

d'Amico International Shipping S.A.

société anonyme

Registered office: 25C, boulevard Royal, L-2449 Luxembourg

R.C.S. Luxembourg: B-124.790

(the “**Company**”)

Report of the Board of Directors

to the Extraordinary General Meeting of Shareholders of the Company
to be held at the premises of Linklaters LLP, Luxembourg, Avenue John F. Kennedy 35, L-1855
Luxembourg, Grand Duchy of Luxembourg

on 13 June 2023

Dear Shareholders,

The board of directors of the Company has prepared this report (the “**Report**”) in connection with the extraordinary general meeting of Shareholders of the Company (the “**Extraordinary General Meeting of Shareholders**” the “**Meeting**”) convened to resolve on the following agenda:

AGENDA

- (i) *Approval of the implementation of a share consolidation with respect to all the shares of the Company, with no nominal value, at a ratio of one (1) new share for every ten (10) existing shares (the “**Reverse Stock Split**”) with effect as of the date as determined by the board of directors of the Company (the “**Board of Directors**”) (the “**Effective Date**”) and in this context, cancellation of nine (9) of the existing shares of the Company, held by the Company, without reducing the share capital of the Company.*
- (ii) *Acknowledgement of the report of the Board of Directors.*
- (iii) *Amendment of the authorised share capital of the Company, with effect as of the Effective Date and renewal of the authorisation to remove or limit the preferential subscription rights of Shareholders.*
- (iv) *Renewal of the authorisation to the board of directors of the Company to repurchase the Company’s own shares, with effect as of the Effective Date.*

- (v) *Amendment of article 5 of the Articles of Association of the Company to reflect the above resolutions, with effect as of the Effective Date.*
- (vi) *Delegation of powers to the Board of Directors to implement the Reverse Stock Split and the resolutions passed on the aforementioned items of the agenda of the meeting.*

1. Reverse Stock Split

The Board of Directors submits to the Shareholders a proposal to implement a reverse stock split with respect to all 1,241,065,569 shares of the Company (the “**Existing Shares**”) by means of 1 new share for every 10 existing shares (the “**Reverse Stock Split**”), effectively dividing the number of outstanding shares by a factor of ten (the “**Ratio**”).

Such Reverse Stock Split is to be notably viewed as a simplification of the administration of the Company’s shares. It is deemed to be in the best interest of the Shareholders since it should also result in a better understanding by investors and other stakeholders of the market capitalization and dividend per share of the Company.

Shareholders would hold one (1) consolidated share for every ten (10) shares currently held (the “**Consolidated Shares**”), but their relative position in the Company's equity would not change.

It is expected that the Reverse Stock Split will be a valuation neutral event with no impact on the Company’s market capitalization.

The above transaction will not affect the value of the interests held by Shareholders, who would see a decrease in the number of shares and, at the same time, an increase in the stock price and accounting par value of the shares, without any change in the total value of the investment, as long as all other conditions are the same.

In order to allow for a Reverse Stock Split transaction, without the creation of fractions of Consolidated Shares, 9 shares out of the “*treasury shares*” held in portfolio by the Company must be cancelled. It is intended to implement such cancellation without impacting the share capital of the Company, reducing only the number of Existing Shares and increasing the accounting par value of the remaining existing shares accordingly (the “**Cancellation**”). As a result of this share cancellation, the number of shares will drop from 1,241,065,569 to 1,241,065,560.

It is proposed to delegate powers to the Board of Directors to set the Effective Date, which shall be the date on which the Reverse Stock Split and the Cancellation shall become effective. It is envisaged that the Effective Date shall be no later than 19 June 2023.

The positions of Existing Shares that, following the Cancellation cannot be consolidated into a whole number of Consolidated Shares in accordance with the Ratio (the “**Fractions**”) will

be aggregated for consolidation into Consolidated Shares which will be sold on the relevant market in accordance with market practice.

In order to facilitate the treatment of the Fractions mentioned above, also in accordance with the Italian Market Practice, the Company would appoint Equita SIM S.p.A. as a market and intermediary brokerage company.

Net proceeds after deduction of relevant transaction costs and expenses will be distributed on a *pro rata* basis to the holders of Existing Shares that did not have a sufficient number of Existing Shares to be converted into a whole number of Consolidated Shares in accordance with the Ratio.

It is proposed to delegate powers to the Board of Directors to take all actions and do such things that are necessary or desirable for the Company to implement the Reverse Stock Split, including the determination of the manner and process to effect the Reverse Stock Split with respect to the holders of the Existing Shares of the Company, who at the Effective Date do not have a sufficient number of Existing Shares in order to receive a whole number of Consolidated Shares in accordance with the Ratio, to record the resulting amendment to the Articles of Association of the Company before a notary.

In consideration of the above, the implementation of the Reverse Stock Split and the Cancellation requires a change to article 5.1 of the Company's Articles of Association.

2. Amendments to the Articles of Association of the Company

Comparison between the existing first paragraph of article 5 of the Articles of Association of the Company and the proposed new first paragraph of article 5.

A table has been inserted below for the purpose of comparing the first paragraph of article 5 of the Articles of Association as currently in force with the proposed new text of this paragraph following the approval of the proposed amendments under item (i) of the agenda, once effective.

Existing paragraph 1 of article 5	Proposed new text of paragraph 1 of article 5
<p>The issued capital of the Company is fixed at sixty-two million fifty-three thousand two hundred and seventy-eight dollars of the United States of America and forty-five cents (USD 62,053,278.45) divided into one billion two hundred forty-one million sixty-five thousand five hundred sixty-nine (1,241,065,569) shares with no nominal value.</p>	<p>The issued capital of the Company is fixed at sixty-two million fifty-three thousand two hundred and seventy-eight sixty-two million fifty-three thousand two hundred and seventy-eight Dollars of the United States of America and forty-five cents (USD 62,053,278.45) and forty-five cents (USD 62,053,278.45) divided into one billion</p>

	two hundred forty-one million sixty-five thousand five hundred sixty-nine (1,241,065,569) <i>one hundred twenty-four million one hundred and six thousand five hundred fifty-six (124,106,556)</i> shares with no nominal value.
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In addition to that, the Board of Directors is submitting to the Shareholders the proposal to amend the authorised share capital of the Company and to renew the authorisation to remove or limit the preferential subscription rights of Shareholders and the proposal to renew the share buyback authorisation granted to the Board of Directors, in order to align the authorisations to the new share capital following the Reverse Stock Split. More details on these two items are provided in in respectively section 3 (*Amendment of the authorised share capital of the Company*) and section 5 (*Renewal of the authorisation to the Board of Directors to repurchase the own shares of the Company*) of this report.

This report is available to the Shareholders at the registered office of the Company and on the corporate governance section of its website (www.damicointernationalshipping.com) as well as disclosed through the Borsa Italiana S.p.A. emarket SDIR circuit, filed with Commissione Nazionale per le Società e la Borsa (CONSOB) and Commission de Surveillance du Secteur Financier (CSSF) and stored both at Borsa Italiana S.p.A. through emarket STORAGE circuit and at Luxembourg Stock Exchange (Bourse de Luxembourg), in its quality of Company’s Officially Appointed Mechanism (OAM).

In consideration of the above, the amendment and alignment of the authorised share capital of the Company requires a change to the third and fourth paragraph of article 5 of the Company’s Articles of Association.

Comparison between the existing third and fourth paragraph of article 5 of the Articles of Association of the Company and the proposed new third and fourth paragraph of article 5.

A table has been inserted below for the purpose of comparing the third and fourth paragraph of article 5 of the Articles of Association as currently in force with the proposed new text of these paragraphs following the approval of the proposed amendments under item (iii) of the agenda, once effective.

Existing paragraph 3 and 4 of article 5	Proposed new text of paragraph 3 and 4 of
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	article 5
<p><i>The authorised capital of the Company, including the issued share capital, is set at eighty-seven million five hundred thousand dollars of the United States of America (USD 87,500,000.-) divided into one billion seven hundred fifty million (1,750,000,000) shares with no nominal value.</i></p> <p><i>During a period of five (5) years from the date of the resolution adopted on 11 March 2019 to renew and increase the authorised capital pursuant to this Article, the Board of Directors is authorised and empowered within the limits of the authorised capital to (i) realise for any reason whatsoever including, for defensive reasons, any issue in one or several successive tranches of (a) any subscription and/or conversion rights, including warrants (which may be issued separately or attached to shares, bonds, notes or similar instruments), convertible bonds, notes or similar instruments (the “Share Rights”) as well as (b) new shares, with or without share premium, against payment in cash or in kind, by conversion of claims on the Company or in any other manner; (ii) determine the place and date of the issue or the successive issues, the issue price, the terms and conditions of the subscription of and paying up on the new shares; and (iii) remove or limit the preferential subscription right of the shareholders in case of issue against payment in cash of shares, warrants (which may be separate or attached to shares, bonds, notes or similar instruments), convertible bonds, notes or similar instruments. The shares to be issued upon exercise of any Share Rights may be issued beyond the initial authorized capital period of five (5) years as long as the Share Rights were issued within the relevant initial authorized capital period of five (5) years.</i></p>	<p><i>The authorised capital of the Company, including the issued share capital, is set at of eighty-seven million five hundred thousand dollars of the United States of America (USD 87,500,000.-) divided into one billion seven hundred fifty million (1,750,000,000) one hundred seventy-five million (175,000,000) shares with no nominal value.</i></p> <p><i>During a period of five (5) years from the date of effectiveness of the resolution adopted on 11 March 2019 13 June 2023 to renew and increase the authorised capital pursuant to this Article, the Board of Directors is authorised and empowered within the limits of the authorised capital to (i) realise for any reason whatsoever including, for defensive reasons, any issue in one or several successive tranches of (a) any subscription and/or conversion rights, including warrants (which may be issued separately or attached to shares, bonds, notes or similar instruments), convertible bonds, notes or similar instruments (the “Share Rights”) as well as (b) new shares, with or without share premium, against payment in cash or in kind, by conversion of claims on the Company or in any other manner; (ii) determine the place and date of the issue or the successive issues, the issue price, the terms and conditions of the subscription of and paying up on the new shares; and (iii) remove or limit the preferential subscription right of the shareholders in case of issue against payment in cash of shares, warrants (which may be separate or attached to shares, bonds, notes or similar instruments), convertible bonds, notes or similar instruments. The shares to be issued upon exercise of any Share Rights may be issued beyond the initial authorized capital period of five (5) years as long as the Share Rights were issued within the relevant initial authorized capital period of five (5) years.</i></p>

3. Amendment of the authorised share capital of the Company

3.1 Reasons for the proposal under item (iii) of the agenda

In relation to item (iii) of the agenda, the Board of Directors provided the following explanations to the Shareholders in accordance with article 420-26 (5) of the Luxembourg law of 10 August 1915 on commercial companies, as amended (the “**Luxembourg Company Law**”).

The Board of Directors is submitting to the Shareholders the proposal to amend the current authorised share capital of the Company, with a renewal of the authorisation to remove or limit the preferential subscription right of the Shareholders in case of issue against payment in cash, in order to align such authorised share capital (rounded down) to the new share capital following the Reverse Stock Split.

As at the date of this Report, and therefore prior to the Reverse Stock Split, the authorised share capital, including the issued share capital of the Company, has been set on 11 March 2019 in accordance with art. 420-26(5) of the Luxembourg Company Law at eighty-seven million five hundred thousand dollars of the United States of America (USD 87,500,000.-) divided into one billion seven hundred fifty million (1,750,000,000) shares with no nominal value, for a period of 5 years, and therefore until 11 March 2024.

3.2 Reasons for possible future capital increase(s)

The amendment to the authorised capital is proposed with a view to facilitating possible future capital increases of the Company as may further be considered by the Company within the next five (5) years as of the Effective Date.

The Company's possible future capital increases could serve a variety of needs as may arise over time. These needs could allow the Company to raise new financial resources and will enable the Company to manage its immediate and future capital expenditure needs and working capital requirements and to seize potential acquisition opportunities.

3.3 Criteria for the determination of the issue price of the shares

When determining the issue price of shares to be created under the authorised capital, the Board of Directors will ensure that the issue price will correspond at least to the accounting par value of the shares to be newly issued, increased by such amount as the Board of Directors considers appropriate for the issue of such new shares, in view notably of ensuring that the issue price be set in accordance with any and all provisions governing existing equity instruments issued by the Company.

The Board of Directors considers that it is in the interest of the Company and its shareholders that the Board of Directors be authorised to issue, following the implementation of

the Reverse Stock Split, additional shares within the limits of an amended authorised share capital of eighty-seven million five hundred thousand dollars of the United States of America (USD 87,500,000) divided into one hundred seventy-five million (175,000,000) shares with no nominal value, as well as to limit or cancel, in full or partially, the preferential subscription right of existing shareholders if needed.

4. Right of withdrawal

According to the applicable law (Luxembourg law) the proposed amendments to the articles of association of the Company do not entail the right of withdrawal by any dissenting or absent Shareholders.

5. Renewal of the authorisation to the board of directors to repurchase the own shares of the Company

The Board of Directors is submitting to the Shareholders the proposal to, with effect as of the Effective Date, renew the current authorization, with respect to the repurchase and disposal by the Company of its own shares (together with the Company's shares already bought back (the "Own Shares"), to be effected by the Board of Directors pursuant to Article 430-15 et seq. of the Luxembourg Company Law, Article 8 of the Company's Articles of Association, the relevant provisions of the EU Reg. no 596/2014 and its delegated and implementing acts 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, in order to align such repurchase and disposal of the Own Shares to the new share capital following the Reverse Stock Split.

The current authorisation to buy back the Own Shares in accordance with art. 430-15 of the Luxembourg Company Law has been granted on 20 April 2021 regarding a maximum number of 186,157,950 shares of the Company (including the Own Shares already repurchased and held in the Company's portfolio), for a period of 5 years, and therefore until 20 April 2026.

5.1. Purposes for which the authorization to repurchase Own Shares is required

The request to the shareholders for authorization to repurchase Own Shares is based, without limitation, on the following purposes and considerations:

- i) to create, in accordance with market practices currently accepted or that may be implemented in future on the Italian regulated market, "inventory of treasury shares" that will be available as a means of payment, exchange, transfer, contribution,

assignment or other action of disposal within the framework of transactions linked to the Company and its subsidiaries' operations and of any projects offering an effective investment opportunity in line with the strategic policy of the Company. These include agreements with strategic partners, acquisition of shareholdings or share packages or other extraordinary finance transactions that involve the allocation or assignment of Own Shares (e.g. merger, demerger, issuance of convertible debentures or warrants, etc.), and more widely for any purposes permitted under the applicable laws and regulations, including but not limited to placing the Company in a position to offer all Own Shares for distribution to the Company and its subsidiaries and controlling companies' directors, officers or employees, whether or not pursuant to the implementation of a stock option plan as approved and/or amended from time to time by the Company;

- ii) to place the Company in a position where it can intervene on the market in order to maintain the stock's liquidity or investment policies in accordance with market practices currently accepted or that may be implemented in future on the Italian regulated market, by providing support for the price of the Company's shares for a limited time period if they come under selling pressure, thus alleviating the sales pressure generated by short term investors and maintaining an orderly market;
- iii) to help to stabilize the market price of the Company's shares, if deemed appropriate and/or necessary, according to Article 5 et seq. of the EU Regulation and/or any other applicable law or provision.

5.2. Maximum number of shares to be repurchased

As a consequence of the Reverse Stock Split, the proposal to the Shareholders concerns renewal of the authorisation to the Board of Directors to repurchase, with effect as of the Effective Date, in one or more tranches, up to a maximum of 18,615,795 (eighteen million six hundred fifteen thousand seven hundred ninety-five) shares of the Company including the Own Shares already repurchased and held in the Company's portfolio in compliance with Article 430-15 of the Luxembourg Company Law.

Following the implementation of the Reverse Stock Split at the Ratio, the issued and fully paid share capital of the Company will be fixed at USD 62,053,278.45, represented by 124,106,556 shares of no nominal value, including the Own Shares held in the portfolio.

At the time of this report, the Company holds 18,184,339 Own Shares corresponding to 1.47 % of the outstanding share capital.

It is stressed that the voting and dividend rights of the Own Shares shall be suspended in accordance with the provision of the Luxembourg Company Law.

5.3. Authorised period

The authorisation to repurchase Own Shares in one or more tranches is requested for a maximum period of five (5) years from the Effective Date.

The disposal of Own Shares shall not be subject to any time limits.

5.4. Maximum and minimum consideration

The Board of Directors proposes to the shareholders to fix the minimum and maximum consideration for the repurchase of Own Shares, in accordance with applicable laws and regulations, as follows:

- i) a minimum price of no more than 10% below the shares' official price reported in the trading session on the day before each individual transaction is executed;
- ii) a maximum price of no more than 10% above the shares' official price reported in the trading session on the day before each individual transaction is executed.

5.5. Information regarding fulfilment of the requirements set forth in Article 430-15 of the Luxembourg Company Law

According to the Luxembourg Company Law, the acquisitions (including Own Shares previously acquired), shall not have the effect of reducing the net assets below the amount mentioned in paragraph 1 & 2 of Article 461-2 of the Luxembourg Company Law (*i.e.*, the aggregate of the subscribed capital and the reserves which may not be distributed according to the law or the Articles of Association of the Company).

5.6. Procedures and terms and conditions

The Board of Directors proposes to the Shareholders that the Own Shares repurchase and sale transactions shall be executed in one or more tranches on the regulated market managed and organized by Borsa Italiana S.p.A. in compliance with the relevant applicable laws and regulations. The terms and conditions and procedures (the “**Parameters**”) to be observed for each repurchase or sale of Own Shares by the Company shall be approved by the Board of

Directors, which shall be authorized (with the option to delegate) to implement and publicize such transactions.

In all cases, each repurchase 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.

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This Report has been drafted taking into account the information duties prescribed under the laws of Luxembourg and Italy (Italy being the sole European Union Member State in which the shares of the Company are listed on a regulated market).

In particular, the information hereby provided aims at fulfilling the information duties prescribed by articles 72 and 73, as well as by Annex 3 A, Schemes 3 and 4, of the Consob Regulation no. 11971 of 14 May 1999 (as subsequently amended) in order to illustrate and explain to the Shareholders of the Company the subjects and the reasons of the proposed agenda.

Conclusion

In consideration of the Board of Directors' analysis that the proposals outlined in this Report and reflected in the resolutions to be submitted to the Extraordinary General Meeting of Shareholders are in the interests of the Company and its Shareholders, the Board of Directors recommends that the Shareholders approve the proposals by voting in favour of the resolutions submitted to the Meeting.

Luxembourg, May 11th, 2023

On behalf of the Board of Directors

Mr. Paolo d'Amico

Chairman of the Board of Directors and CEO