



PRESS RELEASE

The Board of Directors of d'Amico International Shipping S.A. approves Q2 and H1 2023 Results:

***'DIS RECORDED A VERY PROFITABLE FIRST HALF OF 2023:
NET PROFIT OF US\$ 99.8M, EBITDA OF US\$ 142.7M (69.3% MARGIN)
AND CASH FLOW FROM OPERATING ACTIVITIES OF US\$ 173.0M.
VERY STRONG FINANCIAL STRUCTURE, WITH NET DEBT (EXCLUDING IFRS16) TO FLEET MARKET
VALUE RATIO OF ONLY 25.3%, AND CASH AND EQUIVALENT OF US\$ 113.3M.'***

FIRST HALF 2023 RESULTS

- Time charter equivalent earnings (TCE) of US\$ 203.5 million (US\$ 115.6 million in H1'22)
- Total net revenue of US\$ 205.9 million (US\$ 118.0 million in H1'22)
- Gross operating profit/EBITDA of US\$ 142.7 million (69.3% on total net revenue) (US\$ 66.2 million in H1'22)
- Net result of US\$ 99.8 million (US\$ 19.2 million in H1'22)
- Adjusted Net result (excluding non-recurring items) of US\$ 103.6 million (US\$ 22.6 million in H1'22)
- Cash flow from operating activities of US\$ 173.0 million (US\$ 18.9 million in H1'22)
- Net debt of US\$ 300.4 million (US\$ 271.6 million excluding IFRS16) as at 30 June 2023 (US\$ 409.9 million and US\$ 370.0 million excluding IFRS16, as at 31 December 2022)

SECOND QUARTER 2023 RESULTS

- Time charter equivalent earnings (TCE) of US\$ 97.2 million (US\$ 72.8 million in Q2'22)
- Total net revenue of US\$ 98.4 million (US\$ 74.0 million in Q2'22)
- Gross operating profit/EBITDA of US\$ 66.3 million (US\$ 48.5 million in Q2'22)
- Net result of US\$ 45.7 million (US\$ 25.7 million in Q2'22)
- Adjusted Net result (excluding non-recurring items) of US\$ 47.1 million (US\$ 26.7 million in Q2'22)

Luxembourg - July 27th, 2023 – The Board of Directors of d'Amico International Shipping S.A. (Borsa Italiana: "DIS") (hereinafter: "the Company", "d'Amico International Shipping" or the "Group"), a leading international marine transportation company operating in the product tanker market, today examined and approved the Company's half-year and second quarter 2023 consolidated financial results.

MANAGEMENT COMMENTARY

Paolo d'Amico, Chairman and Chief Executive Officer of d'Amico International Shipping commented:

'I am glad to report the strong financial results achieved by DIS in the first half of the year. In detail, DIS recorded a Net profit of US\$ 99.8 million in H1 2023 vs. a Net profit of US\$ 19.2 million posted in the same period of 2022, whilst in Q2 2023, DIS posted a Net profit of US\$ 45.7 million vs. a Net profit of US\$ 25.7 million in the second quarter of last year.

Looking at our TCE performance, DIS achieved a daily spot rate of US\$ 34,216 in H1 2023 vs. US\$ 21,037 in H1 2022 and of US\$ 31,746 in Q2 2023 vs. US\$ 28,687 in Q2 2022. At the same time, DIS had 26.2% of its employment days covered at an average daily TCE rate US\$ 27,419 in H1 2023 (H1 2022: 42.1% coverage at an average daily rate of US\$ 15,158). Thus, the Company achieved a total blended daily TCE



(spot and time-charter) of US\$ 32,434 in H1 2023, compared with US\$ 18,559 achieved in H1 2022 and of US\$ 30,831 in Q2 2023 vs. US\$ 23,389 in Q2 2022.

According to the IEA's July report, global oil demand will grow by 2.2 million b/d in 2023, reaching a record 102.1 million b/d, a level which is 1.5 million b/d higher than in 2019, before the pandemic. China's demand will account for about 73% of the estimated total global gains, with an expected increase of 1.6 million b/d. The lifting of Covid restrictions in China, should generate strong growth in global jet-fuel consumption, expected to increase by 1.0 million b/d in 2023 (+16.6% y-o-y). According to the IEA, whilst flight traffic in China continued to recover in the first six months of the year, international air traffic is still around 17% below pre-pandemic levels and it is expected that jet/kerosene demand in the country will regain its 2019 level only during Q3 2023.

Throughout the first half of 2023, the product tanker market has remained at historically strong levels, despite an increase in volatility and some softer trends experienced towards the end of Q2. Several temporary factors contributed to this slightly less vigorous market. Firstly, refinery maintenance in the USA, China, and Russia during the first part of the year, negatively affected exports out of these regions. In addition, the slow-down in industrial activity in the US and Europe, impacted diesel demand. Finally, the uncertainty surrounding the effects of the entry into force of EU's sanctions on Russian product exports in February this year, led to a significant increase in imports of diesel and resulting build-up in stocks, especially by European countries, in the months preceding its implementation, dampening arbitrage opportunities later.

However, after reaching a seasonal low in March at 80.8 million b/d, global refining throughputs rose to 82.0 million b/d in June and the IEA expects output to increase by a further 1.6 million b/d by August. In the second half of the year throughputs should be 1.2 million b/d higher than in H1 2023. This should translate into increased volumes transported by product tankers. On 5 February 2023, the EU sanctions and associated price cap on Russian oil product exports came into force and have been having a material impact on the product tanker market. According to the IEA, in June 2023 Russia exported products for a total of 2.6 million b/d compared with 2.7 million b/d in January 2021. However, in the same period Russian exports to Europe have collapsed (-85% y-o-y) and those to Asia (India and China in particular), Africa, Turkey, Brazil, and the Middle East, have surged to record levels. Disruptions to trade flows due to the rerouting of Russian oil to new more distant destinations have significantly increased oil in transit and ship waiting times. In fact, shipments from Western Russia to Europe took around 10 days, while voyages to India and China take approximately 30 to 40 days, respectively.

Long-term fundamentals continue to be very strong for the product tanker industry. The secular dislocation of refinery capacity further away from key consuming centres (Europe, USA, Australia) will be extremely beneficial for product tankers' ton-mile demand. In fact, more than 72% of the net planned refinery capacity additions in the 2023-25 period are expected to be in the Middle East, India, China and the rest of Asia. Also, our industry looks extremely healthy from a supply point of view. Despite a recent uptick in ordering activity (mainly in the LR2 segment, where DIS does not operate), market players are reluctant to order newbuild vessels given the significant increase in costs, the technological uncertainties related to the implementation of new demanding environmental regulations (EEXI and CII, in particular), and limited yard availability, with vessels ordered today likely to be for delivery only in 2026, with very few slots likely to be available for the end of 2025. According to Clarksons, as at the end of June 2023, 9.0% of the MR and LR1 fleet was over 20 years old (in dwt), 38.2% was more than 15 years old, whilst the current order book in these segments represented only 4.7% of the current trading fleet.

In the second quarter of the year, DIS exercised its purchase options on three bareboat chartered-in vessels (MT High Loyalty, MT High Trust, and MT High Trader), in addition to the two options already exercised between December 2022 and January 2023, with the objective of further deleveraging our balance sheet



and reducing our breakeven. I am proud to report that at the end of June 2023, **the ratio between our net financial position (excluding IFRS 16) and our fleet market value was at a very healthy level of 25.3%** vs. 36.0% at the end of 2022 and 72.9% at the end of 2018.

Thanks to our strong financial position and the good prospects of our market, DIS was able to reward its shareholders in Q2 2023 also through a dividend distribution of US\$ 22.0 million and through the start of a new buyback program.

As we look at the future of our industry with optimism, I am confident DIS will continue to generate value and attractive returns for our Shareholders in the next quarters and years.'

Carlos Balestra di Mottola, Chief Financial Officer of d'Amico International Shipping commented:

'In the first half of 2023, **DIS posted a consolidated Net profit of US\$ 99.8 million** vs. a Net profit of US\$ 19.2 million in the same period of last year. Our adjusted net result (excluding results on disposals and non-recurring financial items, as well as asset impairments, from both periods) was of US\$ 103.6 million in H1 2023 compared with US\$ 22.6 million in H1 2022. Looking at the **second quarter of the year, DIS posted a Net profit of US\$ 45.7 million** vs. a Net profit of US\$ 25.7 million in Q2 2022, whilst our adjusted net results were of US\$ 47.1 million in Q2 2023 and of US\$ 26.7 million in Q2 2022.

In the first half of the year, we generated an **EBITDA of US\$ 142.7 million** compared with US\$ 66.2 million achieved in H1 2022 (Q2 2023: US\$ 66.3 million vs. Q2 2022: US\$ 48.5 million), which contributed to an extraordinarily **strong operating cash flow of US\$ 173.0 million in H1 2023**, compared with US\$ 18.9 million in the same period of last year.

In the first half of 2023, DIS further strengthened its balance sheet and at the end of the period could count on a **Net Financial Position (NFP) of US\$ 300.4 million and Cash and cash equivalents of US\$ 113.3 million** vs. a NFP of US\$ 409.9 million at the end of 2022. **DIS' leverage** (calculated as the ratio between our NFP excluding IFRS16 effects and our fleet market value) **was of only 25.3% as at 30 June 2023** vs. 36.0% at the end of 2022 and 72.9% at the end of 2018. Between December 2022 and May 2023, we exercised purchase options on five of our bareboat chartered-in ships (three already delivered to us in H1 2023 and two delivered in July 2023). The gradual exercise of our purchase options on DIS' bareboat chartered-in vessels is in line with the objective of deleveraging our balance sheet and lowering our breakeven.

In addition to having already substantially reduced our financial leverage, we have almost no refinancing risk in the next years, as only a small portion of our bank debt matures in 2025, whilst the loans which were due to mature in 2023 have already been refinanced at very competitive terms. The only balloon which was due to mature in 2024 was instead prepaid in April 2023 and should be refinanced in Q3 '23.

Also, following the exercise of DIS' purchase option on MT High Explorer (a time-chartered-in vessel delivered to us in May) for a consideration of approximately US\$ 30.0 million, DIS has no remaining CAPEX commitments, apart from those arising from our fleet's maintenance.

In Q2 2023, thanks to our strong balance sheet and liquidity position, we were able to distribute US\$ 22.0 million in dividends and more recently started executing on a newly approved share buyback program. I believe that thanks to our highly professional and committed teams, as well as our financial and commercial strengths, coupled with the solid fundamentals of our industry, DIS will continue generating attractive returns in the foreseeable future.'



FINANCIAL REVIEW

SUMMARY OF THE RESULTS IN THE SECOND QUARTER AND FIRST HALF OF 2023

The product tanker market has remained strong throughout the first half of 2023 but has experienced some softer trends towards the end of Q2. The refinery turnarounds in China, the US and Russia in the first half of the year, negatively affected exports out of these regions. The slow-down in the economies in Europe and the US, which was particularly pronounced for the industrial sector, also negatively affected demand for diesel, contributing to the product tanker market's weaker dynamics. Furthermore, the uncertainty surrounding the effects of the entry into force of EU's sanctions on Russian product exports in February this year, led to hoarding of diesel by some countries and in particular Europe, in the months preceding its implementation, dampening arbitrage opportunities for the imports of such products.

Nonetheless, the fundamentals for the sector remain very robust, with negligible fleet growth, a still strong post-pandemic growth in oil demand, and the inefficiencies and increase in ton-miles associated with the Russian sanctions. Furthermore, the refinery turnarounds are now largely completed and a ramp-up in refining throughput (+1.6 mbpd) and exports is expected between June and August this year.

The one-year time-charter rate is always the best indicator of spot market expectations and as at the end of June 2023 was assessed at around US\$ 26,000 per day for a conventional MR2, with an Eco MR2 assessed at a premium of around US\$ 3,000 per day.

In H1 2023, DIS recorded a Net profit of US\$ 99.8 million vs. a Net profit of US\$ 19.2 million posted in the same period of 2022. Such positive variance is attributable to a much stronger product tanker market relative to the same period of last year. Excluding results on disposal and non-recurring financial items, as well as the asset impairment (in H1 2022), DIS' Net result would have amounted to US\$ 103.6 million in H1 2023 compared with US\$ 22.6 million recorded in H1 2022. **In Q2 2023, DIS posted a Net profit of US\$ 45.7 million** vs. a Net profit of US\$ 25.7 million in the second 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\$ 47.1 million in Q2 2023 compared with US\$ 26.7 million in Q2 2022.

DIS generated an EBITDA of US\$ 142.7 million in H1 2023 vs. US\$ 66.2 million achieved in H1 2022 (Q2 2023: US\$ 66.3 million vs. Q2 2022: US\$ 48.5 million), whilst its **operating cash flow was positive for US\$ 173.0 million in H1 2023** compared with US\$ 18.9 million generated in the same period of last year.

In terms of spot performance, **DIS achieved a daily spot rate of US\$ 34,216 in H1 2023** vs. US\$ 21,037 in H1 2022 (Q2 2023: US\$ 31,746 vs. Q2 2022: US\$ 28,687), due to the much stronger market relative to the same period of last year.

At the same time, 26.2% of DIS' total employment days in H1 2023, were covered through 'time-charter' contracts at an average daily rate of US\$ 27,419 (H1 2022: 42.1% coverage at an average daily rate of US\$ 15,158). 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\$ 32,434 in the first six months of 2023, compared with US\$ 18,559** achieved in the same period of 2022 (Q2 2023: US\$ 30,831 vs. Q2 2022: US\$ 23,389).

OPERATING PERFORMANCE

Revenue was US\$ 270.8 million in H1 2023 (US\$ 175.3 million in H1 2022) and US\$ 130.6 million in Q2 2023 (US\$ 108.7 million in Q2 2022). The increase in gross revenue compared with the previous year is attributable



mainly to a stronger freight market. In addition, the percentage of off-hire days in H1 2023 (2.0%) was higher than in the same period of the previous year (0.8%), 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\$ (67.3) million in H1 2023 compared with US\$ (59.7) million in H1 2022 (Q2 2023: US\$ (33.4) million vs. Q2 2022: US\$ (36.0) million). The higher costs reflect DIS' higher exposure to the spot market and higher bunker prices, relative to the same period of last year.

Time charter equivalent earnings were of US\$ 203.5 million in H1 2023 vs. US\$ 115.6 million in H1 2022 and US\$ 97.2 million in Q2 2023 vs. US\$ 72.8 million in Q2 2022. In detail, DIS realized a **daily average spot rate of US\$ 34,216 in H1 2023** compared with US\$ 21,037 achieved in H1 2022, and of **US\$ 31,746 in Q2 2023** compared with US\$ 28,687 in Q2 2022.

In H1 2023, DIS maintained a good level of 'coverage'¹ (fixed-rate contracts), securing an average of 26.2% (H1 2022: 42.1%) of its available vessel days at a daily average fixed rate of US\$ 27,419 (H1 2022: US\$ 15,158). 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)² was of US\$ 32,434 in H1 2022 vs. US\$ 18,559 in H1 2022, and of US\$ 30,831 in Q2 2023 vs. US\$ 23,389 in Q2 2022.

DIS TCE daily rates (US dollars)	2022						2023		
	Q1	Q2	H1	Q3	Q4	FY	Q1	Q2	H1
Spot	12,857	28,687	21,037	37,159	42,751	31,758	36,652	31,746	34,216
Fixed	14,968	15,373	15,158	15,497	19,957	15,925	26,367	28,383	27,419
Average	13,796	23,389	18,559	30,230	38,294	26,376	34,056	30,831	32,434

Bareboat charter revenue was of US\$ 2.4 million in H1 2023, in line with the same period of last 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

¹ Coverage ratio (%) and daily average covered rate include a bareboat charter out contract on an LR1 vessel owned by d'Amico Tankers d.a.c., inclusive of an assumed daily Opex of US\$ 6,885 (in line with DIS' actual costs), in order to express this bareboat contract in time-charter equivalent terms. The gross revenue of this bareboat contract is reported under 'bareboat charter revenue' in the Income Statement.

² 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' 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.



duration is shorter than 12 months from their commencement date. The application of IFRS16 reduced 'charter hire costs' by US\$ 22.0 million in H1 2023 and by US\$ 24.2 million in H1 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\$ (22.0) million in H1 2023 compared with US\$ (25.9) million in the same period of last year. In H1 2023, DIS operated a lower number of chartered-in vessels (7.8 equivalent ships) relative to the first half of last year (10.0 equivalent ships).

Other direct operating costs mainly consist of crew, technical and luboil expenses relating to the operation of owned vessels, together with insurance expenses for both owned and chartered-in vessels. The adjustment to 'other direct operating costs' arising from the application of IFRS 16 increases such expenses by US\$ 9.9 million in H1 2023 (US\$ 10.9 million increase in H1 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\$ (38.1) million in H1 2023 vs. US\$ (31.2) million in H1 2022. In H1 2023, the Company operated a larger fleet of owned and bareboat vessels relative to the same period of last year (H1 2023: 28.2 vs. H1 2022: 25.8). 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\$ (11.3) million in H1 2023 vs. US\$ (6.8) million in H1 2022. These costs relate mainly to onshore personnel, together with office costs, consultancies, travel expenses and others.

Result on disposal of vessel was negative for US\$ (3.8) million in H1 2023 vs. US\$ (1.0) million in same period of last year. The amount refers to the amortisation of the net deferred result on all vessels sold and leased back in the previous years. In addition, the amount for H1 2023 includes US\$ (3.1) 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 current year.

EBITDA was of US\$ 142.7 million in H1 2023 compared with US\$ 66.2 million in the same period of last year (Q2 2023: US\$ 66.3 million vs. Q2 2022: US\$ 48.5 million), reflecting the better freight markets experienced in the first six months of the current year.

Depreciation, impairment, and impairment reversal amounted to US\$ (30.5) million in H1 2023 vs. US\$ (32.5) million in H1 2022 (Q2 2023: US\$ (14.7) million vs. Q2 2022: US\$ (15.0) million). The amount for H1 2022 includes 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.

EBIT was of US\$ 112.3 million in H1 2023 compared with US\$ 33.7 million in H1 2022 (Q2 2023: US\$ 51.7 million vs. Q2 2022: US\$ 33.4 million).

Net financial income was of US\$ 2.4 million in H1 2023 vs. US\$ 0.9 million in H1 2022 (Q2 2023: US\$ 1.2 million vs. Q2 2022: US\$ 0.3 million). The amount for H1 2023 comprises mainly interest income on short-term securities and funds held with financial institutions on deposit or current accounts. The amount for H1 2022 comprised mainly US\$ 0.9 million unrealized gain in relation to the ineffective part of DIS' interest rate swap agreements, US\$ 0.03 million commercial foreign exchange gain, as well as bank interest income on funds held with financial institutions on deposit and current accounts.



Net financial charges amounted to US\$ (14.2) million in H1 2023 vs. US\$ (15.3) million in H1 2022 (Q2 2023: US\$ (6.8) million vs. Q2 2022: US\$ (8.1) million). The amount for H1 2023 comprises mainly US\$ (13.8) million in interest expenses and amortized financial fees due on DIS' bank loan facilities, actual expenses on interest rate swaps and interest on lease liabilities. The amount recorded in the same period of last year included US\$ (14.1) 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\$ (0.6) million realized loss on freight derivative instruments and US\$ (0.4) million realized loss on foreign exchange derivative instruments used for hedging purposes.

DIS recorded a **Profit before tax** of US\$ 100.4 million in H1 2023 vs. US\$ 19.3 million in H1 2022 and a profit of US\$ 46.0 million in Q2 2023 vs. US\$ 25.7 million in Q2 2022.

Income taxes amounted to US\$ (0.6) million in H1 2023 vs. US\$ (0.1) million in H1 2022.

In H1 2023, DIS recorded a Net profit of US\$ 99.8 million vs. a Net profit of US\$ 19.2 million achieved in the same period of 2022 and a **Net profit of US\$ 45.7 million in Q2 2023** vs. a Net profit of US\$ 25.7 million in Q2 2022.

Excluding the result on disposals and non-recurring financial items from H1 2023 (US\$ (3.8) million) and from H1 2022 (US\$ (1.4) million), as well as the asset impairment (US\$ (2.1) million in H1 2022), **DIS' Net result would have amounted to US\$ 103.6 million in H1 2023** compared with US\$ 22.6 million recorded in the same period of the previous year.

CASH FLOW AND NET INDEBTEDNESS

In H1 2023, DIS' Net Cash Flow was positive for US\$ 5.1 million vs. US\$ 3.3 million in H1 2022.

Cash flow from operating activities was positive, amounting to US\$ 173.0 million in H1 2023 vs. US\$ 18.9 million in H1 2022. This positive variance is attributable to the better operating performance achieved in the first six months of 2023, relative to the same period of last year.

DIS' Net debt as at 30 June 2023 amounted to US\$ 300.4 million compared to US\$ 409.9 million as at 31 December 2022. Due to the application of IFRS 16 these balances include from 1 January 2019 an additional lease liability amounting to US\$ 28.8 million as at the end of June 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 25.3% as at 30 June 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).

SIGNIFICANT EVENTS OF THE FIRST SEMESTER

In H1 2023, the main events for the d'Amico International Shipping Group were the following:

D'AMICO INTERNATIONAL SHIPPING S.A.:

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



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 June 19th, 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 April 20th, 2021 (following the "Authorization"). During the Authorization, 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 the 19th of 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 August 10, 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’ operations 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.

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.

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

Exercise of the purchase option on bareboat chartered 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:

- MT 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;
- MT 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.

SUBSEQUENT EVENTS AND BUSINESS OUTLOOK

D'AMICO TANKERS D.A.C.:

'Time Charter-Out' Fleet: 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.

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

	As at 30 June 2023				As at 27 July 2023			
	LR1	MR	Handysize	Total	LR1	MR	Handysize	Total
Owned	5	13	6	24	5	15	6	26
Bareboat chartered-in*	1	4	-	5	1	2	-	3
Long-term time chartered-in	-	3	-	3	-	3	-	3
Short-term time chartered-in	-	4	-	4	-	4	-	4
Total	6	24	6	36	6	24	6	36

* with purchase obligation



BUSINESS OUTLOOK

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

PRODUCT TANKER DEMAND

- According to the IEA's July Oil Market Report, global refining throughput is forecast to average 82.5 million b/d this year, approximately 100,000 b/d ahead of 2019's average level, following baseline revisions and an improved outlook for Russian runs.
- The IEA expects global refinery runs will rise from 82.0 million b/d in June to 83.6 million b/d in August, with H2'23 1.2 million b/d higher than in 1H23 on average.
- According to IEA's July report, Global oil demand is on course to rise by 2.2 million b/d y-o-y in 2023, to an average 102.1 million b/d. More than 90% of this increase occurs in non-OECD countries, with China's contribution of 1.6 million b/d the largest by far.
- Almost all major Chinese refinery maintenance work was completed last month, with only a few units due to undergo maintenance in July and August. As a result, runs are now predicted to increase further in July, boosted by the Shandong refinery resuming operations. According to Kepler, Chinese refiners will produce a surplus of between 750,000 to 800,000 bpd of diesel through the rest of the year, a significant amount of which will be exported.
- According to Clarksons' July 2023 outlook, products tonne-mile trade is expected grow by around 10% in 2023.
- In 2023 average distances sailed are expected to increase further as a result of the Ukrainian war, with Russia having recently increased exports to a range of non-European markets, including the Middle East, Turkey, Africa, and Latin America. Europe, instead, has increased imports from the US.
- In the longer-term, recovering demand and structural shifts in the location of refineries are likely to continue boosting long-haul product trades.

PRODUCT TANKER SUPPLY

- At the beginning of the year, Clarksons estimated 44 MRs and LR1s would be delivered in 2023.
- Trading inefficiencies, as transshipments of cargoes and ballast to laden ratios increased, have been one of the factors reducing fleet productivity and contributing to the strong freight markets since the onset of the war in Ukraine.
- In their July 2023 outlook, Clarksons estimated the product tanker fleet will grow by only 1.5% in 2023.



- The strong freight markets have led to subdued scrapping in the first half 2023, with only 4 vessels in the MR and LR1 sector demolished during the period.
- According to Clarksons, as at the end of July 2023, 9.0% of the MR and LR1 fleet was over 20 years old (in dwt), whilst the current order book in these segments represented only 4.7% of the current trading fleet (in dwt). As at the same date, 38.2% of the MR and LR1 fleet (in dwt) was more than 15 years old, and this percentage should continue rising sharply over the coming years.
- The IMO's 2030 and 2050 targets for reducing greenhouse gas emissions are high on the shipping agenda. Many owners and banks now require 'green recycling' of vessels in line with EU and IMO conventions, while the EU is set to include shipping in its Emissions Trading Scheme 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 appetite for new building orders, since such vessels could be obsolete soon after delivery. Furthermore, the increase in new building costs and decrease in yard availability is also negatively affecting the appetite for new orders.

The half-yearly 2023 financial report is available to the public, in its integral version, at DIS registered office and on the Investor Relations section of its website (www.damicointernationalshipping.com). The document has been also filed with Commissione Nazionale per le Società e la Borsa (CONSOB) and Commission de Surveillance du Secteur Financier (CSSF), disseminated through the e-market SDIR circuit and stored both at Borsa Italiana S.p.A. through the e-market STORAGE system and at Société de la Bourse de Luxembourg S.A. in its quality of DIS Officially Appointed Mechanism (OAM).

From today also this press release is available on the Investor Relations section of the Company's website, disclosed through the e-market SDIR circuit, filed with Commission de Surveillance du Secteur Financier (CSSF) and stored at Borsa Italiana S.p.A. through the e-market STORAGE system and at Société de la Bourse de Luxembourg S.A. in its quality of OAM.



d'Amico
INTERNATIONAL SHIPPING S.A.

CONFERENCE CALL

At 2.00pm CET, 8.00am EST today a conference call will be held with the financial community during which the Group's economic and financial results will be discussed. It is possible to participate in webcall clicking on the following link: <https://www.c-meeting.com/web3/join/3BHH8EBJTPZ9WE> or dialing-in one of the following numbers: Italy: + 39 02 8020911 / UK: + 44 1 212818004/ USA: +1 718 7058796.

The presentation slides can be downloaded before the conference call from the Investor Relations page on DIS web site: www.damicointernationalshipping.com

The half-yearly and second quarter 2023 financial report has been prepared in accordance with provisions of Art. 4 of the Luxembourg Law dated 11 January 2008, as amended and supplemented on December 2016, which transposed Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market.

d'Amico International Shipping S.A. is a subsidiary of d'Amico Società di Navigazione S.p.A., one of the world's leading privately-owned marine transportation companies, and operates in the product tankers sector, comprising vessels that typically carry refined petroleum products, chemical and vegetable oils. d'Amico International Shipping S.A. controls, through its fully-owned subsidiary namely d'Amico Tankers D.A.C., Dublin, either through ownership or charter arrangements, a modern and double-hulled fleet, ranging from 35,000 to 75,000 deadweight tons. The Company has a long history of family enterprise and a worldwide presence with offices in key maritime centers (London, Dublin, Monaco, Stamford and Singapore). The Company's shares are listed on the Milan Stock Exchange under the ticker symbol "DIS.MI".

d'Amico International Shipping S.A

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APPENDIX

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

Q2 2023 UNREVIEWED	Q2 2022 UNREVIEWED	US\$ Thousand	H1 2023	H1 2022
130,599	108,742	Revenue	270,832	175,280
(33,371)	(35,956)	Voyage costs	(67,338)	(59,673)
97,228	72,786	Time charter equivalent earnings*	203,494	115,607
1,215	1,200	Bareboat charter revenue *	2,412	2,386
98,443	73,986	Total net revenue	205,906	117,993
-	(515)	Time charter hire costs	(27)	(1,721)
(23,561)	(21,012)	Other direct operating costs	(47,988)	(42,141)
(7,096)	(3,462)	General and administrative costs	(11,316)	(6,840)
(1,447)	(527)	Result on disposal of fixed assets	(3,826)	(1,048)
66,339	48,470	EBITDA*	142,749	66,243
(14,682)	(15,045)	Depreciation and impairment	(30,489)	(32,528)
51,657	33,425	EBIT*	112,260	33,715
1,208	320	Net financial income	2,378	893
(6,828)	(8,064)	Net financial charges	(14,208)	(15,282)
46,037	25,681	Profit before tax	100,430	19,326
(320)	33	Income tax	(597)	(108)
45,717	25,714	Net profit	99,833	19,218
0.37	0.21	Profit per share in US\$⁽¹⁾	0.82	0.16

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

Q2 2023 UNREVIEWED	Q2 2022 UNREVIEWED	US\$ Thousand	H1 2023	H1 2022
45,717	25,714	Profit for the period	99,833	19,218
<i>Items that can subsequently be reclassified into Profit or Loss</i>				
(229)	2,127	Cash flow hedges	(2,598)	7,875
20	(29)	Exchange differences in translating foreign operations	838	(142)
45,508	27,812	Total comprehensive income for the period	98,073	26,951

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

⁽¹⁾ Disclosure of earnings per share is provided in note n.26.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

<i>US\$ Thousand</i>	As at 30 June 2023	As at 31 December 2022
ASSETS		
Property, plant and equipment (PPE) and Right-of-use assets (RoU)	813,414	809,298
Other non-current financial assets	4,883	9,103
Total non-current assets	818,297	818,401
Inventories	14,663	18,303
Receivables and other current assets	57,115	91,498
Other current financial assets	6,281	8,787
Cash and cash equivalents	113,301	117,896
Total current assets	191,360	236,484
TOTAL ASSETS	1,009,657	1,054,885
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	62,053	62,053
Accumulated earnings	153,662	53,938
Share Premium	346,780	368,827
Other reserves	(8,618)	(6,404)
Total shareholders' equity	553,877	478,414
Banks and other lenders	245,414	266,124
Non-current lease liabilities	77,969	150,225
Other non-current financial liabilities	2,869	3,332
Non-current liabilities	326,252	419,681
Banks and other lenders	31,066	51,086
Current lease liabilities	64,847	71,740
Payables and other current liabilities	30,278	30,734
Other current financial liabilities	2,727	3,129
Current tax payable	610	101
Total current liabilities	129,528	156,790
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,009,657	1,054,885

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

Q2 2023 UNREVIEWED	Q2 2022 UNREVIEWED	US\$ Thousand	H1 2023	H1 2022
45,717	25,714	Profit for the period	99,833	19,218
14,682	15,045	Depreciation and amortisation of PPE and RoU	30,489	30,448
-	-	- Impairment	-	2,080
320	(33)	Current and deferred income tax	597	108
2,547	3,770	Net lease cost	5,463	7,614
3,073	3,964	Other net financial charges (income)	6,367	6,765
1,448	527	Movement in deferred result on disposal of S&L assets	3,826	1,048
-	24	Unrealised foreign exchange result	(11)	24
7	(118)	Other non-cash changes in shareholders' equity	838	(146)
183	(9)*	Allotment and accruals LTI	211	(9)*
67,977	48,884	Cash flow from operating activities before changes in working capital	147,613	67,150
(1,171)	(4,407)	Movement in inventories	3,641	(6,279)
20,110	(32,777)	Movement in amounts receivable	34,051	(33,961)
(10,238)	6,781	Movement in amounts payable	(3,650)	7,352
(82)	(25)	Taxes (paid) received	(87)	(106)
(2,547)	(3,770)	Payment of interest portion of lease liability	(5,463)	(7,614)
(278)	(5,945)	Net interest paid	(3,127)	(7,560)
73,771	8,741	Net cash flow from operating activities	172,978	18,982
(30,737)	(475)	Acquisition of fixed assets and dry-dock expenditures	(35,564)	(894)
-	9,108	Net sale of fixed assets	-	19,305
(30,737)	8,633	Net cash flow from investing activities	(35,564)	18,411
(35)	129	Other changes in shareholder's equity	(35)	129
(774)	-	Purchase of Treasury shares	(774)	-
(22,012)	-	Dividend paid	(22,012)	-
-	(4)	Movement in other financial assets	-	73
(31,035)	(8,819)	Bank loan repayments	(49,100)	(31,676)
17,750	-	Bank loans drawdowns	17,750	15,345
(48,798)	(9,077)	Repayments of principal portion of lease liabilities	(78,180)	(17,982)
(84,904)	(17,771)	Net cash flow from financing activities	(132,351)	(34,111)
(41,870)	(397)	Net increase (decrease) in cash and cash equivalents	5,063	3,282
155,171	30,085	Cash and cash equivalents net of bank overdrafts at the beginning of the period	108,238	26,406
113,301	29,688	Cash and cash equivalents net of bank overdrafts at the end of the period	113,301	29,688
113,301	46,040	Cash and cash equivalents at the end of the period	113,301	46,040
-	(16,352)	Bank overdrafts at the end of the period	-	(16,352)

*For comparative reasons, the allotment of 6months and Q2 2022 LTI shares in the amount of US\$(9) thousand is reclassified from Net cash-flows from financing activities to Cash flow from operating activities before changes in working capital, therefore changing such cash-flows by US\$(9) thousand.

Financing activities not requiring the use of cash are reconciled within note 21.

The manager responsible for preparing the company's financial reports, Mr Carlos Balestra di Mottola, in his capacity of Chief Financial Officer of d'Amico International Shipping SA (the "Company"), declares that the accounting information contained in this document corresponds to the results documented in the books, accounting and other records of the Company.

Carlos Balestra di Mottola
Chief Financial Officer



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 by dividing the EBIT by the capital employed, that is, by total assets less current liabilities.

Gross CAPEX

Gross capital expenditure, that is the expenditure for the acquisition of fixed assets as well as expenditures capitalised as a result of the intermediate or special surveys of our vessels, or of investments for the improvement of DIS vessels, as indicated under Net acquisition of fixed assets within the cash-flow from



investing activities; it gives an indication about the strategic planning (expansion) of the Group (capital intensive industry).

Net Indebtedness

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

IFRS 16 impact

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

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

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

Available vessel days

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

Coverage

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

Daily spot rate or daily TC rate

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

Off-hire

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



Time charter equivalent earnings per day

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

Vessels equivalent

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

OTHER DEFINITIONS

Bareboat charter

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

Charter

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

Contract of affreightment (COA)

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

Disponent Owner

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

Fixed-rate contracts

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

Spot charter or Voyage charter

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



bareboat charterer operating its vessel on voyage charter is responsible for the technical management of the vessel, including crewing, and therefore also for its operating expenses.

Time charter

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