DIS' employees.

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.** Specifically, this initiative provided training on **how to manage change**, which is particularly important considering that the Group is set to confront many challenges linked to the rapid pace of **innovation** and **digitalization**, as well as the ongoing energy transition, and growing focus on **sustainability.**

Furthermore, as part of the development and change management initiatives, in 2023 DIS started a **coaching program**, delivered through both face-to-face and remote lessons, with the aim of increasing the onshore personnel's adaptability to the ongoing organizational, cultural and market developments.

The program is structured to support employees manage the complexities associated with the transformations taking place, providing new tools and perspectives to understand the evolving organizational and market environment. A fundamental objective is to develop their strategic ability to read and interpret the organizational context, enhancing their adaptive mindset and increasing our engagement with each employee's professional path.

Seagoing Personnel

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

	2021		2022		2023	
	M	W	M	W	M	W
Senior Officers	44.5	-	44.8	-	24.6	-
Junior Officers	41.9	6.0	50.3	42.0	37.8	-
Ratings	7.2	-	9.9	-	8.6	-
Trainees	12.8	-	30.1	-	17.2	9.0

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 its 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 to provide an excellent technical background to young recruits and, at the same time, to **transfer the knowledge of d'Amico Group's organizational structure, policies, expertise, and vision,** thus facilitating job placement within the Group.

Particular attention is also given to **behavioural skills**. In addition to the key technical skills required by the specific role, great importance is given to working methodology. For this reason, the Group promotes specific initiatives to encourage communication, leadership, and teamwork on board its ships.

The crew training matrix

DIS established a **crew training matrix,** 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 inspections of vessels carried out by technical and marine superintendents.

Performance assessment systems and remuneration

GRI 404-3 (2016) / ESRS 2; S1

1 NO POVERTY
4 QUALITY EDUCATION
10 REDUCED INEQUALITIES

0	**100%**	**100%**	**47**
employees whose wage is below the fair level in 2023	onshore personnel evaluated (2022)	seagoing personnel evaluated (2023)	career advancements among seagoing personnel in 2023

Impacts, risks, and opportunities resulting from double materiality and their management approaches

The improvement or worsening of **employee income levels** and satisfaction with **contractual conditions** are considered a material impact. Opportunities and risks are considered to have the same relevance: **DIS could benefit from enhanced personnel productivity**, while also suffering risks from **increased personnel costs** and **reduced employment attractiveness**, due to a less appealing offer than that of competitors.

DIS seeks to acknowledge high performance and reward employees accordingly, while ensuring low performance is properly managed with integrity. The performance assessment system in place promotes employees' professional development and the **compensation policy aims to reward both individual and team performance.** Each line manager and employee work together to ensure that challenging objectives are set and effectively evaluated throughout the year, also focusing on involvement in non-routine projects and tasks.

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 must be consistently and fairly applied;
- **performance:** any salary review or bonus must be guided by an assessment of individual and team results. Bonuses will also reward achievements relating to extraordinary projects and activities, as well as a strong commitment to the Group;
- **labor market regulations of the different countries of origin of the personnel.**

For seagoing staff, **the minimum reference salary is agreed every year with the International Transport Federation (ITF)**, in compliance with the minimum salary set by International Labour Organization (ILO).

No employee – considering both onshore and seagoing personnel – **receives a wage which is below the fair wage.**

Onshore Personnel

In 2022[42] , 100% of the onshore personnel was evaluated, an improvement with respect to the previous year (95%). In 2023, the ratio between the compensation of the highest paid individual and the median compensation (excluding executive roles), registered a significant decline of 15.8% since 2021, from 3.1 to 2.6. Co

Onshore personnel – performance evaluation

	2021	2022
Expected (%)	100%	100%
Received (%)	95%	100%
Not Received (%)	5%	0%

Onshore personnel – annual total compensation ratio

	2021	2022	2023
Ratio between the compensation of the highest paid individual and the median compensation for the employees[43]	3.1	3.1	2.6

Seagoing Personnel

In 2023, the performance of 100% of the seagoing personnel was evaluated, resulting in a career advancement for 47 employees. Career plans are formalized for all seafarers and are based on the educational degrees acquired and on the years of professional experience.

At the end of 2023, the ratio between the compensation of the highest paid individual and the median compensation (not taking into account the executive roles) remained stable at 2.9, in line with the previous years.

Seagoing personnel - performance evaluation

	2021			2022			2023		
	% evaluated	career advancement		% evaluated	career advancement		% evaluated	career advancement	
		M	F		M	F		M	F
Senior Officers	100%	24	-	100%	24	-[44]	100%	10	-
Junior Officers	100%	10	-	100%	18	-	100%	15	-
Ratings	100%	9	-	100%	11	-	100%	22	-
Trainees	100%	15	-	100%	18	-	100%	0	-
Total	100%	58	-	100%	71	-	100%	47	-

42 2023 performance evaluation of onshore personnel is not yet available.

43 The data presented does not take into account executives.

44 The value has been revised with respect to what was published in the 2022 Annual Report, due to the availability of more precise data.

Seagoing personnel – personal career plans

	2021	2022	2023
Employees with personal career plans (%)	100%	100%	100%
Employees that have completed personal training plans (%)	4%	6%	4%

Seagoing personnel – annual total compensation ratio

	2021	2022	2023
Ratio between the compensation of the highest paid individual and the median compensation for the employees	2.9	2.9	2.9

Benefits and well-being

GRI 401-2 (2016) / ESRS S1

Organizational Well-Being project
launched in 2023

Online psychoeducation program
launched in 2023

100%
seagoing personnel with statutory insurances required by local employment laws in 2023

80%
onshore personnel with benefits beyond legal requirements in 2023

Impacts, risks, and opportunities resulting from double materiality and their management approaches

The analysis identifies as priorities a significant number of impacts linked to the improvement or worsening of **mental well-being, business climate**, alignment between staff needs and company responses, employee satisfaction with **work-life balance** (onshore) and **accommodations** (onboard). Moreover, the existence of potential negative impacts is recognised in relation to privacy violations, inadequate rest (onboard), psychological distress, harassment, discrimination and abuse.

All these factors generate material opportunities and risks, especially in terms of **talent attraction and retention**.
People care and the well-being of its employees are matters of great importance to DIS. The attention to these dimensions is demonstrated by the actions taken and initiatives in place, especially with regard to **psychological well-being, work-life balance and additional benefits offered beyond legal requirements.**

Underscoring the Company's commitment, in 2023 DIS launched the **Organizational Well-Being** project, with the aim of providing a specific framework for all the initiatives conducted so far and of identifying any further actions useful to improving the Company's efforts in this area, better aligning them with its employees' needs. To support this analysis, the Group launched an internal survey, which **helped to identify the following priorities:**

Physical well-being	Emotional well-being	Financial well-being	Social well-being	Organisational well-being
• Prevention and care	• Parenting • Caregiving • Mental health • Work-life balance	• Financial and pension education • Insurance cover	• Team building • Diversity & inclusion • Volunteering and sustainability	• Onboarding • Reward • Engagement & performance • Safety & security • Development

Psychological well-being

During 2023, DIS focused on safeguarding the mental health of its employees and enhancing their well-being. For this reason, the Company started a collaboration with "**Mindwork**", a company specialized in promoting the **mental well-being of people**, both inside and outside organizations.

With Mindwork's support, DIS prepared an **online psychoeducation program** divided into **three webinars**, each lasting one hour, with the aim of promoting greater awareness on well-being and psychological health among onshore employees and of providing them with **best practices and operational tools** to take care of themselves and of the people around them. The three main topics addressed in 2023 were: change and uncertainties; challenges and resources of parenthood; caregiving and taking care of others.

Due to the nature of their work, seafarers face unique challenges to their well-being, to which DIS pays particular attention, since it considers them one of its biggest assets.

From 2021, DIS has already implemented a **mental health support program for all crew members**. The agreement has been signed with **"Mental Health Support & Solutions"** (MHSS), 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. MHSS runs a **24/7 support line** and is available for free by phone, WhatsApp, email, or SMS. The line is run by professional psychologists, who are native speakers of the same languages as DIS' personnel. Furthermore, **the service is entirely confidential and anonymous**, and once a contact is made to the support line, that professional will typically "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.

Furthermore, the Company goes beyond the minimum crewing level legally required on its vessels, and plans **crewing levels based on a realistic assessment of tasks, ensuring the well-being of seafarers**. DIS is committed to establishing crew levels that are sufficient to cope with the workload expected from each seafarer without exceeding the allowed "maximum working hours", always considering the impacts of peak work times (such as port calls) and the possible consequences of crew fatigue on ship safety and crew well-being. Other than in emergencies, and for the shortest time possible, **DIS does not operate with reduced crews.**

The Group is currently working on an **official well-being policy**, which has been formalized during 2023 and will be implemented during 2024.

Work-life balance

During 2022, DIS defined and implemented a **remote working policy** with the main purpose of guaranteeing a better work-life balance to its onshore employees. Remote working, which relies on tools and technologies capable of guaranteeing productivity also outside of the Company's offices, offers to employees more flexibility in the management of their personal and work commitments, reducing the often non-productive time associated with commuting.

Regarding the seagoing personnel, each vessel's Master regularly verifies that all crew members observe the **proper period of rest** in any 24 hours period. d'Amico Group implements a zero-tolerance policy for flawed, falsified or shammed logged work/rest hour. Furthermore, the d'Amico Group aims for crew rotations on board to occur every 4 to 6 months, to prevent seafarers from staying too long away from their families.

To ensure that **shipboard accommodations respect legal standards – including hygiene and safety standards – and are safe and welcoming,** through its shipboard officers **DIS conducts weekly internal inspections** of cabins, kitchen, galley, and any common use spaces such as recreation rooms. At the end of the inspections a report is produced which is then validated by the Master and sent to the HSQE department. External inspectors can ask for copies of the reports or also conduct inspections themselves.

Benefits

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 of DIS' employees receive the statutory insurances required by local employment laws. In addition, DIS promotes an expanded employer-sponsored coverage which covers the near entirety of its onshore employees, without any distinction in terms of organizational role.

Onshore personnel – number of employees receiving benefits beyond legal requirements

	2021		2022		2023	
	Nr	%	Nr	%	Nr	%
Life insurance	19	79.5%	19	79.5%	20	80.0%
Health care insurance	19	79.5%	19	79.5%	20	80.0%
Disability and invalidity coverage	11	45.8%	11	45.8%	12	48.0%
Pension benefits	14	58.3%	14	58.3%	15	60.0%

Seagoing personnel – number of employees receiving benefits

	2021		2022		2023	
	Nr	%	Nr	%	Nr	%
Life insurance	1,364	100.0%	1,120	100.0%	1,246	98.1%
Health care insurance	53	3.9%	31	2.8%	24	1.9%
Disability and invalidity coverage	1,364	100.0%	1,120	100.0%	1,246	98.1%
Pension benefits	26	1.9%	19	1.7%	24	1.9%

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

3 GOOD HEALTH AND WELL-BEING

100% personnel covered by health and safety management system in 2023	**0** work-related injuries in 2023	**100%** newly hired onshore employees informed on occupational health and safety in 2023	**7.4** average hours of training on occupational health and safety for seagoing personnel in 2023, +13.0% vs 2022

Impacts, risks, and opportunities resulting from double materiality and their management approaches

Material, positive and negative impacts were identified with respect to the **physical well-being** of personnel, with positive impacts associated with the implementation of insurance programs and negative ones arising from injuries, occupational disease or loss of life. All these factors generate material opportunities and risks, especially in terms of **talent attraction and retention.**

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, DIS 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. **DIS' target is to experience zero accidents and injuries**; nonetheless, if such events do occur, they are duly analysed and the findings shared with the fleet to reduce likelihood of reoccurrence.

All crew members responsible for safety or environmental protection **are duly trained and regularly evaluated**. To manage the risks related to seafarers' conditions of employment and ensure that the principles and rules of the Maritime Labour Convention (MLC 2006) are fully met, all seagoing personnel is recruited through manning agents duly authorized by the local state authorities or by recognized organizations. The d'Amico Group's crew department 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 also 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.**

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).**

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 also represents 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.

To promote crew safety, the I**ntegrated Management System** also includes certification of compliance with the international standard **ISO 45001, covering 100% of the workforce** and obtained with new certificates at the annual RINA audit in 2020. The system is 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 it is reviewed periodically to ensure it is always relevant and appropriate.

DIS, through the d’Amico Group, has a robust **quantitative risk management framework,** through which it performs a systematic analysis aimed at preventing 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 on the resources necessary 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 (Protection and Indemnity Insurance) for up to one billion US dollars.

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

In the three years considered, all new hired onshore employees were informed of the Group's occupational health and safety policies during their onboarding process.

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

	2021		2022		2023	
	M	W	M	W	M	W
Senior Officers	12.5	-	6.6	-	6.9	-
Junior Officers	13.2	-	10.8	-	13.4	-
Ratings	4.5	-	4.2	-	4.4	-
Trainees	5.1	-	9.5	-	10.2	6.0

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 operation of the vessel. **Every three months, the Master gathers the key personnel on board to discuss the Integrated Management System** (IMS), proposing improvements when necessary. The output of the review is collected and sent to the HSQE Department. In the meeting, matters relating to safety, environment, quality, and health are also discussed. The evaluation by the onshore 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 has been established, **designated to carry out the duties of Prevention and Protection** on board and composed of all the senior and junior officers. Committee meetings are held at least once a month, and any subject discussed is 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;
- examines injuries of shipboard personnel to be reported to the Group, together with the person responsible for safety at work;
- 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.

During the three-year period 2021-2023, no work-related injury[45] of any seriousness was recorded, including high-consequence injuries[46] , losses of a person[47] or deaths.

45 Work-related injuries are defined as negative impacts on health arising from exposure to hazards at work.

46 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.

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

Health and safety hazards

DIS carried out an analysis and risk assessment of the potential hazards to which seafarers may be exposed 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.

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);
- 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);
- 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);
- 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).
- 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.

HUMAN RIGHTS

GRI 2-23 (2021); GRI 2-26 / ESRS S1

No tolerance	Seafarers' human rights policy	No forced labour and debt bondage situations
for any kind of harassment or bullying, ashore and onshore	issued in 2023	in the recruitment phases, ensured with annual audits

Impacts, risks, and opportunities resulting from double materiality and their management approaches

According to the results of the analysis, risks for DIS lie in **potential human rights violations in the value chain.**
Similarly, a material negative impact may arise from violations of forced and child labour regulations in companies with which the Group entertains business relations.

DIS encourages the **promotion of ethical conduct within the workplace as embedded in its Code of Ethics**, which forms the basis of the Company's corporate culture and serves 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.
d'Amico Group prohibits forced labour and is unconditionally committed to respect the human rights of seafarers, irrespective of their social status, origins, professional position and gender.

The Code of Ethics 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 guaranteeing respect for a person's dignity. 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. 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. It is ensured that all seafarers receive the necessary medical care during their whole service tenure and assistance also after contract termination in case of illness or injury. In all instances, the seafarers' right to be safely repatriated is always safeguarded.

Any kind of harassment or bullying, onboard managed vessels and onshore, **is not tolerated**. Strict procedures are in place and employees or third parties are encouraged to report any instances immediately, so that appropriate corrective action can be initiated. 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. The reports should be sent via the following free website: https://openreportingsystem.damicoship.com. Alternatively, reports can be sent to dedicated and independent e-mail accounts and free phone numbers.

In 2023, DIS and the d'Amico Group continued to strengthen their practices on diversity and inclusion and, more generally, with respect to the human rights of both ashore and onshore personnel. In particular, in 2023 the d'Amico Group issued a dedicated policy on **"Seafarers' human rights",** which emphasises the paramount importance of treating every individual with dignity, recognising their intrinsic value, and showing unwavering respect, free from any form of discrimination.

DIS ensures that all seafarers are informed about their rights by including a specific appendix in their employment contracts during the pre-joining briefing.

Finally, the **Company prohibits forced labour,** including through debt practices that can lead to forced labour situations, such as through debt bondage due to the payment of recruitment fees and related recruitment costs. To prevent such situations, DIS verifies with annual audits that the seafarers have not paid any fees or other charges for recruitment or placement to a seafarer recruitment and placement service, and includes this requirement in the shipowner's contracts with seafarer recruitment and placement services.

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)

3	Zero	Commendation letter
claims received in the 2021-2023 period	Port State Control (PSC) detentions in the 2021-2023 period	to the vessels of DIS' fleet for their safe operation given by the Liberian Registry in July 2023

Impacts, risks, and opportunities resulting from double materiality and their management approaches

The analysis identifies as priorities a significant number of material risks linked to the evolution of the insurance market and DIS' ability to respect the contractual conditions stipulated with its clients.

The expected rise in the frequency of **extreme weather events might lead to rigidity in the insurance market**, resulting in worsening coverage conditions or inability to find insurers willing to cover risks. The increased frequency of such events could also force DIS to **change its sailing routes**, resulting in longer travel distances and **failure to meet agreed timelines** due to physical damage to ships, unavailability of strategic hubs, such as ports or shipyards, due to structural damage (unavailability of power grids and pipelines), lack of essential resources (water, food, energy), with consequent reduction of available labour force and closure of waterways and canals due to droughts or floods.

The climate-induced re-routing could also generate **material opportunities** for DIS, insofar as the Company could obtain **higher freight rates and economic advantages** by exploiting market inefficiencies and the reduction of tonnage availability due to an increase in average distances sailed. Furthermore, if the Company were successful in adapting to new regulatory requirements and market demands, earlier or more comprehensively than its competitors, also by owning ships with a lower environmental impact, this could enable the Company to achieve higher freight rates and access to more commercial opportunities.

The Company is aware that its success in the market will also depend on understanding and meeting both the current and future needs of its existing and potential customers. For this reason, thanks to its global presence and the employment of highly qualified personnel, DIS provides its customers with a wide range of different services and continuous and timely assistance at all times.

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.

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.

Customer claims

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.

Customers' claims

	2021	2022	2023
Claims over US$ 50 thousand received and yet to be resolved	1	1	1
Claims over US$ 50 thousand resolved	-	2	-

In 2023, DIS had a total of two continuing claims above US$ 50 thousand. During the year no claims inherited from previous years were settled, and one new cargo claim above US$ 50 thousand[48] was received by d'Amico Tankers d.a.c[49] .

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

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

External inspections

Further confirmation of the quality of the service is provided by the results of inspections carried out by the maritime authorities.

Number of PSC (Port State Control) deficiencies and detentions

	2021	2022	2023
Average number of deficiencies received for each inspection	0.28	0.29	0.32
Number of detentions	-	-	-

Moreover, while the number of deficiencies received from regional Port State Control organisations follows a slightly increasing trend, **DIS' vessels received no detentions** during the three-year period 2021-2023.

Thanks to DIS' vessels excellent performance, in July 2023 **the Liberian Registry issued a commendation letter to the vessels of DIS' fleet for their safe operation.**

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 regularly participates 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 2023, 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 through both 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 / ESRS G1

Impacts, risks, and opportunities resulting from double materiality and their management approaches

According to the results of the analysis, a material positive impact may arise from the enactment of **pro-maritime policies able to promote growth and employment in the shipping sector**, as well as from the development of contractual standards in line with the expectations of maritime operators, which can be supported by the Group's engagement and collaboration with major industry associations.

Aware of this potential impact, DIS participates, also through the d'Amico Group, **in leading national and international organisations and associations.**

Among the most relevant organisations and associations DIS contributes to either directly or through the d'Amico Group, are INTERTANKO (International Association of Independent Tanker Owners), the 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 several of these organisations, executives of the d'Amico Group hold leading positions.

INTERTANKO

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.

European Sustainable Shipping Forum (ESSF)

Moreover, since 2017 the d'Amico Group has been an expert member of the **European Sustainable Shipping Forum (ESSF)**. The Forum was created to promote the exchange of technical knowledge, 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.**

Promoting public attention towards social, cultural and environmental topics

GRI 413-1 (2016); GRI 3-3 (2021) / ESRS G1

TRAINING

DIS and the d'Amico Group **provide education, professional development and guidance to their 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 multiple national and international maritime institutions.

Royal Institution of Naval Architects and Naval Engineering Department of Genoa University (DITEN)

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.

Institute for Research and Education of Naples (IPE)

Every year, a scholarship to the highest-ranking student of the **Institute for Research and Education of Naples (IPE)** is offered by the d'Amico Group, 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.

ITS Academy Fondazione G. Caboto

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.

National Maritime College of Ireland

The d'Amico Group has supported the **National Maritime College of Ireland** for over seven years, offering 22 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.

Connecticut Maritime Association (CMA)

The d'Amico Group participates actively in the **Connecticut Maritime Association (CMA)**, a non-profit trade association representing people from the shipping 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.

SOLIDARITY

DIS supports projects aimed at **generating a positive impact for local communities**. In particular, through the d'Amico Group, the Company sustains **solidarity, training and cultural projects** in the countries where it operates and contributes 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.**

Atlantic Youth Trust

In 2022 d'Amico Tankers d.a.c., an 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 continued in 2023.

The Mission to Seafarers

The d'Amico Group also supports **The Mission to Seafarers**, which provides assistance and support to the 1.89 million crew members, men and women, who face daily dangers to sustain our global economy. With a long and esteemed history, the Mission has expanded to become one of the largest port-based welfare organizations worldwide, operating in nearly 200 ports.

Il Porto dei Piccoli

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.

Save the Children

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.

Telethon Foundation

For many years, the d'Amico Group has supported the activities of the **Telethon Foundation**, **whose goal is to speed up the process in finding a cure for rare genetic diseases by funding biomedical research**. During 2023, DIS, through the d'Amico Group, joined the "**Telethon Business Club**", supporting the "Come a casa" project (Like at Home), to help many families cope with the long journey of caring for their children.

ART AND CULTURE

DIS and the d'Amico Group also support the world of art and culture, with the aim of **introducing social, cultural, economic and environmental topics to an ever-wider audience.** Besides sponsoring several museums and exhibitions worldwide, in 2015 the 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.

ENVIRONMENT

DIS believes in the **protection of the marine environment** and for this reason it supports Associations and NGOs which dedicate their efforts to preserving the marine environment.

Istituto Italiano di Navigazione

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.

Ogyre

In 2023 the d'Amico Group established a three-year partnership with Ogyre, an Italian "benefit corporation" and startup that focuses on **marine litter collection** and operates in Italy, Brazil, and Indonesia. This partnership marks the beginning of a three-year plan aimed at collecting a total of 10,500 kg of waste from the oceans.

ECONOMIC RESPONSIBILITY

Shareholders Information

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Material impacts, risks, opportunities and related management procedures

As it is substantiated by the double materiality analysis, DIS faces material **financial risks** that are inherent to the sector in which it operates.

Given the increasing relevance of ESG criteria in normative compliance and insurance coverage, it is expected that **insurance costs and compliance-related expenses** will rise.

Moreover, the double materiality analysis highlights the **potential negative impacts** on DIS' share price and creditworthiness, arising from potential costs and penalties, resulting from possible errors, misses or delays in responding to new information requests from authorities (Borsa Italian, CSSF, Consob, etc.).

DIS is likely to continue investing in newbuildings with a lower environmental impact, as well adopting innovative solutions to increase the efficiency of its vessels, limiting operating costs increases, while also minimising the risk of incurring fines and expenses for the restoration of polluted ecosystems.

In the long term, the **demand for the transportation of refined oil products** is projected to grow at a more moderate pace and eventually decline. DIS monitors attentively the fundamentals of its market, including the anticipated tonnage supply dynamics as well as the forecasted demand trends. **Thanks to a rapidly ageing product tanker fleet and the relatively low average age and higher than average fuel efficiency of DIS' fleet, the Company does not currently expect a material structural decline in demand for its services, throughout the life cycle of its current assets.**

d'Amico International Shipping's Investor Relations (IR) 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. **Information parity** to all shareholders is guaranteed through the procedures and mechanisms enacted to prevent and protect against any instance of market abuse.

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.

The Investor Relations section on the **Company's institutional website** http://investorrelations.damicointernationalshipping.com/ provides share information, historical financial data, press releases, institutional presentations, periodic publications and analyst coverage. In 2024, 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/.

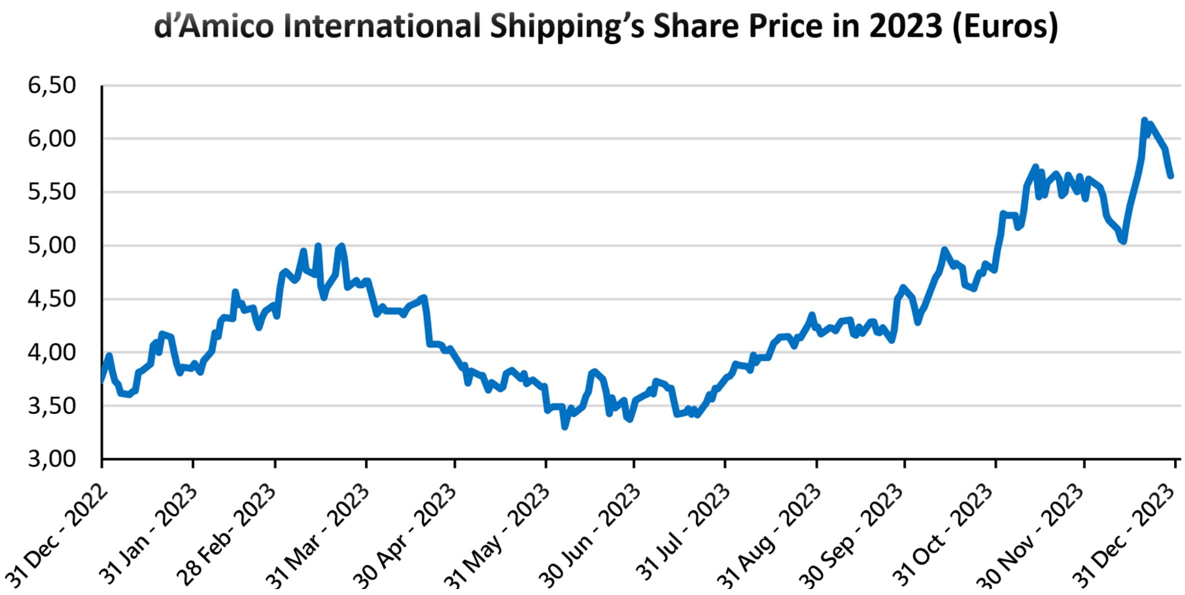
d'Amico International Shipping's shareholders may also contact: ir@damicointernationalshipping.com.

The main guidelines for the management of the Company's dialogue with shareholders and other stakeholders are included in both its investor relations and in its communication procedures. In this regard, on 14 May 2023 DIS' Board of Directors approved a **Policy for managing dialogue with shareholders**, in order to establish and maintain a constant, open and transparent relationship with the Company's current and/or potential Shareholders, to increase their level of understanding of the activities performed by the Company and to share the strategic actions and visions underlying the Company's operations. In fact, DIS believes that a transparent dialogue with its Shareholders can support and inspire the Company's actions, contributing to the success and the generation of value in the medium-long term. It is DIS' intention to continuously improve this dialogue, also by taking into account stakeholders' and shareholders' views and suggestions.

Share Price performance

As at 31 December 2023, d'Amico International Shipping S.A.'s share capital consisted of **124,106,556 ordinary shares, corresponding to a market capitalization, excluding the 3,453,542 own shares (equivalent to 2.78% of the issue share capital) as at the same date, of € 681,689,529.10.**

The Company's shares are listed on Borsa Italiana SpA, in the STAR segment. In addition, starting from 20 November 2023, DIS' shares are available for trading on the OTCQX® Best Market in New York, offering US investors an additional transparent and efficient platform to trade the Company's stock.



Thanks to a robust product tanker market, the Company further strengthened its balance sheet in 2023; **DIS share price rose by 51.5% in 2023**, reaching an intra-year high of € 6.17 on 20 December 2023. In detail, DIS reached a share price of €4.670 at the end of Q1 2023 (+25.2% quarter-on-quarter), €3.550 at the end of Q2 2023 (-24.0% quarter-on-quarter), €4.606 at the end of Q3 2023 (+29.7% quarter-on-quarter), and €5.650 (+22.7% quarter-on-quarter) as at year-end.

The average daily traded volume of DIS' shares was of € 1.4 million during the year – corresponding to an average of 317.3 thousand shares – 66% higher than in the previous year.

Financial calendar

The Company's 2024 Financial Calendar is as follows:

2023 Annual Financial Statements	March	Thursday 14
Annual General Meeting	April	Tuesday 23
2024 First Interim Management Statements	May	Wednesday 08
2024 Half Year Report	August	Thursday 01
2024 Third Interim Management Statements	November	Thursday 07

EU TAXONOMY FOR SUSTAINABLE ACTIVITIES

ESRS E1

As of the date of publication of d'Amico International Shipping's Non-financial statements as at 31 December 2023, the Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 ("Climate Delegated Act"), amended by the Commission Delegated Regulation (EU) 2023/2485 ("Amended Climate Delegated Act") and the Commission Delegated Regulation (EU) 2023/2486 ("Environmental Delegated Act") of 27 June 2023, supplementing the Regulation (EU) 2020/852 ("Taxonomy Regulation"), have 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, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and protection and restoration of biodiversity and ecosystems – the six Environmental Objectives set by the Taxonomy Regulation. The Climate Delegated Act is applicable from 1 January 2022 and the Amended Climate Delegated Act and Environmental Delegated Act are both applicable from 1 January 2024 (for undertakings reporting for financial year ending 2023).

d'Amico International Shipping 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"), amended as part of the Environmental 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 2023 alongside DIS' consolidated financial statements for the year ending 31 December 2023.

As at 31 December 2023, DIS reports the Taxonomy eligibility and Taxonomy alignment of its activities as required by the Disclosures Delegated Act and amended within the Environmental Delegated Act based under the first two environmental objectives for which final technical screening criteria were set in legislation (Climate Delegated Act, as amended) – climate change mitigation and climate change adaptation. DIS also reports on the Taxonomy eligibility of its activities for the other four Environmental Objectives set in the EU Taxonomy legislation. The reporting for the alignment regarding these four objectives will be mandatory in 2025 for Financial Year 2024.

Eligibility under the six environmental objectives (climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and protection and restoration of biodiversity and ecosystems).

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 defined within the EU Taxonomy legislation.

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*". This activity is 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*". Please note that this activity is not part of the Environmental Delegated Act which sets the list of eligible economic activities and the technical screening criteria for determining the conditions under which economic activities qualify as making a substantial contribution to sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and protection and restoration of biodiversity and ecosystems.

The resulting analysis shows that 100% of Revenue, CapEx and OpEx of DIS' operations in 2023 are EU Taxonomy-eligible for substantial contribution to climate change mitigation and climate change adaptation but not for the other four objectives of the EU Taxonomy legislation. 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 for the year ending 31 December 2023, 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 for substantial contribution to climate change adaptation and climate change mitigation. However, a part of the activities consists of transport of fossil fuels (refined petroleum products), which do not align with the criteria for alignment with the EU Taxonomy. Therefore, only the business activity of vegetable oils transportation has been considered for the determination of alignment with the climate change mitigation and climate change adaptation objectives of the EU Taxonomy.

DIS' economic activity alignment 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 2023 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 Turnover from products or services associated with Taxonomy-aligned economic activities

Financial Year N	Year			Sustantial contribution criteria						DNSH criteria ('Does Not Significantly Harm') [d]									
Economic activities (1)	Codes[a] (2)	Turnover (3)	Proportion of Turnover, Year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or -eligible (A.2.) turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Sea and coastal freight water transport, vessels for port operations and auxiliary activities is the only activity of d'Amico Shipping International S.A in scope of the Taxonomy reporting requirements.	CCM 6.10/CCA 6.10	US$ thousand	%	Y;N; N/EL [b]	Y;N; N/EL [b]	Y;N; N/EL [b]	Y;N; N/EL [b]	Y;N; N/EL [b]	Y;N; N/EL [b]	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0%	0%	0%	0%	0%	0%	0%	N	N	N	Y	N	N	N	0%		
Of which enabling		-	0%	0%	0%	0%	0%	0%	0%	N	N	N	Y	N	N	N	0%	E	
Of which transitional		-	0%	0%						N	N	N	Y	N	N	N	0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL [c]	EL; N/EL [c]	EL; N/EL [c]	EL; N/EL [c]	EL; N/EL [c]	EL; N/EL [c]	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%		
Sea and coastal freight water transport, vessels for port operations and auxiliary activities	CCM 6.10/CCA 6.10	401 839	100%	EL	EL	N/EL	N/EL	N/EL	N/EL	N	N	N	Y	N	N	N	100%		
Turnover of Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		401 839	100%	100%	100%	0%	0%	0%	0%	N	N	N	Y	N	N	N	100%		
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		401 839	100%	100%	100%	0%	0%	0%	0%	N	N	N	Y	N	N	N	100%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		-	0%																
TOTAL		**401 839**	**100%**																

(a) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex of the EU Taxonomy legislation covering the objective. Applicable to DIS, the activity "6.10. Sea and coastal freight water transport, vessels for port operations and auxiliary activities" is eligible to make contribution to Climate Change Mitigation and Climate Change Adaptation objectives. Therefore, in accordance with the EU Taxonomy, the code(s) should be as follows: CCM 6.10/ CCA 6.10 as described in the table above.

(b) Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective;
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective;
N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

(c) EL – Taxonomy-eligible activity for the relevant objective;
N/EL – Taxonomy-non-eligible activity for the relevant objective.

(d) For activity listed under A2, columns (11) to (17) reporting was filled on a voluntary basis to indicate the DNSH criteria that are met and not met so far.

The turnover disclosed in the above table represents the freight and time-charter revenue amounting to US$ 396,970 (thousand), plus the bareboat charter revenue amounting to US$ 4,869 (thousand), reported under DIS' Consolidated Income Statement in the financial statements, for the year ending31 December 2023 (p.127).

The proportion of Turnover from products or services associated with Taxonomy-aligned economic activities was determined as 0%.

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

Financial Year N	Year			Sustantial contribution criteria						DNSH criteria ('Does Not Significantly Harm') [d]									
Economic activities (1)	Codes[a] (2)	Capex (3)	Proportion of Capex, Year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or -eligible (A.2.) Capex, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Sea and coastal freight water transport, vessels for port operations and auxiliary activities is the only activity of d'Amico Shipping International S.A in scope of the Taxonomy reporting requirements.	CCM 6.10/CCA 6.10	US$ thousand	%	Y;N; N/EL [b]	Y;N; N/EL [b]	Y;N; N/EL [b]	Y;N; N/EL [b]	Y;N; N/EL [b]	Y;N; N/EL [b]	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0%	0%	0%	0%	0%	0%	0%	N	N	N	Y	N	N	N	0%		
Of which enabling		-	0%	0%	0%	0%	0%	0%	0%	N	N	N	Y	N	N	N	0%	E	
Of which transitional		-	0%	0%						N	N	N	Y	N	N	N	0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL [c]	EL; N/EL [c]	EL; N/EL [c]	EL; N/EL [c]	EL; N/EL [c]	EL; N/EL [c]	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%		
Sea and coastal freight water transport, vessels for port operations and auxiliary activities	CCM 6.10/CCA 6.10	41 488	100%	EL	EL	N/EL	N/EL	N/EL	N/EL	N	N	N	Y	N	N	N	100%		
Capex of Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		41 488	100%	100%	100%	0%	0%	0%	0%	N	N	N	Y	N	N	N	100%		
A. Capex of Taxonomy-eligible activities (A.1 + A.2)		41 488	100%	100%	100%	0%	0%	0%	0%	N	N	N	Y	N	N	N	100%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Capex of Taxonomy-non-eligible activities (B)		-	0%																
TOTAL		**41 488**	**100%**																

(a) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex of the EU Taxonomy legislation covering the objective. Applicable to DIS, the activity "6.10. Sea and coastal freight water transport, vessels for port operations and auxiliary activities" is eligible to make contribution to Climate Change Mitigation and Climate Change Adaptation objectives. Therefore, in accordance with the EU Taxonomy, the code(s) should be as follows: CCM 6.10/ CCA 6.10 as described in the table above.

(b) Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective;
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective;
N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

(c) EL – Taxonomy-eligible activity for the relevant objective;
N/EL – Taxonomy-non-eligible activity for the relevant objective.

(d) For activity listed under A2, columns (11) to (17) reporting was filled on a voluntary basis to indicate the DNSH criteria that are met and not met so far.

The CapEx disclosed in the above table represent the acquisition of fixed assets reported under DIS' Consolidated Statement of Cash Flows in the financial statements for the year-ending 31 December 2023 (p.129).

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 of CapEx associated with Taxonomy-aligned economic activities was determined as 0%.

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

Financial Year N	Year			Sustantial contribution criteria						DNSH criteria ('Does Not Significantly Harm') (d)									
Economic activities (1)	Codes[a] (2)	OpEx (3)	Proportion of OpEx, Year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or -eligible (A.2.) OpEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Sea and coastal freight water transport, vessels for port operations and auxiliary activities is the only activity of d'Amico Shipping International S.A in scope of the Taxonomy reporting requirements.	CCM 6.10/CCA 6.10	US$ thousand	%	Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0%	0%	0%	0%	0%	0%	0%	N	N	N	Y	N	N	N	0%		
Of which enabling		-	0%	0%	0%	0%	0%	0%	0%	N	N	N	Y	N	N	N	0%	E	
Of which transitional		-	0%	0%						N	N	N	Y	N	N	N	0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%		
Sea and coastal freight water transport, vessels for port operations and auxiliary activities	CCM 6.10/CCA 6.10	93 630	100%	EL	EL	N/EL	N/EL	N/EL	N/EL	N	N	N	Y	N	N	N	100%		
OpEx of Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		93 630	100%	100%	100%	0%	0%	0%	0%	N	N	N	Y	N	N	N	100%		
A. OpEx of Taxonomy-eligible activities (A.1 + A.2)		93 630	100%	100%	100%	0%	0%	0%	0%	N	N	N	Y	N	N	N	100%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities (B)		-	0%																
TOTAL		93 630	100%																

(a) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex of the EU Taxonomy legislation covering the objective. Applicable to DIS, the activity "6.10. Sea and coastal freight water transport, vessels for port operations and auxiliary activities" is eligible to make contribution to Climate Change Mitigation and Climate Change Adaptation objectives. Therefore in accordance with the EU Taxonomy, the code(s) should be as follows: CCM 6.10/ CCA 6.10 as described in the table above.

(b) Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective;
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective;
N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

(c) EL – Taxonomy-eligible activity for the relevant objective;
N/EL – Taxonomy-non-eligible activity for the relevant objective.

(d) For activity listed under A2, columns (11) to (17) reporting was filled on a voluntary basis to indicate the DNSH criteria that are met and not met so far.

The OpEx disclosed in the above table represent the other direct operating costs reported under DIS' Consolidated Income Statement in the financial statements for the year ending 31 December 2023 (p.127).

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 CapEx 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 of OpEx associated with Taxonomy-aligned economic activities was determined as 0%.

Supply chain

GRI 308-1 (2016) / ESRS G1

430	**Sanction policy**	**Zero**
suppliers	applied in the selection of all suppliers	entities among the suppliers screened and assessed using environmental criteria, are identified as having significant negative environmental impacts in the three-year period 2021-2023

Material impacts, risks, opportunities and related management procedures

The double materiality analysis identifies the **positive impacts** linked to the integration of sustainability within DIS' supply chain, arising from the support provided to the development of other economic activities benefitting from stable employment, due also to proper management practices, including relating to payments. The management of supplier relationships may lead to significant **opportunities** for DIS in terms of price benefits and supply stability.

Material **risks** lie in reputational damages and costs arising from errors, misses or delays in responding to information requests from suppliers, which may arise from inefficiencies in the organizational structure or from inadequate controls over internal and external information flows.

DIS selects and evaluates suppliers based on their standing in relation to **quality, safety, and respect for the environment**. The procedures implemented aim to avoid commercial relations with entities responsible for **human rights** violations and include stricter requirements for suppliers belonging to the **Environment and Safety category.**

Related parties in the d'Amico Group, providing services to DIS, have 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 DIS and the d'Amico Group's requirements regarding consumption and energy efficiency.**

DIS does not establish business relationships or executes contracts with persons or entities included in the Antiterrorism Reference Lists, sanctioned persons or entities or entities directly or indirectly owned or controlled by sanctioned persons. All new possible suppliers are evaluated with respect to their compliance with d'Amico Group's ethics principles and the certifications owned.

As outlined by the Integrated Management System, **all suppliers are strongly invited to accept and comply with the rules, procedures and ethical and behavioural principles adopted by the Company**. In the contracts or letters of appointment, suppliers declare they have read and understood the content of the Code of Ethics adopted by the Group.

Furthermore, to **avoid forced labour situations** from practices such as debt bondage, the Company verifies with annual audits that the seafarers have not paid any fees or other charges for recruitment or placement agents, and includes this requirement in the shipowner's contracts with seafarers recruitment and placement services.

Suppliers screened and assessed using environmental criteria

	2021	2022	2023
Number of suppliers that were screened and assessed using environmental criteria	60	55	58
% of suppliers that were screened and assessed using environmental criteria	13.2%	12.5%	13.5%
Total number of suppliers	455	440	430

Of the suppliers screened and assessed using environmental criteria, **no entities were identified as having significant actual and potential negative environmental impacts in the three-year period 2021-2023.**

In managing the supply chain d'Amico International Shipping S.A. - through the d'Amico Group's Integrated Management System (IMS) - has taken measures to **ensure that the products and services it purchases comply with quality, safety, and respect for the environment**. More specifically, these measures apply to the products and services that have or could have a **significant impact on energy consumption**, those required to ensure optimal supply of the Group's shipping activities (e.g., dry-dock interventions, ship maintenance and repair activities, and the supply of fuels) and the services that d'Amico outsources. The measures include:

- accurate supplier assessment and selection;
- full and clear details on purchase orders and on responsibilities;
- performance of inspections and controls as necessary;
- assessments based on energy performance;
- requests for information from suppliers, if services are outsourced, regarding potential impacts on processes, products and services offered.

The products and services purchased are checked by type, quantity, and quality as contractually defined; any defects are also checked. The checks are normally carried out upon receipt onboard, by ship's personnel, and onshore, by the purchase department. The results of the checks are recorded and submitted to the Technical Office for possible supplier performance updating. Furthermore, at least once a year, the relevant department assesses strategic suppliers through a scoring system that gives a final ranking.

For suppliers belonging to the Environment and Safety category, the evaluation is more stringent, as the final ranking includes assessments on suppliers' level of awareness and resulting ability to control the environmental impacts of the activities they carry out and on the impacts of products and services supplied on the safety of d'Amico's personnel.

METHODOLOGICAL NOTE

DIS' Annual Report for 2023 was prepared according to the GRI standards of the Global Reporting Initiative, using the reporting option '*with reference to*', and partially anticipating compliance to the Corporate Sustainability Reporting Directive (CSRD), by referring to the ESRS standard.

As described in the chapter "*Double materiality assessment*", **the double materiality assessment** has been used as the basis for the reporting: all the sustainability topics evaluated as material have been addressed in the different chapters of the document through a summary of the material impacts, risks and opportunities that emerged from the analysis, a detailed explanation of DIS' policies and procedures, and a comparative presentation of the performances attained in the 2021-2023 period.

Furthermore, DIS has followed the following principles for drafting the Report:

- **Stakeholder inclusiveness** - The application of this principle has allowed DIS to map its stakeholders, identifying their needs, expectations and the strategies required to meet them. The details are described in the chapter "*DIS' stakeholders*".
- **Context description** - In the section "*Environmental Responsibility*" - specifically in the chapters "*Regulatory framework*", "*Future environmental regulations and directives*" and "Fleet *decarbonisation*" - DIS has provided a clear description of its approach, which seeks to anticipate the present and future goals regarding ship energy efficiency and the reduction of emissions defined by the IMO and the EU.
- **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 Group as at 31 December 2023, as indicated in the section "*Identity and governance*", specifically in the chapter "*Group structure and global presence*".
- **Balance** - In describing the results of the activities performed, both positive and negative aspects have been considered to allow a balanced assessment of the Company's performance.
- **Clarity** - The structure of the Report has been defined to make it easy for stakeholders to find relevant information. The level of detail of the information has been chosen to make the Report comprehensible, accessible and easy to use by the different stakeholders. The meaning of the acronyms used has also been explained in special notes.
- **Timeliness** - The Report is prepared annually. In order to better meet stakeholders' information needs, events that occurred after the end of 2023 have been Reported, where significant.
- **Reliability** - The 2023 Sustainability Report has been approved by the Board of Directors at its meeting of 14/03/2024. The document also contains contact details to ask for further explanation and clarification of the information contained therein.

To ensure a quality Report, DIS has followed these principles (set out both in the GRI and ESRS Standards) in the selection and elaboration of data:

- **Accuracy** - the accuracy of the environmental, health & safety and quality data are the result of certified management systems, particularly International Safety Management Code, ISO 9001, ISO 14001, ISO 45001 and ISO 50001, and of the Fleet Performance Monitoring Department. Corporate data have been 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.

FUEL OIL TYPE	C_F (t-CO_2/MT)
Heavy Fuel Oil (Reference: ISO 8217 Grades RME through RMK)	3,114
Light Fuel Oil (Reference: ISO 8217 Grades RMA through RMD)	3,151
Diesel/Gas Oil (Reference: ISO 8217 Grades DMX through DMB)	3,206
Very Low Sulphur Fuel Oil (0,5% Sulphur)	**3,114**
Liquefied Petroleum Gas (Propane)	3,000
Liquefied Petroleum Gas (Butane)	3,030
Liquefied Natural Gas	2,750
Methanol	1,375
Ethanol	1,913

The other greenhouse gas emissions have been calculated using the emission factors published by IMO (Fourth IMO greenhouse gas study, 2020), while the total value of greenhouse gas emissions (i.e., Total Carbon dioxide equivalent) has been computed by applying the respective global warming potentials. The latter have been extracted from the latest IPCC report, and for 100-year time horizon, were: 1 for carbon dioxide (CO_2), 29,8 for methane (CH_4) and 273 for nitrous oxide (N_2O).

To calculate the SOx emissions, the following percentages of sulphur currently contained in the fuel burned have 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. The evaluation has also considered the presence of scrubbers that that are able to capture and reduce SOx emissions.

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

- **Comparability** - To enable stakeholders to analyse changes in performance, the Report presents data over the 2021-2023 three-year period.

ANNEX: DOUBLE MATERIALITY ASSESSMENT

The material sustainability topics covered in the Report are presented below, classified according to the relevance of their impacts, risks and opportunities, in order to provide a more detailed understanding of the relative importance of each topic as perceived by the stakeholders involved in the assessment.

Positive impacts

Ranking	ESG area	Sustainability topic
1	S	Group employees: training and skills development
2	S	Group employees: well-being
3	G	Business conduct
4	S	Group employees: health and safety
5	S	Group employees: secure employment and social dialogue
6	S	Workers in the value chain: secure employment and social dialogue
7	S	Workers in the value chain: training and skills development
8	S	Affected communities
9	E	Climate change
10	S	Group employees: diversity and equal opportunities

Negative impacts

Ranking	ESG area	Sustainability topic
1	S	Group employees: well-being
2	E	Pollution
3	E	Circular economy
4	S	Group employees: health and safety
5	E	Biodiversity and ecosystems
6	S	Workers in the value chain: well-being
7	S	Workers in the value chain: health and safety
8	S	Group employees: secure employment and social dialogue
9	E	Climate change
10	S	Workers in the value chain: child labour and forced labour
11	S	Affected communities
12	G	Business conduct
13	S	Workers in the value chain: diversity and equal opportunities
14	E	Water and marine resources
15	S	Workers in the value chain: secure employment and social dialogue
16	S	Group employees: diversity and equal opportunities

Risks

Ranking	ESG area	Sustainability topic
1	E	Climate change
2	E	Pollution
3	E	Biodiversity and ecosystems
4	S	Group employees
5	S	Workers in the value chain
6	G	Business conduct
7	E	Circular economy
8	E	Water and marine resources
9	S	Affected communities

Opportunities

Ranking	ESG area	Sustainability topic
1	E	Climate change
2	E	Circular economy
3	S	Group employees
4	G	Business conduct

CONTENT INDEX

GRI CONTENT INDEX

Statement of use	DIS has reported the information cited in this content index for the period 01/01/2023 – 31/12/2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	PAGES
GRI 2: General Disclosures 2021	2-1 Organizational details	Group profile, group structure
	2-2 Ent ities included in the organization's sustainability reporting	Group structure and global presence
	2-3 Reporting period, frequency and contact point	Methodological note
	2-6 Activities, value chain and other business relationships	Group profile, our business
	2-7 Employees	Human resources
	2-8 Workers who are not employees	Human resources
	2-9 Governance structure and composition	Corporate governance
	2-14 Role of the highest governance body in sustainability reporting	Corporate governance
	2-22 Statement on sustainable development strategy	Letter of our CEO
	2-23 Policy commitments	Ethics and integrity, management systems
	2-26 Mechanisms for seeking advice and raising concerns	Corporate governance, human rights
	2-27 Compliance with laws and regulations	Ethics and integrity
	2-28 Membership associations	Participation in leading industry assiciations and organizations
	2-29 Approach to stakeholder engagement	Double materiality assessment, DIS' stakeholders
	2-30 Collective bargaining agreements	Types of contracts
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Double materiality assessment
	3-2 List of material topics	Double materiality assessment
	3-3 Management of material topics	Tutto da dopo il capitolo double materiality assessment
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Our business
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	Ethics and integrity

GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Ethics and integrity
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Fleet decarbonisation
	302-3 Energy intensity	Fleet decarbonisation
	302-4 Reduction of energy consumption	Fleet decarbonisation
	302-5 Reductions in energy requirements of products and services	Environmental responsibility, Fleet decarbonisation, innovation and digitalisation
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water management
	303-3 Water withdrawal	Water management
	303-5 Water consumption	Water management
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	Sea and marine environmental safety
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Fleet decarbonisation
	305-4 GHG emissions intensity	Fleet decarbonisation
	305-5 Reduction of GHG emissions	Fleet decarbonisation
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Fleet decarbonisation
GRI 306: Effluents and waste 2016	306-3 Significant spills	Sea and marine environmental safety
GRI 306: Waste 2020	306-3 Waste generated	Waste management
	306-5 Waste directed to disposal	Waste management
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Supply chain
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Recruitment, hiring and resignation
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Benefits and well-being
	401-3 Parental leave	Benefits and well-being

GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational health and safety
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational health and safety
	403-3 Occupational health services	Occupational health and safety
	403-5 Worker training on occupational health and safety	Occupational health and safety
	403-8 Workers covered by an occupational health and safety management system	Occupational health and safety
	403-9 Work-related injuries	Occupational health and safety
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	People training and development
	404-2 Programs for upgrading employee skills and transition assistance programs	People training and development
	404-3 Percentage of employees receiving regular performance and career development reviews	People training and development
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Corporate governance, people who work for the Company,
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Equity, inclusion and multicultural approach
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Promoting public attention towards social, cultural and environmental topics

SASB CONTENT INDEX

Statement of use	d'Amico has reported the information cited in this content index for the period 01/01/2023 – 31/12/2023 with reference to the Marine Transportation SASB standard version 2018-10.

SASB STANDARD	DISCLOSURE	PAGES
TR-MT-160a.3	Spills and releases to the environment	Sea and marine environmental safety
TR-MT-320a.1	Lost time incident rate	Occupational health and safety
TR-MT-540a.1	Marine casualties	Occupational health and safety
TR-MT-540a.2	Number of Conditions of Class or Recommendations	Quality of service
TR-MT-540a.23	Number of port state control deficiencies and detentions	Quality of service

ESRS CONTENT INDEX

Statement of use	d'Amico has reported the information cited in this content index for the period 01/01/2023 – 31/12/2023 with reference to the European Sustainability Reporting Standard (as published on 31/07/2023 in the annex of the Commission Delegated Regulation (EU) supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards)

ESRS STANDARD	DISCLOSURE	PAGES
BP-1	General basis for preparation of the sustainability statement	Methodological note
GOV-1	The role of the administrative, management and supervisory bodies	Corporate governance
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Double materiality assessment
GOV-3	Integration of sustainability-related performance in incentive schemes	Remuneration
SBM-1	Strategy, business model and value chain	Group structure and Global presence – Our business – EU Taxonomy on Sustainable Activities
SBM-2	Interests and views of stakeholders	DIS' stakeholders – Double materiality assessment
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	All chapters with a "Double materiality" box
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	Double materiality assessment
IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	Content index
MDR-P	Policies adopted to manage material sustainability matters	All chapters after the "Double materiality assessment" chapter
MDR-A	Actions and resources in relation to material sustainability matters	All chapters after the "Double materiality assessment" chapter
MDR-M	Metrics in relation to material sustainability matters	All chapters after the "Double materiality assessment" chapter
E1-1	Transition plan for climate change mitigation	Regulatory framework – Future environmental regulations and directives
E1-2	Policies related to climate change mitigation and adaptation	Environmental responsibility – Fleet decarbonisation

E1-3	Actions and resources in relation to climate change policies	Environmental responsibility – Fleet decarbonisation – Innovation and digitalisation
E1-4	Targets related to climate change mitigation and adaptation	Regulatory framework – Future environmental regulations and directives
E1-5	Energy consumption and mix	Fleet decarbonisation
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	Fleet decarbonisation
E2-1	Policies related to pollution	Fleet decarbonisation – Sea and marine environmental safety – Water management
E2-2	Actions and resources related to pollution	Fleet decarbonisation – Sea and marine environmental safety – Water management
E2-4	Pollution of air, water and soil	Fleet decarbonisation – Sea and marine environmental safety – Water management
E3-1	Policies related to water and marine resources	Sea and marine environmental safety – Water management
E3-2	Actions and resources related to water and marine resources	Sea and marine environmental safety – Water management
E3-4	Water consumption	Water management
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business mode	Sea and marine environmental safety
E4-2	Policies related to biodiversity and ecosystems	Sea and marine environmental safety
E4-3	Actions and resources related to biodiversity and ecosystems	Sea and marine environmental safety
E4-5	Impact metrics related to biodiversity and ecosystems change	Sea and marine environmental safety
E5-1	Policies related to resource use and circular economy	Waste management
E5-2	Actions and resources related to resource use and circular economy	Waste management
E5-5	Resource outflows	Ship recycling – Waste management
S1-1	Policies related to own workforce	Whole "Human Resources" section
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	Human rights
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Whole "Human Resources" section
S1-6	Characteristics of the undertaking's employees	People who work for the Company – Types of contracts
S1-8	Collective bargaining coverage and social dialogue	Types of contracts

S1-9	Diversity metrics	Corporate governance – People who work for the Company – Equity, inclusion and multicultural approach
S1-10	Adequate wages	Performance assessment systems and remuneration
S1-11	Social protection	Benefits and well-being
S1-13	Training and skills development metrics	People training and development
S1-14	Health and safety metrics	Occupational health and safety
S1-15	Work-life balance	Benefits and well-being
S1-16	Compensation metrics (pay gap and total compensation)	Equity, inclusion and multicultural approach – Performance assessment systems and remuneration
S1-17	Incidents, complaints and severe human rights impacts	Human rights
S2-1	Policies related to value chain workers	Human rights
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	Quality of service
G1-1	Business conduct policies and corporate culture	Ethics and integrity
G1-2	Management of relationships with suppliers	Supply chain
G1-3	Prevention and detection of corruption and bribery	Ethics and integrity
G1-4	Confirmed incidents of corruption or bribery	Ethics and integrity

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 7). 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 2023

Throughout 2023, the conditions of the product tanker market have remained strong, though earnings have not reached the exceptionally high levels observed in late 2022 and have shown some moderation in the beginning of the fourth quarter, followed by a recovery in the middle of October. This rebound can be primarily attributed to disruptions in the Panama Canal transits, due to a severe drought, and in the Red Sea due to attacks by Houthi rebels on commercial shipping. In mid-December, several tanker charterers and owners announced that they would pause Red Sea transits following the numerous attacks on vessels in the area. The situation developed quickly and had a significant impact on tanker trading patterns, causing disruptions and rerouting of vessels.

The overall demand for product tankers has been supported this year by several factors, in particular, the shifts in oil trade patterns relating to sanctions imposed on Russia, generating longer-haul routes, the rebound in Chinese oil demand, congestion in the Panama Canal, slow fleet growth, low refined product inventories, high and volatile oil prices generating attractive arbitrage opportunities, high refining margins driven by gasoline cracks in the first-half of the year and by diesel cracks later, strong non-OPEC oil supply growth, and lastly by the ongoing displacement of older refineries by more modern and efficient ones located farther away from the key consuming regions.

24th February 2024 marked the second anniversary of Russia's invasion of Ukraine. The war has profoundly impacted the oil and tanker markets, upending trade flows for both crude oil and refined products, resulting in increased freight rates, and leading to a surge in transactions for older second-hand vessels.

The one-year time-charter rate is always the best indicator of spot market expectations and as at the end of December 2023 was assessed at around US$ 31,500 per day for a eco MR2, at a premium of around US$ 3,000 per day relative to a conventional MR.

In 2023, DIS recorded a Net profit of US$ 192.2 million vs. a Net profit of US$ 134.9 million posted in 2022. 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 posted in 2022, DIS' Net result would have amounted to US$ 196.7 million in 2023, compared with US$ 139.5 million recorded in the previous year. **In Q4 2023, DIS posted a Net profit of US$ 43.5 million** vs. a Net profit of US$ 72.1 million registered in the fourth quarter 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$ 43.7 million in Q4 2023 compared with US$ 70.2 million in Q4 2022.

DIS generated an EBITDA of US$ 277.6 million in 2023 vs. US$ 226.6 million achieved in 2022 (Q4 2023: US$ 64.5 million vs. Q4 2022: US$ 91.3 million), whilst its **operating cash flow was positive for US$ 292.9 million in 2023** compared with US$ 147.8 million generated in the previous year.

In terms of spot performance, **DIS achieved a daily spot rate of US$ 32,873 in 2023** vs. US$ 31,758 in 2022 (Q4 2023: US$ 30,999 vs. Q4 2022: US$ 42,751), due to a stronger market on average relative to previous year.

At the same time, 29.8% of DIS' total employment days in 2023, were covered through 'time-charter' contracts at an average daily rate of US$ 28,107 (2022: 34.0% coverage at an average daily rate of US$ 15,925). 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$ 31,451 in 2023**, compared with US$ 26,376 achieved in 2022 (Q4 2023: US$ 30,099 vs. Q4 2022: US$ 38,294).

Operating performance

US$ thousand	2023	2022
Revenue	538,954	479,619
Voyage costs	(141,984)	(149,661)
Time charter equivalent earnings*	**396,970**	**329,958**
Bareboat charter revenue	4,869	4,812
Total net revenue	**401,839**	**334,770**
Time charter hire costs	(136)	(3,250)
Other direct operating costs	(93,630)	(86,152)
General and administrative costs	(25,758)	(15,544)
Result from disposal of vessels	(4,697)	(3,212)
EBITDA*	**277,618**	**226,612**
Depreciation and impairment	(62,454)	(60,934)
EBIT*	**215,164**	**165,678**
Financial income	4,983	2,802
Financial (charges)	(26,697)	(33,208)
Profit before tax	**193,450**	**135,272**
Income tax	(1,225)	(403)
Net profit	**192,225**	**134,869**

*Alternative Performance Measures on page 134

Revenue was US$ 539.0 million in 2023, compared with US$ 479.6 million realized in the previous year. The increase in gross revenue compared with the previous year is attributable mainly to a stronger freight market. The percentage of off-hire days in 2023 (2.2%) was slightly higher than in the previous year (2.0%), 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$ (142.0) million in 2023 compared with US$ (149.7) million in 2022.

Time charter equivalent earnings were of US$ 397.0 million in 2023 vs. US$ 330.0 million in 2022. In detail, DIS realized a **daily average spot rate of US$ 32,873 in 2023** compared with US$ 31,758 in 2022 and of US$ 30,999 in Q4 2023 compared with US$ 42,751 in the same period of the previous year.

In 2023, DIS maintained a good level of 'coverage'[50] (fixed-rate contracts), securing an average of 29.8% (2022: 34.0%) of its available vessel days at a daily average fixed rate of US$ 28,107 (2022: US$ 15,925). 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)[51] was of US$ 31,451 in 2023 vs. US$ 26,376 in 2022 (Q4 2023 US$ 30,099 vs. Q4 2022 US$ 38,294).

50 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' fleet FY'22 average 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.

51 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$ 6,885 (in line with DIS' fleet FY'22 average 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 TCE daily rates (US dollars)	2022					2023				
	Q1	Q2	Q3	Q4	**FY**	Q1	Q2	Q3	Q4	**FY**
Spot	12,857	28,687	37,159	42,751	**31,758**	36,652	31,746	31,782	30,999	**32,873**
Fixed	14,968	15,373	15,497	19,957	**15,925**	26,367	28,383	28,830	28,474	**28,107**
Average	13,796	23,389	30,230	38,294	**26,376**	34,056	30,831	30,860	30,099	**31,451**

Bareboat charter revenue was of US$ 4.9 million in 2023, in line with the prior year; 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 was 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$ 40.8 million in 2023 and by US$ 48.0 million in 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$ (40.9) million in 2023, compared with US$ (51.2) million in 2022. In 2023, DIS operated a lower number of chartered-in vessels (7.4 equivalent ships) relative to the prior year (9.6 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$ 17.9 million in 2023 (US$ 21.7 million increase in 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$ (75.7) million in 2023 vs. US$ (64.4) million in 2022. In 2023, the Company operated a larger fleet of owned and bareboat vessels relative to the previous year (2023: 28.6 vs. 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$ (25.8) million in 2023 vs. US$ (15.5) million in 2022. 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$ (4.7) million in 2023 vs. US$ (3.2) million in the prior year. The amount refers to the amortisation of the net deferred result on vessels sold and leased back in the previous years. In addition, the amount for 2023 includes US$ (3.4) 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 exercised by d'Amico Tankers d.a.c. in the first half of the year.

EBITDA was of US$ 277.6 million in 2023, compared with US$ 226.6 million in 2022 (US$ 64.5 million in Q4 2023 vs. US$ 91.3 million in Q4 2022), reflecting the better freight markets experienced in 2023.

Depreciation, impairment, and impairment reversal amounted to US$ (62.5) million in 2023 vs. US$ (60.9) million in 2022. There was no impairment or impairment reversal recorded in 2023, whilst the amount for 2022 included: i) an impairment of US$ (2.1) million on a 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 31 December 2022 was greater than their book value at the same date.

EBIT was of US$ 215.2 million in 2023, compared with US$ 165.7 million in 2022.

Net financial income was of US$ 5.0 million in 2023 vs. US$ 2.8 million in 2022. The 2023 amount comprises mainly interest income on short-term securities and funds held with financial institutions on deposit or current accounts. The 2022 amount comprised 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.

Net financial charges amounted to US$ (26.7) million in 2023 vs. US$ (33.2) million in 2022. The 2023 amount comprises mainly US$ (26.2) 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$ (0.5) million negative exchange difference. The amount recorded in 2022, included 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.

DIS recorded a ***Profit before tax*** of US$ 193.5 million in 2023 vs. US$ 135.3 million in 2022.

Income taxes amounted to US$ (1.2) million in 2023 vs. US$ (0.4) million in 2022.

DIS recorded a ***Net profit*** **of US$ 192.2 million in 2023** vs. a Net profit of US$ 134.9 million in 2022 and a Net profit of US$ 43.5 million in the last quarter of 2023 vs. a Net profit of US$ 72.1 million in the same period of the previous year. **Excluding the result on disposals and non-recurring financial items** from 2023 (US$ (4.5) million[52]) and from 2022 (US$ (4.5) million[53]), as well as the asset impairment (US$ (0.1) million in 2022), **DIS' Net result would have amounted to US$ 196.7 million in 2023** compared with US$ 139.5 million recorded in the previous year. Excluding the result on disposals and non-recurring financial items from Q4 2023 (US$ (0.2) million) and from the same period of 2022 (US$ (0.1) million), as well as the asset impairment reversal (US$ 2.0 million in Q4 2022), DIS' Net result would have amounted to US$ 43.7 million in Q4 2023 compared with US$ 70.2 million recorded in Q4 2022.

52 US$ (4.7) million loss on disposal, US$ 0.2 million realized and unrealized gains on derivative instruments used for hedging purposes.

53 US$ (3.2) million loss on disposal, 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.

Consolidated Statement of Financial Position

US$ thousand	As at 31 December 2023	As at 31 December 2022
ASSETS		
Non-current assets	796,693	818,401
Current assets	205,014	236,484
Total assets	**1,001,707**	**1,054,885**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity	617,806	478,414
Non-current liabilities	290,667	419,681
Current liabilities	93,234	156,790
Total liabilities and shareholders' equity	**1,001,707**	**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 December 2023). According to the valuation report provided by a primary broker, the estimated market value of DIS' owned and bareboat fleet as at 31 December2023 was of US$ 1,104.5 million.

Gross Capital expenditures (Capex) were of US$ 41.5 million in 2023 vs. US$ 35.5 million in 2022. These amounts include mainly the capitalised dry-dock costs pertaining to owned and bareboat vessels. In addition, the amount for 2023 includes approximately US$ 30.0 million related to d'Amico Tankers' exercise of its purchase option on M/T High Explorer (an MR vessel, time-chartered-in by d'Amico Tankers since 2018).

Current assets as at 31 December 2023 amounted to US$ 205.0 million. As at the same date, in addition to the working capital items (inventories and trade receivables amounting to US$ 13.7 million and US$ 75.7 million, respectively), current assets include 'cash and cash equivalents' of US$ 111.2 million.

Non-current liabilities were of US$ 290.7 million as at 31 December 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 December 2023, working capital items amounting to US$ 41.5 million (mainly relating to trade and other payables), US$ 20.2 million of lease liabilities, and US$ 2.8 million of other current financial liabilities.

Shareholders' equity amounted to US$ 617.8 million as at 31 December 2023 (US$ 478.4 million as at 31 December 2022). The increase relative to year-end 2022 is mainly due to the Net result generated in 2023, as well as to the change in the valuation of cash-flow hedges during the period, the gross dividend of US$ 22.0 million, approved and distributed in Q2 of this year and the interim dividend of US$ 20.0 million, approved and distributed in the last quarter of the year.

Net Indebtedness*

DIS' Net debt as at 31 December 2023 amounted to **US$ 224.3 million**, compared with 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$ 25.6 million as at the end of December 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 18.0% as at 31 December 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).

US$ thousand	As at 31 December 2023	As at 31 December 2022
Liquidity - Cash and cash equivalents	111,154	117,896
Other current financial assets	4,431	8,754
Other current financial assets – related party **	28	33
Total current financial assets	**115,613**	**126,683**
Bank loans and other lenders – current	28,699	51,086
Liabilities from leases – current	20,215	71,740
Other current financial liabilities – 3rd parties	2,810	3,129
Total current financial debt	**51,724**	**125,955**
Net current financial debt	**(63,889)**	**(728)**
Other non-current financial assets – third parties	2,434	9,077
Other non-current financial assets – related party **	-	26
Total non-current financial assets	**2,434**	**9,103**
Bank loans – non-current	214,738	266,124
Liabilities from financial lease – non-current	73,193	150,225
Other non-current financial liabilities – 3rd parties	2,736	3,332
Total non-current financial debt	**290,667**	**419,681**
Net non-current financial debt	**288,233**	**410,578**
Net financial indebtedness	**224,344**	**409,850**

* See Alternative Performance Measures on page 101

** 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$ 115.6 million as at the end of December 2023. The total amount comprises mainly Cash and cash equivalents of US$ 111.2 million, the current portion of deferred losses on disposal on sale and leaseback transactions, amounting to US$ 1.0 million, and the positive fair value of derivative financial instruments (mainly interest rate swaps), amounting to US$ 3.3 million.

Total Non-Current Financial Assets comprise mainly the non-current portion of deferred losses on disposal on sale and leaseback transactions, amounting to US$ 1.1 million and the positive fair value of derivative financial instruments (interest rate swaps), amounting to US$ 1.4 million.

The total outstanding bank debt (Bank loans) as at 31 December 2023 amounted to US$ 243.4 million, of which US$ 28.7 million is due within one year. DIS' bank debt as at 31 December 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. 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$ 43.7 million.

II. 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$ 73.4 million.

III. ABN Amro 5-years term-loan facility to finance 1 Handysize vessels built in 2014 with an outstanding debt of US$ 10.9 million.

IV. Skandinaviska Enskilda Banken 5-years term-loan facility to finance 1 LR1 vessel built in 2017, with an outstanding debt of US$ 17.0 million.

V. Tokyo Century Corporation 5-years term-loan facility to finance 1 MR vessel built in 2017, with an outstanding debt of US$ 12.0 million.

VI. Banco BPM S.p.A. 5-years term loan facility to finance 1 Handysize vessel built in 2016, with an outstanding debt of US$ 13.2 million.

VII. Danish Ship Finance 7-years term-loan facility to finance 2 MR vessels built in 2012, with an outstanding debt of US$ 20.7 million.

VIII. Skandinaviska Enskilda Banken (SEB) 5-years term-loan facility to finance 1 MR vessel built in 2017, acquired by d'Amico Tankers in Q4 2022, with an outstanding debt of US$ 18.3 million.

IX. IYO Bank 8-years term-loan facility to finance 1 MR vessel built in 2018, acquired by d'Amico Tankers in Q2 2023, with an outstanding debt of US$ 16.8 million.

X. Crédit Agricole Italia, 2.5-years term ESG facility, with an outstanding debt of US$ 0.3 million.

XI. NTT TC Leasing 5-years term-loan facility to finance an LR1 vessel built in 2019, with an outstanding debt of US$ 19.7 million.

Lease liabilities include the lease on M/T Cielo di Houston, sold and leased back in 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 2023, US$ 25.6 million arising from the application of IFRS 16 on contracts classified until 2018 as 'operating leases'.

Other Non-current financial liabilities include mainly the deferred profit on disposal on sale and leaseback transactions.

Cash Flow

In 2023, DIS' Net Cash Flow was of US$ 2.9 million vs. US$ 81.8 million in 2022.

US$ thousand	2023	2022
Cash flow from operating activities	**292,924**	147,804
Cash flow from investing activities	**(41,488)**	(41,769)
Cash flow from financing activities	**(248,520)**	(24,203)
Change in cash balance	**2,916**	**81,832**
Cash and cash equivalents net of bank overdrafts at the beginning of the year*	**108,238**	**26,406**
Cash and cash equivalents at the end of the year	111,154	117,896
Bank overdrafts at the end of the year	-	(9,658)
Cash and cash equivalents net of bank overdrafts at the end of the year	**111,154**	**108,238**

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

Cash flow from operating activities was positive, amounting to US$ 292.9 million in 2023 vs. US$ 147.8 million in 2022. This positive variance is attributable to the better operating performance achieved in 2023, relative to the prior year.

The net ***Cash flow from investing activities*** was negative for US$ (41.5) million in 2023 (US$ (41.8) million in 2022). The amount for 2023, includes d'Amico Tankers d.a.c.'s exercise of its purchase option on the M/T High Explorer for a consideration of JPY (4.1) billion (equivalent to approximately US$ (30.0) million). In addition, the total amount for the year, comprises also the costs relating to drydocks which occurred in the period. The 2022 amount comprised d'Amico Tankers d.a.c.'s acquisition 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, was reflected in the cash flow from investing activities, amounting to US$ (25.5) million. In addition, the 2022 amount comprised 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). The total amount for 2022 amount included 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.

Cash flow from financing activities was negative, amounting to US$ (248.5) million in 2023. This figure comprises mainly: **(i) US$ (102.6) million in bank debt repayments**, of which US$ (23.4) million were due to the reimbursement of the facility related to the M/T Cielo di Londra (whose debt was due to expire in March 2024), US$ (13.8) million were due to the reimbursement of the facility related to the M/T High Wind (whose debt was due to expire in 2025), and US$ (24.4) million were due to the reimbursement of the facility related to M/T Cielo di Ulsan and M/T Cielo di Hanoi (whose debt was due to expire in December 2026); **ii) US$ 37.8 million bank debt drawdown**, related mainly to the US$ 17.5 million financing of the M/T High Explorer, purchased by d'Amico Tankers d.a.c. in Q2 2023 and to the US$ 20.0 million refinancing of the M/T Cielo di Londra (whose previous facility was reimbursed in Q2 2023); **iii) US$ (134.5) million repayment of lease liabilities**, including US$ (102.8) million related to the termination of the leases on High Voyager, High Freedom, High Loyalty, High Trust and High Trader, following d'Amico Tankers d.a.c.'s exercise of the respective purchase options; **iv) US$ (42.0) million dividend distribution**, comprising US$ 22.0 million distributed in Q2 2023 and the interim dividend of US$ 20.0 million, distributed in the last quarter of the year; **v) US$ (7.1) million in share buybacks.**

QUARTERLY RESULTS

Fourth Quarter results

US$ thousand	Q4 2023	Q4 2022
Revenue	131,175	167,845
Voyage costs	(36,000)	(47,667)
Time charter equivalent earnings*	**95,175**	**120,178**
Bareboat charter revenue	1,229	1,213
Total net revenue	**96,404**	**121,391**
Time charter hire costs	(109)	(341)
Other direct operating costs	(24,239)	(23,812)
General and administrative costs	(7,312)	(4,290)
Result from disposal of vessels	(272)	(1,651)
EBITDA*	**64,472**	**91,297**
Depreciation and impairment	(16,096)	(13,569)
EBIT*	**48,376**	**77,728**
Financial income	1,458	2,106
Financial (charges)	(5,878)	(7,605)
Profit before tax	**43,956**	**72,229**
Income tax	(450)	(136)
Net profit	**43,506**	**72,093**

* See Alternative Performance Measures on page 101

Financials by Quarter

The 2023 quarterly financials largely reflect the strong performance of freight markets during the year.

US$ thousand	Q1	Q2	Q3	Q4	FY
Revenue	140,233	130,599	136,947	131,175	538,954
Voyage costs	(33,967)	(33,371)	(38,646)	(36,000)	(141,984)
Time charter equivalent earnings*	106,266	97,228	98,301	95,175	396,970
Bareboat charter revenue	1,197	1,215	1,228	1,229	4,869
Total net revenue	107,463	98,443	99,529	96,404	401,839
Time charter hire costs	(27)	-	-	(109)	(136)
Other direct operating costs	(24,427)	(23,561)	(21,403)	(24,239)	(93,630)
General and administrative costs	(4,220)	(7,096)	(7,130)	(7,312)	(25,758)
Result on disposal of vessels	(2,379)	(1,447)	(599)	(272)	(4,697)
EBITDA*	76,410	66,339	70,397	64,472	277,618
Depreciation and impairment	(15,807)	(14,682)	(15,869)	(16,096)	(62,454)
EBIT*	60,603	51,657	54,528	48,376	215,164
Net financial income	1,170	1,208	1,147	1,458	4,983
Net financial (charges)	(7,380)	(6,828)	(6,611)	(5,878)	(26,697)
Profit before tax	54,393	46,037	49,064	43,956	193,450
Income tax	(277)	(320)	(178)	(450)	(1,225)
Net profit	54,116	45,717	48,886	43,506	192,225

* See Alternative Performance Measures on page 101

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 2023:

US$ thousand	As at 31 December 2023	As at 30 September 2023
Total current financial assets	115,613	109,938
Total current financial debt	51,724	55,582
Net current financial debt	**(63,889)**	**(54,356)**
Total non-current financial assets	2,434	4,944
Total non-current financial debt	290,667	323,894
Net non-current financial debt	**288,233**	**318,950**
Net financial indebtedness*	**224,344**	**264,594**

* See Alternative Performance Measures on page 101

SIGNIFICANT EVENTS IN THE YEAR

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 (US$0.153 per share if adjusted for the 1 to 10 Reverse Stock Split implemented by the Company and effective from 19 June 2023) per issued and outstanding share net of withholding taxes, to be paid out of the distributable reserves, including the share premium reserve.

In November 2023, the Board of Directors resolved to distribute an interim gross dividend of US$ 20,025,983.50 (US$ 17,022,085.97 net, after deducting the maximum applicable withholding tax amounting to 15%) corresponding to US$ 0.1410 per issued and outstanding share net of withholding taxes, to be paid out of the distributable reserves including the share premium reserve.

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 – and related report of the Board of Directors, both approved on March 9th, 2023 and available on the Company's web site.

Approval of the implementation of a reverse stock split with respect to all the shares of the Company and the related resolutions regarding the authorized capital and the buyback authorization: In June 2023, d'Amico International Shipping S.A.'s board of directors (the "Board of Directors" or the "Board") resolved to implement the share consolidation with respect to all the shares of the Company at a ratio of one (1) to ten (10) (the "Reverse Stock Split"), as approved by the Company's extraordinary general meeting of shareholders held on 13 June 2023 (the "EGM"), in compliance with the relevant delegation of powers conferred by the EGM. The Board resolved to set the date in which the Reverse Stock Split was implemented and effective at 19 June 2023 (the "Effective Date"). To avoid the creation of fractions of consolidated shares as a result of the Reverse Stock Split, as resolved by the EGM, with effect as of the Effective Date, nine (9) of the existing treasury shares of the Company were cancelled, thereby reducing the number of shares issued of the Company from the previous 1,241,065,569 to 1,241,065,560 without reducing the share capital of the Company. As a result of the Reverse Stock Split, as of the Effective Date, the share capital of the Company was set at USD 62,053,278.45, divided into 124,106,556 shares with no nominal value and with ISIN code LU2592315662. Furthermore, as a consequence of the Reverse Stock Split, in accordance with the EGM resolution, as of the Effective Date (i) the Company's authorised share capital, including the issued share capital, amounted to USD 87,500,000, divided into 175,000,000 shares with no nominal value and (ii) the Board was authorized for a period of 5 years from 19 June 2023 (therefore until 19 June 2028), within the limits of the authorised share capital, to, inter alia, increase the Company's issued capital up to the maximum amount of the authorised capital and to remove or limit the statutory preferential subscription right of the shareholders. In addition, as provided for in the EGM resolution and disclosed via press release, as of the Effective Date, the buyback authorization renewal was implemented.

Early termination of the previous share buyback authorized period and start of the new own shares buyback programme: In June 2023, d'Amico International Shipping S.A.'s extraordinary general meeting of shareholders resolved to terminate with effect on 19 June 2023, the Board of Directors' five years authorization to repurchase the Company's own shares – as resolved by the annual general meeting of shareholders held on 20 April 2021 (the "Authorization"). During the Authorization period, DIS did not repurchase any own shares but assigned a total of 263,209 own shares to the beneficiaries of the Company's 2019-2021 Medium-Long Term Variable Incentive Plan.

The Board of Directors resolved to start on 19 June 2023 the own shares buyback programme pursuant to the new authorization issued by the extraordinary general meeting of shareholders held on 13 June 2023 (the "Programme"). According to Article 430-15 et seq. of the Luxembourg law of 10 August 1915, concerning commercial companies, as amended from time to time (the "Luxembourg Law"), Article 8 of the Company's articles of association (the "Articles of Association"), the relevant provisions of the EU Reg. no 596/2014 and its delegated and implementing acts (the "Market Abuse Regulation"), together with the applicable Italian and Luxembourg laws, regulations and the best market practices which are accepted on the Italian regulated market and currently authorized or authorized in future by the applicable laws and regulations. The Programme is aimed at creating an "inventory of treasury shares" that will be available as a means of payment, exchange, transfer, contribution, assignment, sale or other types of disposals associated notably with transactions linked to the Company and/or its subsidiaries and with any projects offering an effective investment opportunity in line with the strategic policy of the Company. The Programme shall be carried out using available reserves and/or distributable earnings sufficient for the planned repurchase of fully paid-up own shares, subject to these transactions not having the effect of reducing the Company's net assets below the amount mentioned in paragraph 1 & 2 of Article 461-2 of the Luxembourg Law (i.e. the aggregate of the subscribed share capital and the reserves which may not be distributed according to the law or the Articles of Association of the Company), and at a price per share within the following range: (i) a minimum which shall not be 10% lower than the official share price reported in the trading session on the day before each individual transaction is executed; (ii) a maximum which shall not be 10% higher than the official share price reported in the trading session on the day before each individual transaction is executed. As per the shareholders' new authorization, up to 18,615,795 ordinary shares of the Company can be repurchased (including the Own Shares already repurchased and held in the Company's portfolio in compliance with Article 430-15 of the Luxembourg Law). Furthermore, according to the resolution of the Board of Directors, the maximum value of own shares that can be repurchased under the Programme cannot exceed Euro 100 million.

The repurchase and disposal of own shares shall be carried out in one or more tranches on the regulated market managed and organized by Borsa Italiana S.p.A., in accordance with the relevant provisions of the Market Abuse Regulation, in respect of the operative instructions issued from the organizational and management rules of the markets, so as to assure a fair deal to all the shareholders, and will be executed and coordinated by Equita SIM S.p.A. an equity broker duly engaged for this purpose, which will act completely independently and without any influence from the Company regarding the moment of such repurchases and disposals, in accordance with the relevant applicable laws and of the above mentioned Shareholders' new authorization. In all cases, each transaction shall be executed and publicized in accordance with Luxembourg and/or Italian laws and regulations where applicable, as well as according to the relevant provisions concerning exemptions from market abuse applicable legislation for buyback programs and stabilization of financial instruments. In particular, any authorized own shares sale and purchase transactions shall be carried out at any time, not being subject to any time limit and notably in order to pursue the purposes of the Programme.

The authorization to repurchase and sell the Company's own shares in one or more tranches has been granted to the Board of Directors, with the option to delegate, for a maximum period of five (5) years from 19th June, 2023 (i.e. the Reverse Stock Split effective date) and thus expiring on 19th June, 2028.

Executed buyback program: In 2023, d'Amico International Shipping S.A. has repurchased n. 1,650,619 own shares (representing 1.33% of the outstanding share capital of the Company) on the regulated market managed by Borsa Italiana S.p.A. at the average price of Euro 3.9280, for a total consideration of Euro 6,483,621. As at the end of December 2023, d'Amico International Shipping S.A. holds nr. 3,453,542 own shares, representing 2.78% of its outstanding share capital.

Application for membership of the OTCQX® Best Market: In September 2023, the Board of Directors of d'Amico International Shipping S.A., has resolved to apply for membership of the OTCQX Best Market ("OTCQX" or "OTCQX Market"), managed by the OTC Market Group ("OTCM"). In November 2023, DIS has been admitted to trade on the on the OTCQX Best Market, under the ticker (OTCQX: DMCOF). DIS' shares are listed on the STAR Segment of the Italian stock exchange market (Borsa Italiana) and were previously traded over the counter (OTC) in the USA, on the Pink Market, managed by the OTC Markets Group. The OTCQX International Market for international companies, is an established public market with high financial and corporate governance standards, recognized by the US Securities Exchange Commission (SEC), providing to US investors a more transparent, liquid, and efficient cross-trading alternative to the Pink Market. In addition, companies traded on OTCQX are Blue Sky compliant in 37 US states (not available in the Pink Market), enabling reverse solicitation and distribution of research by brokers to US investors in such states.

Inclusion in the FTSE Italia Mid Cap Index: Starting from 15 December 2023, d'Amico International Shipping S.A. was included in the FTSE Italia Mid Cap Index. The FTSE Italia Mid Cap Index consists of the shares of the 60 largest companies by market capitalisation listed on Borsa Italiana's MTA and MIV markets, ranking after the 40 largest companies included in the FTSE MIB. The index is part of the FTSE Italia Index Series, providing investors with a comprehensive and complementary set of indices with which to measure the performance of the major segments of the Italian market.

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.

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.

In July 2023, d'Amico Tankers d.a.c. fixed a time charter-out contract with a leading trading-house for one of its MR vessels for a minimum of 10 months and a maximum of 13 months, starting from August 2023.

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

In September 2023, d'Amico Tankers d.a.c. extended a time charter-out contract with an oil-major for one of its MR vessels for 3 years.

In October 2023, d'Amico Tankers d.a.c. fixed a time charter-out contract with a leading trading-house for one of its LR1 vessels for a minimum of 11 months and a maximum of 13 months, starting from November 2023.

In the same month, d'Amico Tankers d.a.c. fixed a time charter-out contract with a leading trading-house for one of its Handy vessels for 12 months.

In November 2023, d'Amico Tankers d.a.c. fixed a time charter-out contract with a leading trading-house for one of its Handy vessels for 2 years, starting from December 2023.

In the same month, d'Amico Tankers d.a.c. extended a time charter-out contract with an oil-major for one of its Handy vessels for a minimum of 11 months and a maximum of 13 months, starting from January 2024.

In December 2023, d'Amico Tankers d.a.c. fixed a time charter-out contract with an oil-major for one of its MR vessels for 12 months, starting from December 2023.

Exercise of the purchase option on a TC-in 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 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), with delivery having occurred in May 2023.

Exercise of purchase options on bareboat chartered-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 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, with delivery having occurred in May 2023.

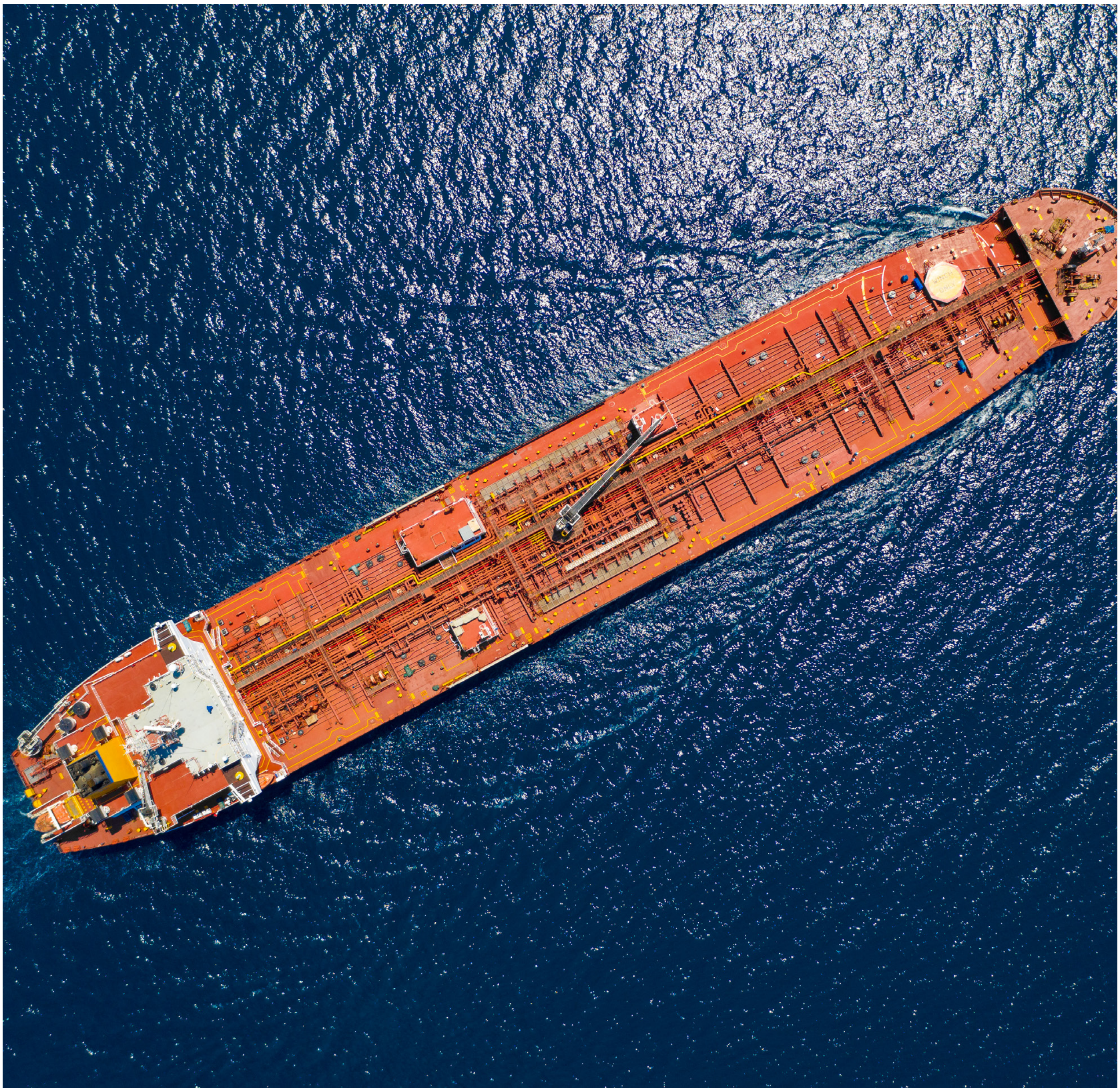
In May 2023, d'Amico International Shipping S.A. announced that its operating subsidiary d'Amico Tankers d.a.c. exercised its purchase option on:

- M/T High Loyalty, a 49,990 dwt MR product tanker vessel built in 2015 by Hyundai Mipo, South Korea, for a consideration of approximately US$ 21.4 million, with delivery having occurred in June 2023;
- 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 US$ 22.2 million, with delivery having occurred in July 2023;
- 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 US$ 21.6 million, with delivery having occurred in July 2023.

'Time Charter-In' Fleet: In September 2023, d'Amico Tankers d.a.c. exercised its options to extend the time charter-in contracts on the following vessels:

- M/T Crimson Jade, a 50,000 dwt MR product tanker vessel built in 2017 by Minaminippon Shipbuilding, Japan, for an additional year starting from June 2024.
- M/T Green Planet, a 50,843 dwt MR product tanker vessel built in 2014 by Daesun Shipbuilding, South Korea, for an additional year starting from December 2023.



SIGNIFICANT EVENTS SINCE THE END OF THE PERIOD AND BUSINESS OUTLOOK

d'Amico Tankers d.a.c.:

'Time Charter-Out' Fleet: In January 2024, 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 February 2024.

In March 2024, d'Amico Tankers d.a.c. fixed a time charter-out contract with a leading trading-house for one of its handysize vessels for a minimum of 9 months and a maximum of 12 months.

'Time Charter-In' Fleet: In February 2024, the time-charter-in contract for the M/T High SD Yihe, an MR vessel built in 2005, ended and the vessel was redelivered to her owners.

Sale of Vessels: In March 2024, d'Amico Tankers d.a.c. signed a memorandum of agreement for the sale of the M/T Glenda Melanie (the "Vessel"), a 47,162 dwt owned MR product tanker vessel, built in 2010 by Hyundai Mipo, South Korea, for a consideration of US$ 27.4 million. The vessel is expected to be delivered to her new owners in Q2 2024.

Dividend distribution: The Board of Directors resolved today to propose to the Annual Shareholders' Meeting duly convened on the 23rd day of April 2024 (the "AGM") to approve an annual gross dividend of US$ 30,007,114.24 (US$ 25,506,047.10 net, after deducting the maximum applicable withholding tax amounting to 15%) corresponding to US$ 0.2487 gross per issued and outstanding share (US$ 0.2114 per issued and outstanding share net of withholding taxes) to be paid out of retained earnings. Subject to the approval of the Company's AGM and according to the Borsa Italiana S.p.A. 2024 published calendar, the payment of the aforementioned annual dividend will be made on 2 May 2024 with related coupon n. 7 detachment date (ex-date) on 29 April 2024 and record date on 30 April 2024. For the own shares repurchased by the Company no dividend shall be paid, treasury shares not carrying a dividend right. As of today, the own shares repurchased by the Company amount to 3,453,542 representing 2.78% of the share capital of the Company. This annual dividend proposed to the AGM is in addition to the interim dividend of US$ 20,025,983.50 (US$ 17,022,085.97 net, after deducting the maximum applicable withholding tax amounting to 15%) corresponding to US$ 0.1659 gross per issued and outstanding share (US$ 0.1410 per issued and outstanding share net of withholding taxes) which was resolved by the Board of Directors on 9 November 2023 and already paid out of the share premium reserve on 29 November 2023.

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

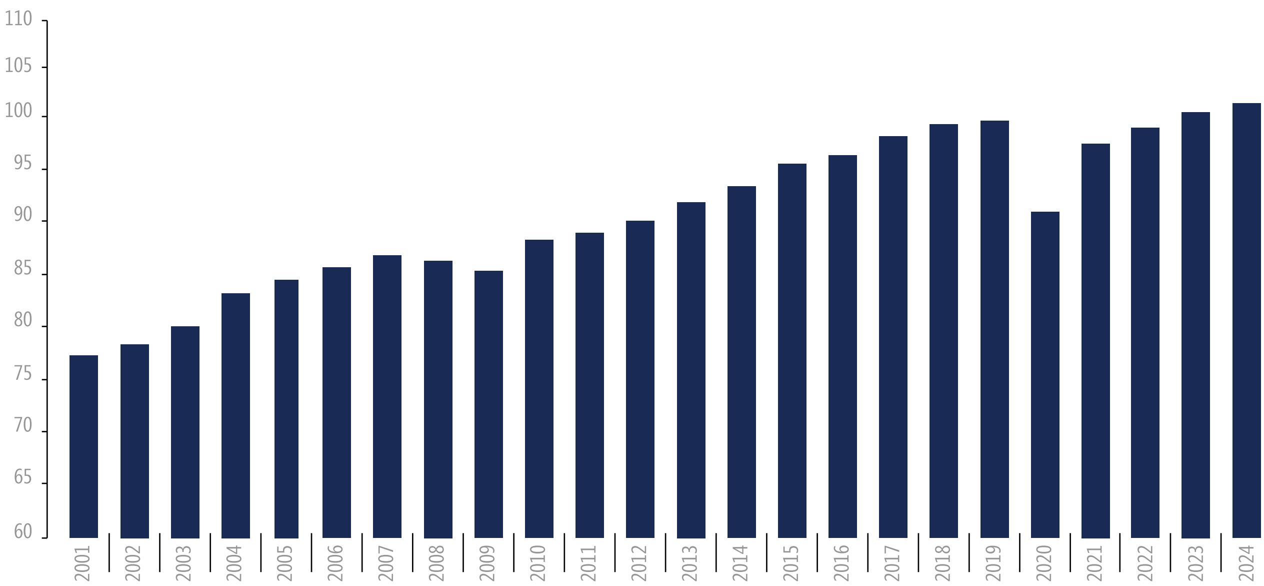
	As at 31 December 2023				As at 14 March 2024			
	LR1	MR	Handysize	**Total**	LR1	MR	Handysize	**Total**
Owned	5	15	6	**26**	5	15	6	**26**
Bareboat chartered-in*	1	2	-	**3**	1	2	-	**3**
Long-term time chartered-in	-	3	-	**3**	-	3	-	**3**
Short-term time chartered-in	-	4	-	**4**	-	3	-	**3**
Total	**6**	**24**	**6**	**36**	**6**	**23**	**6**	**35**

* with purchase obligation

Business Outlook

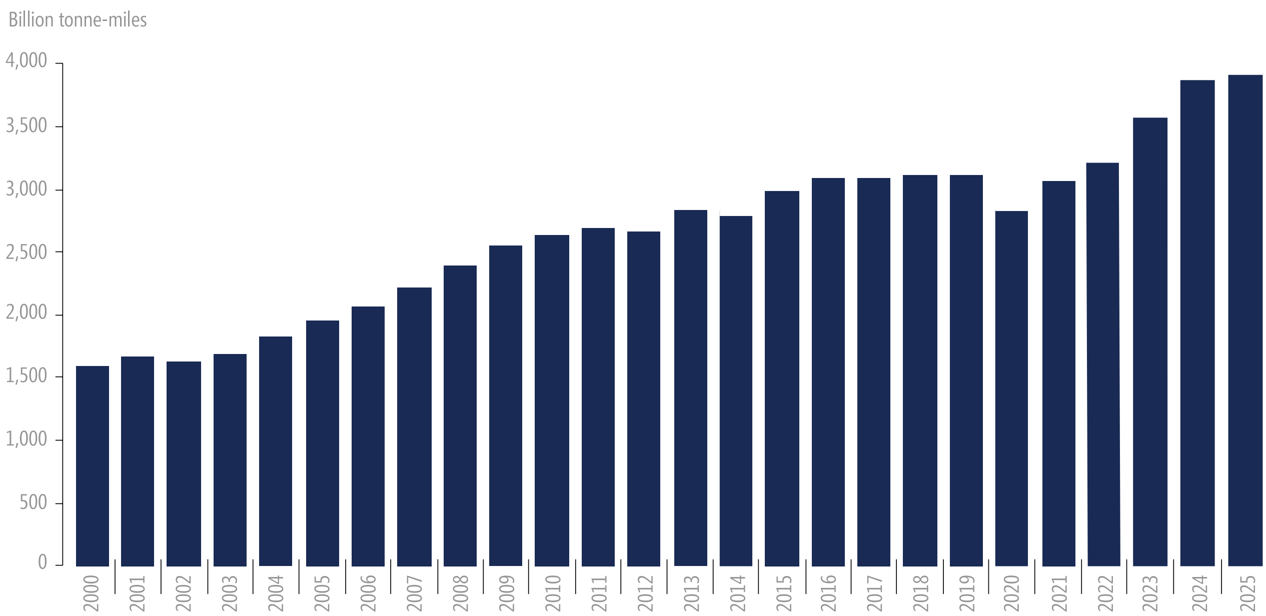
The key drivers that should affect the product tankers' freight markets and d'Amico International Shipping's performance are (i) the growth in global oil supply, (ii) refinery margins and throughput, (iii) demand for refined products, (iv) the structure of forward prices for both crude oil and refined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

Global oil demand (million barrels per day)



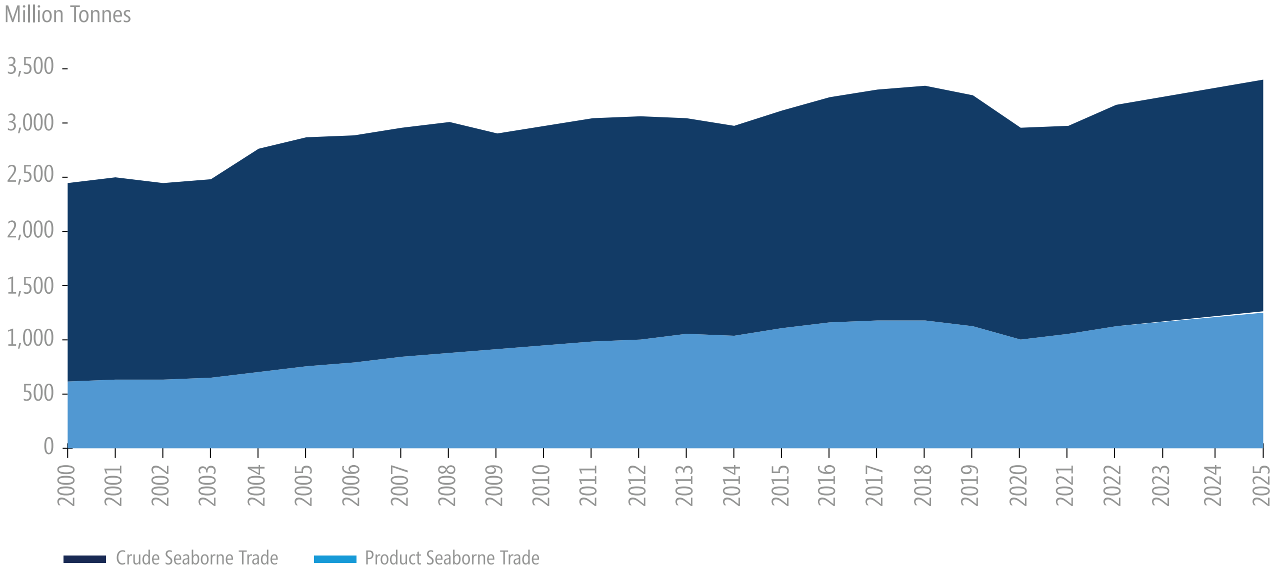
Source: IEA-Annual Statistical Supplement for 2022 (2023 Edition) and IEA-Oil Market Report Feb 2024

World seaborne refined products trade



Source: Clarkson Research Services as at Feb'24

Product share of Oil Seaborne trade



Source: Clarkson Research Services as at Feb'24

Product Tanker Demand

- According to the IEA's February 2024 report, global refining throughput is forecast to average 83.3 million b/d this year, approximately 1.0 million b/d higher than the average for 2023.

- According to the IEA's February 2024 report, despite challenging economic conditions, global oil demand is forecast to continue growing rapidly this year, with an expected annual increase of 1.2 million b/d to an average of 103.0 million b/d for the full year.

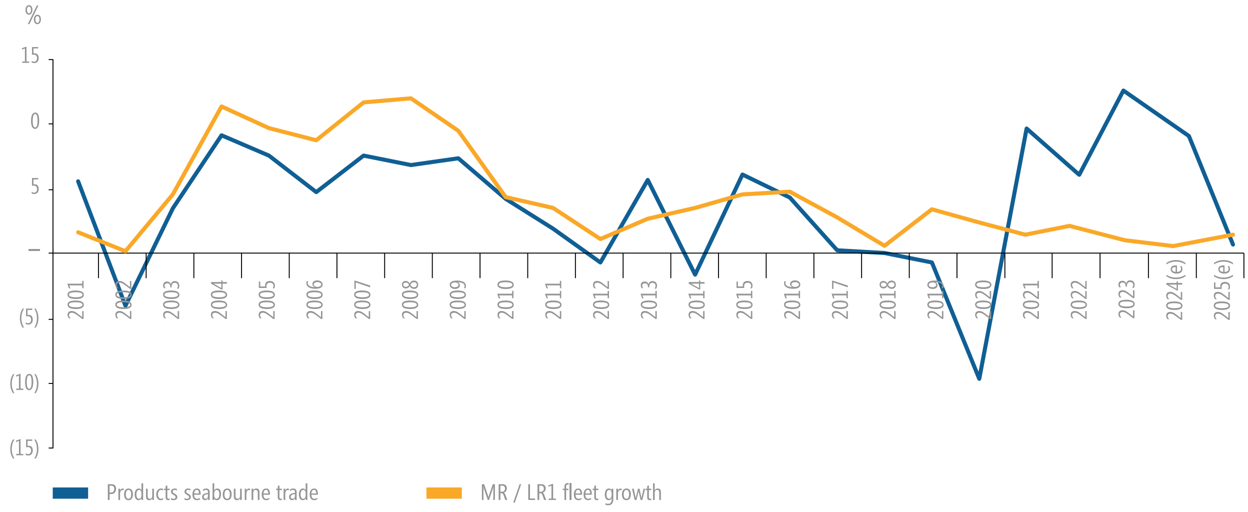
- According to the IEA's February 2024 report, global freight rates increased sharply in January, especially for product shipments, since the attacks by Houthi rebels to commercial shipping, have led several operators to sail the much longer distance through the Cape of Good Hope, to avoid crossing Suez. As at mid-February 2024, the arrival of product tankers in the Gulf of Aden had declined by around 50% compared with the first half of December 2023.

- According to Clarksons' January 2024 outlook, demand growth for the seaborne transportation of refined products is expected to be of around 6.2 % this year.

- Ongoing sanctions on Russia are also supporting longer-haul trade patterns for Russian exports and European imports of refined products.

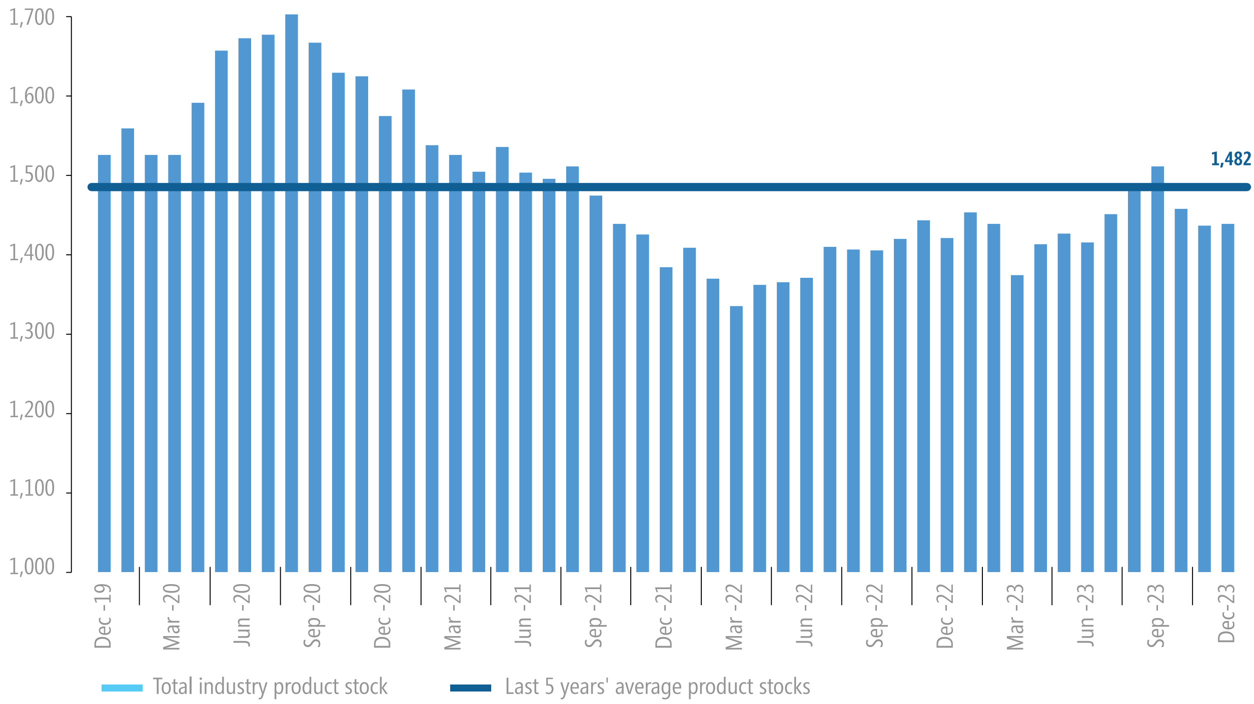
- Longer-term, recovering demand and structural shifts in the location of refineries are likely to continue boosting long-haul product trades.

Net fleet Growth vs. Product Seaborne Trade



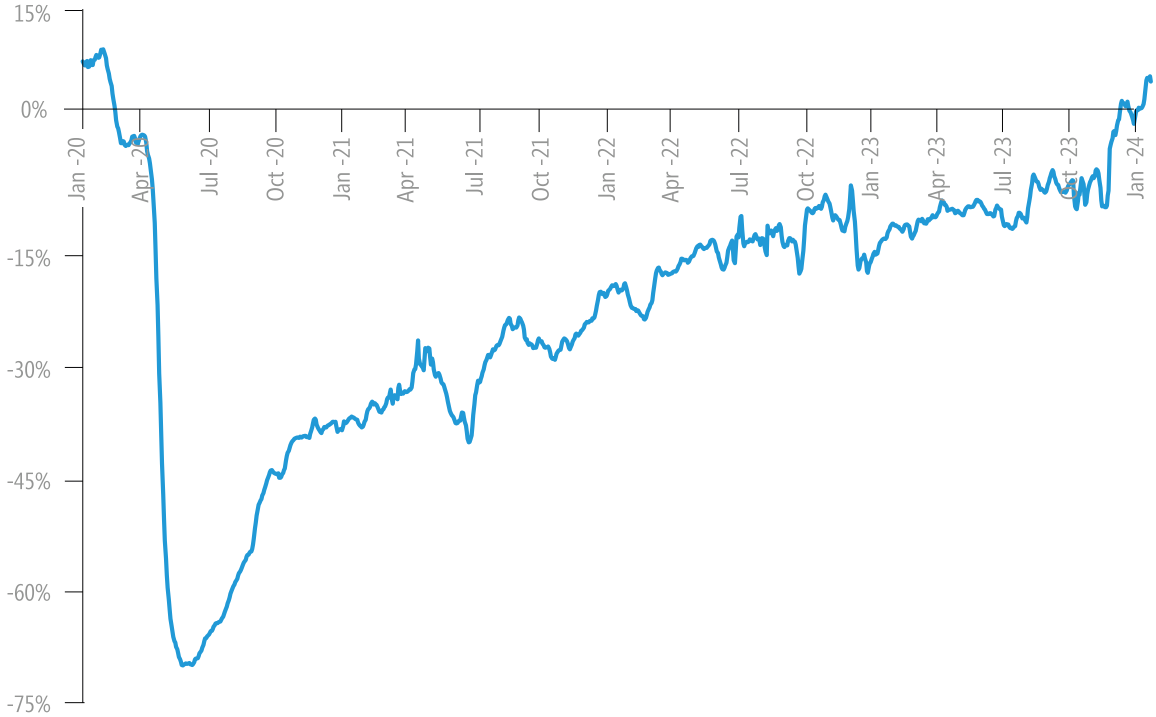
Source: Clarkson Research Services as at Feb'24

OECD Industry Refined Product Stocks



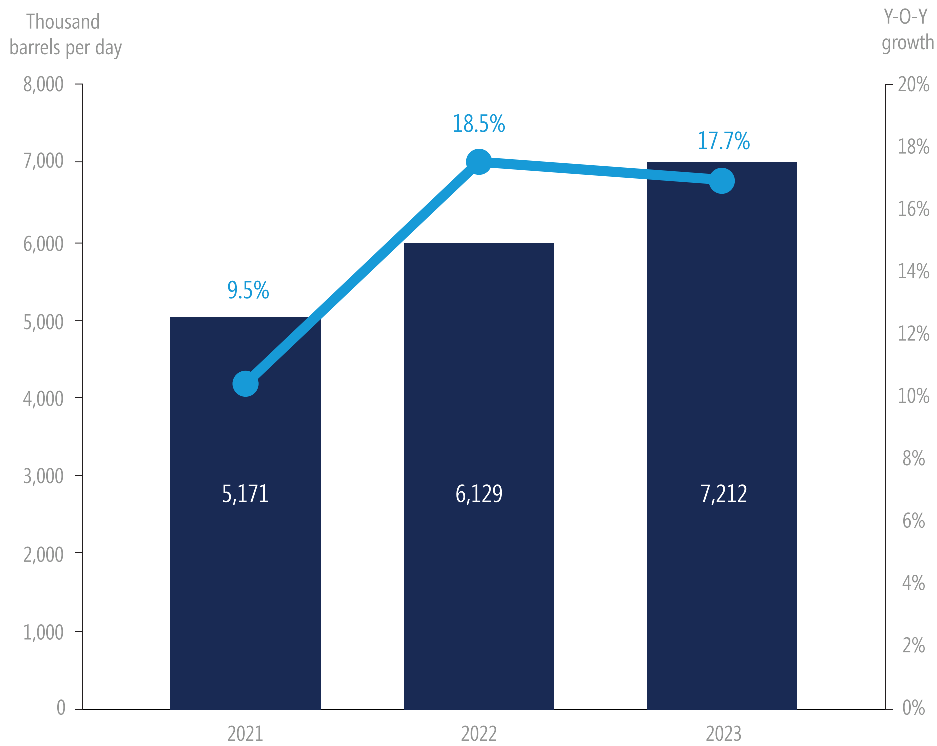
Source: IEA as of Feb'24

% Change in number of commercial flights vs. 2019



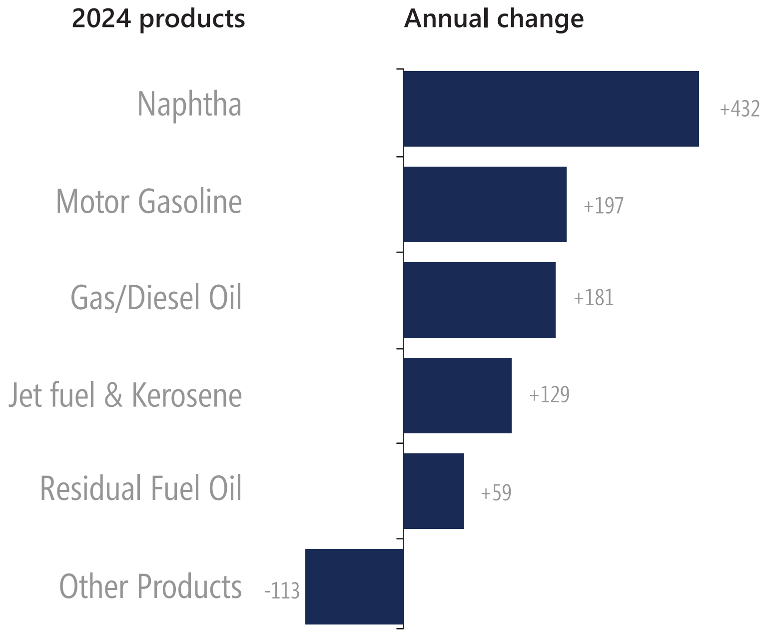
Source: www.flightradar24.com/data/statistics as of Feb'24

Jet fuel & Kerosene demand 2021-2023 (kbpd, thousand barrels per day)



Source: IEA-Oil Market Report Feb 2024

Global demand by product

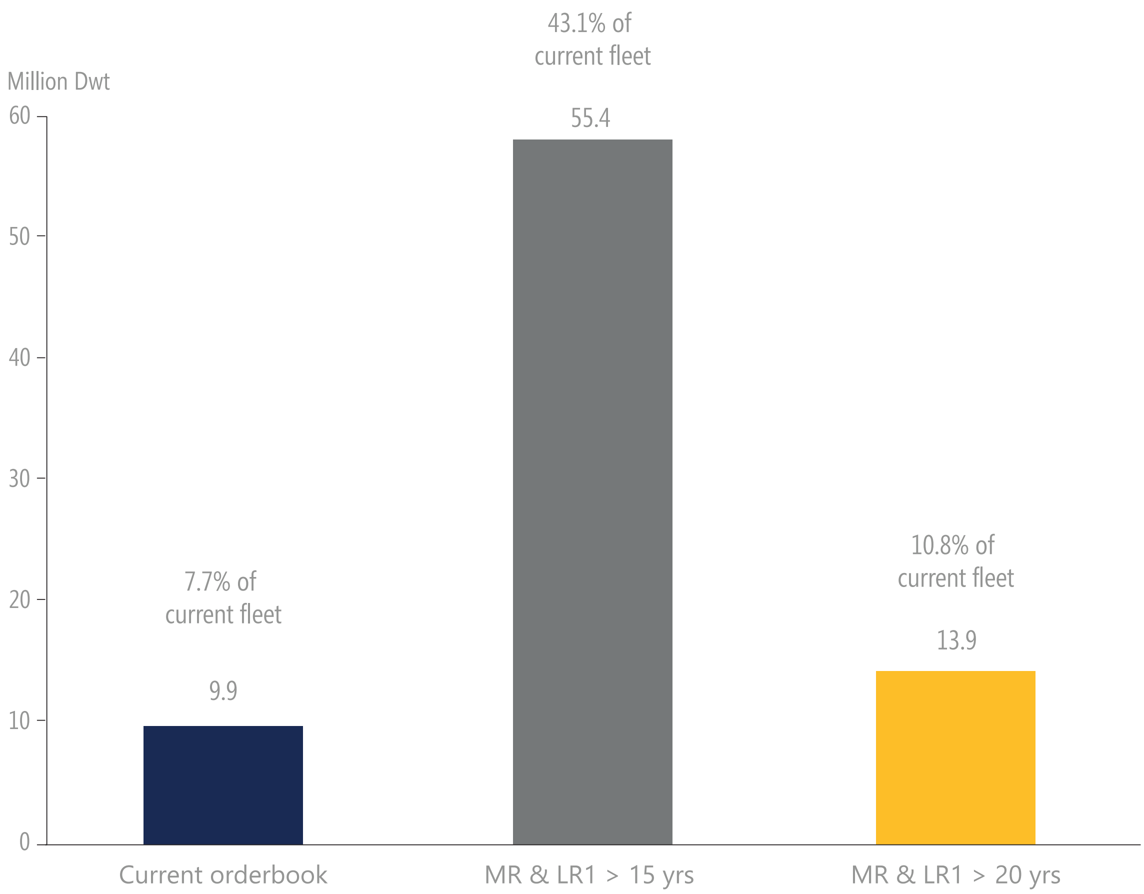


from "Global demand by product"/Jet Fuel & Kerosene

Product Tanker Supply

- 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 start of the war in Ukraine.
- Congestions in the Panama Canal due to low water levels supported the markets last year and are expected to be a continuing feature in the coming years.
- In their January 2024 outlook, Clarksons estimated the product tanker fleet will grow by only 1.6% in 2024.
- The strong freight markets have led to subdued scraping in 2023, with only 6 vessels in the MR and LR1 sector demolished during the period.
- Due to the limited demolitions over the last few years, the product tanker fleet has been aging rapidly with 10.8% of the MRs and LR1s currently trading already 20 or more years old.
- 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 included shipping in its Emissions Trading Scheme from January 2024. 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 the appetite for new building orders. 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



Clarkson Oil & Tanker Trades Outlook - Feb'24

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

Livange, 14 March 2024

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the Audit of the 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 2023, 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 material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements (pages 126 to 171) present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, 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.

MOORE

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.

Assessment of impairment indicators of the carrying amounts of vessel fleet

We refer to Note 1 "Material accounting policy information - Fixed assets (Fleet)" and Note 12 "Property plant and equipment (PPE) and Right-of-Use (Rou)" in the consolidated financial statements.

The Property, plant and equipment (PPE) and Right-of-use assets (RoU) caption, including mostly the vessels represents the most significant caption of the total assets for a net book amount of US$ thousand 794,259 as at 31 December 2023.

For Property, plant and equipment (PPE) and Right-of-use assets (RoU) management assesses, at each reporting date, whether there is a trigger indicating that the carrying amount of an asset may not be recoverable. Due to the potential impact on the Group's consolidated financial statements given the size of the balance and uncertainty related to the future economic environment, and the auditor judgment required when evaluating whether management's assumptions are reasonable and supportable, the assessment of impairment indicators of the carrying value of Property, plant and equipment (PPE) and Right-of-use assets (RoU) was considered to be a key audit matter.

As the recoverable amount exceeded the carrying value, the cash generating unit (CGU) was assessed not to be impaired.

How our audit addressed the Key Audit Matter

Our audit procedures performed to assess impairment indicators included:

- We obtained an understanding of Management's process and controls related to the identification and assessment of the impairment indicators;
- 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);
- We evaluated management's impairment assessment and assessed any additional potential indicators of impairment through external and internal indicators;
- We considered the appropriateness of the disclosures in Note 1 and Note 12 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 management report and non-financial statements but does not include the consolidated financial statements (pages 126 to 171) 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 18 April 2023 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is seven years.

The consolidated management report (pages 102 to 118) is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

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 2023 with the filename "DIS_2023-12-31_Annual Report-en" 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 are prepared in XHTML format;
- The iXBRL markup of the consolidated financial statements uses 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 2023 with the filename "DIS_2023-12-31_Annual Report-en" 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 2023

Consolidated Income Statement

US$ thousand	Note	2023	2022
Revenue	(3)	538,954	479,619
Voyage costs	(4)	(141,984)	(149,661)
Time charter equivalent earnings*	**(5)**	**396,970**	**329,958**
Bareboat charter revenue	(3)	4,869	4,812
Total net revenue		**401,839**	**334,770**
Time charter hire costs	(6)	(136)	(3,250)
Other direct operating costs	(7)	(93,630)	(86,152)
General and administrative costs	(8)	(25,758)	(15,544)
Result from disposal of vessels	(9)	(4,697)	(3,212)
EBITDA *		**277,618**	**226,612**
Depreciation, impairment and impairment reversal	(12)	(62,454)	(60,934)
EBIT *		**215,164**	**165,678**
Financial income	(10)	4,983	2,802
Financial (charges)	(10)	(26,697)	(33,208)
Profit (loss) before tax		**193,450**	**135,272**
Tax	(11)	(1,225)	(403)
Net profit (loss)		**192,225**	**134,869**
Basic earnings per share in US$[1]		**1.575**	**1.102**

*see Alternative Performance Measurements on page 134

Consolidated Statement of Other Comprehensive Income

US$ thousand	2023	2022
Profit (loss) for the period	192,225	134,869
Items that can subsequently be reclassified into Profit or Loss		
Movement in valuation of Cash flow hedges	(5,131)	11,166
Movement in conversion reserve	879	(129)
Total comprehensive result for the period	**187,973**	**145,906**
Basic comprehensive earnings per share in US$ [1]	**1.540**	**1.192**

The notes from page 171 to 220 form an integral part of these consolidated financial statements

[1] Disclosure of earnings per share is provided in note n.28.

Consolidated Statement of Financial Position

US$ thousand	Note	As at 31 December 2023	As at 31 December 2022
ASSETS			
Property, plant and equipment (PPE) and Right-of-use assets (RoU)	(12)	794,259	809,298
Other non-current financial assets	(13)	2,434	9,103
Total non-current assets		**796,693**	**818,401**
Inventories	(14)	13,727	18,303
Receivables and other current assets	(15)	75,674	91,498
Other current financial assets	(13)	4,459	8,787
Cash and cash equivalents	(16)	111,154	117,896
Total current assets		**205,014**	**236,484**
TOTAL ASSETS		**1,001,707**	**1,054,885**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	(17)	62,053	62,053
Accumulated earnings (losses)	(17)	246,054	53,938
Share Premium	(17)	326,658	368,827
Other reserves	(17)	(16,959)	(6,404)
Total shareholders' equity		**617,806**	**478,414**
Banks and other lenders	(18)	214,738	266,124
Non-current lease liabilities	(19)	73,193	150,225
Other non-current financial liabilities	(13)	2,736	3,332
Non-current liabilities		**290,667**	**419,681**
Banks and other lenders	(18)	28,699	51,086
Current lease liabilities	(19)	20,215	71,740
Payables and other current liabilities	(20)	41,390	30,734
Other current financial liabilities	(13)	2,810	3,129
Current tax payable	(21)	120	101
Total current liabilities		**93,234**	**156,790**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,001,707**	**1,054,885**

14 March 2024

On behalf of the Board

Paolo d'Amico, Chairman, Chief Executive Officer

Antonio Carlos Balestra di Mottola, Chief Financial Officer

The notes from page 171 to 220 form an integral part of these consolidated financial statements

Consolidated Statement of Cash Flows

US$ thousand	2023	2022
Profit for the period	**192,225**	**134,869**
Depreciation and amortisation	62,454	60,845
Net Impairment (impairment reversal)	-	89
Current and deferred income tax	1,225	403
Lease cost	8,336	17,152
Other financial charges (income)	13,377	13,253
Net result on disposal of fixed assets	4,697	3,212
Other non-cash changes	867	(203)
Share-based allotment and accruals LTI Plan	645	219
Cash flow from operating activities before changes in working capital	**283,826**	**229,839**
Movement in inventories	4,577	(6,414)
Movement in amounts receivable	17,004	(50,545)
Movement in amounts payable	9,521	2,891
Tax paid	(1,206)	(351)
Cash payment for the interest portion of the IFRS16 related lease liability	(8,336)	(14,598)
Net interest paid	(12,462)	(13,018)
Net cash flow from operating activities	**292,924**	**147,804**
Acquisition of fixed assets	(41,488)	(35,486)
Proceeds from disposal of fixed assets	-	19,259
Increase in participation in Glenda International Shipping*	-	(25,542)
Net cash flow from investing activities	**(41,488)**	**(41,769)**
Share capital increase	-	4
Other changes in shareholders' equity	(131)	-
Movement in treasury shares	(7,057)	-
Dividends paid	(42,038)	-
Net movement in other financial receivables	-	121
Bank loan repayments	(102,572)	(183,182)
Bank loan drawdowns	37,750	194,478
Lease inception	-	42,900
Net repayments of principal portion of leases	(134,472)	(78,524)
Net cash flow from financing activities	**(248,520)**	**(24,203)**
Net increase in cash and cash equivalents	**2,916**	**81,832**
Cash and cash equivalents net of bank overdrafts at the beginning of the year	108,238	26,406
Cash and cash equivalents net of bank overdrafts at the end of the year	**111,154**	**108,238**
Cash and cash equivalents	111,154	117,896
Bank overdrafts	-	(9,658)

* The consideration paid by d'Amico Tankers d.a.c. 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 171 to 220 form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Shareholders' Equity

US$ thousand	Share Capital	Retained Earnings	Share Premium	Other Reserves				Total
				Share-based payments	Treasury shares	Cash-Flow hedge	*Other*	
Balance as at 1 January 2023	**62,053**	**53,938**	**368,827**	**238**	**(19,188)**	**9,707**	**2,839**	**478,414**
Purchase of Treasury shares	-	-	-	-	(7,057)	-	-	(7,057)
LTI accruals, all share-based plans	-	-	-	645	-	-	-	645
LTI allotment, share-based (2019-2020 plan)	-	(109)	-	(19)	128	-	-	-
Dividend payment	-		(42,038)	-	-	-	-	(42,038)
Capitalisation of costs related to operations on capital*	-	-	(131)	-	-	-	-	(131)
Total comprehensive income	-	192,225	-	-	-	(5,131)	879	187,973
Balance as at 31 December 2023	**62,053**	**246,054**	**326,658**	**864**	**(26,117)**	**4,576**	**3,718**	**617,806**

* Reversal Stock Split of 13 June 2023

US$ thousand	Share Capital	Retained Earnings (Accumulated losses)	Share Premium	Other Reserves				Total
				Share-based payments	Treasury shares	Cash-Flow hedge	*Other*	
Balance as at 1 January 2022	**62,053**	**(80,568)**	**368,823**	**38**	**(19,316)**	**(1,459)**	**2,811**	**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	-	-	-	11,166	(129)	145,906
Balance as at 31 December 2022	**62,053**	**53,938**	**368,827**	**238**	**(19,188)**	**9,707**	**2,839**	**478,414**

The notes from page 171 to 220 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 consolidated 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 consolidated 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. MATERIAL ACCOUNTING POLICIES INFORMATION

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

Basis of consolidation

The consolidated 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 2023.

Going concern

The consolidated 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)

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 2023 the DIS Group did not have any joint arrangements. 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 therefore 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 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 12 for a discussion of how climate related matters affected our value-in-use calculations).

DIS, has a modern fleet with an average of approximately 8.8 years as at 31 December 2023, relative to an industry average of 13.5 years for MRs and 14.8 for 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).

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 15, 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 was confronted with rapidly rising operating costs, in particular for crew members, fuel and insurance. Central banks although initially hesitant, eventually reacted forcefully by substantially raising discount rates and through quantitative tightening. These policies have been effective in taming inflation, which in most countries has been on a downward trajectory for most of 2023 and in 2024 so far. The resulting increase in interest rates, increased debt service costs for the DIS Group, for the part of its financial indebtedness which is subject to variable rates (SOFR) and not hedged through interest rate swaps (please refer to note 23, for an analysis of DIS Group's sensitivity to changes in interest rates).

Conflicts in the Middle East

The war between Israel and Hamas has heightened tensions throughout the Middle East, increasing the risk that a wider conflict might erupt. The attacks on several vessels by the Houthis in Yemen, purportedly in support of Hamas, have disrupted trade flows through the Suez Canal. The number of product tankers crossing through the Bab-el-Mandeb strait has dropped significantly following the escalation in attacks in the first weeks of this year, with shipowners choosing to go through the longer route around the Cape of Good Hope. The Suez Canal is an important passageway for both crude and product tankers, and therefore the disruptions caused by these attacks has been significant, having led to an important reduction in fleet availability, generating a tighter market and higher freight rates. An escalation of the conflict, involving a war also with Iran, could lead to a closure of the strait of Hormuz, a vital chokepoint for the exports of crude and refined products from the Middle East. Such an event would cause the oil markets to be severely undersupplied, with immediate negative repercussions for both crude and product tankers.

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. Management's 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 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 jurisdictions 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 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, which 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 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 23.

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 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 23).

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 IFRS 15;
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. For vessels subsequently leased-back, results on disposal are amortised over the duration of the lease.

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) is 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 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 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. Subsequent expenditures to enhance the vessels design and performance are also classified among acquisition costs.

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 under 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 used to employ some of its controlled vessels through partnership arrangements up to 2022. From 2023 the Group is responsible for the commercial, operational and technical management, as well as financial administration of all the DIS Fleet. 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, relied on by the DIS Group for strategic decisions, is designed to measure the performance of its whole tanker fleet, 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 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. 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 (Shared 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 April 2023, following the expiry of the former stock-option plan, a renewed management compensation plan (Long Term Incentive Plan, LTI), involving share-based payments, was approved; the Plan, besides criteria linked to the financial and operating performance of the DIS Group, includes also elements connected with the Fleet's environmental performance, to support DIS' objectives of lowering its environmental footprint and of generating sustainable long-term value. In particular, 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 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% – 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%. An 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 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 the environmental footprint of its vessels. In particular, the six targets measured are:

I. The adjusted ROCE (75% of the pool), – modifies the ROCE through a matrix which accounts for the financial leverage in DIS' capital structure and the percentage of contract coverage;
II. Hedging Effectiveness (5% of the pool) – to be calculated as the ratio of the annual daily time-charter equivalent earnings of vessels employed through Spot contracts and vessels employed through Period Contracts at fixed rates, weighted respectively by the number of annual Spot days and number of annual Period Contract days in each year of the relevant period of the Plan.
III. Daily G&A (5% of the pool) – to be calculated as the percentage reduction or increase in the average annual daily General and administrative (G&A) costs during the relevant period of the Plan, weighted by the number of available vessel days in each year of the Plan, relative to the average annual daily G&A in the year preceding the commencement of the Plan.
IV. Daily Direct Operating Costs (5% of the pool) – to be calculated as the percentage reduction or increase in the average annual daily direct operating costs for DIS' owned and bareboat vessels during the relevant period of the Plan, weighted by the number of owned and bareboat available vessel days in each year of the Plan, relative to the average daily annual direct operating costs for such vessels in the year preceding the commencement of the Plan.
V. EEDI/EEXI (5% of the pool) – CO_2 per dwt ton-miles for all owned and bareboat vessels – to be calculated as the percentage reduction in the average CO_2 emissions per dwt ton-miles, based on the technical specification of the vessel rather than on the actual metric tons transported and on the actual miles sailed, for all DIS' owned and bareboat vessels during the relevant period of the Plan, relative to the level for this indicator in the year preceding the commencement of the Plan.
VI. EEOI (5% of the pool) – CO_2 per ton-miles for owned and bareboat vessels operated on the spot market – to be calculated as the percentage reduction in the average CO_2 emissions per ton-miles, defined as the sum of the product of the actual metric tons transported and the actual miles sailed for each of DIS' owned and bareboat vessels' spot voyages during the relevant period of the Plan, relative to the level for this indicator in the year preceding the commencement of the Plan.

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.

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 is determined based upon the arithmetic average of the official market closing prices of DIS' ordinary shares in the last calendar month of the year prior to the board resolution verifying 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 management 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. For the 2023-2024 LTI rolling period, the accrual of the bonus pool is based on the forecasted results and takes into consideration the relevant vesting of the cash component.

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 (date of the Annual General Meeting) 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 payments are reported as a movement in equity in the period in which they are approved by the shareholders' meeting when dividends are final, or by the Board of Directors, for interim dividends.

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 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 17.

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

Amendment to IAS 1, *Presentation of Financial Statements*

The Group has adopted the amendments to IAS1 for the first time in 2023. The amendments replace all instances of the term "significant accounting policies" with "material accounting policies"; Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

Amendments to IAS 12, *Income Taxes*

In 2021, political agreement was reached by the OECD Inclusive Framework on a two-pillar approach to international tax reform. This includes the commitment to introduce a minimum effective tax rate of 15% for multinational groups with revenue above €750 million.

The agreement has been enacted in most of the countries where d'Amico Società di Navigazione SpA, as the Ultimate Parent Entity for the Group, has business activities, and the Group will be within scope of these rules. However, the rules have not been enacted uniformly and in some countries, have not yet been enacted. The law in most cases will become effective in 2024 or later. Ireland enacted the law for accounting periods commencing on or after 31 December 2023 and broadly in line with the OECD Inclusive Framework. Since the newly enacted legislation in Ireland is only effective for the Group from 1 January 2024, there is no current tax impact for the year ended 31 December 2023. Based on the current profile of the Group's operations, Pillar Two legislation is not expected to have a material impact on the consolidated financial statements of the Group. The Group continues to monitor and assess the on-going implementation of Pillar Two in the countries where it operates. While Pillar Two becomes effective in 2024, the Group, where applicable, applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided for in the amendments to IAS 12 issued in May 2023. The amendments provide a temporary exception from deferred tax accounting for the global minimum tax, which was effective upon release.

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, are not published anymore since 30 June 2023. All our loans have therefore transitioned to the Secured Overnight Financing Rate (SOFR), the new risk-free reference rate, which is either 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.

There were no further 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

There are a number of the IASB new or amended accounting standards (IFRS) and interpretations (IFRIC) which have not yet come into effect:

- Amendments to IAS 1 Presentation of Financial Statements, Classification of liabilities as current and non-current (January 2024)
- Amendments to IFRS 16 Lease Liability in a Sale and Leaseback (January 2024)
- Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements (January 2024)
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (January 2025) IFRS 10 and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture issued in September 2014 (deferred indefinitely).

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.

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 its fleet and of strengthening its balance sheet.

The Group also has various bank facilities, credit lines and leases (see notes 18 and 19).

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 outlook for the industry. 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, 18 and 19).

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, 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 2023	As at 31 December 2022
Net worth	617,806	478,414
Total assets	1,001,707	1,054,885
Net worth to total assets >25%	**62%**	**45%**

3. REVENUE, INCLUDING BAREBOAT CHARTER REVENUE

US$ thousand	2023	2022
Revenues from voyage-charter (spot) – freight and demurrage	391,583	381,542
Revenue from leases (time-charter)	120,342	74,697
Revenue from subleasing of RoU (time-charter)	26,500	21,457
Other revenues	529	1,923
Revenue, excluding bareboat charter revenue	**538,954**	**479,619**
Bareboat charter revenue*	**4,869**	**4,812**
Total revenue	**543,823**	**484,431**

**see also Alternative Performance Measures on page 134*

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$ 1.1 million as at the end of 2023 (US$ 3.8 million as at 31 December 2022) 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 2023 was of US$ 4.9 million, while in 2022 it was of US$ 4.8 million.

Other revenues comprise income from vessel deviations, including compensation for bunker expenses.

In 2023, one customer contributed to the generation of US$ 85.1 million in revenues, equivalent to around 15.8% of the Group's total. 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 (see also note 23 on credit risk). The Company's 5 biggest customers accounted for US$ 178.3 million of the Group's revenues in 2023, corresponding to 33.1% of the total. 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 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.

The attacks by the Houthis on vessels crossing the Bal-el-Mandeb strait have forced some vessels to sail the longer route around the Cape of Good Hope, contributing to an increase in ton-miles, further tightening the market. (please refer to note 1. areas of uncertainty).

4. VOYAGE COSTS

US$ thousand	2023	2022
Bunkers (fuel)	(78,186)	(93,270)
Commissions payable	(15,443)	(14,650)
Port charges	(30,730)	(27,996)
Other	(17,625)	(13,745)
Total	**(141,984)**	**(149,661)**

Voyage costs arise from the employment, directly or through our partnerships (please refer also to note 1 on DIS' material accounting policies), 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	2023	2022
Time charter equivalent earnings*	**396,970**	**329,958**

**see also Alternative Performance Measures on page 134*

Time-charter equivalent earnings represent revenue, excluding bareboat charter revenue, less voyage costs. In 2023 vessel days on fixed rate contracts represented about 29.8% of total available vessel days (34.0% in 2022).

6. TIME CHARTER HIRE COSTS

US$ thousand	2023	2022
Time-charter hire costs	**(136)**	**(3,250)**

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	2023	2022
Crew costs	(39,476)	(34,035)
Technical expenses	(15,460)	(11,600)
Luboil	(2,426)	(2,133)
Technical and quality management	(11,425)	(10,973)
Insurance	(2,786)	(2,447)
Service costs related to leased vessels	(17,890)	(21,705)
Other costs	(4,167)	(3,259)
Total	**(93,630)**	**(86,152)**

Other direct operating costs include crew costs, technical expenses, lubricating oils, technical and quality management fees, insurance and sundry expenses originating from the operation of vessels. 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 2023, d'Amico International Shipping SA and its subsidiaries employed an equivalent of 626 seagoing personnel and 25 onshore personnel (as at 31 December 2022: 593 seagoing personnel and 24 onshore personnel); the average number of seagoing personnel in 2023 was 639 (2022: 543), while the average number of onshore personnel was 25.0 (2022: 23.4); 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	2023	2022
Personnel	(11,020)	(6,047)
Other general and administrative costs	(14,738)	(9,497)
Total	**(25,758)**	**(15,544)**

Personnel costs relate to onshore personnel salaries, as well as in 2023, US$ 0.8 million relating to director fees and US$ 2.3 million relating to remuneration earned by senior managers including the CEO, COO, CFO and other managers with strategic responsibilities (2022: US$ 0.9 million of director fees and US$ 0.9 million for senior managers). In 2023, personnel cost include accruals amounting to US$ 1.4 million relating to the 2022-2023 and 2023-2024 rolling periods of the Long-Term Incentive Plan, granted to the key managers and executive directors of DIS and adopted in April 2023. Please refer to the note 1, Long-Term Incentive Plan including Equity Compensation (Share Based Payments), for full details and disclosures of calculations for this Plan. DIS' shares serving the Plan, are those held in portfolio by the Company as at 14 March 2024 (n. 3,453,542 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.

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 2023 management fees with related parties on brand and trademark, IT, legal and internal audit services amounting to US$ 11.3 million (US$ 7.0 million in 2022) (see also note 24). They also include negligible expenses relating to short-term leases, relating mainly to office equipment.

Expenses in 2023 and 2022, 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	2023	2022
Audit fees	(447)	(347)

The statutory auditors did not provide non-audit services to the DIS Group in 2023 and 2022.

9. RESULT FROM DISPOSAL OF FIXED ASSETS

US$ thousand	2023	2022
Net profit (loss) on disposal of vessel	(4,697)	(3,212)

The amounts for 2023 and 2022 include the amortization of the unrealized portion of the deferred result (over the duration of the lease) on the disposal of leased back vessels, including the accelerated amortization of the deferred result on those vessels, whose purchase options were exercised by d'Amico Tankers d.a.c. (M/T High Freedom, M/T High Trust, M/T High Trader and M/T High Loyalty in 2023 and M/T High Voyager in 2022). No vessel was disposed of in 2023. In 2022 one vessel was sold without generating a result on disposal, since the vessel had already been classified as held for sale as at the end of 2021.

10. NET FINANCIAL INCOME (CHARGES)

US$ thousand	2023	2022
Financial income		
Loans and receivables at amortised cost		
Interest Income	4,806	482
Realised exchange differences	151	-
At fair value through income statement		
Unrealised gains on derivative instruments	26	2,320
Total financial income	**4,983**	**2,802**
Finance charges		
Financial liabilities measured at amortised cost		
Interest expense and financial fees	(17,839)	(14,943)
Lease cost	(8,336)	(17,157)
Realised losses on derivative instruments	-	(1,100)
Realised exchange differences	(522)	(8)
Total financial charges	**(26,697)**	**(33,208)**
Net financial charges	**(21,714)**	**(30,406)**

In 2023, financial income includes realized interest income amounting to US$ 4.8 million deriving from short-term securities and funds held with financial institutions on deposit and current accounts, as well as realised foreign exchange gains on hedging instruments; unrealised gains arose from changes in the fair value of the ineffective portion of hedging interest-rate swaps.

Financial charges in 2023 include realised interest expenses and financial fees amounting to US$ 17.8 million, comprising US$ 16.5 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$ 1.3 million in financial fees or amortisation of such fees. Realised financial charges in 2023 include also US$ 8.3 million interest implicit in leases. In 2023, realised commercial foreign-exchange losses amount to US$ 0.5 million. No unrealised losses were recorded in 2023.

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.

11. TAX

d'Amico Tankers d.a.c. (DTL) 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.

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 2023 tonnage tax provision for d'Amico Tankers d.a.c. US$ 0.2 million (2022: 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 S.A. had, at the end of 2023, accumulated tax losses to be carried forward, amounting to approximately € 58.2 million (equivalent to US$ 65.1 million), of which approximately € 54.6 million can be carried forward indefinitely and the remainder, generated from 2017, can be carried forward for 17 years from each period in which the loss arose. The other entities of DIS Group do not have tax losses to be carried forward. 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 2023 generated a tax charge of equivalent US$ 4.8 thousand (2022: US$ 23.2 thousand) and is reported under General and administrative costs.

US$ thousand	2023	2022
Current tax:		
Taxation at corporate tax rates	(1,049)	(233)
Tonnage Tax	(176)	(170)
Net wealth tax / other tax	-	-
Total current tax	**(1,225)**	**(403)**
Profit (loss) before tax	**193,450**	**135,272**
Theoretical income tax (tax rate 24.94%)	(48,246)	(33,737)
- not subject to income tax (due to Tonnage Tax regime)	48,305	33,822
- impact of overseas tax rates	527	106
- effect of temporary differences	(1,635)	(424)
Taxation at corporate tax rates	**(1,049)**	**(233)**

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 2023	**764,979**	**315**	**765,294**	**332,919**	**1,098,213**
Additions	41,487	1	41,488	-	41,488
Write-off	(720)	-	(720)	(10,120)	(10,840)
Transfer from leases (transfer to owned)	140,356	-	140,356	(140,356)	-
Change in contractual terms	-	-	-	5,894	5,894
Exchange differences	-	-	-	12	12
at December 31, 2023	**946,102**	**316**	**946,418**	**188,349**	**1,134,767**
Accumulated depreciation & impairment					
at Jan.1 2023	**179,582**	**79**	**179,661**	**109,254**	**288,915**
Depreciation charge	37,859	51	37,910	24,545	62,455
Write-off	(720)	-	(720)	(10,120)	(10,840)
Transfer from leases (transfer to owned)	28,217	-	28,217	(28,217)	-
Exchange differences	-	(12)	(12)	(10)	(22)
at December 31, 2023	**244,938**	**118**	**245,056**	**95,452**	**340,508**
Carrying amount at December 31, 2023	**701,164**	**198**	**701,362**	**92,897**	**794,259**
Carrying amount at December 31, 2022	**585,397**	**236**	**585,633**	**223,665**	**809,298**

For comparison purpose hereby are reported the relevant values for the year 2022:

US$ thousand	Total Owned Fleet	Other	Total PPE	RoU	Total PPE & RoU
Gross carrying amount					
at January 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 January 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, 2022	**585,397**	**236**	**585,633**	**223,665**	**809,298**
Carrying amount at December 31, 2021	**546,465**	**256**	**546,721**	**274,713**	**821,434**

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 2023, amounts to US$ 794.3 million, comprising right of use assets amounting to US$ 92.9 million and property plant and amounting to US$ 701.4 million.

The net book value of DIS' Fleet (the Group's shipping related assets, owned or leased) amounts to US$ 793.0 million as at 31 December 2023, and consists of the net book value of the Fleet on the water and associated dry-docks, amounting to US$ 701.2 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$91.9 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 2023 amounts to US$ 1.2 million and comprise mostly office rental lease obligations and the net book value of fixture, fittings and office equipment.

During the year various purchase options on time-chartered-in and bareboat-chartered-in vessels were exercised. In January 2023, d'Amico Tankers exercised its purchase option on the time-chartered-in M/T High Explorer for a consideration of JPY 4.1 billion, equivalent to approximately US$ 30.0 million, as well as on the bareboat-chartered-in M/T High Freedom, for a consideration of US$ 20.1 million. In the month of May, three other purchase options on bareboat-chartered-in vessels were exercised, for specifically, M/T High Loyalty, M/T High Trust and M/T High Trader, for a total consideration of US$ 65.2 million.

The net book value of leased vessels for which a purchase obligation or a bargain purchase option exists, amount to US$ 69.6 million as at 31 December 2023.

The following table indicates purchase obligations and options, as at 31 December 2023, 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
Cielo di Houston	2019	n.a.	from 5th year
High Discovery	2022	10th year from sale	from 2nd year
High Fidelity	2022	10th year from sale	from 3rd year

The capitalised and depreciated value of DIS' lease 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 DIS' 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.

Dry-dock includes expenditure for the fleet's dry-docking programme and related amortization; additions in the period ended 31 December 2023, relate to instalments paid to the yard for dry-docks, for both PPE and RoU assets corresponding to US$ 11.7 million and US$1.1 million, respectively. During 2023, six of DIS' vessels started and completed their dry-dock.

The total fair value of the DIS Group's fleet as 31 December 2023 amounts to US$ 1,105 million and includes d'Amico Tankers d.a.c.'s owned vessels and d'Amico Tankers d.a.c.'s leased vessels with purchase obligations or bargain purchase options; the value of these vessels 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$ 681.0 million as at 31 December 2023 and as at the same date the net book value of these vessels and related dry-docks was of US$ 682.3 million and the total value of loans outstanding was of US$ 245.7 million. Please refer also to the management report for further information.

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 significantly higher than its book-value by US$ 311.5 million.

Whenever an impairment indicator exists, the impairment test is performed.

Other assets

Other assets mainly include fixtures, fittings, and office equipment.

13. OTHER FINANCIAL ASSETS (LIABILITIES)

US$ thousand	As at 31 December 2023			As at 31 December 2022		
	Non-current	Current	Total	Non-current	Current	Total
Deferred loss on leased assets	1,053	1,036	2,089	5,774	2,275	8,049
Fair value of derivative instruments	1,381	3,338	4,719	3,303	6,479	9,782
Financial receivable	-	85	85	26	33	59
Total other financial assets	**2,434**	**4,459**	**6,893**	**9,103**	**8,787**	**17,890**
Fair value of derivative instruments	(41)	(45)	(86)	(9)	(36)	(45)
Deferred profit on leased assets	(2,622)	(342)	(2,964)	(3,284)	(558)	(3,842)
Other financial liabilities	(73)	(2,423)	(2,496)	(39)	(2,535)	(2,574)
Total other financial liabilities	**(2,736)**	**(2,810)**	**(5,546)**	**(3,332)**	**(3,129)**	**(6,461)**

As at 31 December 2023, other non-current financial assets amount to US$ 2.4 million (31 December 2022: US$ 9.1 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$ 1.1 million (31 December 2022: US$ 5.8 million) and interest rate swaps hedging instruments valued at US$ 1.4 million (31 December 2022: interest rate hedging instruments valued at US$ 3.3 million); in 2022 they included also finance lease receivables (sublease of office space by the subsidiary d'Amico Tankers UK Ltd) of US$ 0.03 million.

Total current financial receivable of US$ 4.5 million as at 31 December 2023 (31 December 2022: US$ 8.8 million), comprises US$ 1.0 million cumulative deferred losses on the sale and leasebacks of vessels, which will be amortised over the next twelve months (31 December 2022: US$ 2.3 million), interest rate swaps and foreign exchange hedging instruments valued at a total of US$ 3.3 million (31 December 2022: interest rate swaps valued at US$ 6.5 million), and lease receivable and accrued interest on deposit amounting to US$ 0.1 million (31 December 2022: US$ 0.03 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 23.

As at 31 December 2023, other non-current financial liabilities totalling US$ 2.7 million (31 December 2022: US$ 3.3 million) include mainly US$ 2.6 million deferred profit on the disposal of vessels sold and leased back (31 December 2022: mainly US$ 3.3 million deferred profit on the disposal of vessels sold and leased back) as well as minor amounts representing the fair value of interest rate swap hedging instruments of US$ 0.04 million and reserve for contingencies of US$ 0.07 million (31 December 2022: insignificant fair value of interest rate swap hedging instruments).

As at 31 December 2023, other current financial liabilities totalling US$ 2.8 million (31 December 2022: US$ 3.1 million), comprise the fair value of interest rate swap hedging instruments amounting to US$ 0.04 million (31 December 2022: US$ 0.04 million), deferred profit on the disposal of vessels sold and leased back amounting to US$ 0.3 million (31 December 2022: US$ 0.6 million) and other current financial liabilities amounting to US$ 2.4 million, composed by financial interest accrued on bank loans (31 December 2022: US$ 2.5 million).

DIS' management evaluated whether its current and non-current financial assets and liabilities were affected by the Ukraine war, conflicts in the Middle East, high inflation and interest 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).

14. INVENTORIES

US$ thousand	As at 31 December 2023	As at 31 December 2022
Inventories	**13,727**	**18,303**

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.

15. RECEIVABLES AND OTHER CURRENT ASSETS

US$ thousand	As at 31 December 2023	As at 31 December 2022
Contractual receivables	57,666	63,783
Contract assets (accruals)	7,435	22,591
Prepayments (TC) charters, other receivables & accruals	3,787	1,964
Other debtors	6,786	3,160
Total	**75,674**	**91,498**

As at 31 December 2023, receivables and other current assets include contractual receivables amounting to US$ 57.7 million (31 December 2022: US$ 63.8 million), net of allowance for credit losses of US$ 0.8 million (31 December 2022: US$ 1.1 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 23.

Revenue-related contract assets, represent accrued income arising from 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$ 7.4 million as at 31 December 2023 (US$ 22.6 million as at 31 December 2022). 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 2023 was invoiced during the month of January 2024.

Other prepayments, receivables and accruals amount to US$ 3.8 million (US$ 2.0 million as at 31 December 2022) and represent prepayments for TC-in contracts, other prepayments, and rebillable expenses.

Other debtors amounting to US$ 6.8 million in 2023 consist of non-trade receivables and agency advances (31 December 2022: non-trade receivables and agency advances of US$ 3.2 million).

The ageing of trade receivables is disclosed below.

US$ thousand	As at 31 December 2023	As at 31 December 2022
0-60 days	40,459	49,160
61-90 days	6,968	3,180
91-120 days	3,910	5,978
>120 days	6,329	5,465
Total	**57,666**	**63,783**

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, the high inflationary and interest rate environment, and the conflicts in the Middle East, with most of DIS' clients recording very strong results in 2023, also due to the increase in the oil price and in its volatility, resulting from such events, 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.

16. CASH AND CASH EQUIVALENTS

US$ thousand	As at 31 December 2023	As at 31 December 2022
Cash and cash equivalents	**111,154**	**117,896**

Cash and cash equivalent are represented by cash-on-board, cash at bank and short-term deposits and investment-grade government bonds with a maturity of up to 3 months.

17. SHAREHOLDERS' EQUITY

Changes in 2023 Shareholders' equity items are detailed in the statement of changes in shareholders' equity.

Share capital

In the month of June 2023, d'Amico International Shipping completed a reverse stock split with respect to all the shares of the Company at a ratio of one (1) to ten (10) (the "Reverse Stock Split"), which became effective on 19 June 2023 (the "Effective Date"), as previously approved by the Company's extraordinary general meeting of shareholders held on 13 June 2023 (the "EGM") and implemented by the Board of Directors resolution on 14 June 2023 in compliance with the relevant delegation of powers conferred by the EGM. To avoid the creation of fractions of consolidated shares as a result of the Reverse Stock Split, nine (9) of the existing Treasury shares of the Company were cancelled, reducing the number of issued shares of the Company from 1,241,065,569 to 1,241,065,560, without reducing the share capital of the Company.

As a result of the Reverse Stock Split, as of the Effective Date, the share capital of the Company is set at US$ 62,053,278.45 and is divided into 124,106,556 shares with no nominal value. As of the Effective Date, the consolidated shares of the Company trade under the new ISIN code LU2592315662.

As at 31 December 2023, the share capital of d'Amico International Shipping amounted to US$ 62,053,278.45 corresponding to 124,106,556 ordinary shares with no nominal value (31 December 2022: US$ 62,053,278.45 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 hundred and seventy-five million (175,000,000) shares with no nominal value.

Retained earnings (accumulated losses)

As at 31 December 2023, 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 from 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 (mainly bank commissions and related advisory fees and charges) as well as dividends and further capital raises, have led to movements in the share premium reserve and are reported under "Other changes" within the consolidated Statement of changes in equity.

In April 2023, DIS' General Shareholders' Meeting approved a gross dividend of US$ 22,011,953.96 (US$ 0.1800 gross per share – amount adjusted for the 1 to 10 Reverse Stock Split implemented by the Company, as mentioned under the Share capital paragraph). In November 2023, DIS' Board of Directors authorised an interim gross dividend of US$ 20,025,983.50 (US$ 0.1659 gross per share). The dividends approved in 2023 were distributed from the share premium reserve.

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 2023, 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$ 658,740.

Other reserves

The other reserves include the following items:

US$ thousand	As at 31 December 2023	As at 31 December 2022	Movement in 2023
Total Other reserves	**(16,959)**	**(6,404)**	**(10,555)**
Share-based payments reserve	864	238	626
Treasury shares	(26,117)	(19,188)	(6,929)
Cash-flow hedge reserve (through OCI)	4,576	9,707	(5,131)
Other	3,718	2,839	879
of which			
Retranslation reserve (through OCI)	293	(347)	640
Legal and Consolidation reserves	3,425	3,186	239

Treasury shares

Reference is made to the previously disclosed Reverse Stock Split. Treasury shares as at 31 December 2023 consist of 3,453,542 ordinary shares, with a book value of US$ 26.1 million, corresponding to 2.78% 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 Shareholders held on 18 April 2023, allowing the Company to purchase up to 18,615,795 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, terminating in April 2023. During 2023 DIS delivered to the beneficiaries of its Long-Term Incentive Plan adopted in 2019, comprising DIS Group's key managers and executive directors, n.15,510 own shares at a total average cost of US$ 128 thousand (0.0125% of its share capital), as the second tranche of the compensation in-kind on the 2019-2020 period. In 2023, DIS purchased n. 1,650,619 own shares, while in 2022, DIS did not purchase 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 23.

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 Dollar.

Legal Reserve

The legal reserve is a requirement of Luxembourg Law. The balance is not distributable.

18. BANKS AND OTHER LENDERS

US$ thousand	As at 31 December 2023	As at 31 December 2022
Banks and other lenders – *Non-current liabilities*	214,738	266,124
Banks and other lenders – *Current liabilities*	28,699	51,086
Total	**243,437**	**317,210**

Bank loans outstanding as at 31 December 2023 – expressed in US$ thousand, comprised the following facilities:

Lender / Details	Asset	Repayment terms	interest%	Loan-to -value covenant	Financial covenants	Short-term	Long-term	Total 31 Dec. 2023
DTL								
Skandinaviska Enskilda Banken AB December 2021 US$ 20m Term Loan Facility	Cielo Bianco	20 consecutive quarterly instalments + US$ 12.4m balloon at maturity	Compounded SOFR + 0.26161% CAS + 2.40 % or + 2.30% according to vessel employment	< 76.9%	Liquid assets > US$ 25m Net Worth > US$ 100m Net worth ratio > 25%	1,520	15,440	16,960
Banco BPM SpA/ December 2021 US$ 15.5m Term Loan Facility	Cielo di Salerno	20 consecutive quarterly instalments + US$ 8.97m balloon at maturity	Compounded SOFR + 0.26161% CAS + 2.40 %	< 76.9%	Liquid assets > US$ 25m Net worth > US$ 100m Net worth ratio > 25%	1,305	11,910	13,215
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	Compounded SOFR + 0.26161% CAS + 2.40 % or + 2.35% according to vessel employment + Sustainability differential (+/- 5bps)	< 76.9%	Liquid assets > US$ 25m Net worth > US$ 100m Net worth ratio > 25%	1,555	9,360	10,915
Tokyo Century Corp. November 2015 US$ 21.78m Term Loan Facility	High Challenge	24+18 consecutive quarterly instalments + US$ 6.6m balloon at maturity	CME Term SOFR + 2.40%	<87.0%	Liquid assets > US$ 25m Net worth > US$ 100m Net worth ratio > 25%	1,452	10,527	11,979
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 worth ratio > 25%	1,800	8,550	10,350
	High Seas					1,800	8,550	10,350
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$ 13.6m balloon at maturity	Compounded SOFR + 2.20% + Sustainability differential (+/- 10bps)	< 76.9%	Liquid assets > US$ 25m Net worth > US$ 100m Net worth ratio > 25%	1,696	18,228	19,924
	Cielo Rosso	20 consecutive quarterly instalments + US$ 13.6m balloon at maturity				1,696	18,228	19,924
	Cielo di Rotterdam	20 consecutive quarterly instalments + US$ 13.6m balloon at maturity				1,696	18,228	19,924
	Cielo di New York	20 consecutive quarterly instalments + US$ 7.05m balloon at maturity				1,763	11,903	13,666

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	5,074	6,919
	Glenda Melody	20 consecutive quarterly instalments + US$ 0.471m balloon at maturity				1,886	5,657	7,543
	Glenda Meryl	20 consecutive quarterly instalments + US$ 0.9m balloon at maturity				1,800	5,850	7,650
	Glenda Melissa	20 consecutive quarterly instalments + US$ 0.9m balloon at maturity				1,800	5,850	7,650
	Cielo di Capri	20 consecutive quarterly instalments + US$ 8.34m balloon at maturity				1,390	12,508	13,898
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	16,680	18,340
The Iyo Bank/ May 2023 US$ 17.5m Term Loan Facility	High Explorer	32 consecutive quarterly instalments + US$ 6.7m balloon at maturity	CME Term SOFR + 2.00%	<90%	n.a.	1,350	15,475	16,825
NTT TC Leasing Co., Ltd./ August 2023 US$ 20m Term Loan Facility	Cielo di Londra	20 consecutive quarterly instalments + US$ 13.75m balloon at maturity	Compounded SOFR + 1.975%	<80%	n.a.	1,250	18,438	19,688
Crédit Agricole Italia S.p.A./ December 2022 US$ 3.5m ESG Facility	n.a.	10 consecutive quarterly instalments starting from September 2024, no balloon at maturity	CME Term SOFR + 2.00% + KPI ESG differential (+ 5bps /- 7bps)	n.a.	n.a.	50	200	250
Financial Fees						(615)	(1,918)	(2,533)
Total 31 December 2023						**28,699**	**214,738**	**243,437**

Bank loans outstanding as at 31 December 2022 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 quarterly 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

1 Sustainability linked loan including a premium or 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.

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**

All bank loans are guaranteed by d'Amico International Shipping S.A. and comply with their respective covenants.

DIS' mortgage loans outstanding as at 31 December 2023 amounted to US$ 245.7 million.

DIS also has facilities not subject to mortgages (overdraft or medium-term financings), with an availability amounting to US$ 22.0 million as at 31 December 2023, of which only US$ 0.3 million was outstanding as at the same date.

19. 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 2023	As at 31 December 2022
Total future minimum lease payments (gross investment)	**109,648**	**263,561**
due within one year	24,912	81,932
due in one to five years	59,128	106,637
due over five years	25,608	74,992
Principal repayments of minimum lease payments	**93,408**	**221,965**
due within one year	20,215	71,740
due in one to five years	50,801	81,827
due over five years	22,392	68,398
Finance charge included in the minimum lease payments	**16,240**	**41,596**
of which pertaining to the period	8,336	17,157

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.

20. PAYABLES AND OTHER CURRENT LIABILITIES

US$ thousand	As at 31 December 2023	As at 31 December 2022
Trade payables	16,068	25,339
Other creditors	2,058	2,695
Accrued liabilities	23,264	2,700
Total	**41,390**	**30,734**

Payables and other current liabilities as at 31 December 2023 as well as at 31 December 2022, 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$ 1.8 million as at 31 December 2023 (US$1.0 million as at 31 December 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 23.

21. CURRENT TAX PAYABLE

US$ thousand	As at 31 December 2023	As at 31 December 2022
Current tax liabilities	**120**	**101**

The balance at the end of 2023 relates to the corporate income taxes payable by DIS' subsidiaries; at the end of 2022 it included the net wealth tax payable by DIS Group's holding company.

22. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES AND IN DERIVATIVES TO HEDGE BORROWINGS

US$ thousand	As at 31 December 2022	Net cash-flows	Non-cash changes						As at 31 December 2023
			Amortised financial fees	Lease cost	Change in contractual terms write-off, and foreign exchange	Derivatives P&L Realised movements	Derivatives P&L Unrealised movements	Cash-flow hedge OCI	
Lease liabilities (1)	**221,965**	(142,807)	-	8,336	5,914	-	-	-	**93,408**
Banks and other lenders (2)	**317,210**	(74,480)	707	-	-	-	-	-	**243,437**
Derivatives held to hedge long-term borrowings (3)	**(7,801)**	-	-	-	-	-	(26)	3,319	**(4,508)**

(1) Please refer to note n.19

(2) Please refer to note n.18

(3) The total fair value of derivative hedging instruments as at 31 December 2022 was an asset of US$ 9,736 thousand, which included the fair value of interest rate swaps amounting to US$7,801 thousand (asset) and the fair value of foreign exchange forward contracts amounting to US$1,935 thousand (asset); the total fair value of derivative hedging instruments as at 31 December 2023 was an asset of US$4,632 thousand, which included the fair value of interest rate swaps amounting to US$4,508 thousand (asset) and the fair value of foreign exchange forward contracts amounting to US$124 thousand (asset). For more details please refer to note n.13.

23. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

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.

Derivative Instruments

Interest rate swaps

As at 31 December 2023, d'Amico Tankers d.a.c. had twelve 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: six with ING Bank N.V., one with ABN Amro Bank N.V., one with Banco BPM S.p.A., two with DnB Bank ASA and two with Skandinaviska Enskilda Banken AB.

The following table shows the accounting impact of the year-end valuation of DIS Group's interest rate swaps in DIS' profit and loss and year-end other equity reserves in 2023 and 2022:

US$ thousand	2023		2022	
	Profit or Loss	Δ Equity Reserve	Profit or Loss	Δ Equity Reserve
Interest rate swaps, year-end valuation	**26**	**(3,319)**	**28**	**8,921**

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 13).

Forward currency contracts

As at 31 December 2023, the DIS Group had hedging arrangement in place to cover exchange rate fluctuations for a notional amount of EUR 10.4 million (as at 31 December 2022 for a 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, which was 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 2023 and 2022:

US$ thousand	2023		2022	
	Profit or Loss	Δ Equity Reserve	Profit or Loss	Δ Equity Reserve
Euro forward currency contract, year-end valuation	**-**	**(1,812)**	**-**	**455**

There weren't Yen forward currency contracts in place for the DIS Group as at year-end 2023; in 2022 they had the following impact in DIS' profit and loss and year-end other equity reserves:

US$ thousand	2023		2022	
	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 13).

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 Baa2 (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 the Ukraine war, of the high inflation and interest-rate environment and of the conflicts in the Middle East on DIS Group's counterparties was 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 was not affected by these events with most of DIS' clients recording very strong results in 2023 (please refer also to notes n.1, n.12 and to the Significant events of the period).

DIS' top 10 customers in 2023 represented approximately 46.6% of its revenues (2022: 43.6%). As at 31 December 2023, 64.6% of DIS Group's total trade receivables were due from its ten largest customers (as at year-end 2022: 58.6%). 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 2023:

US$ thousand	< 30 days	30<days < 60	60< days <90	90< days < 120	> 120 days	Total
Demurrage receivable	4,727	1,711	2,356	2,074	4,218	**15,086**
Percentage of risk of overdue receivables	3.5%	4.0%	4.5%	5.5%	6.3%	**-**
YE '23 provision for life-time credit loss (gross interest)	165	68	106	114	265	**718**
YE '23 life-time impairment of credits under legal dispute	-	-	-	-	-	**-**

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 provision for expected credit loss	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	-	-	-	-	-	**-**

As at year-end 2023, allowances for credit losses decreased by US$ 0.4 million relative to 31 December 2022; the total allowance for trade and other receivables losses as at 31 December 2023 amounted to US$ 0.7 million (2022: US$ 1.1 million).

The Group has significant cash deposits with the following banks, which have the following credit ratings from Moody's: Credit Agricole Bank (Aa3), DNB (Aa2), and JP Morgan (A1).

Other financial assets as at 31 December 2023 (not taking into consideration the unamortized deferred losses on the sale and leasebacks of vessels) are mainly made up of the US$ 4.7 million fair value of derivative instruments (please refer also to note 13. 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 formerly challenging credit market conditions, the DIS Group had 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 18 and 19).

The following tables detail for the years 2023 and 2022, 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 2023				
	< 1 y	1-2 y	2-5 y	> 5 y	Total
Total banks and other lenders	29,313	28,097	173,251	12,776	**243,437**
Leasing	20,215	37,633	13,168	22,392	**93,408**
Total	**49,528**	**65,730**	**186,419**	**35,168**	**336,845**

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**

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.

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 arising from 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 freight 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 2023, 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.

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 2023, foreign currency payments amounted to an equivalent of US$ 39.2 million, representing 16.2 % of total operational, administrative, financial and fiscal expenses, with Euro transactions representing 11.4% of such total payments (71.1% 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 purpose, foreign currency payments amounted to an equivalent of US$ 28.0 million.

US$ thousand	2023		2022	
	+ 10%	- 10 %	+ 10 %	-10 %
US$ / Ccy	2,754	(2,754)	1,364	(1,364)

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$ 2.8 million in the Group's 2023 net result (US$ +/- 1.4 million in 2022). The DIS Group's overall sensitivity to currency risk has not changed significantly from the prior year.

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 unrealised 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	2023		2022	
	i+1% Increase	*i*-1% Decrease	*i*+1% Increase	*i*-1% Decrease
Interest rate cost (net of hedges)	1,467	(1,467)	508	(508)
Interest rate swap year-end valuation	1,808	(1,865)	2,710	(2,710)

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$ 1.5 million (US$ 0.5 million in 2022) while a reduction in interest rates of 100 basis points would have decreased net financial charges by US$ 1.5 million (US$ 0.5 million in 2022). As at 31 December 2023, had interest rates been 100 bp higher/lower, with all other variables unchanged, the valuation of the swaps would have increased by US$ 1.8 million or decreased by US$ 1.9 million, respectively (2022: US$ 2.7 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 2022	(1,148)	(311)	(1,459)
Change in fair value of hedging instruments recognised in OCI	8,921	2,245	11,166
as at 31 December 2022	7,773	1,934	9,707
Change in fair value of hedging instruments recognised in OCI	(3,319)	(1,812)	(5,131)
as at 31 December 2023	4,454	122	4,576

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 2023.

31 December 2023

US$ thousand	Amortised cost	FVTPL	Derivatives used for hedging (FV)	Total	Fair Value		Total
					Level1	*Level 2*	
ASSETS							
Other non-current financial assets	1,053	-	1,381	2,434	-	1,381	1,381
Other current financial assets	1,121	-	3,338	4,459	-	3,338	3,338
Receivables and other current assets	66,845	-	-	66,845	-	-	-
Cash and cash equivalents	111,154	-	-	111,154	-	-	-
LIABILITIES							
Banks and other lenders	243,437	-	-	243,437	-	-	-
Liabilities from leases	93,408	-	-	93,408	-	-	-
Other non-current financial liabilities	2,695	19	22	2,736	-	41	41
Other current financial liabilities	2,765	35	10	2,810	-	45	45
Payables and other current liabilities	32,561	-	-	32,561	-	-	-

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.

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 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 Baa2 (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 2023, the realised gains amounted to US$ 0.2 million, relating to foreign exchange hedging derivatives (2022: realised losses of US$ 1.1 million from FFA and foreign exchange hedging derivatives); unrealised gains in 2023 amounted to US$ 0.3 thousand, relating to interest rate swaps (2022: US$ 2.3 million unrealised gain relating to interest rate swaps). There weren't unrealised losses recorded in either 2023 or 2022.

24. 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 2023 and with these related parties, are the following:

US$ thousand	2023		2022	
	Total	Of which related parties	Total	Of which related parties
Revenue	538,954	14,714	479,619	10,933
Voyage costs	(141,984)	(482)	(149,661)	(521)
Bareboat charter revenue	4,869	-	4,812	-
Time charter hire costs	(136)	-	(3,250)	-
Other direct operating costs	(93,630)	(8,165)	(86,152)	(7,342)
General and administrative costs	(25,758)	(10,507)	(15,544)	(6,376)
Result from disposal of vessels	(4,697)	-	(3,212)	(20)
Depreciation, impairment and impairment reversal	(62,454)	(524)	(60,934)	(488)
Net financial income (charges)	(21,714)	(60)	(30,406)	(771)

Voyage costs include purchases of fuel oil and gasoil from Rudder SAM, on a back-to-back basis from third-party suppliers; on these transactions Rudder SAM earned an average margin per metric ton of US$ 3.17 in 2023 and US$ 3.49 in 2022, for volumes sold to the DIS Group of 114,144 Mts in 2023 and 114,511 Mts in 2022, resulting in a gross margin for Rudder SAM of US$ 362 thousand in 2023 and US$399 thousand in 2022. The total amount invoiced by Rudder SAM to the DIS Group in relation to these transactions was US$76.0 million in 2023 and US$ 97.3 million in 2022. 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 2023 and 31 December 2022, are the following:

US$ thousand	As at 31 December 2023		As at 31 December 2022	
	Total	Of which related parties	Total	Of which related parties
ASSETS				
Non-current assets				
Property, plant and equipment and Right-of-use assets	794,259	615	809,298	1,559
Other non-current financial assets	2,434	-	9,103	-
Current assets				
Inventories	13,727	-	18,303	-
Receivables and other current assets	75,674	6,704	91,498	4,367
Other current financial assets	4,459	28	8,787	-
Cash and cash equivalents	111,154	-	117,896	-
LIABILITIES				
Non-current liabilities				
Banks and other lenders	214,738	-	266,124	-
Non-current lease liabilities	73,193	486	150,225	982
Other non-current financial liabilities	2,736		3,332	-
Current liabilities				
Banks and other lenders	28,699	-	51,086	-
Current lease liabilities	20,215	193	71,740	488
Payables and other current liabilities	41,390	6,626	30,734	7,422
Other current financial liabilities	2,810	-	3,129	-
Current taxes payable	120	-	101	-

The effects, by legal entity, of related party transactions on the Group's consolidated Income Statement for 2023 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 Navigazione SpA	d'Amico. Shipping Singapore	d'Amico. Shipping USA	Ishima Pte.Ltd.	Rudder SAM	COGEMA SAM	d'Amico Dry Maroc
Total revenue	**538,954**											
of which												
Freight out		14,714	-	-	-	-	14,714	-	-	-	-	-
Voyage costs	**(141,984)**											
of which												
Bunkers		(362)	-	-	-	-	-	-	-	(362)	-	-
Commissions		(120)	-	-	-	-	(120)	-	-	-	-	-
Other direct operating costs	**(93,630)**											
of which												
Technical Management		(8,165)	-	-	-	(7,827)	-	-	(338)	-	-	-
General & Administrative costs	**(25,758)**											
of which												
Service agreement - LTI		(177)	-	-	-	-	(79)	(98)	-	-	-	-
Service agreement - Consultancy		(10,330)	(285)	-	-	(5,229)	(2,557)	(1,643)	-	-	(643)	27
Depreciation, impairment and impairment reversal	**(62,454)**											
of which												
Depreciation of RoU		(524)	-	(107)	(417)	-	-	-	-	-	-	-
Net financial income (charges)	**(21,714)**											
of which												
Lease income (cost)		(60)	2	(32)	(30)	-	-	-	-	-	-	-
Total		**(5,024)**	**(283)**	**(139)**	**(447)**	**(13,056)**	**11,958**	**(1,741)**	**(338)**	**(362)**	**(643)**	**27**

Additional related-party transactions include payments to the directors and key managers of DIS Group amounting to US$ 2.3 million (2022: US$ 1.8 million).

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 Navigazione 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													
Service agreement - LTI		(81)	-	-	-	-	(36)	(45)	-	-	-	-	-
Service agreement - Consultancy		(6,377)	(245)	-	-	(2,454)	1,792	(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		**(3,973)**	**(261)**	**(142)**	**(30)**	**(9,241)**	**8,983**	**(1,167)**	**(555)**	**(399)**	**(790)**	**(397)**	**26**

The effects, by legal entity, of significant related party transaction on the DIS Group's consolidated Statement of Financial Position as at 31 December 2023, 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	COGEMA S.A.M.
Right-of-use assets	**794,259**										
of which		615	63	484	68	-	-	-	-	-	-
Receivables and other current assets	**75,674**										
of which		6,704	65	134	5	-	6,390	-	-	-	110
Other current financial assets											
of which		28	28	-	-	-	-	-	-	-	-
Non-current Lease Liabilities	**73,193**										
of which		486	-	450	36	-	-	-	-	-	-
Current Lease Liabilities	**20,215**										
of which		193	-	105	88	-	-	-	-	-	-
Payables and other current liabilities	**41,390**										
of which		6,626	115	117	62	1,492	1,811	643	66	2,320	-
Total		**42**	**41**	**(54)**	**(113)**	**(1,492)**	**4579**	**(643)**	**(66)**	**(2,320)**	**110**

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 Navigazione SpA	d'Amico. Shipping Singapore Pte. Ltd.	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)**

25. COMMITMENTS AND CONTINGENCIES

Capital commitments

There were no capital commitment as at 31 December 2023, the vessels have scheduled dry-docking dates but no formal contracts have yet been agreed. As at 31 December 2022, the only capital commitment related to the exercise of the purchase option for the M/T High Explorer, delivered to DIS in May 2023, for a purchase price of Yen 4.1 billion, equivalent to US$ 30.0 million.

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.

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.

26. 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 a 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	US$	100.0%	Integral

*dormant

Interest in jointly controlled entities

As at 31 December 2023, the DIS Group does not have interests in jointly controlled entities.

In August 2022, Glenda International Shipping d.a.c. (GIS) a jointly controlled entity that was consolidated proportionally at 50%, 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.

27. NON-ADJUSTING SUBSEQUENT EVENTS

The Board of Directors resolved today to propose to the Annual Shareholders' Meeting duly convened on the 23rd day of April 2024 (the "AGM") to approve an annual gross dividend of US$ 30,007,114.24. 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 Management report.

28. EARNINGS PER SHARE (E.P.S.)

US$	2023	2022
Basic e.p.s.	1.575	0.110
Diluted e.p.s.	1.575	0.110
Weighted average number of ordinary shares used as the denominator in calculating basic e.p.s.	122,028,044	122,279,375*
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.	122,028,044	122,279,375*

* For comparative reasons, reported average outstanding shares used in the calculation of the 2022 e.p.s. were adjusted following the criteria of the Reverse stock split which occurred on 13 June 2023 (please refer to note n.17 for more detailed information), and the earnings per share (e.p.s.) were restated accordingly.

In 2023 and in Q2 2022 diluted e.p.s. were equal to basic e.p.s.

29. APPROVAL OF THE ANNUAL REPORT BY THE BOARD OF DIRECTORS

The consolidated financial statements for the year ended 31 December 2023 (including comparatives) were approved by the board of directors on 14 March 2024.

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.

14 March, 2024

Antonio Carlos Balestra di Mottola,
Chief Financial Officer

d'AMICO INTERNATIONAL SHIPPING S.A.
MANAGEMENT REPORT AND STATUTORY FINANCIAL STATEMENTS

Year ended 31 December 2023

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 2023

MANAGEMENT REPORT

d'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 2023, the Company recorded a net profit of US$ 49.6 million. The Company's Income Statement is summarized in the following table.

US$ thousand	2023	2022
Investment income (dividends)	52,989	75
Personnel costs	(1,985)	(1,053)
Other general and administrative costs, including depreciation and tax	(4,439)	(2,229)
Financial income (charges)	2,991	1,992
Net Profit (Loss)	**49,556**	**(1,215)**

Investment income totalling US$ 53.0 million was received in 2023.

Costs are essentially made up of personnel costs and other general and administrative expenses.

Financial income results mainly from issuing financial guarantees on bank loans and leasing transactions for the benefit of its fully controlled subsidiary, d'Amico Tankers d.a.c.

The Company does not have branches; it does not have Research & Development costs; Own shares are disclosed under note 12.

Statement of Financial Position

US$ thousand	31 December 2023	31 December 2022
Non-current assets	407,379	407,423
Current assets	5,479	2,156
Total assets	**412,858**	**409,579**
Shareholders' Equity	408,957	407,980
Non-current liabilities	36	70
Current Liabilities	3,865	1,529
Total liabilities and shareholders' equity	**412,858**	**409,579**

- The Company's Non-current assets of US$ 407.4 million as at 31 December 2023, 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$ 5.5 million mainly include US$ 0.5 million financial receivables from the subsidiary d'Amico Tankers d.a.c. and US$ 5.0 million in cash and cash equivalents;
- Current liabilities of US$ 3.9 million include mainly accrued expenses relating to DIS' Long-Term Incentive Plan (LTI Plan) of US$ 2.6 million and other accrued general and administrative expenses.

For a detailed disclosure of the Events of the reporting period, please refer to the Significant events of the period of the consolidated Management report.

14 March 2024
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, 14 March 2024

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 2023, 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 material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements (pages 181 to 200) present fairly, in all material respects, the financial position of the Company as at 31 December 2023, 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.

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.

Recoverability of Investments in Subsidiaries

We refer to Note 1 "Material accounting policy information - 'Non-current financial assets (Investments in subsidiaries)' and Note 8 "Financial fixed assets Investments in subsidiaries". The Company has investments in subsidiaries of US $ 407,301,320 at 31 December 2023.

The carrying value of the investment in subsidiaries needs to be considered for impairment where any indicators arise that suggest that the carrying value of these investments would not be recoverable. We determined this to be a key audit matter as investments in subsidiaries are the principal assets held by the Company.

As the recoverable amount exceeded the carrying value, the investment in subsidiary was assessed not to be impaired.

How our audit addressed the Key Audit Matter

Our audit procedures performed to assess impairment indicators included:

- We obtained an understanding of Management's process and controls related to the identification of the impairment indicators;
- 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 evaluated management's impairment assessment and assessed any additional potential indicators of impairment through external and internal indicators;
- We considered the appropriateness of the disclosures in Note 1 and 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").

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.

- 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 173 to 174) is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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 2023 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 2023 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 2023

Statement of Income and Other Comprehensive Income

US$	Note	2023	2022
Revenue	(3)	52,989,011	74,844
General and administrative costs	(4)	(6,380,875)	(3,248,293)
Gross operating result		**46,608,136**	**(3,173,449)**
Depreciation	(7)	(43,329)	(34,089)
Operating result		**46,564,807**	**(3,207,538)**
Financial income	(5)	3,019,795	2,125,170
Financial charges	(5)	(28,589)	(132,680)
Net profit (loss)		**49,556,013**	**(1,215,048)**
Total comprehensive result for the period		**49,556,013**	**(1,215,048)**
Basic comprehensive income (loss) per share in US$[1]		**0.406**	**(0.010)**

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

The notes on pages 233 to 225 form an integral part of these statutory financial statements.

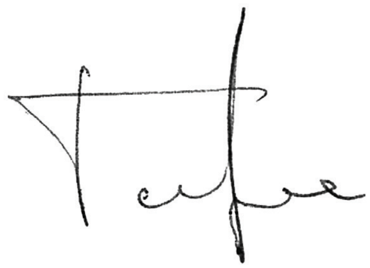
[1] Disclosure of earnings per share is provided in note n.19.

Statement of Financial Position

US$	Note	As at 31 December 2023	As at 31 December 2022
Non-current assets			
Property, Plant and Equipment	(7)	9,661	17,476
Right-of-use assets	(7)	68,204	103,718
Financial fixed assets	(8)	407,301,320	407,301,320
Total non-current assets		**407,379,185**	**407,422,514**
Current assets			
Receivables and other current assets	(9)	85,829	50,449
Current financial receivables	(10)	440,144	582,022
Cash and cash equivalents	(11)	4,952,616	1,523,969
Total current assets		**5,478,589**	**2,156,440**
Total assets		**412,857,774**	**409,578,954**
Shareholders' equity			
Share capital	(12)	62,053,278	62,053,278
Retained earnings	(12)	42,071,587	(7,375,471)
Share Premium	(12)	326,657,825	368,826,283
Other reserves	(12)	(21,825,634)	(15,523,728)
Total shareholders' equity		**408,957,056**	**407,980,362**
Non-current liabilities			
Lease payable	(13)	35,663	70,087
Total non-current liabilities		**35,663**	**70,087**
Current liabilities			
Lease payable	(13)	36,950	33,815
Payables and other current liabilities	(14)	3,828,105	1,494,690
Total current liabilities		**3,865,055**	**1,528,505**
Total liabilities and shareholders' equity		**412,857,774**	**409,578,954**

14 March 2024

On behalf of the Board



Paolo d'Amico,
Chief Executive Officer

Antonio Carlos Balestra di Mottola,
Chief Financial Officer

The notes on pages 233 a 252 form an integral part of these statutory financial statements.

Statement of Cash Flows

US$	2023	2022
Profit (loss) for the period	**49,556,013**	**(1,215,048)**
Dividend income	(52,989,011)	(74,844)
Depreciation	43,329	34,089
Financial charges (income)	(28,640)	132,680
Allotment & accruals LTI Plan* (share-based payments)	645,837	219,026
Cash flow from operating activities before changes in working capital	**(2,772,472)**	**(904,097)**
Movement in amounts receivable	106,499	3,970,200
Movement in amounts payable	(175,105)	40,929
Movement in payables for LTI Plan* (cash payments)	2,582,331	901,792
Interest (paid)	(23,783)	(120,406)
Tax (paid)	(16,584)	(5,497)
Net cash flow from operating activities	**(299,114)**	**3,882,921**
Acquisition of tangible fixed assets	-	(20,382)
Investment in fully-owned subsidiary	-	(3,179,400)
Reimbursement of loan by fully-owned subsidiary	-	4,074,578
Investment income – Dividends received	52,989,011	74,844
Net cash flow from investing activities	**52,989,011**	**949,640**
Share capital increase	-	4,279
Costs relating to operations on capital	(130,613)	-
Dividends paid	(42,037,845)	-
Purchase of treasury shares	(7,056,698)	-
Cash payment for the interest portion of the lease liability	(4,805)	(1,275)
Repayment for the principal portion of the lease liability	(31,289)	(32,188)
Net cash flow from financing activities	**(49,261,250)**	**(29,184)**
Change in cash balance	**3,428,647**	**4,803,377**
Cash and cash equivalents net of bank overdraft at the beginning of the year	1,523,969	(3,279,408)
Cash and cash equivalents net of bank overdraft at the end of the year	**4,952,616**	**1,523,969**
Cash and cash equivalents at the end of the year	4,952,616	1,523,969
Bank overdrafts at the end of the year	-	-

* LTI Plan stands for Long-Term Incentive Plan, further details are disclosed in note n.1

The notes on pages 233 a 252 form an integral part of these statutory financial statements.

Statement of Changes in Shareholders' Equity

US$	Share Capital	Retained Earnings (Accumulated losses)	Share premium	Legal Reserve	Own shares Reserve	Share-based payments Reserve	Total
Balance as at 1 January 2023	**62,053,278**	**(7,375,471)**	**368,826,283**	**3,425,076**	**(19,187,097)**	**238,293**	**407,980,362**
Purchase of treasury shares	-	-	-	-	(7,056,697)	-	(7,056,697)
LTI accruals, all share-based plans	-	-	-	-		645,836	645,836
LTI allotment, share-based (2019-2020 plan)	-	(108,955)	-	-	128,220	(19,265)	-
Dividend payments	-	-	(42,037,845)	-	-	-	(42,037,845)
Capitalisation of costs related to operations on capital*	-	-	(130,613)	-	-	-	(130,613)
Total comprehensive income	-	49,556,013	-	-	-	-	49,556,013
Balance as at 31 December 2023	**62,053,278**	**42,071,587**	**326,657,825**	**3,425,076**	**(26,115,574)**	**864,864**	**408,957,056**

* Reversal Stock Split of 13 June 2023

US$	Share Capital	Retained Earnings (Accumulated losses)	Share premium	Legal Reserve	Own shares Reserve	Share-based payments Reserve	Total
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	219,028	-
LTI accruals, share-based (2019-2020 plan)	-	-	-	-	-	(19,265)	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**

The notes on pages 233 a 252 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 interests in any enterprise 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 financial statements are expressed in U.S. Dollars, which is the functional currency of the Company, rounded to the nearest dollar.

1. MATERIAL 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.

Going concern

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.

Revenue recognition

It is represented by dividend 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 April 2023, following the expiry of the former stock-option plan, a renewed management compensation plan (Long Term Incentive Plan, LTI), involving share-based payments, was approved; the Plan, besides criteria linked to the financial and operating performance of the DIS Group, includes also elements connected with the Fleet's environmental performance, to support DIS' objectives of lowering its environmental footprint and of generating sustainable long-term value. In particular, 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 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% – 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%. An 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 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 the environmental footprint of its vessels. In particular, the six targets measured are:

I. The adjusted ROCE (75% of the pool), – modifies the ROCE through a matrix which accounts for the financial leverage in DIS' capital structure and the percentage of contract coverage;
II. Hedging Effectiveness (5% of the pool) – to be calculated as the ratio of the annual daily time-charter equivalent earnings of vessels employed through Spot contracts and vessels employed through Period Contracts at fixed rates, weighted respectively by the number of annual Spot days and number of annual Period Contract days in each year of the relevant period of the Plan.
III. Daily G&A (5% of the pool) – to be calculated as the percentage reduction or increase in the average annual daily General and administrative (G&A) costs during the relevant period of the Plan, weighted by the number of available vessel days in each year of the Plan, relative to the average annual daily G&A in the year preceding the commencement of the Plan.
IV. Daily Direct Operating Costs (5% of the pool) – to be calculated as the percentage reduction or increase in the average annual daily direct operating costs for DIS' owned and bareboat vessels during the relevant period of the Plan, weighted by the number of owned and bareboat available vessel days in each year of the Plan, relative to the average daily annual direct operating costs for such vessels in the year preceding the commencement of the Plan.
V. EEDI/EEXI (5% of the pool) – CO_2 per dwt ton-miles for all owned and bareboat vessels – to be calculated as the percentage reduction in the average CO_2 emissions per dwt ton-miles, based on the technical specification of the vessel rather than on the actual metric tons transported and on the actual miles sailed, for all DIS' owned and bareboat vessels during the relevant period of the Plan, relative to the level for this indicator in the year preceding the commencement of the Plan.
VI. EEOI (5% of the pool) – CO_2 per ton-miles for owned and bareboat vessels operated on the spot market – to be calculated as the percentage reduction in the average CO_2 emissions per ton-miles, defined as the sum of the product of the actual metric tons transported and the actual miles sailed for each of DIS' owned and bareboat vessels' spot voyages during the relevant period of the Plan, relative to the level for this indicator in the year preceding the commencement of the Plan.

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.

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 is determined based upon the arithmetic average of the official market closing prices of DIS' ordinary shares in the last calendar month of the year prior to the board resolution verifying 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 management 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. For the 2023-2024 LTI rolling period, the accrual of the bonus pool is based on the forecasted results and takes into consideration the relevant vesting of the cash component.

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).

The fair value of the awards is determined at grant date (date of the Annual General Meeting) 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 sale 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 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 the 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 resulting from 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 value 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

Dividend payments are reported as a movement in equity in the period in which they are approved by the shareholders' meeting when dividends are final, or by the Board of Directors, for interim dividends.

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 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 it 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.

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 therefore 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 levels which incentivise companies to pursue such switch. It is very difficult for d'Amico Tankers d.a.c., DIS' subsidiary, which owns DIS Group's Fleet, 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 of the consolidated accounts for a discussion of how climate related matters affected our value-in-use calculations).

DIS' subsidiary d'Amico Tankers d.a.c. (DTL), has a modern fleet with an average of approximately 8.8 years as at 31 December 2023, relative to an industry average of 13.5 years for MRs and LR1s (25,000 – 84,999 dwt), as at the same date. DTL, is therefore favourably positioned to confront such changes. DIS subsidiary 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).

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 of the consolidated accounts, 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 was confronted with rapidly rising operating costs, in particular for crew members, fuel and insurance. Central banks although initially hesitant, eventually reacted forcefully by substantially raising discount rates and through quantitative tightening. These policies have been effective in taming inflation, which in most countries has been on a downward trajectory for most of 2023 and in 2024 so far. The resulting increase in interest rates, increased debt service costs for the DIS' subsidiary (d'Amico Tankers d.a.c.) for the part of its financial indebtedness which is subject to variable rates (SOFR) and not hedged through interest rate swaps.

Conflicts in the Middle East

The war between Israel and Hamas has heightened tensions throughout the Middle East, increasing the risk that a wider conflict might erupt. The attacks on several vessels by the Houthis in Yemen, purportedly in support of Hamas, have disrupted trade flows through the Suez Canal. The number of product tankers crossing through the Bab-el-Mandeb strait has dropped significantly following the escalation in attacks in the first weeks of this year, with shipowners choosing to go through the longer route around the Cape of Good Hope. The Suez Canal is an important passageway for both crude and product tankers, and therefore the disruptions caused by these attacks has been significant, having led to an important reduction in fleet availability, generating a tighter market and higher freight rates. An escalation of the conflict, involving a war also with Iran, could lead to a closure of the strait of Hormuz, a vital chokepoint for the exports of crude and refined products from the Middle East. Such an event would cause the oil markets to be severely undersupplied, with immediate negative repercussions for both crude and product tankers.

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 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 and 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's regulatory framework.

New 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 period 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 bank facilities and lease liabilities over the fair market value of the Group's owned and bareboat vessels.

3. REVENUE

US$	2023	2022
Dividend income	52,989,011	74,844

A dividend from the key operating subsidiary, d'Amico Tankers d.a.c., equivalent to US$ 53.0 million, was received in 2023 (2022: US$ 75 thousand from d'Amico Tankers d.a.c.).

4. GENERAL AND ADMINISTRATIVE COSTS

US$	2023	2022
Wages, benefits and director fees	(1,984,770)	(1,052,654)
Other operating charges	(4,396,105)	(2,195,639)
Total General & Administrative costs	**(6,380,875)**	**(3,248,293)**

Employees, wages, benefits and director fees

The Company employs one administrative employee (2022: one administrative employee). The total charge for wages and salaries, including social contributions, amounted to the equivalent of US$ 194,713 in 2023 (in 2022 the total charge for wages and salaries was of US$ 138,658).

Total general and administrative costs include accruals amounting to US$ 1.4 million relating to the 2022-2023 and 2023-2024 rolling periods of the Long-Term Incentive Plan, granted to the key managers and executive directors of DIS. Please refer to the note 1, Long-Term Incentive Plan including Equity Compensation (Share Based Payments), for full details and disclosures of calculations for this Plan. DIS' shares serving the Plan, are those held in portfolio by the Company as at 14 March 2024 (n. 3,453,542 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.

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 2023, which after a 20% withholding tax represents a net remuneration of € 264,000 (2022: total € 330,000, to which a 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 2023 (2022: € 35,000). In 2023 no commitments arose in respect of retirement plans and no advances or loans were granted to the Company's employees (2022: nil).

Other operating charges

They amount to US$ 4,396,105 in 2023 (2022: US$ 2,195,639), comprising mostly professional fees and advisory costs relating to the Company's publicly listing status, amounting to around US$ 0.6 million (2022: US$0.5 million) as well as accrued LTI costs amounting to US$ 1.8 million (2022: US$ 0.6 million). In 2023, expense related to the *réviseur d'entreprise agréé* amounted to the equivalent of US$ 47.0 thousand. Other operating charges in 2023 include € 4.8 thousand Net Wealth Tax (2022: € 21.4 thousand Net Wealth Tax).

5. FINANCIAL INCOME (CHARGES)

US$	2023	2022
Financial income	3,019,795	2,125,170
Financial charges	(28,589)	(132,680)
Net financial income (charges)	**2,991,206**	**1,992,490**

Financial income in 2023 comprises mainly guarantee income, for financial guarantees provided to the subsidiary d'Amico Tankers d.a.c., totalling US$ 1,968,527 and interest income deriving from short-term securities and funds held with financial institutions on deposit and current accounts, amounting to US$ 1.0 million (2022: guarantee and interest income received from d'Amico Tankers of US$ 2,125,170), the remainder being realised commercial foreign exchange differences. Financial charges in 2023 include US$ 23,729 financial fees (2022: US$ 35,297) and US$ 4,805 interest expense on the lease liability relating to the office space (2022: US$ 1,275). Year 2022 financial charges comprised also net losses on commercial foreign exchange differences of US$ 10,999 and interest expense due on an overdraft facility of US$ 85,109.

6. TAX EXPENSE

The Luxembourg law of 22 December 2023 has implemented the EU Minimum Taxation Directive ("Council Directive (EU) 2022/2523") into domestic law ("Luxembourg Pillar Two Law") to ensure a global minimum level of taxation for multinational groups and large-scale domestic groups in the EU, commonly known as Pillar Two.

As per the Law, the Income Inclusion Rule ("IIR") as well as the qualified domestic minimum top-up tax ("QDMTT") will be applicable in Luxembourg as from 1 January 2024. A tax levied based on the Undertaxed Profits Rule ("UTPR") will be applicable in Luxembourg as from 1 January 2025 with some exceptions.

The 2023 corporate tax rate in Luxembourg is of 24.94%. d'Amico International Shipping S.A. had, at the end of 2023, cumulative tax losses to be carried forward, including the result of the year, of approximately € 58.9 million (equivalent to US$ 65.1 million). For this reason, no cost for corporate income tax or municipal business tax was accrued for in 2023 (2022: 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.

US$	2023		2022	
	PPE	RoU	PPE	PPE
At 1 January				
Cost or valuation	35,158	106,640	35,616	110,082
Accumulated depreciation	(17,682)	(2,922)	(33,123)	(84,314)
Opening net book amount	**17,476**	**103,718**	**2,493**	**25,768**
Additions	-	-	20,382	106,640
Write-off - assets	-	-	(20,840)	(110,282)
Write-off – depreciation fund	-	-	20,840	110,282
Depreciation charge for the period	(7,815)	(35,514)	(5,399)	(28,690)
Closing net book amount	**9,661**	**68,204**	**9,661**	**68,204**
As at 31 December				
Cost or valuation	35,158	106,640	35,158	106,640
Accumulated depreciation	(25,497)	(38,436)	(17,682)	(2,922)

8. FINANCIAL FIXED ASSETS

Investment in subsidiaries

Company	Country	Ownership	Ccy	Book value as at 31 December 2022	Increase (decrease)	Book value at 31 December 2023
d'Amico Tankers d.a.c.	IRL	100%	USD	407,301,320	-	407,301,320

d'Amico Tankers d.a.c. (DTL) is the only direct subsidiary of d'Amico International Shipping.

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	dormant
d'Amico Tankers Monaco S.A.M.	99.8%	Monaco	Services
d'Amico Tankers UK Limited	100%	UK	Services

* inactive

9. FINANCIAL RECEIVABLES

US$	As at 31 December 2023	As at 31 December 2022
Receivables and other current assets	**85,829**	**50,449**

As at year-end 2023, the balance of US$ 85,829, represents sundry debtors and prepaid company expenses (2022: US$ 50 thousand sundry debtors and prepaid company expenses; in the previously reported balance for 2022, also a credit for financial guarantees receivable amounting to US$582,022 was included, which has now been reclassified into financial receivables).

10. RECEIVABLES AND OTHER CURRENT ASSETS

US$	As at 31 December 2023	As at 31 December 2022
Current financial receivable	**440,144**	**582,022**

The total balance for financial receivables as at year-end 2023 and 2022, represent financial guarantee fees owed by the Company's fully-owned subsidiary, d'Amico Tankers d.a.c.. In 2022 the amount was previously reported under commercial receivables.

11. CASH AND CASH EQUIVALENTS

US$	As at 31 December 2023	As at 31 December 2022
Cash and cash equivalents	**4,952,616**	**1,523,969**

Cash and cash equivalents represent cash held at the bank amounting to US$ 1,000,914 and investment grade government bonds with a maturity of up to 3 months amounting to US$ 3,951,702 (please refer to note 1).

12. CAPITAL AND RESERVES

Share capital

In the month of June 2023, d'Amico International Shipping completed a reverse stock split with respect to all the shares of the Company at a ratio of one (1) to ten (10) (the "Reverse Stock Split"), which became effective on 19 June 2023 (the "Effective Date"), as previously approved by the Company's extraordinary general meeting of shareholders held on 13 June 2023 (the "EGM") and implemented by the Board of Directors resolution on 14 June 2023 in compliance with the relevant delegation of powers conferred by the EGM. To avoid the creation of fractions of consolidated shares as a result of the Reverse Stock Split, nine (9) of the existing Treasury shares of the Company were cancelled, reducing the number of issued shares of the Company from 1,241,065,569 to 1,241,065,560, without reducing the share capital of the Company.

As a result of the Reverse Stock Split, as of the Effective Date, the share capital of the Company is set at USD 62,053,278.45 and is divided into 124,106,556 shares with no nominal value. As of the Effective Date, the consolidated shares of the Company trade under the new ISIN code LU2592315662.

As at 31 December 2023, the share capital of d'Amico International Shipping amounted to US$ 62,053,278.45 corresponding to 124,106,556 ordinary shares with no nominal value (31 December 2022: US$ 62,053,278.45 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 hundred seventy-five million (175,000,000) shares with no nominal value.

Retained earnings

As at 31 December 2023, 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.

In April 2023, DIS' General Shareholders' Meeting approved a gross dividend of US$22,011,953.96 (US$ 0.1800 gross per share – amount adjusted for the 1 to 10 Reverse Stock Split implemented by the Company, as mentioned under the Share capital paragraph). In November 2023, DIS' Board of Directors authorised an interim gross dividend of US$ 20,025,983.50 (US$ 0.1659 gross per share). The dividends approved in 2023 were distributed from the share premium reserve.

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. No allocation was made to the Legal reserve in 2023 since in 2022 the Company incurred a net loss.

Treasury shares

Reference is made to the previously disclosed Reverse Stock Split. Treasury shares as at 31 December 2023 consist of 3,453,542 ordinary shares, with a book value of US$ 26.1 million, corresponding to 2.78% 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 Shareholders held on 18 April 2023, allowing the Company to purchase up to 18,615,795 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, terminating in April 2023. During 2023 DIS delivered to the beneficiaries of its Long-Term Incentive Plan, comprising DIS Group's key managers and executive directors, n.15,510 own shares at a total average cost of US$ 128 thousand (0.0125% of its share capital), as the second tranche of the compensation in-kind for the 2019-2020 period. In 2023, DIS purchased n. 1,650,619 own shares, while in 2022, DIS did not purchase 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 2023, 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$ 658,740.

13. LEASE PAYABLE

US$	As at 31 December 2023	As at 31 December 2022
Total future minimum lease payments (gross investment)	**76,245**	**111,983**
due within one year	39,780	38,394
due in one to three years	36,465	73,589
Principal repayments of minimum lease payments	**72,613**	**103,902**
due within one year	36,950	33,815
due in one to three years	35,663	70,087

The short-term and long-term liabilities correspond 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.

14. PAYABLES AND OTHER CURRENT LIABILITIES

US$	As at 31 December 2023	As at 31 December 2022
Payables and other current liabilities	**3,828,105**	**1,494,690**

Payable and other current liabilities as at 31 December 2023 include US$ 1.2 million in payables and accruals from suppliers of services and VAT payable, arising from the day-to-day administrative activity of the Company (31 December 2022: US$ 0.2 million payables and accruals from suppliers of services, arising from the day-to-day administrative activity of the Company) and the accrued provision for the cash component of the LTI employee benefits, amounting to US$ 2.6 million. (31 December 2022: US$ 0.9 million accrued provision for the cash component of the LTI employee benefits, Net Wealth Tax payable equivalent to US$ 17.7 thousand). No Other current liabilities were posted as at 31 December 2023 or 31 December 2022.

15. 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 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$ 0.3 million in the net result of the Company in 2023 (US$ +/- 0.2 million in 2022). 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 Company has no financial liabilities in respect of which a sensitivity analysis should be performed.

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 a 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 2023 the Company's prospective cashflows for its financial liabilities, based on contractual repayment terms.

	As at 31 December 2023			
	< 6 months	6-12 months	1-5 years	Total
Leasing	19,890	19,890	36,465	**76,245**

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 policy:

US$	As at 31 December 2023 Amortised cost	As at 31 December 2022 Amortised cost
Receivables and other current assets	85,829	50,449
Current financial receivables	440,144	582,022
Cash and cash equivalents	4,952,616	1,523,969
Lease payable	72,613	103,902
Payables and other current liabilities	3,828,105	1,494,690

16. RELATED PARTIES TRANSACTIONS

During 2023, 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 2023 (excluding VAT impact) were the following:

US$	d'Amico International Shipping S.A.	d'Amico Società di Navigazione 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	**52,989,011**								
of which									
Dividend	52,989,011	-	-	52,989,011	-	-	-	-	-
Gen.& administrative costs	**(6,380,875)**								
of which									
Personnel cost / director fees	(352,287)	-	-	-	-	-	-	-	(352,287)
Long Term Incentive benefits	(1,278,044)	-	(560,373)	-	-	(78,649)	(98,311)	(540,711)	-
Services agreement	(966,330)	(893,024)	(73,306)	-	-	-	-	-	-
Depreciation	**(43,329)**								
of which									
Depreciation of RoU	(35,514)	-	-	-	(35,514)	-	-	-	-
Net financial income (charges)	**2,991,206**								
of which									
Financial guarantees	1,968,527	-	-	1,968,527	-	-	-	-	-
Lease interest cost	(4,805)	-	-	-	(4,805)	-	-	-	-
Total		**(893,024)**	**(633,679)**	**54,957,538**	**(40,319)**	**(78,649)**	**(98,311)**	**(540,711)**	**(352,287)**

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 Navigazione 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)**

* 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 2023 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	d'Amico Shipping Singapore	d'Amico Shipping USA	d'Amico Tankers Monaco	Tankers UK Ltd.
Right-of-Use assets	**68,204**							
of which related party	68,204	-	68,204	-	-	-	-	-
Receivables&other current assets	**525,973**							
of which related party	444,858	440,144	4,714	-	-	-	-	-
Current liabilities	**3,865,055**							
of which related party	1,854,130	-	58,978	481,779	80,714	100,892	576,861	554,906
Non-current liabilities	**35,663**							
of which related party	35,663	-	35,663	-	**-**	**-**	**-**	**-**
Net total (assets less liabilities)		**440,144**	**(21,723)**	**(481,779)**	**(80,714)**	**(100,892)**	**(576,861)**	**(554,906)**

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 Società 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 (assets less liabilities)	**(20,687)**	**582,022**	**56,246**	**(176)**	**(40,080)**	**(50,100)**	**(293,051)**	**(275,548)**

17. 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 2023, in respect of the following bank loans and leasing transactions:

Bank (US$ Thousand)	Committed Amount	Outstanding amount
Skandinaviska Enskilda Banken AB	20,000	16,960
ABN Amro Bank N.V.	14,025	10,915
Banco BPM SpA	15,500	13,216
Tokyo Century Corporation	21,780	11,979
Danish Ship Finance A/S	25,200	20,700
ING Bank N.V., London Branch & Skandinaviska Enskilda Banken AB	82,000	73,437
Crédit Agricole CIB & ING Bank N.V. London Branch	54,213	43,660
Skandinaviska Enskilda Banken AB	20,000	18,340
The Iyo Bank, Ltd. Singapore Branch	17,500	16,825
NTT TC Leasing Co., Ltd.	20,000	19,688
Total	**290,218**	**245,720**

Leases	Vessel	Lease liability
	High Fidelity	19,000
	Cielo di Houston	29,052
	High Discovery	19,781
Total		**67,833**

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. EARNINGS PER SHARE (E.P.S.)

US$	2023	2022
Basic e.p.s.	0.4061	(0.0010)
Diluted e.p.s.	0.4061	(0.0010)
Weighted average number of ordinary shares used as the denominator in calculating basic e.p.s.	122,028,044	122,279,375*
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.	**122,028,044**	**122,279,375***

* For comparative reasons, reported average outstanding shares used in the calculation of the 2022 e.p.s. were adjusted following the criteria of the Reverse stock split which occurred on 13 June 2023 (please refer to note n.12 for more detailed information), and the earnings per share (e.p.s.) were restated accordingly.

In 2023 and in 2022 diluted e.p.s. were equal to basic e.p.s.

20. NON-ADJUSTING SUBSEQUENT EVENTS

A dividend of US$ 40.0 million was paid to the Company by its subsidiary d'Amico Tankers d.a.c. in the month of January 2024.

The Board of Directors resolved today to propose to the Annual Shareholders' Meeting duly convened on the 23rd day of April 2024 (the "AGM") to approve an annual gross dividend of US$ 30,007,114.24.

For a detailed disclosure of further events subsequent to the closing of the reporting period, please refer to the significant events after the reporting period and business outlook sections 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.

14 March, 2024

Antonio Carlos Balestra di Mottola,
Chief Financial Officer

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