

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

☐ Yes

☐ No

TABLE OF CONTENTS		PAGE
PART I		3
ITEM 1.	IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS	3
ITEM 2.	OFFER STATISTICS AND EXPECTED TIMETABLE	3
ITEM 3.	KEY INFORMATION	3
ITEM 4.	INFORMATION ON THE COMPANY	42
ITEM 4A.	UNRESOLVED STAFF COMMENTS	66
ITEM 5.	OPERATING AND FINANCIAL REVIEW AND PROSPECTS	66
ITEM 6.	DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES	92
ITEM 7.	MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS	95
ITEM 8.	FINANCIAL INFORMATION	102
ITEM 9.	THE OFFER AND LISTING	103
ITEM 10.	ADDITIONAL INFORMATION	104
ITEM 11.	QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	118
ITEM 12.	DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES	119
PART II		119
ITEM 13.	DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES	119
ITEM 14.	MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS	119
ITEM 15.	CONTROLS AND PROCEDURES	120
ITEM 16.	RESERVED	121
ITEM 16A.	AUDIT COMMITTEE FINANCIAL EXPERT	121
ITEM 16B.	CODE OF ETHICS	121
ITEM 16C.	PRINCIPAL ACCOUNTANT FEES AND SERVICES	122
ITEM 16D.	EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES	122
ITEM 16E.	PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PERSONS.	122
ITEM 16F.	CHANGE IN REGISTRANT’S CERTIFYING ACCOUNTANT.	122
ITEM 16G.	CORPORATE GOVERNANCE	123
ITEM 16H.	MINE SAFETY DISCLOSURE	123
ITEM 16I.	DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS	123
ITEM 16J.	INSIDER TRADING POLICIES	124
ITEM 16K.	CYBERSECURITY	124
PART III		125
ITEM 17.	FINANCIAL STATEMENTS	125
ITEM 18.	FINANCIAL STATEMENTS	125
ITEM 19.	EXHIBITS	125

CERTAIN DEFINED TERMS

Unless the context otherwise requires, as of the date of and as used in this Annual Report, the terms:

- “Company”, “we”, “us”, and “our” refer to Castor Maritime Inc. and all of its subsidiaries;
- “Castor Maritime Inc.” or “Castor” refers only to Castor Maritime Inc. and not to its subsidiaries;
- “Toro” refers to Toro Corp., a Nasdaq listed company to which we contributed our former tanker business in connection with the Spin-Off (as defined herein);
- “common shares” refers to the common shares, par value \$0.001 per share, of Castor;
- “Distribution” refers to the distribution of 9,461,009 common shares of Toro on a pro rata basis to the holders of common shares of Castor;
- “Spin-Off” refers to, collectively, the separation of the assets, liabilities and obligations of Castor and the subsidiaries comprising our former tanker business and Elektra Co. in exchange for (a) the issuance to the Company of 9,461,009 common shares of Toro, (b) the issuance to the Company of 140,000 1.00% Series A Fixed Rate Cumulative Perpetual Convertible Preferred Shares of Toro having a stated amount of \$1,000 per share (the “Toro Series A Preferred Shares”) and (c) the issuance to Pelagos Holdings Corp. (“Pelagos”), a controlled affiliate of Mr. Petros Panagiotidis, of 40,000 Series B Preferred Shares of Toro, par value \$0.001 per share against payment of the par value of such shares (such transactions, collectively, the “Contribution”) and the Distribution, each on March 7, 2023;
- “MPC Capital” refers to MPC Münchmeyer Petersen Capital AG, a German company listed on the Frankfurt Stock Exchange since 2000;
- the “MPC Capital Acquisition” means the acquisition, consummated on December 16, by Castor Maritime Inc. (acting through a wholly owned subsidiary) of 26,116,378 shares of common stock of MPC Capital, representing 74.09% of MPC Capital’s outstanding common stock, from MPC Münchmeyer Petersen & Co. GmbH (“MPC Holding”), for a cash price of €7.00 per share, equivalent to aggregate consideration of €182.8 million, excluding transaction related costs, pursuant to the terms and conditions of a share purchase agreement dated as of December 12, 2026 (the “MPC Acquisition SPA”);
- “Amended and Restated Master Management Agreement” refers to the Amended and Restated Master Management Agreement between Castor and Castor Ships S.A. (“Castor Ships), effective July 1, 2022 under which our vessels are commercially and technically managed;
- (“Series D Preferred Shares” refers to our 5.00% Series D Cumulative Perpetual Convertible Preferred Shares, having a stated value of \$1,000 and par value of \$0.001 per share; and
- “Nasdaq” refers to the Nasdaq Stock Market.

We use the term “deadweight ton”, or “dwt”, in describing the size of dry bulk vessels. Dwt, expressed in metric tons (“mt”), each of which is equivalent to 1,000 kilograms, refers to the maximum weight of cargo and supplies that a vessel can carry. A “ton mile” is a standardized shipping metric and refers to the volume of cargo being carried (a “ton”) and the distance sailed for the shipment in nautical miles. We use the term “twenty foot equivalent unit” (“TEU”), the international standard measure of containers, in describing the capacity of our containerships.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Matters discussed in this Annual Report on Form 20-F (the “Annual Report”) may constitute forward-looking statements. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the “Securities Act”) and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Forward-looking statements include all matters that are not historical facts or matters of fact at the date of this document.

We are including this cautionary statement in connection with this safe harbor legislation. This Annual Report and any other written or oral statements made by us or on our behalf may include forward-looking statements, which reflect our current views with respect to future events and financial performance. These forward-looking statements may generally, but not always, be identified by the use of words such as “anticipate,” “believe,” “target,” “likely,” “will,” “would,” “could,” “should,” “seeks,” “continue,” “contemplate,” “possible,” “might,” “expect,” “intend,” “estimate,” “forecast,” “project,” “plan,” “objective,” “potential,” “may,” “anticipates” or similar expressions or phrases.

The forward-looking statements in this Annual Report are based upon various assumptions, including assumptions based on management’s examination of current or historical operating trends, data contained in our records and other data available from third parties. Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, we cannot assure you that we will achieve or accomplish any forward-looking statements.

In addition to these assumptions, important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include generally:

- general domestic and international political conditions or events, such as political instability, events or conflicts (including armed conflicts, such as the war in Ukraine and the conflict in the Middle East), acts of piracy or maritime aggression, such as recent maritime incidents involving vessels in and around the Red Sea, sanctions, “trade wars” (including the imposition of tariffs), global public health threats and major outbreaks of disease;
- changes in seaborne and other transportation, including due to the maritime incidents in and around the Red Sea, fluctuating demand for dry bulk and container vessels and/or disruption of shipping routes due to accidents, political events, international sanctions, international hostilities and instability, piracy or acts of terrorism;
- changes in governmental rules and regulations or actions taken by regulatory authorities, including changes to environmental regulations applicable to the shipping industry;
- dry bulk and containership market conditions and trends, including volatility in charter rates (particularly for vessels employed in short-term time charters or index linked period time charters), factors affecting supply and demand, fluctuating vessel values, opportunities for the profitable operations of dry bulk and container vessels and the strength of world economies;
- the effects of the spin-off of our tanker business;
- our business strategy, expected capital spending and other plans and objectives for future operations;
- changes in the size and composition of our fleet, our ability to realize the expected benefits from our past or future vessel acquisitions;
- our ability to realize the expected benefits of vessel acquisitions, increased transactions costs and other adverse effects (such as lost profit) due to any failure to consummate any sale of our vessels;
- our relationships with our current and future service providers and customers, including the ongoing performance of their obligations, dependence on their expertise, compliance with applicable laws, and any impacts on our reputation due to our association with them;

- our ability to borrow under existing or future debt agreements or to refinance our debt on favorable terms and our ability to comply with the covenants contained therein, in particular due to economic, financial or operational reasons;
- our continued ability to enter into time or voyage charters with existing and new customers, and to re-charter our vessels upon the expiry of the existing charters;
- changes in our operating and capitalized expenses, including bunker prices, dry-docking, insurance costs, costs associated with regulatory compliance, and costs associated with climate change;
- our ability to fund future capital expenditures and investments in the acquisition and refurbishment of our vessels (including the amount and nature thereof and the timing of completion thereof, the delivery and commencement of operations dates, expected downtime and lost revenue);
- instances of off-hire, due to vessel upgrades and repairs;
- fluctuations in interest rates and currencies, including the value of the U.S. dollar relative to other currencies;
- any malfunction or disruption of information technology systems and networks that our operations rely on or any impact of a possible cybersecurity breach;
- existing or future disputes, proceedings or litigation;
- future sales of our securities in the public market and our ability to maintain compliance with applicable listing standards;
- volatility in our share price, including due to high volume transactions in our shares by retail investors;
- potential conflicts of interest involving affiliated entities and/or members of our Board of Directors (the “Board”), senior management and certain of our service providers that are related parties;
- changes in the assets under management as well as in the regulations related to the management of such assets may affect the revenues we earn from the asset management segment;
- any material cybersecurity incident;
- accidents and the impact of adverse weather and natural disasters; and
- any other factor described in this Annual Report.

Any forward-looking statements contained herein are made only as of the date of this Annual Report, and we disclaim any intention or obligation to update any forward looking statements as a result of developments occurring after the date of this Annual Report, except to the extent required by applicable law. New factors emerge from time to time, and it is not possible for us to predict all or any of these factors. Further, we cannot assess the impact of each such factor on our business or the extent to which any factor, or combination of factors, may cause actual results to be materially different from those contained in any forward-looking statement. See “*Item 3. Key Information—D. Risk Factors*” for a more detailed discussion of these risks and uncertainties and for other risks and uncertainties. Please see our filings with the Securities and Exchange Commission for a more complete discussion of these foregoing and other risks and uncertainties. These factors and the other risk factors described in this Annual Report are not necessarily all of the important factors that could cause actual results or developments to differ materially from those expressed in any of our forward-looking statements. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

A. DIRECTORS AND SENIOR MANAGEMENT

Not applicable.

B. ADVISERS

Not applicable.

C. AUDITORS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

The descriptions of agreements contained herein are summaries that set forth certain material provisions. Such descriptions do not purport to be complete and are subject to, and are qualified in their entirety by reference to, the applicable provisions of each agreement, each of which is an exhibit to this Annual Report or otherwise filed with the Securities and Exchange Commission (the “SEC”). We encourage you to refer to each agreement for additional information.

On March 7, 2023, we completed the Spin-Off, whereby our former Aframax/LR2 and Handysize segments were contributed to Toro in exchange for (i) the issuance to the Company of 9,461,009 common shares of Toro, (ii) the issuance to the Company of 140,000 Toro Series A Preferred Shares and (iii) the issuance to Pelagos, a controlled affiliate of Mr. Petros Panagiotidis, of 40,000 Series B Preferred Shares of Toro, par value \$0.001 per share against payment of the par value of such shares. In connection with the Spin-Off, our Board also resolved to focus our efforts on our then current business of dry bulk shipping services, though we have since expanded into container shipping. For further information regarding the Spin-Off, including the foregoing resolutions, refer to “*Item 4. Information on the Company—A. History of the Company*” and “*Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions*” and Note 1 to our consolidated financial statements included elsewhere in this Annual Report.

On April 20, 2023, the Company received written notification from the Nasdaq that it was not in compliance with the minimum \$1.00 per share bid price requirement for continued listing on the Nasdaq Capital Market. See “*Item 4. Information on the Company—A. History of the Company— Nasdaq Listing Standards Compliance*” for further information.

On March 27, 2024, we effected a one-for-ten reverse stock split on our issued and outstanding common shares. All share and per share amounts have been retroactively adjusted to reflect the reverse stock split. The par value of the common shares remained unchanged at \$0.001 per share.

On December 16, 2024, we completed the MPC Capital Acquisition of 26,116,378 shares of common stock of MPC Capital from MPC Holding, representing 74.09% of MPC Capital’s outstanding common stock, for a cash price of €7.00 per share, equivalent to aggregate consideration of €182.8 million (or approximately \$192.0 million), excluding transaction-related costs. See “*Information on the Company—A. History of the Company— Business*”.

Market and Industry Data

This Annual Report includes estimates regarding market and industry data. Unless otherwise indicated, information concerning our industry and the markets in which we operate, including our general expectations, market position, market opportunity, market trends and market size, are based on our management’s knowledge and experience in the markets in which we operate, together with currently available information obtained from various sources, including publicly available information, industry reports and publications, surveys, our clients, trade and business organizations and other contacts in the markets in which we operate. Certain information is based on management estimates, which have been derived from third-party sources, as well as data from our internal research, and are based on certain assumptions that we believe to be reasonable based on such data and other similar sources and on our knowledge of, and our experience to date in, the markets in which we operate.

While we believe the estimated market and industry data included in this Annual Report are generally reliable, such information, which is derived in part from management’s estimates and beliefs, is inherently uncertain and imprecise. Market and industry data are subject to change and may be limited by the availability of raw data, the voluntary nature of the data gathering process and other limitations inherent in any statistical survey of such data. In addition, projections, assumptions and estimates of the future performance of the markets in which we operate and our future performance are necessarily subject to uncertainty and risk due to a variety of factors, including those described in “*Cautionary Statement Regarding Forward-Looking Statements*” and “*Item 3. Key Information—D. Risk Factors.*” These and other factors could cause results to differ materially from those expressed in the estimates made by third parties and by us. Accordingly, you are cautioned not to place undue reliance on such market and industry data or any other such estimates. We cannot guarantee the accuracy or completeness of this information.

A. [RESERVED]

Not applicable.

B. CAPITALIZATION AND INDEBTEDNESS

Not applicable.

C. REASONS FOR THE OFFER AND USE OF PROCEEDS

Not applicable.

D. RISK FACTORS

Some of the following risks relate principally to the industry in which we operate. Other risks relate principally to the ownership of our common shares. The occurrence of any of the events described in this section could significantly and negatively affect our business, financial condition, operating results, cash available for dividends, as and if declared, or the trading price of our common shares or any other securities of ours.

Summary of Risk Factors

- Charter hire rates in the shipping industry are cyclical and volatile. A decrease in charter rates may adversely affect our business, financial condition and operating results.
- An oversupply of vessel capacity in the segments we operate may prolong or further depress low charter rates when they occur, which may limit our ability to operate our vessels profitably.
- Global economic and financial conditions may negatively impact the sectors of the shipping industry in which we operate, including the extension of credit.
- Risks involved in operating ocean-going vessels could affect our business and reputation.

- A decline in the market values of our vessels could limit the amount of funds that we can borrow, cause us to breach certain financial covenants in our current or future credit facilities and/or result in impairment charges or losses on sale.
- Geopolitical conditions, such as political instability or conflict, terrorist attacks and international hostilities, can affect the seaborne transportation industry, which could adversely affect our business.
- Trade disputes or the imposition of tariffs on imports and exports could affect international trade and therefore could adversely affect our business.
- Compliance with rules and other vessel requirements imposed by classification societies may be costly and could reduce our net cash flows and negatively impact our results of operations.
- We are subject to international laws and regulations and standards (including, but not limited to, environmental standards such as IMO 2020 for the low sulfur fuels and the International Ballast Water Convention for discharging of ballast water), as well as to regional requirements, such as European Union (EU) and U.S. laws and regulations for the protection of the environment, each of which may adversely affect our business, results of operations and financial condition. In particular, new short-, medium- and long-term measures developed by the IMO, the European Union and other entities to promote decarbonization and the reduction of greenhouse gas (“GHG”) emissions may adversely impact our operations and markets.
- Increased inspection procedures and tighter import and export controls could increase costs and disrupt our business.
- We may not be able to execute our business strategy, and we may not realize the benefits we expect from past acquisitions or future acquisitions or other strategic transactions.
- We operate secondhand vessels, some of which have an age above the industry average, which may lead to increased technical problems for our vessels, higher operating expenses, affect our ability to profitably charter and finance our vessels and to comply with environmental standards and future maritime regulations and result in a more rapid depreciation in our vessels’ market and book values.
- We are dependent upon Castor Ships, which is a related party manager of our fleet and business, and other related or third-party sub-managers for the management of our fleet, and failure of such counterparties to meet their obligations could cause us to suffer losses or negatively impact our results of operations and cash flows.
- Our recently repaid credit facility contained, and we expect that any new or amended credit facility we enter into will contain restrictive financial covenants that we may not be able to comply with due to economic, financial or operational reasons and may limit our business and financing activities.
- We do not have a declared dividend policy and our Board may never declare cash dividends on our common shares.
- Our share price has been highly volatile and may continue to be volatile in the future, as a result, investors in our common shares could incur substantial losses.
- Past share issuances and future issuances of common shares or other equity securities, or the potential for such issuances, may impact the price of our common shares and could impair our ability to raise capital through subsequent equity offerings, to the extent available and permitted. Shareholders may experience significant dilution as a result of any such issuances.

- We are incorporated in the Marshall Islands, which does not have a well-developed body of corporate and case law.
- The direct holder of our Series B Preferred Shares, and the indirect holders of our Series B Preferred Shares, including our Chairman, Chief Executive Officer and Chief Financial Officer, may be able to exert considerable influence over matters on which our shareholders are entitled to vote.
- Nasdaq may delist our common shares from its exchange which could limit your ability to make transactions in our securities and subject us to additional trading restrictions.
- We earn a substantial portion of our asset management segment revenues based on assets under management whose volume fluctuates based on many factors, and any reduction would negatively impact our revenues and profitability.
- The performance of our asset management segment is dependent on the financial performance of our investees, over which we do not exercise control.

Risks Relating to the Shipping Industry

Charter hire rates in the shipping industry are cyclical and volatile. A decrease in charter rates may adversely affect our business, financial condition and operating results.

We are exposed to changes in charter rates in the dry bulk and containership markets in which our vessels operate. Fluctuations in charter rates in these markets may impact our operations and result from changes in the supply and demand for vessel capacity and changes in the supply and demand for the major commodities carried by water internationally.

The shipping industry in general is cyclical with attendant volatility in charter hire rates and profitability, and in the past, there have been instances where time charter and spot market rates for vessels in the segments we operate have declined below operating costs of vessels. The degree of charter hire rate volatility among different types of vessels has varied widely. Fluctuations in charter rates result from changes in the supply and demand for vessel capacity and changes in the supply and demand for energy resources, commodities and products.

Deterioration of charter rates resulting from various factors relating to the cyclicity and volatility of our business may adversely affect our ability to profitably charter or re-charter our vessels or to sell our vessels on a profitable basis. This could negatively impact our operating results, liquidity and financial condition.

The conflicts in Ukraine and the Middle East, including maritime incidents in and around the Red Sea, combined with ongoing inflationary pressures and/or supply chain disruptions across most major economies and the imposition of tariffs and other restrictions to trade, have negatively impacted certain of the countries in which we operate in and may lead to a global economic slowdown, which might in turn adversely affect demand for our dry bulk vessels. In particular, the conflict in Ukraine and related sanctions measures imposed against Russia has and is disrupting energy production and trade patterns and trade routes, including shipping in the Black Sea and elsewhere, and has impacted the price of certain dry bulk goods, as well as energy and fuel prices. Notably, various jurisdictions have imposed sanctions against Russia directly targeting the maritime transport of goods originating from Russia, such as of oil products and agricultural commodities such as potash. Such measures, and the response of targeted jurisdictions to them, have disrupted trade patterns of certain of the goods which we transport, such as grain, and have correspondingly impacted charter rates for the transport of such goods. As the number of jurisdictions imposing sanctions upon Russia grows and/or the nature of sanctions being imposed evolves, the charter rates we are able to obtain could begin to weaken. For further details, see “—*Our charterers calling on ports located in countries or territories that are the subject of sanctions or embargoes imposed by the U.S. government (including OFAC) or other authorities or failure to comply with the U.S. Foreign Corrupt Practices Act (the “FCPA”) or similar laws could lead to monetary fines or penalties and adversely affect our reputation. Such failures and other events could adversely affect the market for our common shares.*” Similarly, the dry bulk and containership trades experienced major disruptions and increased voyage costs since November 2023 due to increasingly frequent armed attacks on vessels in and around the Red Sea. See “—*Geopolitical conditions, such as political instability or conflict, terrorist attacks, and international hostilities and global public health threats can affect the seaborne transportation industry, which could adversely affect our business*” for a description of the impacts of these attacks.

Demand for dry bulk capacity is affected by supply of and demand for, and changes in the production or manufacturing of, commodities, semi-finished and finished consumer and industrial products, while demand for containership capacity is affected by a range of factors, including demand and supply chain for containerized goods and major products carried by container vessels internationally.

Factors that influence demand for vessel capacity in the segments in which we operate include:

- global and regional economic and political conditions and developments, including armed conflicts and terrorist activities, international trade sanctions, embargoes, strikes, tariffs and other restrictions to trade;
- developments in international trade;
- the distance over which products are to be moved by sea;
- changes in seaborne and other transportation and distribution patterns, typically influenced by the relative advantage of the various sources of production, locations of consumption, pricing differentials and seasonality;
- changes in the production of energy products, commodities, semi-finished and finished consumer and industrial products;
- epidemics and pandemics;
- environmental and other regulatory developments;
- natural catastrophes;
- currency exchange rates; and
- the weather.

For a discussion of factors affecting the supply of vessel capacity, see “—*An oversupply of vessel capacity in the segments in which we operate may prolong or further depress low charter rates when they occur, which may limit our ability to operate our vessels profitably.*” These factors are outside of our control and are unpredictable, and accordingly we may not be able to correctly assess the nature, timing and degree of changes in charter rates. Any of these factors could have a material adverse effect on our business, financial condition and operating results. In particular, a significant decrease in charter rates would cause asset values to decline. See “—*A decline in the market values of our vessels could limit the amount of funds that we can borrow, cause us to breach certain financial covenants in our current or future credit facilities and/or result in impairment charges or losses on sale.*”

We are exposed to fluctuating demand, supply and prices for commodities (such as iron ore, coal, grain, soybeans and aggregates), containerized goods and consumer and industrial products, and may be affected by changes in the demand for such commodities and/or products and the volatility in their prices due to their effects on supply and demand of maritime transportation services.

Our growth significantly depends on continued growth in worldwide and regional demand for the products we transport and their carriage by sea, which could be negatively affected by several factors, including declines in prices for such commodities and/or products, or general political, regulatory and economic conditions.

In past years, China and India have had two of the world’s fastest growing economies in terms of gross domestic product and have been the main driving forces behind increases in shipping trade and the demand for marine transportation. While China in particular has enjoyed rates of economic growth significantly above the world average, slowing economic growth rates may reduce the country’s contribution to world trade growth. If economic growth continues to slow down in China, India and other countries in the Asia Pacific region, particularly in sectors of the economy related to the products we transport, we may face decreases in shipping trade and demand. The level of imports to and exports from China may also be adversely affected by changes in political, economic and social conditions (including a slowing of economic growth) or other relevant policies of the Chinese government and China’s trade partners, such as changes in laws, regulations or export and import restrictions, internal political instability, changes in currency policies, changes in trade policies and territorial or trade disputes. Additionally, the new tariffs announced by President Trump in 2025 and the response by certain foreign governments, including China, to enact retaliatory tariffs may also affect economic growth. See “—*Trade disputes or the imposition of tariffs on imports and exports could affect international trade, and therefore could adversely affect our business.*” Furthermore, a slowdown in the economies of the United States or the European Union, or certain other Asian countries may also have adverse impacts on economic growth in the Asia Pacific region. Therefore, a negative change in the economic conditions of any of these countries or elsewhere may reduce demand for dry bulk vessels and/or containerships and their associated charter rates, which could have a material adverse effect on our business, financial condition and operating results, as well as our prospects.

More generally, various economies around the globe were impacted by ongoing inflationary pressures, changing trade patterns, trade routes and/or supply chain disruptions in 2024, in part stemming from the conflict in the Middle East, including recent maritime incidents in and around the Red Sea, and the conflict in Ukraine and related sanctions against Russia and Belarus. The global economy currently remains and is expected to continue to remain subject to substantial uncertainty, which may impact demand for the products which we transport. Periods of low demand can cause excess vessel supply and intensify the competition in the industry, which often results in vessels being idle for long periods of time, which could reduce our revenues and materially harm the profitability of our segments, our business, results of operations and available cash.

Geopolitical conditions, such as political instability or conflict, terrorist attacks and international hostilities, can affect the seaborne transportation industry, which could adversely affect our business.

We conduct most of our operations outside of the United States and our business, results of operations, cash flows, financial condition and ability to pay dividends, if any, in the future may be adversely affected by changing economic, political and government conditions in the countries and regions where our vessels are employed or registered. Moreover, we operate in a sector of the economy that has been and is likely to continue to be adversely impacted by the effects of geopolitical developments, including political instability or conflict, terrorist attacks or international hostilities.

Currently, the world economy faces a number of challenges, including tensions between the United States and China, new and continuing turmoil and hostilities in Russia, Ukraine, the Middle East (such as recent maritime incidents in and around the Red Sea) and other geographic areas and countries, continuing economic weakness in the European Union and slowing growth in China and the continuing threat of terrorist attacks around the world.

In particular, the armed conflict between Russia and Ukraine and a severe worsening of Russia’s relations with Western economies has disrupted global markets, contributing to shifts in trading patterns and trade routes for products, including dry bulk, that may continue into the future. These changes are due in part to the imposition of sanctions against Russia and Belarus by various governments, which have contributed to increased volatility in the price of energy and other products. See “—*Our charterers calling on ports located in countries or territories that are the subject of sanctions or embargoes imposed by the U.S. government (including OFAC) or other authorities or failure to comply with the U.S. Foreign Corrupt Practices Act (the “FCPA”) or similar laws could lead to monetary fines or penalties and adversely affect our reputation. Such failures and other events could adversely affect the market for our common shares*”, “*Worldwide inflationary pressures could negatively impact our results of operations and cash flows*” and “—*We are exposed to fluctuating demand, supply and prices for commodities (such as iron ore, coal, grain, soybeans and aggregates) and consumer and industrial products, and may be affected by changes in the demand for such commodities and/or products and the volatility in their prices due to their effects on supply and demand of maritime transportation services.*”

Geopolitical conflicts have also resulted in attacks on vessels, mining of waterways and other efforts to disrupt international shipping. An attack on one of our vessels or merely the perception that our vessels are a potential piracy or terrorist target could have a material adverse effect on our business, financial condition and operating results. Notably, since November 2023, vessels in and around the Red Sea have faced an increasing number of attempted hijackings and attacks by drones and projectiles launched from Yemen, which armed Houthi groups have claimed responsibility for. These groups have stated that these attacks are a response to the Israel-Hamas conflict. While initially Israeli and US-linked vessels were thought to be the primary targets of these attacks, vessels from a variety of countries have been the subject of these incidents, including vessels flying the Marshall Islands flag. As a result of these attacks, certain vessels have sunk, been set alight and suffered other physical damage and crew injuries and fatalities have occurred, leading to heightened concerns for crew safety and security, as well as trade disruption. An increasing number of companies have rerouted their vessels to avoid passage through affected areas and are now completing their trades via alternative routes, such as through the Cape of Good Hope, incurring greater shipping costs and delays, as well as the costs of security measures. Though governments including the United States and United Kingdom have responded with air strikes against the hostile groups believed to be responsible for these attacks, the continuation or escalation of the conflict may drive the foregoing costs and risks higher. Any physical damage to our vessels or injury or loss of life of any of the individuals onboard our vessels could result in significant reputational damage or operational disruption, the exact magnitude of which cannot be estimated with certainty at this time. There can be no assurance regarding the precise nature, expected duration or likely severity of these maritime incidents. Future hostilities or other political instability in regions where our vessels trade could also negatively affect the shipping industry by resulting rising costs and changing patterns of supply and demand, as well as our trade patterns, trade routes, operations and performance.

Further, if attacks on vessels occur in regions that insurers characterize as “war risk” zones or by the Joint War Committee as “war and strikes” listed areas, premiums payable for such coverage could increase significantly and such insurance coverage may be more difficult to obtain, if available at all. As of April 30, 2025, such listed areas included parts of the Southern Red Sea, Gulf of Aden and Black Sea, as well as the coastal waters of Yemen, Israel and Iran, among others. Insurance costs for vessels with links to the United States, United Kingdom or Israel have already increased as a result of attacks in and around the Red Sea, with such vessels reportedly seeing substantial increases of 25% to 50% in their war risk premium relative to other vessels transiting through the Red Sea, and should these attacks continue or become indiscriminate, we could similarly experience a significant increase in our insurance costs and/or we may not be adequately insured to cover losses from these incidents. See also “—*Our shipping business has inherent operational risks, which may not be adequately covered by insurance.*” Crew costs, including costs that may be incurred to the extent we employ onboard security guards, could also increase due to acts of piracy or other maritime incidents, including attacks on vessels. Our customers could also suffer significant losses, impairing their ability to make payments to us under our charters. Any of the foregoing factors could have an adverse effect on our business, results of operations, financial condition and cash flows.

The threat of future terrorist attacks around the world also continues to cause uncertainty in the world’s financial markets and international commerce and may affect our business, operating results and financial condition. Continuing conflicts, tensions and recent developments in the Middle East, including continuing unrest in Iran, the fall of the Assad regime in Syria in December 2024 and the establishment of a transitional government in Syria, the Israel-Hamas conflict and recent attacks on vessels in and around the Red Sea which armed Houthi groups have claimed responsibility for, as well as the overthrow of Afghanistan’s democratic government by the Taliban, may lead to additional acts of terrorism and armed conflict around the world. This may contribute to further economic instability in the global financial markets and international commerce. Additionally, any escalations between Western Nations, Israel and/or Iran could result in retaliation that could potentially affect the shipping industry. For example, there have been an increased number of attacks on or seizures of vessels in the Strait of Hormuz (which already experienced an increased number of attacks on and seizures of vessels in recent years, including the seizure of two Greek-flagged vessels in 2022, one Marshall Islands-flagged vessel in 2023 and a Portuguese-flagged vessel in 2024), and ship owners have reported a heightened level of harassment when transiting through the region. Any of these occurrences could have a material adverse impact on our operating results, revenues and costs. See also “—*Acts of piracy or other attacks on ocean-going vessels, including due to geopolitical conflicts, could adversely affect our business.*”

Trade disputes or the imposition of tariffs on imports and exports could affect international trade, and therefore could adversely affect our business.

Protectionism has been on the rise globally in recent years. For example, in Europe, large sovereign debts and fiscal deficits, low growth prospects and high unemployment rates in a number of countries have contributed to the rise of various Eurosceptic parties, which advocate for their countries to leave the European Union and/or adopt protectionist policies. These parties are increasingly popular in various European countries, including major European economic powers such as Germany and France. The withdrawal of the United Kingdom from the European Union has increased the risk of additional trade protectionism and has created supply chain disruptions.

The United States has similarly seen a rise in protectionist policies. In 2025, the U.S. government has made statements and taken actions that may impact international trade generally and our industry and business specifically.

The United States has recently imposed blanket 10% tariffs on most imports to the United States and significantly higher tariffs applicable to imports from certain countries, including China. In response to these measures, affected countries have imposed or are reportedly considering additional tariffs on imports from the United States. Although the United States has suspended or delayed the implementation of certain recently announced U.S. tariffs to allow for negotiations with other governments, the current U.S. administration has continued to signal that it will likely impose additional tariffs. Such measures could lead to further retaliatory actions by the countries with which the U.S. trades.

U.S. officials also recently have imposed substantially increased port fees for Chinese-built, -operated, or -owned ships and for foreign-built vehicle carriers (not limited to China). Three of our vessels are built in China and therefore will be subject to such fees in U.S. ports if they discharge cargo at U.S. ports. In addition, the United States has implemented and/or is considering other trade measures that apply to goods and equipment originating in Asia.

Recent trade measures and the uncertainty surrounding these issues are likely to affect us and our industry. The specific nature and scope of these effects are difficult to predict. For example, if additional tariffs or other trade measures are considered or implemented, or if existing trade agreements are withdrawn and/or renegotiated, such developments could have adverse effects on our business, results of operations, and financial condition. Such developments could potentially depress shipping demand and/or could cause an increase or change in (i) the cost of goods exported from regions globally, (ii) the length of time required to transport goods, and (iii) the financial, legal, and compliance risks associated with exporting, importing, and shipping goods. Trade measures and related uncertainty could also adversely impact on our charterers’ business, operating results, and financial condition and could thereby affect their ability to make timely charter hire payments to us and to renew and increase the number of their time charters with us.

Trade barriers to protect domestic industries against foreign imports depress shipping demand. Protectionist developments, such as the imposition of trade tariffs or the perception they may occur, may have a material adverse effect on global economic conditions, and may significantly reduce global trade. Moreover, increasing trade protectionism may cause an increase in (a) the cost of goods exported from regions globally, (b) the length of time required to transport goods and (c) the risks associated with exporting goods. Such increases may significantly affect the quantity of goods to be shipped, shipping time schedules, voyage costs and other associated costs, which could have an adverse impact on our charterers’ business, operating results and financial condition and could thereby affect their ability to make timely charter hire payments to us and to renew and increase the number of their time charters with us. This could have a material adverse effect on our business, financial condition and operating results. Further, protectionist policies in any country could impact global markets, including foreign exchange and securities markets. Any resulting changes in currency exchange rates, tariffs, treaties and other regulatory matters could in turn adversely impact our business, results of operations, financial condition and cash flows.

Worldwide inflationary pressures could negatively impact our results of operations and cash flows.

Over the course of 2024, inflationary pressures across many sectors globally continued to weigh on economic activity, though to a lesser extent than in 2023. While the U.S. consumer price index, an inflation gauge that measures costs across dozens of items fell to 2.7% before seasonal adjustment in December 2024, down from 3.4% in December 2023, inflation has proven stickier in parts of the global economy and above the inflation targets as set by the central banks in the United States of America, United Kingdom and the Eurozone. The ongoing effects of inflation on the supply and demand of the products we transport could alter demand for our services and reduced economic activity due to governmental responses to persistent inflation in any of the regions in which we operate could cause a reduction in trade by altering consumer purchasing habits and reducing demand for the commodities and products we carry. As a result, the volumes of goods we deliver and/or charter rates for our vessels may be affected. If inflation fails to abate in 2025, we could experience persistently high operating, voyage and administrative costs. Any of these factors could have an adverse effect on our business, financial condition, cash flows and operating results. For additional information, see “*—We are exposed to fluctuating demand, supply and prices for commodities (such as iron ore, coal, grain, soybeans and aggregates) and consumer and industrial products, and may be affected by changes in the demand for such commodities and/or products and the volatility in their prices due to their effects on supply and demand of maritime transportation services.*” Inflationary pressures could also adversely impact the amount of interest due under our outstanding credit facilities.

An oversupply of vessel capacity in the segments in which we operate may prolong or further depress low charter rates when they occur, which may limit our ability to operate our vessels profitably.

Factors that influence the supply of vessel capacity in the segments in which we operate include:

- the number of newbuilding orders and deliveries;
- the number of shipyards, their availability and ability to deliver vessels;
- port and canal congestion and other logistical disruptions;
- scrapping of older vessels;
- the speed of vessels being operated;
- vessel casualties; and
- the number of vessels that are out of service or laid up.

In addition to the prevailing and anticipated charter rates, factors that affect the rate of newbuilding, scrapping and laying-up include newbuilding prices, secondhand vessel values in relation to scrap prices, the availability of financing for new vessels and shipping activity, dry-dock and special survey expenditures, costs of bunkers and other operating costs, costs associated with classification society surveys, normal maintenance costs, insurance coverage costs, the efficiency and age profile of the existing fleet in the market, and government and industry regulations of maritime transportation practices, particularly environmental protection laws and regulations.

The global fleet of dry bulk vessels has increased as a result of the delivery of numerous newbuilding orders over the past few years. During 2024, the global dry bulk fleet grew by 3.1%, and as of April 1, 2025, newbuilding orders had been placed for an aggregate of about 10.5% of the existing global dry bulk fleet, with deliveries expected predominantly during the next two years.

There has been some further activity in the container newbuilding market during 2024 and as a result new contracting has reached high levels vis-à-vis the active fleet. As of April 1, 2025, newbuilding orders accounted for approximately 25.5% of the existing global containership fleet, with deliveries equally spread over the next three years. During 2024, the total container fleet grew by 6.6% in terms of the number of vessels.

Vessel supply will continue to be affected by the delivery of new vessels and potential orders of more vessels than vessels removed from the global fleet, either through scrapping or accidental losses. In the event of lower economic activity in the regions in which we operate, demand for the products we transport may be outstripped by vessel supply. An oversupply of vessel capacity could exacerbate decreases in charter rates or prolong the period during which low charter rates prevail which may have a material adverse effect on the profitability of our segments, our business, cash flows, financial condition, and operating results.

Global economic and financial conditions may negatively impact the sectors of the shipping industry in which we operate, including the extension of credit.

As the shipping industry is highly dependent on economic growth and the availability of credit to finance and expand operations, it may be negatively affected by a decline in economic activity or a deterioration of economic growth and financial conditions. Various factors may impact economic growth and the availability of credit, including those discussed in “*—We are exposed to fluctuating demand, supply and prices for commodities (such as iron ore, coal, grain, soybeans and aggregates) and consumer and industrial products, and may be affected by changes in the demand for such commodities and/or products and the volatility in their prices due to their effects on supply and demand of maritime transportation services*” and “*—Worldwide inflationary pressures could negatively impact our results of operations and cash flows.*”

A decline in economic activity or a deterioration of economic growth and financial conditions may have a number of adverse consequences for the shipping sectors in which we operate, including, among other things:

- low charter rates, particularly for vessels employed on short-term time charters;
- decreases in the market value of vessels and limited second-hand market for the sale of vessels;
- limited financing for vessels;
- widespread loan covenant defaults; and
- declaration of bankruptcy by certain vessel operators, vessel managers, vessel owners, shipyards and charterers.

The occurrence of one or more of these events could have a material adverse effect on our business, cash flows, compliance with debt covenants, financial condition, and operating results.

Increases in bunker prices could affect our operating results and cash flows.

Fuel is a significant, if not the largest, expense in our shipping operations when vessels are off-hire and/or idling and is an important factor in negotiating charter rates. Bunker prices have increased significantly since 2021, starting at \$415 per metric ton in January 2021 and reaching a high of \$1,100 per metric ton in July 2022, before declining to a still elevated price of \$617 per metric ton by the end of December 2022. This volatility was in part attributable to the eruption of armed conflict in Ukraine. In 2023 and 2024, bunker rates demonstrated overall decreasing volatility as the market adapted to the conflict in Ukraine. In particular, in 2024, the price of VLSFO in Singapore reached a high of \$656 per metric ton in February, and a low of \$547 per metric ton in December. As of March 4, 2025, the price of VLSFO in Singapore was approximately \$525 per metric ton but uncertainty regarding its future direction remains. In addition, the conflict in the Middle East, including recent maritime incidents in and around the Red Sea, could cause disruptions to the production and supply of oil, and therefore fuel, with adverse impacts on the price of VLSFO in 2024. As a result, our bunker costs for our vessels when off-hire, idling, or operating in the spot voyage charter market have increased substantially in recent years and may continue to increase, which could have an adverse impact on our operating results and cash flows.

A decline in the market values of our vessels could limit the amount of funds that we can borrow, cause us to breach certain financial covenants in our current or future credit facilities and/or result in impairment charges or losses on sale.

The fair market values of our vessels have generally experienced high volatility. The fair market values of our vessels depend on a number of factors, including:

- prevailing level of charter rates;
- general economic and market conditions affecting the shipping industry;
- the types, sizes and ages of the vessels, including as compared to other vessels in the market;
- supply of and demand for vessels;
- the availability and cost of other modes of transportation;
- distressed asset sales, including newbuilding contract sales below acquisition costs due to lack of financing;
- cost of new buildings;
- governmental or other regulations, including those that may limit the useful life of vessels; and
- the need to upgrade vessels as a result of environmental, safety, regulatory or charterer requirements, technological advances in vessel design or equipment or otherwise.

In addition, while our dry bulk vessels’ average age is close to the industry average, the average ages of our containerships vessels are older than the industry average for such vessels, and may therefore be viewed as providing insufficient or only short-term collateral in connection with future financing. This could restrict our access to or terms of any financing. Further, if the fair market values of our vessels decline, we might not be in compliance with various covenants in our credit facilities or credit facilities we enter into in the future, some of which require the maintenance of a certain percentage of the fair market values of the vessels securing the facility to the principal outstanding amount of the respective facility or a maximum ratio of total net debt to the market value adjusted total assets. See “*—Our recently repaid credit facility contained, and we expect that any new or amended credit facility we enter into will contain, restrictive covenants that we may not be able to comply with due to economic, financial or operational reasons and may limit our business and financing activities.*”

In addition, if the fair market values of our vessels decline, our access to additional funds may be affected and/or we may need to record impairment charges in our consolidated financial statements or incur loss on sale of vessels which can adversely affect our financial results. Because the market values of our vessels may fluctuate significantly, we may also incur losses when we sell vessels, which may adversely affect our earnings. Conversely, if vessel values are elevated at a time when we wish to acquire additional vessels, the cost of such acquisitions may increase and this could adversely affect our business, cash flows, financial condition and operating results.

We operate in highly competitive industries and are new entrants to certain of the segments in which we operate, and therefore may face difficulties in establishing and growing our business.

Our vessel owning subsidiaries which comprise our containership segment entered the containership shipping business in late 2022 and the dry bulk shipping business in late 2017. As new entrants in such industry, we may struggle to establish market share and broaden our customer base for our operations due to our lesser-known reputation as a containership operator, while incurring high operating costs associated with the operation and upkeep of our vessels. In addition, we compete with various companies that operate larger fleets, including as relates to dry bulk vessels, and may be able to offer more competitive prices and greater availability and diversity of vessels, all while achieving economies of scale in their fleet operating costs. Due in part to the highly fragmented nature of the dry bulk market and the moderately fragmented nature of the containership market, existing or additional competitors with greater resources may enter or grow their positions in the dry bulk and containership sectors through consolidations or acquisitions and could operate more competitive fleets, causing us to lose or be unable to gain market share. Any of these competitors may be able to devote greater financial and other resources to their activities than we can, resulting in a significant competitive threat to us.

Further, we likely possess less operational expertise relative to more experienced competitors and, in general, are more heavily reliant on the knowledge and services of third-party providers for our operations, such as Castor Ships, a company controlled by Petros Panagiotidis, which manages our entire fleet and has subcontracted some aspects of the management of a number of our vessels to related or third-party ship management companies. Any failure by Castor Ships to partner with these management companies to effectively deliver our services could tarnish our reputation as efficient and reliable operators and impact the growth of our segments’ operations, our financial condition and operating profits.

Risks involved in operating ocean-going vessels could affect our business and reputation.

The operation of an ocean-going vessel carries inherent risks. These risks include the possibility of:

- a marine disaster;
- war and terrorism;
- piracy
- environmental and other accidents;
- cargo and property losses and damage;
- business interruptions caused by mechanical failure, human error, armed conflict, war, terrorism, piracy, political action in various countries, labor strikes, or adverse weather conditions; and
- work stoppages or other labor problems with crew members serving on our vessels, some of whom are unionized and covered by collective bargaining agreements.

Environmental laws often impose strict liability for remediation of spills and releases of oil, oil products and hazardous substances, which could subject us to liability without regard to whether we were negligent or at fault. A spill, such as of bunker oil of our vessels, or a release of other hazardous substances from our vessels, could result in significant liability, including fines, penalties and criminal liability and remediation costs for natural resource damages, as well as third-party damages.

Any of these circumstances or events could increase our costs or lower our revenues. The involvement of our vessels in an oil spill or other environmental incident may harm our reputation as a safe and reliable operator, which could have a material adverse effect on our business, cash flows, financial condition, and operating results.

Acts of piracy or other attacks on ocean-going vessels, including due to geopolitical conflicts, could adversely affect our business.

Acts of piracy have historically affected ocean-going vessels trading in regions of the world such as the South China Sea, the Indian Ocean and, in particular, the Gulf of Aden off the coast of Somalia and the Gulf of Guinea region off Nigeria, which experienced increased incidents of piracy in recent years. Pirate activity is also intermittent off the coast of Eastern Malaysia. Sea piracy incidents continue to occur, with dry bulk vessels and containerships particularly vulnerable to such attacks. Acts of piracy may result in death or injury to persons or damage to property. In addition, crew costs, including costs of employing on-board security guards, could increase in such circumstances. We may not be adequately insured to cover losses from these incidents, which could have a material adverse effect on our business, financial condition, cash flows and results of operations. See also “—*Geopolitical conditions, such as political instability or conflict, terrorist attacks and international hostilities, can affect the seaborne transportation industry, which could adversely affect our business*” and “—*Our shipping business has inherent operational risks, which may not be adequately covered by insurance.*”

Our charterers calling on ports located in countries or territories that are the subject of sanctions or embargoes imposed by the U.S. government (including OFAC) or other authorities or failure to comply with the U.S. Foreign Corrupt Practices Act (the “FCPA”) or similar laws could lead to monetary fines or penalties and adversely affect our reputation. Such failures and other events could adversely affect the market for our common shares.

Certain countries (including certain regions of Ukraine, Russia, Belarus, Cuba, Iran, North Korea and Syria), entities and persons are targeted by economic sanctions and embargoes imposed by the United States, the European Union and other jurisdictions, and a number of those countries have been identified as state sponsors of terrorism by the U.S. Department of State. In particular, sanctions imposed in relation to the Russian invasion of Ukraine have created significant disruptions in the global economy and in the shipping industry.

Since Russia’s invasion of Ukraine in 2022, economic sanctions were imposed by the United States, the European Union, the United Kingdom and a number of other countries on Russian financial institutions, businesses and individuals, as well as certain regions within the Donbas region of Ukraine. Certain of these sanctions have targeted Russia’s usage of and participation in maritime shipping. For example, the United Kingdom and European Union have also introduced export restrictions, which capture the provision of maritime vessels and supplies to or for use in Russia. They have also imposed additional restrictions on providing financing, financial assistance, technical assistance and brokering or other services that would further the provision of vessels to or for use in Russia, including the provision of maritime navigation goods. Import bans of Russian energy products, such as coal, and commodities, such as coal, iron, steel, plastics, cement and agricultural products including potash and fertilizer, have also been introduced by a number of jurisdictions. In addition, certain jurisdictions, such as Greece and the United States, have temporarily detained vessels suspected of violating sanctions and the European Union has adopted sanctions against certain non-Russian private operators and vessels accused of assisting Russia in circumventing sanctions. Countries, such as Canada, the United Kingdom and the EU, have also broadly prohibited Russian-affiliated vessels from entering their waters and/or ports. In light of the current regulatory and economic environment in the region, certain vessel operators have suspended shipping routes to and from Russia or have declined to engage in business with Russian-affiliated entities. In June 2024, the Council of the European Union introduced a new package of sanctions on Russian oil, including a new measure targeting specific vessels contributing to Russia’s war against Ukraine, which are subject to a port access ban and a ban on the provision of services; so far, the EU has placed 79 vessels on this list, including tankers transporting Russian oil and performing dangerous and illegal shipping practices. On January 15, 2025, the U.S. Department of Treasury introduced new sanctions on two Russian oil producers as well as 183 vessels that have shipped Russian oil in violation of existing sanctions. These and other recent sanctions efforts by the United States, the European Union and United Kingdom have focused on preventing the circumvention of sanctions against Russia.

These bans and related trade sanctions have altered trade patterns across the shipping industry and existing or future restrictions may continue to affect our current or future charters. To date, we have seen, and expect to continue to see, increased volatility in the region due to these geopolitical events. Prior to the conflict in Ukraine, the Black Sea region was a major export market for grains with Ukraine and Russia exporting a combined 15% of the global seaborne grain trade. While uncertainty remains with respect to the ultimate impact of the conflict, we have seen, and anticipate continuing to see, significant changes in trade flows. The reduction of grain transports out of the Black Sea and cargoes from Russia has, and will continue to, negatively impact the markets in those areas. In addition, while the prices of fuel or energy commodities due to supply shocks from the conflict in Ukraine have demonstrated decreasing volatility as the market adapted, they may become increasingly volatile again due to new developments in the conflict. This could result in an increase or decrease in the price of fuel used by our vessels and/or demand for certain of the commodities we transport, each of which could affect the Company’s operations and liquidity. Due to their effect on the global market for certain of the goods that we transport, current or additional sanctions could have a material adverse impact on our segments’ cash flows, financial condition and operating results. We will keep monitoring the events in the Ukraine war and the possibility of the cessation of the hostilities between the two nations.

Economic sanctions and embargo laws and regulations vary in their application with regard to countries, entities or persons and the scope of activities they subject to sanctions. These sanctions and embargo laws and regulations may be strengthened, relaxed or otherwise modified over time. Any violation of sanctions or embargoes could result in the Company incurring monetary fines, penalties or other sanctions. In addition, certain institutional investors may have investment policies or restrictions that prevent them from holding securities of companies that have contacts with countries or entities or persons within these countries that are identified by the U.S. government as state sponsors of terrorism. We are required to comply with such policies in order to maintain access to charterers and capital.

Current or future counterparties of ours may be affiliated with persons or entities that are or may be in the future the subject of sanctions imposed by the governments of the United States, the European Union, and/or other international bodies. Further, it is possible that, in the future, our vessels may call on ports located in sanctioned jurisdictions on charterers’ instructions, without our consent and in violation of their charter party. Moreover, our charterers may violate applicable sanctions and embargo laws and regulations as a result of actions that do not involve us or our vessels. As a result, we may be required to terminate existing or future contracts to which we, or our subsidiaries, are party.

We operate in a number of countries throughout the world, including countries known to have a reputation for corruption. We are committed to doing business in accordance with applicable anti-corruption laws, and have adopted a code of business conduct and ethics. However, we are subject to the risk that we, or our affiliated entities, or our or our affiliated entities’ respective officers, directors, employees or agents actions may be deemed to be in violation of such anti-corruption laws, including the FCPA. In February 2025, President Trump signed an executive order directing the U.S. Department of Justice to temporarily pause FCPA investigations and prosecutions pending review of FCPA guidelines and past and existing FCPA investigations and actions. The FCPA remains valid law in the interim and any violation of the executive order does not eliminate the risk of future enforcement (the statutes of limitation for FCPA violations are five years for the anti-bribery provisions and six years for the accounting provisions). Any violation could result in substantial fines, sanctions, civil and/or criminal penalties and curtailment of operations in certain jurisdictions. Further, the executive order does not directly affect the U.S. Securities and Exchange Commission’s separate civil enforcement authority.

If the Company, our affiliated entities, or our or their respective officers, directors, employees and agents, or any of our charterers are deemed to have violated economic sanctions and embargo laws, or any applicable anti-corruption laws, our results of operations may be adversely affected due to the resultant monetary fines, penalties or other sanctions. In addition, we may suffer reputational harm as a result of any actual or alleged violations. This may affect our ability to access U.S. capital markets and conduct our business, and could result in some investors deciding, or being required, to divest their interest, or not to invest, in us. The determination by these investors not to invest in, or to divest from, our common shares may adversely affect the price at which our common shares trade. Investor perception of the value of our common shares may also be adversely affected by the consequences of war, the effects of terrorism, civil unrest and governmental actions in the countries or territories in which we operate. Any of these factors could adversely affect our business, financial condition, and operating results.

Furthermore, detecting, investigating and resolving actual or alleged violations is expensive and can consume significant time and attention of our senior management and adversely affect our business, results of operations or financial condition as a result.

Global public health threats can affect the seaborne transportation industry, which could adversely affect our business.

Public health threats or widespread health emergencies, such as the COVID-19 pandemic, influenza and other highly communicable diseases or viruses (or concerns over the possibility of such threats or emergencies) could lead to a significant decrease in demand for the transportation of the products carried by our vessels. In recent years, our business and dry bulk sector have from time to time been impacted by various public health emergencies in various parts of the world in which we operate, most notably the COVID-19 pandemic. While most countries around the world have removed restrictions implemented in response to the COVID-19 pandemic, the emergence of new public health threats or widespread health emergencies, whether globally or in the regions in which we operate, may result in new restrictions, lead to further economic uncertainty and heighten certain of the other risks described in this Annual Report. In particular, such events have and may also in the future adversely impact our operations, including timely rotation of our crews, the timing of completion of any outstanding or future newbuilding projects or repair works in dry-dock as well as the operations of our customers. Delayed rotation of crew may adversely affect the mental and physical health of our crew and the safe operation of our vessels as a consequence. Any public health threat or widespread health emergency, whether widespread or localized, could create significant disruptions in our business and adversely impact our business, financial condition, cash flows and operating results.

Compliance with rules and other vessel requirements imposed by classification societies may be costly and could reduce our net cash flows and negatively impact our results of operations.

The hull and machinery of every commercial vessel must be certified as being “in class” by a classification society recognized by the flag administration in the jurisdiction in which the vessel is registered (or “flagged”). The classification society certifies that a vessel is safe and seaworthy in accordance with the applicable rules of the class, the regulations of the country of registry of the vessel and the Safety of Life at Sea Convention.

A vessel must undergo annual surveys, intermediate surveys and special surveys. A vessel’s machinery may be placed on a continuous survey cycle, under which the machinery would be surveyed periodically over a five-year period. We expect our vessels to be on special survey cycles for hull inspection and continuous survey cycles for machinery inspection. Most vessels are also required to be dry-docked, or inspected by divers, every two to three years for inspection of underwater parts.

While the Company believes that it has adequately budgeted for compliance with all currently applicable safety and other vessel operating requirements, newly enacted regulations applicable to the Company and its vessels may result in significant and unanticipated future expense. If any vessel does not maintain its class or fails any annual, intermediate, or special survey, the vessel will be unable to trade between ports and will be unemployable, which could have a material adverse effect on our business, cash flows, financial condition and operating results.

We are subject to international laws and regulations and standards (including, but not limited to, environmental standards such as IMO 2020 for the low sulfur fuels and the International Ballast Water Convention for discharging of ballast water), as well as to regional requirements, such as European Union and U.S. laws and regulations for the protection of the environment, each of which may adversely affect our business, results of operations, and financial condition. In particular, new short-, medium- and long-term measures developed by the IMO, the European Union and other entities to promote decarbonization and the reduction of GHG emissions may adversely impact our operations and markets.

Our operations are subject to numerous international, regional, national, state and local laws, regulations, treaties and conventions in force in international waters and the jurisdictions in which our vessels operate or are registered, which can significantly affect the ownership and operation of our vessels. See “Item 4. Information on the Company—B. Business Overview—Environmental and Other Regulations in the Shipping Industry” for a discussion of certain of these laws, regulations and standards. Compliance with such laws, regulations and standards, where applicable, may require installation of costly equipment or implementation of operational changes and may affect the profitability, resale value and useful lives of our vessels. These costs could have a material adverse effect on our business, cash flows financial condition, and operating results. A failure to comply with applicable laws and regulations may result in administrative and civil penalties, criminal sanctions or the suspension or termination of our operations.

Environmental laws can impose strict liability for emergency response, remediation of spills and releases of oil and hazardous substances and natural resources damage, which could subject us to liability without regard to whether we are negligent or at fault. See “—*Risks involved in operating ocean-going vessels could affect our business and reputation.*”

In connection with IMO 2020 regulations and requirements relating to fuel sulfur levels, as of the date of this Annual Report, our vessels have transitioned to burning IMO compliant fuels. As a result, such vessels currently utilize VLSFO containing up to 0.5% sulfur content. Notably, low sulfur fuel is more expensive than standard high sulfur fuel oil and may become more expensive. The price of VLSFO in Singapore ranged from a peak of \$656 per metric ton in February 2024 to a low of around \$547 per metric ton in December 2024. As of March 4, 2025, the price of VLSFO in Singapore was around \$525 per metric ton, but uncertainty regarding its future direction and the availability of VLSFO remains. For further information, see “—*Increases in bunker prices could affect our operating results and cash flows.*”

The IMO has also imposed updated guidelines for ballast water management systems specifying the maximum amount of viable organisms allowed to be discharged from a vessel’s ballast water. Depending on the date of the International Oil Pollution Prevention (IOPP) renewal survey, existing vessels constructed before September 8, 2017 must comply with the updated D-2 standard on or after September 8, 2019. For most vessels, compliance with the D-2 standard involves installing onboard systems to treat ballast water and eliminate unwanted organisms. All of our vessels are currently in compliance with this regulation.

Due to concern over climate change, a number of countries, the European Union and the IMO have adopted regulatory frameworks to reduce greenhouse gas emissions. These regulatory measures may include, among others, adoption of cap-and-trade regimes, carbon taxes, increased efficiency standards, and incentives or mandates for renewable energy. In addition, although the emissions of GHG from international shipping currently are not subject to the Paris Agreement or the Kyoto Protocol to the United Nations Framework Convention on Climate Change, which required adopting countries to implement national programs to reduce emissions of certain gases. In addition, the International Convention for the Prevention of Pollution from Ships (MARPOL) Annex VI, has been adopted that restricts air emissions from vessels.

In June 2021, IMO’s Marine Environment Protection Committee (“MEPC”) adopted amendments to the MARPOL Annex VI that will require ships to reduce their carbon dioxide and GHG emissions. These requirements combine technical and operational approaches to improve the energy efficiency of ships for future GHG reduction measures. Beginning January 1, 2023, each vessel is required to comply with the new Energy Efficiency Existing Ship Index (“EEXI”). Furthermore, from 2023 to 2026, each vessel must initiate the collection of data for the reporting of its annual operational Carbon Intensity Indicator (“CII”) and CII rating. The IMO is required to review the effectiveness of the implementation of the CII and EEXI requirements by January 1, 2026 at the latest.

Prior to the implementation of the new regulations under revised Annex VI of MARPOL, official calculations and estimations suggested that merchant vessels built before 2013, including some of our older vessels, may not fully comply with the EEXI requirements. Therefore, to ensure compliance with EEXI requirements many owners/operators may choose to limit engine power, rather than apply energy-saving devices and/or effect certain alterations on existing propeller designs, as the reduction of engine power is a less costly solution than these measures. As of the date of this Annual Report and since January 1, 2023, official calculations had determined that our vessels were in compliance with the EEXI requirements. However, in order to improve the EEXI of the vessels and the CII of the vessels, special coating antifouling and energy -saving devices are planned to be applied during the forthcoming SS/DD of the vessels.

The engine power limitation is predicted to lead to reduced ballast and laden speeds (at scantling draft) in the non-compliant vessels, which will affect non-compliant vessels’ commercial utilization and also decrease the global availability of vessel capacity. Furthermore, required software and hardware alterations as well as documentation and recordkeeping requirements will increase a vessel’s capital and operating expenditures.

Further, on January 27, 2021 the Biden administration issued an executive order temporarily blocking new leases for oil and gas drilling in U.S. federal waters. While leasing has since resumed, a record low of just three offshore lease sales over the next five years were unveiled in September 2023. However, leasing for oil and gas drilling in federal waters remains a contentious political issue, with certain states and Republicans in U.S. Congress pushing for increased leasing. On January 6, 2025, the Biden administration issued an executive order prohibiting new oil and gas leases in offshore areas, and President Trump then issued an executive order seeking to revoke it.

On November 13, 2021, the Glasgow Climate Pact was announced following discussions at the 2021 United Nations Climate Change Conference (“COP26”). The Glasgow Climate Pact calls for signatory states to voluntarily phase out fossil fuels subsidies. A shift away from these products could potentially affect the demand for our dry bulk and container fleet and negatively impact our future business, operating results, cash flows and financial position. COP26 also produced the Clydebank Declaration, in which 22 signatory states (including the United States and United Kingdom) announced their intention to voluntarily support the establishment of zero-emission shipping routes. Governmental and investor pressure to voluntarily participate in these green shipping routes could cause us to incur significant additional expenses to “green” our vessels. The 2023 United Nations Climate Change Conference (“COP28”) in Dubai called for, among other measures, a swift transition from fossil fuels and deep GHG emission cuts. The 2024 United Nations Climate Change Conference (“COP29”) in Marrakesh called for, among other measures, mitigating actions that would keep the Paris Agreement’s temperature goals on track through rapid and sustained emissions reductions globally. On January 20, 2025 President Trump signed an Executive Order seeking to withdraw the United States from the Paris Agreement. His administration has issued a number of other executive orders seeking to roll back prior administrative environmental initiatives concerning climate change, water and air pollution, environmental permitting, habitat protection and the promotion of fossil fuel production on federal, state and private lands. Many of these efforts are subject to a number of legal challenges and the scope and impact of these initiatives are at present uncertain, including with respect to climate change.

The foregoing regulations represent a growing trend towards “green” or sustainable sources of energy and increasing intervention by certain governments to impose more stringent emissions regimes. These regulations have had, and will continue to have, an impact on demand for vessels, as well as increase our costs of operation, any of which could have an adverse effect on our business and operating results.

The developments in safety and environmental requirements relating to the recycling and demolition of vessels may result in escalated and unexpected costs.

The 2009 Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, or the Hong Kong Convention, aims to ensure ships being recycled once they reach the end of their operational lives do not pose any unnecessary risks to the environment, human health and safety. On November 28, 2019, the Hong Kong Convention was ratified by the required number of countries, and it will be in force on June 26, 2025. Upon the Hong Kong Convention’s entry into force, each ship sent for recycling will have to carry an inventory of its hazardous materials. The hazardous materials, the use or installation of which are prohibited in certain circumstances, are listed in an appendix to the Hong Kong Convention. Ships will be required to have surveys to verify their inventory of hazardous materials initially, throughout their lives and prior to the ship being recycled. When implemented, the foregoing requirement may lead to cost escalation by shipyards, repair yards and recycling yards. This may then result in a decrease in the residual scrap value of a vessel, and a vessel could potentially not cover the cost to comply with the latest requirements, which may have an adverse effect on our future performance, cash flows, financial position and operating results.

Further, on November 20, 2013, the European Parliament and the Council of the EU adopted the Ship Recycling Regulation, which, among other things, requires any non-EU flagged vessels calling at a port or anchorage of an EU member state, including ours, to set up and maintain an Inventory of Hazardous Materials from December 31, 2020. Such a system includes information on the hazardous materials with a quantity above the threshold values specified in relevant EU Resolution that are identified in the ship’s structure and equipment. This inventory must be properly maintained and updated, especially after repairs, conversions or unscheduled maintenance on board the ship. The Company maintains such manuals as necessary.

The smuggling of drugs or other contraband onto our vessels may lead to governmental claims against us.

We expect that our vessels will call in ports in areas where smugglers attempt to hide drugs and other contraband on vessels, with or without the knowledge of crew members. To the extent our vessels are found with contraband, whether inside or attached to the hull of our vessel and whether, with or without the knowledge of any of our crew, we may face governmental or other regulatory claims which could have an adverse effect on our business, results of operations, cash flows and financial condition.

We are subject to international safety standards and the failure to comply with these regulations may subject us to increased liability, may adversely affect our insurance coverage and may result in a denial of access to, or detention in, certain ports.

The operation of our vessels is affected by the requirements set forth in the International Safety Management Code, or the ISM Code, promulgated by the IMO under the SOLAS Convention (each as defined in “*Item 4. Information on the Company—B. Business Overview—Environmental and Other Regulations in the Shipping Industry—International Maritime Organization*”). The ISM Code requires ship owners, ship managers and bareboat charterers to develop and maintain an extensive “Safety Management System” that includes the adoption of a safety and environmental protection policy setting forth instructions and procedures for the safe operation of vessels and describing procedures for dealing with emergencies. In addition, vessel classification societies impose significant safety and other requirements on our vessels. Failure to comply with these regulations may subject us to increased liability, may adversely affect our insurance coverage and may result in a denial of access to, or detention in, certain ports, and have a material adverse effect on our business, financial condition and operating results.

Furthermore, sanctions imposed by the European Union and U.K. against Russia and certain disputed regions of Ukraine may invalidate our insurance coverage for certain voyages to or from such regions. This is due to the inclusion of a standard exclusion for liabilities, costs or expenses in our protection and indemnity insurance where payment by our insurer or the provision of cover may expose the insurer to the risk of being subject to a sanction, prohibition or any adverse action. We could incur significant expenses in the event of any such invalidation, which could have an adverse effect on our business, financial condition and operating results. See “—*Our charterers calling on ports located in countries or territories that are the subject of sanctions or embargoes imposed by the U.S. government (including OFAC) or other authorities or failure to comply with the U.S. Foreign Corrupt Practices Act (the “FCPA”) or similar laws could lead to monetary fines or penalties and adversely affect our reputation. Such failures and other events could adversely affect the market for our common shares.*”

Maritime claimants could arrest our vessels, which could interrupt our cash flow and business.

Crew members, suppliers of goods and services to a vessel, shippers and receivers of cargo and other parties may be entitled to a maritime lien against a vessel for unsatisfied debts, claims or damages. In many jurisdictions, a maritime lien holder may enforce its lien by “arresting” or “attaching” a vessel through judicial proceedings. The arrest or attachment of our vessels, if not timely discharged, could have significant ramifications for the Company, including off-hire periods and/or potential cancellations of charters, high costs incurred in discharging the maritime lien, other expenses to the extent such arrest or attachment is not covered under our insurance coverage, breach of covenants in certain of our credit facilities and reputational damage. This in turn could negatively affect the market for our shares and adversely affect our business, financial condition, results of operations, cash flows and ability to service or refinance our debt. In addition, in jurisdictions where the “sister ship” theory of liability applies, such as South Africa, a claimant may arrest the vessel that is subject to the claimant’s maritime lien and any “associated” vessel, which is any vessel owned or controlled by the same owner. In countries with “sister ship” liability laws, claims might be asserted against us or any of our vessels for liabilities of other vessels that we then own, compounding the negative effects of an arrest or attachment on the Company. Any of those occurrences could have a material adverse effect on our business, financial condition and operating results.

Governments could requisition our vessels during a period of war or emergency resulting in a loss of earnings.

The government of a vessel’s registry could requisition for title or seize a vessel. Requisition for title occurs when a government takes control of a vessel and becomes the owner. A government could also requisition a vessel for hire. Requisition for hire occurs when a government takes control of a vessel and effectively becomes the charterer at dictated charter rates. Generally, requisitions occur during a period of war or emergency although governments may elect to requisition vessels in other circumstances. Although we would expect to be entitled to compensation in the event of a requisition of one or more of our vessels, the amount and timing of payment, if any, would be uncertain. Government requisition of one or more of our vessels could have a material adverse effect on our business, cash flows, financial condition and operating results.

Increased inspection procedures and tighter import and export controls could increase costs and disrupt our business.

International shipping is subject to various security and customs inspection and related procedures in countries of origin and destination and trans-shipment points. Inspection procedures may result in the seizure of the contents of our vessels, delays in the loading, offloading, trans-shipment or delivery and the levying of customs duties, fines or other penalties against us.

It is possible that changes to inspection procedures could impose additional financial and legal obligations on us. Changes to inspection procedures could also impose additional costs and obligations on our customers and may, in certain cases, render the shipment of certain types of cargo uneconomical or impractical. Any such changes or developments may have a material adverse effect on our business, financial condition and operating results.

Our shipping business has inherent operational risks, which may not be adequately covered by insurance.

Our vessels and their cargoes are at risk of being damaged or lost because of events such as marine disasters, adverse weather conditions, mechanical failures, human error, environmental accidents, war, terrorism, piracy and other circumstances or events. In addition, transporting cargoes across a wide variety of international jurisdictions creates a risk of business interruptions due to political circumstances in foreign countries, hostilities, labor strikes and boycotts, the potential changes in tax rates or policies, and the potential for government expropriation of our vessels. See “—*Geopolitical conditions, such as political instability or conflict, terrorist attacks and international hostilities, can affect the seaborne transportation industry, which could adversely affect our business*” and “*Trade disputes or the imposition of tariffs on imports and exports could affect international trade, and therefore adversely affect our business*” for further information regarding geopolitical circumstances which have or may impact insurance. Any of these events may result in loss of revenues, increased costs and decreased cash flows to our customers, which could impair their ability to make payments to us under our charters.

We procure insurance for our vessels against those risks that we believe the shipping industry commonly insures against. This insurance includes marine hull and machinery insurance, protection and indemnity insurance, which include environmental damage, pollution insurance coverage, crew insurance, and, in certain circumstances, war risk insurance. Currently, the amount of coverage for liability for pollution, spillage and leakage available to us on commercially reasonable terms through protection and indemnity associations and providers of excess coverage is \$1 billion per occurrence.

Despite the above policies, we may not be insured in amounts sufficient to address all risks and we or an intermediary may not be able to obtain adequate insurance coverage for our vessels in the future or may not be able to obtain certain coverage at reasonable rates. For example, in the past more stringent environmental regulations have led to increased costs for, and in the future may result in the lack of availability of, insurance against risks of environmental damage or pollution. Under the terms of our credit facilities, we are subject to restrictions on the use of any proceeds we may receive from claims under our insurance policies.

We do not carry loss of hire insurance. Loss of hire insurance covers the loss of revenue during extended vessel off-hire periods, such as those that occur during an unscheduled dry-docking due to damage to the vessel from accidents. Accordingly, any loss of a vessel or any extended period of vessel off-hire, due to an accident or otherwise, could have a material adverse effect on our business, results of operations and financial condition.

Further, insurers may not pay particular claims. Our insurance policies contain deductibles for which we will be responsible and limitations and exclusions which may increase our costs or lower our revenues. Moreover, insurers may default on claims they are required to pay. Any of these factors could have a material adverse effect on our financial condition.

Risks Relating to the Asset Management Industry in the Shipping and Energy Infrastructure Sectors

Our asset management business operates in an intensely competitive industry.

The shipping and energy infrastructure management business is intensely competitive, with competition based on a variety of factors, including business performance, fees charged, quality of service, innovation, brand recognition and business reputation. The investment business is also very competitive. We typically identify investment opportunities and co-invest alongside professional institutional investors in assets that we also provide management services to through our management businesses. The businesses in our asset management segment compete for clients and personnel with other management service providers, shipping and energy strategic players, traditional asset managers, commercial banks, investment banks, investment managers and other financial institutions, and for investment opportunities with a large number of private equity funds, specialized investment funds, hedge funds, and corporate buyers, and we expect that competition will increase. Our competitors in the investment business, many of which are larger than us, with greater resources, geographic footprints and name recognition, offer a wide range of investment opportunities to the same investors that we are seeking to attract for our co-investment projects.

If we are not successful in establishing ourselves among our customers, offering the products and services that our target groups want, consistently generating income, our business, results of operations and financial condition may be adversely affected. In addition, increased competition, including competition leading to fee reductions on existing or new business, may cause our assets under management, revenue and earnings to decline. See “*We earn a substantial portion of our asset management segment revenues based on assets under management whose volume fluctuates based on many factors, and any reduction would negatively impact our revenues and profitability*” below.

Our profits are highly dependent on the fees we earn for our management services as well as transaction fees related to the acquisition or disposal of assets. Competition could cause us to reduce the fees that we charge. If our clients were to view our fees as being inappropriately high relative to those charged by other service providers or to the returns generated by the relevant investment, we may choose, or be required, to reduce our fee levels, or we may experience significant reduction in our assets under management due to, for example, termination of management service agreements, which could have an adverse impact on our results of operations and financial condition.

We earn a substantial portion of our asset management segment revenues based on assets under management whose volume fluctuates based on many factors, and any reduction would negatively impact our revenues and profitability.

A substantial portion of the revenues of our asset management segment are generated from management fees relating to shipping and energy infrastructure management services, and one-off transaction fees in connection with the acquisition or sale of assets under management (such as vessels or renewable energy assets). Therefore, if assets under management decline, our fee revenues would decline, reducing profitability as certain of our expenses are fixed or have contractual terms. The number of the assets we manage could decline due to a variety of factors including, but not limited to, dispositions, termination of our services by clients, changes in applicable laws, and general economic, political conditions. Our assets under management may also decline as a result of negative performance, whether absolute or relative to established benchmarks or competing strategies, and if we are not successful at identifying opportunities within our investment and business strategies. If any of the foregoing factors occur, our business and results of operations may be materially adversely affected.

We provide technical ship management and other maritime services by joint ventures in which MPC Capital is a 50% shareholder. These entities are not controlled by MPC Capital, nor by any other shareholder, and therefore the management of such companies is subject to the risk of deadlock, which may result in interruption to operations, delays and losses. The technical management business may also be adversely affected if we fail to comply with the rules and standards of the licenses we hold, we fail the vetting inspections of charterers such as the oil majors and fail to comply with our obligations under the ship management agreements we have in place with our counterparties.

The business of our asset segment business is subject to a variety of laws and regulations and changes therein or failure to comply with them could adversely affect our revenues and profitability.

MPC Capital operates in the shipping management and the energy infrastructure management industries. MPC Capital’s activities are subject to a large number of laws and regulations in different jurisdictions that apply to such business activities, including, but not limited to, anti-money laundering laws and data protection laws with respect to client and other information, health and safety, labor, and permissions and licenses to develop energy infrastructure and technically manage and operate vessels. Failure to comply with these rules and regulations could restrict our ability to conduct certain activities or expose us to liability and/or reputational damage. Additional legislation, increasing regulatory oversight, or changes in applicable laws and regulations, or interpretation or enforcement of existing laws and regulations, may directly affect our operations and profitability.

In connection with certain of its investment business activities, MPC Capital works with external service providers in order to ensure compliance with the European Union's Alternative Investment Fund Managers Directive. As a result, the success of such business activities will depend in part on such third parties’ ability to provide these services. This business model may result in increased costs over time, which could have an adverse effect on our asset management segment’s operations and profitability.

Due to the extensive laws and regulations to which we are subject, we devote substantial time, expense, and effort to remain current on, and to address, legal and regulatory compliance matters. New regulations or interpretations of existing laws may result in enhanced disclosure obligations. Increased regulations generally increase our costs, and we could continue to experience higher costs if new laws require us to spend more time, hire additional personnel, or purchase new technology to comply effectively. Although we spend extensive time and resources to ensure compliance with all applicable laws and regulations, if we fail to comply with such laws and regulations, adhere to our policies, or modify and update our compliance procedures in a timely manner in this changing and highly complex regulatory environment, we may be subject to various legal proceedings, including civil litigation, governmental investigations and enforcement actions that could result in fines, penalties, suspensions of individual employees, or limitations on particular business activities, any of which could have an adverse impact on our revenues and profitability.

We may not be able to maintain sufficient insurance to cover us for potential litigation or other risks related to our asset management segment.

The ability to maintain adequate insurance coverage for potential litigation or other risks related to our asset management segment on commercially reasonable terms may be limited, which could have a material adverse effect on the business. The asset management segment faces the risk of loss from a range of potential claims, including those related to liabilities arising from non-compliance with our obligations under management services, or employee misconduct, regardless of whether such claims are valid. Insurance may not fully reimburse losses, and in the event of a successful claim exceeding or falling outside the coverage of our policies, significant financial liability could arise.

Risks Relating To Our Company

We have grown our fleet significantly and we may have difficulty managing our growth properly which may adversely affect our operations and profitability.

We are a company formed for the purpose of acquiring, owning, chartering, and operating oceangoing cargo vessels. Since our inception, we have grown our fleet from one vessel to thirty vessels on December 31, 2022 and as of May 9, 2025 we owned nine vessels following the contribution of our former tanker vessels to Toro in March 2023 and the disposal of certain other vessels as discussed in “*Item 4. Information on the Company—A. History and Development of the Company.*”

Growing any business presents numerous risks such as undisclosed liabilities and obligations, difficulty in obtaining additional qualified personnel and managing relationships with customers and suppliers and integrating newly acquired operations into existing infrastructures. The significant expansion of our fleet may impose significant additional responsibilities on our management and the management and staff of our commercial and technical managers, and may necessitate that we, and/or they, increase the number of our and/or their personnel.

Our or our managers’ current operating and financial systems may not be adequate as we continue to implement our plan to expand the size of our fleet and our attempts to improve those systems may be ineffective. In addition, if we further expand our fleet, we will need to recruit suitable additional seafarers and shore-side administrative and management personnel. We cannot guarantee that we will be able to hire suitable employees as we expand our fleet. If we encounter business or financial difficulties, we may not be able to adequately staff our vessels or our shore-side personnel. If we are unable to grow our financial and operating systems or to recruit suitable employees as we expand our fleet, our financial performance may be adversely affected and, among other things, the amount of our available free cash may be reduced.

We may be dependent on a small number of charterers for the majority of our business.

Historically, a small number of charterers have accounted for a significant part of our revenues. Indicatively, for both the years ended December 31, 2024 and 2023, we derived 81% and 80%, respectively, of our consolidated operating revenues from three charterers. In particular, for the years ended December 31, 2024 and 2023, we derived 92% and 90%, respectively, of our dry bulk segment operating revenues from two and three charterers, respectively. Further, for the years ended December 31, 2024 and 2023, we derived 87% and 100% of our containership segment operating revenues from three and two charterers, respectively. Our charters may be terminated early due to certain events, such as a client’s failure to make payments to us because of financial inability, disagreements with us or otherwise. The ability of each of our counterparties to perform their obligations under a charter with us depends on a number of factors that are beyond our control and may include, among other things, general economic conditions, the condition of the shipping industry, prevailing prices for the commodities and products which we transport and the overall financial condition of the counterparty. Should a counterparty fail to honor its obligations under an agreement with us, we may be unable to realize revenue under that charter and could sustain losses. In addition, if we lose an existing client, it may be difficult for us to promptly replace the revenue we derived from that counterparty. Any of these factors could have a material adverse effect on our business, financial condition, cash flows and operating results. For further information, see Note 1 to our consolidated financial statements included elsewhere in this Annual Report.

We may not be able to execute our shipping business strategy and we may not realize the benefits we expect from past acquisitions or future acquisitions or other strategic transactions.

As our business grows, we intend to acquire other companies that are in the maritime business as well as acquire additional vessels, including to replace existing vessels, diversify our fleet and, where appropriate, renew the vessels of our fleet, and expand our activities subject to the resolution of our Board to focus on certain areas of the shipping and energy industries. These objectives, including the diversification of our business, enhancing our fee revenues, reduction of the average age of our fleet to renew our fleet, have implications for various operating costs, the perceived desirability of our vessels to charterers and the ability to attract financing for our business on favorable terms or at all. Our future growth will primarily depend upon a number of factors, some of which may not be within our control. These factors include our ability to:

- identify acquisition candidates at attractive valuations;
- identify suitable vessels, including newbuilding slots at reputable shipyards and/or shipping companies for acquisitions at attractive prices;
- realize anticipated benefits, such as new customer relationships, cost-savings or cash flow enhancements from past acquisitions;
- obtain required financing for our existing and new operations;

- integrate any acquired vessels, assets or businesses successfully with our existing operations, including obtaining any approvals and qualifications necessary to operate vessels that we acquire;
- enlarging our customer base and continuing to meet technical and safety performance standards;
- ensure, either directly or through our manager and sub-managers, that an adequate supply of qualified personnel and crew are available to manage and operate our growing business and fleet;
- improve our operating, financial and accounting systems and controls; and
- cope with competition from other companies, many of which have significantly greater financial resources than we do, and may reduce our acquisition opportunities or cause us to pay higher prices.

Our failure to effectively identify, acquire, develop and integrate any business or vessels could adversely affect our business, financial condition, investor sentiment and operating results. Acquisitions may require additional equity issuances, which may dilute our common shareholders if issued at lower prices than the price they acquired their shares, or debt issuances (with amortization payments), both of which could lower our available cash. See “—*Past share issuances and future issuances of common shares or other equity securities, or the potential for such issuances, may impact the price of our common shares and could impair our ability to raise capital through subsequent equity offerings, to the extent available and permitted. Shareholders may experience significant dilution as a result of any such issuances.*” If any such events occur, our financial condition may be adversely affected.

We operate secondhand vessels, some of which have an age above the industry average, which may lead to increased technical problems for our vessels, higher operating expenses, affect our ability to finance and profitably charter our vessels, to comply with environmental standards and future maritime regulations and result in a more rapid deterioration in our vessels' market and book values.

Our current fleet consists only of secondhand vessels. While we have inspected our vessels and we intend to inspect any potential future vessel acquisition, this does not provide us with the same knowledge about its condition that we would have had if the vessel had been built for and operated exclusively by us. Generally, purchasers of secondhand vessels do not receive the benefit of warranties from the builders for the secondhand vessels that they acquire.

As of April 30, 2025, the average age of our current fleet is 13.1 years. The average age of our dry bulk vessels was 11.8 years, compared to an industry average of 12.56 years and the average age of our containerships was 18.4 years, compared to an industry average of 13.86 years as of the same date. The cost of maintaining a vessel in good operating condition and operating it generally increases with the age of a vessel, because, amongst other things:

- as our vessels age, typically, they become less fuel-efficient and more costly to maintain than more recently constructed vessels due to improvements in design, engineering, technology and due to increased maintenance requirements;
- cargo insurance rates increase with the age of a vessel, making our vessels more expensive to operate;
- governmental regulations, environmental and safety or other equipment standards related to the age of vessels may also require expenditures for alterations or the addition of new equipment to our vessels and may restrict the type of activities in which our vessels may engage.

Charterers also have age restrictions on the vessels they charter and in the past, have actively discriminated against chartering older vessels, which may result in a lower utilization of our vessels resulting to lower revenues. Our charterers have a high and increasing focus on quality and compliance standards with their suppliers across the entire supply chain, including the shipping and transportation segment. Our continued compliance with these standards and quality requirements is vital for our operations. The charter hire rates and the value and operational life of a vessel are determined by a number of factors including the vessel’s efficiency, operational flexibility and physical life. Efficiency includes speed, fuel economy and the ability to load and discharge cargo quickly. Flexibility includes the ability to enter harbors, operate in extreme climates, utilize related docking facilities and pass-through canals and straits. The length of a vessel’s physical life is related to its original design and construction, its maintenance and the impact of the stress of operations.

The age of our fleet may impede our ability to obtain external financing at all or at reasonable terms as our vessels may be seen as less valuable collateral. For further information on the factors which could affect our ability to obtain financing, including the age of our fleet, see “—*The age of our fleet may impact our ability to obtain financing and a decline in the market values of our vessels could limit the amount of funds that we can borrow, cause us to breach certain financial covenants in our current or future credit facilities and/or result in impairment charges or losses on sale.*”

We face competition from companies with more modern vessels with more fuel-efficient designs than our vessels (“eco-vessels”). If new vessels are built that are more efficient or more flexible or have longer physical lives than even the current eco-vessels, competition from the current eco-vessels and any more technologically advanced vessels could adversely affect the amount of charter hire payments we receive for our vessels once their charters expire and the resale value of our vessels could significantly decrease.

We cannot assure you that, as our vessels age, market conditions will justify expenditures to maintain or update our vessels or enable us to operate our vessels profitably during the remainder of their useful lives or that we will be able to finance the acquisition of new vessels at the time that we retire or sell our aging vessels. This could have a material adverse effect on our business, financial condition and operating results.

The growth of our asset management segment’s business depends in large part on our ability to identify and develop new investment projects.

The success and growth of our asset management business will depend on, among other things, our ability to identify and develop suitable assets and investment projects. In the course of planning and developing new investment projects, we incur costs and expenses, which may be significant, in order to seek out suitable assets, analyzing the opportunities and risks of assets and structuring the projects. While we incur such costs and expenses, there is no assurance that the relevant opportunities will materialize into new investments, and that such projects will achieve a satisfactory level of scale and profitability. If an investment project fails to materialize, we would have to bear any costs incurred during the planning and development phases.

The performance of our asset management segment is dependent on the financial performance of our investees, over which we do not exercise control.

In connection with the investment business of our asset management segment, we seek investment opportunities in the shipping and energy infrastructure sectors in order to acquire minority stakes (by co-investing with professional institutional third party investors). As a result, the performance of our asset management segment is dependent on the performance of such investees, over which we do not exercise control. We are exposed to the risks inherent in all acquisitions, including that such companies may not successfully grow their business and achieve the expected results.

In addition, through these investments we are exposed to the risks typical of their respective businesses, including regulatory and legislative risk, social, economic political risk, market risk, cyber security, credit and financial risk, fluctuation in energy prices, and various operational risks. With regards to energy infrastructure projects, these are large and complex in nature and may encounter obstacles, both from internal and external factors, leading to installation challenges impacting project execution, delays to construction schedules, and cost overruns, which may ultimately result in losses, impairments, and contractual break costs. The infrastructure may also suffer breakdowns, defaults or malfunctions, as well as sabotage, acts of vandalism, security incidents (cyber or physical), or any other extraordinary events which could result in a decline in revenues or need additional capital expenditures so that the infrastructure can continue to operate and could also cause considerable damage to people, potentially giving rise to significant liabilities. In addition, certain of our investees (such as MPCC and MPCES, each defined below) are public companies, therefore the price of their shares may be volatile.

Any of the foregoing factors could have a material adverse effect on our business, results of operations and financial condition.

Our asset management business could be harmed by any damage to our reputation and lead to a reduction in our revenues and profitability.

Maintaining a positive reputation with existing and potential clients, the investment community and other constituencies is critical to our success. Our reputation is vulnerable to many threats that can be difficult or impossible to control, and costly or impossible to remediate even if they are without merit or satisfactorily addressed. Our reputation may be impacted by many factors, including, but not limited to: poor performance; litigation; conflicts of interests; regulatory inquiries, investigations or findings; operational failures (including cyber incidents); intentional or unintentional misrepresentation of our products or services by us or our third-party service providers; material weaknesses in our internal controls; or employee misconduct or rumors. Any damage to our reputation could impede our ability to attract and retain clients and key personnel, adversely impact relationships with clients, third-party distributors and other business partners, and lead to a reduction in the number of our clients and assets under management, any of which could adversely affect our results of operations and financial condition.

We are exposed to exchange rate fluctuations due to international operations.

The asset management business mainly is exposed to foreign exchange risks, particularly with respect to fluctuations in the EUR/USD exchange rate. As part of its international operations, the company may incur revenues, expenses, and liabilities in foreign currencies, most notably in euros and U.S. dollars. Volatility in the EUR/USD exchange rate may result in fluctuations in the value of assets and liabilities denominated in these currencies, which could have a material impact on financial performance, cash flows, and profitability. Changes in the EUR/USD exchange rate could affect the value of future revenue streams, expenses, or debt repayments, potentially leading to higher operational costs or lower profitability. Additionally, adverse movements in currency exchange rates may affect the attractiveness of investments or make it more difficult to raise capital from foreign investors. While efforts may be made to hedge or manage exposure to currency risks, there is no assurance that such strategies will be successful or that the business will not experience negative financial impacts due to fluctuations in the EUR/USD exchange rate or any other exchange rates in currencies we trade in.

A cyber-attack could materially disrupt our business and may result in a significant financial cost to us.

We rely on information technology systems and networks in our operations, our vessels and administration of our business. Information systems are vulnerable to security breaches by computer hackers and cyber terrorists. We rely on industry-accepted security measures and technology to securely maintain confidential and proprietary information maintained on our information systems. However, these measures and technology may not adequately prevent security breaches. Our business operations could be targeted by individuals or groups seeking to sabotage or disrupt our information technology systems and networks, to steal data, or to ask for ransom. A successful cyber-attack could materially disrupt our operations, including the safety of our operations, or lead to unauthorized release, alteration or unavailability of information in our systems. Any such attack or other breach of our information technology systems could have a material adverse effect on our business and operating results. In addition, the unavailability of our information systems or the failure of these systems to perform as anticipated for any reason could disrupt our business and could result in decreased performance and increased operating costs, causing our business and operating results to suffer.

In 2017, the IMO adopted Resolution MSC.428(98) on Maritime Cyber Risk Management, which encourages administrations to ensure that cyber risks are appropriately addressed in SMS no later than the first annual verification of the Company’s Document of Compliance (DOC) after January 1, 2021, and the U.S. Coast Guard published non-binding guidance in February 2021, on addressing cyber risks in a vessel’s safety management system. While we are currently in compliance with the requirements of Resolution MSC.428(98), the cybersecurity measures we maintain may not be sufficient to prevent the occurrence of a cybersecurity attack and/or incident. Any inability to prevent security breaches (including the inability of our third-party vendors, suppliers or counterparties to prevent security breaches) or any failure to adopt or maintain appropriate cybersecurity risk management and governance procedures could cause existing or prospective clients to lose confidence in our IT systems and could adversely affect our reputation, cause losses to us or our customers and/or damage our brand. This might require us to create additional procedures for managing the risk of cybersecurity, which could require additional expenses and/or capital expenditures.

The risks associated with informational and operational technology incidents have increased in recent years given the increased prevalence of remote work arrangements, and may be further heightened by geopolitical tensions and conflicts, such as the ongoing conflict between Russia and Ukraine. State-sponsored Russian actors have taken and may continue to take retaliatory actions and enact countermeasures against countries and companies that have divested from or curtailed business with Russia as a result of Russia’s invasion of Ukraine and related sanctions imposed on Russia. See “*—Our charterers calling on ports located in countries or territories that are the subject of sanctions or embargoes imposed by the U.S. government (including OFAC) or other authorities or failure to comply with the U.S. Foreign Corrupt Practices Act (the “FCPA”) or similar laws could lead to monetary fines or penalties and adversely affect our reputation. Such failures and other events could adversely affect the market for our common shares*” for further information on these sanctions. This includes cyber-attacks and espionage against other countries and companies in the world, which may negatively impact such countries in which we operate and/or companies to whom we provide services or receive services from. Any such attacks, whether widespread or targeted, could create significant disruptions in our business and adversely impact our financial condition, cash flows and operating results.

We are subject to certain risks with respect to our counterparties on contracts, and failure of such counterparties to meet their obligations could cause us to suffer losses or negatively impact our results of operations and cash flows.

We have entered into, and may enter into in the future, various contracts, including charter agreements, pool agreements, management agreements (including ship management and technical management agreements), shipbuilding contracts and credit facilities. Such agreements subject us to counterparty risks. In its asset management business, MPC Capital and its subsidiaries provide management services for certain of its investees and third parties. The ability of each of our counterparties to perform its obligations under a contract with us will depend on a number of factors that are beyond our control and may include, among other things, general economic conditions, the condition of the maritime, energy and offshore industries, the overall financial condition of the counterparty, charter rates received for specific types of vessels, and various expenses. For example, the combination of a reduction of cash flow resulting from a decline in world trade or electricity prices and the lack of availability of debt or equity financing may result in a significant reduction in the ability of our charterers to make payments to us. In addition, in depressed market conditions, our charterers and customers may no longer need a vessel that is then under charter or contract or may be able to obtain a comparable vessel at lower rates. As a result, charterers and customers may seek to renegotiate the terms of their existing charter agreements or avoid their obligations under those contracts. This may have a significant impact on our revenues due to our concentrated customer base. For further details, see “*—We may be dependent on a small number of charterers for the majority of our business.*” We may also face these counterparty risks due to assignments. Should a counterparty fail to honor its obligations under agreements with us, we could sustain significant losses which could have a material adverse effect on our business, cash flows, financial condition, and operating results.

We are dependent upon Castor Ships, which is a related party manager of our fleet and business, and other related or third-party sub-managers for the management of our fleet, and failure of such counterparties to meet their obligations could cause us to suffer losses or negatively impact our results of operations and cash flows.

The management of our business, including, but not limited, the commercial and technical management of our fleet as well as administrative, financial and other business functions, is carried out by our head manager Castor Ships, which is a company controlled by our Chairman, Chief Executive Officer and Chief Financial Officer, Petros Panagiotidis. Castor Ships has subcontracted some aspects of the management of a number of our vessels to a related ship management company. See “*Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Management, Commercial and Administrative Services*” for further information on our management arrangements. We are reliant on Castor Ship’s continued and satisfactory provision of its services and its subcontracting arrangements may expose us to risks such as low customer satisfaction with the service provided by these subcontractors, increased operating costs compared to those we would achieve for our vessels, and an inability to maintain our vessels according to our standards or our current or potential customers’ standards.

Our ability to enter into new charters and expand our customer relationships depends largely on our ability to leverage our relationship with our head manager, Castor Ships, and subcontractors of such entity, as well as these parties’ reputations and relationships in the shipping industry. If any of these counterparties suffer material damage to their reputations or relationships, it may also harm our ability to renew existing charters upon their expiration, obtain new charters or maintain satisfactory relationships with suppliers and other third parties. In addition, the inability of our head manager to fix our vessels at competitive charter rates either due to prevailing market conditions at the time or due to their inability to provide the requisite quality of services, could adversely affect our revenues and profitability and we may have difficulty meeting our working capital and debt obligations.

Our operational success and ability to execute our growth strategy will depend significantly upon the satisfactory and continued performance of these services by our managers and/or sub-managers, as well as their reputations. Any of the foregoing factors could have an adverse effect on our and their reputations and on our business, financial condition and operating results. Although we may have rights against our managers and/or sub-managers if they default on their obligations to us, our shareholders will share that recourse only indirectly to the extent that we recover funds.

Nasdaq may delist our common shares from its exchange which could limit your ability to make transactions in our securities and subject us to additional trading restrictions.

On April 20, 2023, we received a notification from the Nasdaq that we were not in compliance with the Minimum Bid Price Requirement. On March 27, 2024, we effected a 1-for-10 reverse stock split of our common shares without any change in the number of authorized common shares, and, as a result we regained compliance. Although as of the date of this report our per share price has been above the minimum \$1.00 per share bid price requirement for continued listing on the Nasdaq Capital Market (the “Minimum Bid Price Requirement”), there can be no assurance that we will maintain compliance. If in the future we are not in compliance with the Minimum Bid Price Requirement and are unable regain compliance, trading of our common shares will be subject to delisting. If a delisting of our common shares, or even a suspension of trading in our common shares, were to occur, there would be significantly less liquidity in the delisted or suspended common shares. In addition, our ability to raise additional capital through equity or debt financing would be greatly impaired. A suspension or delisting may also breach the terms of certain of our material contracts.

We had previously received a notification from the Nasdaq on April 14, 2020 regarding our noncompliance with the Minimum Bid Price Requirement, after which we completed a 1-for-10 reverse stock split of our common shares on May 28, 2021. We regained compliance with the Minimum Bid Price Requirement shortly thereafter.

Our recently repaid credit facility contained, and we expect that any new or amended credit facility we enter into will contain, restrictive covenants that we may not be able to comply with due to economic, financial or operational reasons and may limit our business and financing activities.

The operating and financial restrictions and covenants in our recently repaid credit agreement, and any new or amended credit facility we may enter into in the future, could adversely affect our ability to finance future operations or capital needs or to engage, expand or pursue our business activities.

For example, the recently repaid credit facility required the consent of our lender for Castor, as borrower, or our subsidiaries that act as guarantors in our facility to, among other things:

- incur or guarantee additional indebtedness outside of our ordinary course of business;
- charge, pledge or encumber our vessels;
- change the flag, class, management or ownership of our vessels;
- declare or pay any dividends or other distributions at a time when the Company has an event of default or the payment of such distribution would cause an event of default;
- form or acquire any subsidiaries;
- make any investments in any person, asset, firm, corporation, joint venture or other entity;
- merge or consolidate with any other person;
- sell or change the beneficial ownership or control of our vessels if there has been a change of control directly or indirectly in our subsidiaries or us; and

Our facility also required us to comply with certain financial covenants, in each case subject to certain exceptions, including:

- (i) not having a ratio of net debt to assets adjusted for the market value of the vessels above a certain level;
- (ii) maintain a certain level of shareholders equity.

Our ability to comply with the covenants and restrictions contained in our current or future credit facilities may be affected by events beyond our control and which could impair our ability to comply with the terms of such facilities, including prevailing economic, financial and industry conditions, interest rate developments, changes in the funding costs of our banks and changes in vessel earnings and asset valuations. If market or other economic conditions deteriorate, our ability to comply with these covenants may be impaired. We may be obligated to prepay part of our outstanding debt in order to remain in compliance with the relevant covenants in our current or future credit facilities. If we are in breach of any of the restrictions, covenants, ratios or tests in our current or future credit facilities, or if we trigger a cross-default contained in our current or future credit facilities, a significant portion of our obligations may become immediately due and payable. We may not have, or be able to obtain, sufficient funds to make these accelerated payments. In addition, obligations under our current and/or future credit facilities are and are expected to be secured by our vessels, and if we are unable to repay debt under our current or future credit facilities, the lenders could seek to foreclose on those assets. Financial and operating covenants in our facilities could also constrain our ability to acquire vessels. Any of these factors could have a material adverse effect on our business, financial condition and operating results.

Furthermore, any contemplated expenditures for vessel acquisitions will have to be at levels that do not breach the covenants of our loan facilities. If the estimated asset values of the vessels in our fleet decrease, such decreases may limit the amounts we can draw down under our future credit facilities to purchase additional vessels, limit our ability to raise equity capital and our ability to expand our fleet. If funds under our current or future credit facilities become unavailable or we need to repay them as a result of a breach of our covenants or otherwise, we may not be able to perform our business strategy which could have a material adverse effect on our business, financial condition and operating results.

Our outstanding debt is mainly exposed to Secured Overnight Financing Rate (“SOFR”) Risk. If volatility in SOFR occurs, the interest on our indebtedness could be higher than prevailing market interest rates and our profitability, earnings and cash flows may be materially and adversely affected.

We are exposed to the risk of interest rate variations, principally in relation to the SOFR, a secured rate published by the Federal Reserve Bank of New York. SOFR or any other replacement rate may be volatile. Because the interest rates borne by our outstanding indebtedness fluctuate with changes in SOFR, if this volatility were to occur, it would affect the amount of interest payable on our debt. Our outstanding indebtedness is exposed to SOFR risk at annual rates ranging from 3.10% to 3.88% over SOFR.

Given that SOFR is a secured rate backed by government securities (and therefore does not take into account bank credit risk), it may be lower than other reference rates. Inflation is generally expected to continue trending downwards in the United States but is subject to various uncertainties and other factors discussed in “—*Worldwide inflationary pressures could negatively impact our results of operations and cash flows.*” Further, as a secured rate backed by government securities, SOFR may be less likely to correlate with the funding costs of financial institutions. As a result, parties may seek to adjust spreads relative to SOFR in underlying contractual arrangements. Therefore, the use of SOFR-based rates has and may continue to result in interest rates and/or payments that are higher or lower than the rates and payments that we experienced under our credit facilities when interest was based on LIBOR. Alternative reference rates may behave in a similar manner or have other disadvantages or advantages in relation to our indebtedness.

In order to manage our exposure to interest rate fluctuations, we may from time to time use interest rate derivatives to effectively fix some of our floating rate debt obligations. We currently do not have any interest rate derivative instruments in place. SOFR rates have risen throughout 2023 and 2024 and may rise further in the future if the current inflation rates increase. However, our financial condition could be materially adversely affected by rate changes at any time that we have not entered into interest rate hedging arrangements to hedge our exposure to the interest rates applicable to our credit facilities and any other financing arrangements we may enter into in the future. Conversely, the use of derivative instruments, if any, may not effectively protect us from adverse interest rate movements. The use of interest rate derivatives may result in substantial losses and may affect our results through mark to market valuation of these derivatives. Also, adverse movements in interest rate derivatives may require us to post cash as collateral, which may impact our free cash position. Entering into swaps and derivatives transactions is inherently risky and presents various possibilities for incurring significant expenses.

Any of the foregoing factors, including any combination of them, could have an adverse effect on our business, financial condition, cash flow and operating results.

We may not be able to obtain debt or equity financing on acceptable terms which may negatively impact our planned growth. In particular, in the past we have relied on financial support from our Chairman, Chief Executive Officer and Chief Financial Officer, Petros Panagiotidis, but cannot guarantee availability of such funding in the future.

As a result of concerns about the stability of financial markets generally and the solvency of counterparties, among other factors, the ability to obtain money from the credit markets has become more difficult as many lenders have increased interest rates, enacted tighter lending standards, refused to refinance existing debt at all or on terms similar to current debt and reduced, and in some cases ceased, to provide funding to borrowers. Due to these factors, we cannot be certain that financing or refinancing will be available if needed and to the extent required, on acceptable terms. The age of our fleet may also impact our ability to obtain new financing on favorable terms or at all and may hinder our plans to reduce the average age of our fleet through vessel acquisitions and/or replacements. See “*The age of our fleet may impact our ability to obtain financing and a decline in the market values of our vessels could limit the amount of funds that we can borrow, cause us to breach certain financial covenants in our current or future credit facilities and/or result in impairment charges or losses on sale.*” If financing is not available when needed, or is available only on unfavorable terms, we may be unable to enhance our existing business, complete additional vessel acquisitions or otherwise take advantage of business opportunities as they arise.

Successful execution of investment projects by the investment business within our asset management segment will depend on the successful raising of equity from external investors. We may not be successful in raising equity capital from investors as a result of a number of factors, including: a) volatile economic and market conditions, which may cause investors not to make, or to delay making new equity commitments; b) intense competition, which may make it more difficult to raise and deploy capital, thereby limiting our ability to grow or maintain our revenues; or c) poor performance of one or more of our existing investments, either relative to market benchmarks, our competitors or in absolute terms may cause equity investors to regard our projects less favorably than those of our competitors, thereby adversely affecting our ability to raise equity for new projects..

In addition, successful execution of investment projects, which are intended to be levered, will depend on successfully securing debt financing. We may not be successful in raising debt from debt capital providers as a result of a number of factors, including: a) tightening credit markets or unfavorable interest rate environments, which may reduce lenders’ risk appetite; b) changes in regulatory requirements or lending standards that limit access to credit; and c) the perceived risk profile or performance of the underlying projects.

Our Chairman, Chief Executive Officer and Chief Financial Officer, Petros Panagiotidis, may provide loans to us. However, we cannot guarantee that such loans will be available to the Company or that they will be available to us on favorable terms. Even if we are able to borrow money from Mr. Panagiotidis, such borrowing could create a conflict of interest of management. See also “*—The direct holder of our Series B Preferred Shares, and the indirect holders of our Series B Preferred Shares, including our Chairman, Chief Executive Officer and Chief Financial Officer, may be able to exert considerable influence over matters on which our shareholders are entitled to vote.*” Any of these factors could have a material adverse effect on our business, financial condition and operating results.

We are a holding company, and we depend on the ability of our subsidiaries to distribute funds to us to satisfy our financial and other obligations.

We are a holding company and have no significant assets other than the equity interests in our subsidiaries. Our subsidiaries own all of our assets (including our existing vessels), and subsidiaries we form or acquire will own any other assets (including vessels) we may acquire in the future. All payments under our charters and in connection with our asset management business are made to our subsidiaries. As a result, our ability to meet our financial and other obligations, and to pay dividends in the future, as and if declared, will depend on the performance of our subsidiaries and their ability to distribute funds to us. The ability of a subsidiary to make these distributions could be affected by a claim or other action by a third party, including a creditor, by the terms of our financing arrangements, or by the applicable law regulating the payment of dividends in the jurisdictions in which our subsidiaries are organized.

In particular, the applicable loan agreements entered into by certain of our subsidiaries, prohibit such subsidiaries from paying any dividends to us if we or such subsidiary breach a covenant in a loan agreement or any financing agreement we may enter into. See “—*Our recently repaid credit facility contained, and we expect that any new or amended credit facility we enter into will contain, restrictive covenants that we may not be able to comply with due to economic, financial or operational reasons and may limit our business and financing activities.*” If we are unable to obtain funds from our subsidiaries, we will not be able to meet our liquidity needs unless we obtain funds from other sources, which we may not be able to do.

We do not have a declared dividend policy and our Board may never declare cash dividends on our common shares.

The declaration and payment of dividends, if any, will always be subject to the discretion of our Board, restrictions contained in our current or future agreements and the requirements of Marshall Islands law. We do not have a declared dividend policy and if the Board determines to declare cash dividends on our common shares, the timing and amount of any dividends declared will depend on, among other things, our earnings, financial condition and cash requirements and availability, our ability to obtain debt and equity financing on acceptable terms as contemplated by our business strategy, our compliance with the terms of our outstanding indebtedness and the ability of our subsidiaries to distribute funds to us. The shipping industry is generally volatile, and we cannot predict with certainty the amount of cash, if any, that will be available for distribution as dividends in any period. Also, there may be a high degree of variability from period to period in the amount of cash that is available for the payment of dividends.

The rights of the holders of our Series D Preferred Shares rank senior to the obligations to holders of our common shares. This means that, unless accumulated dividends have been paid or set aside for payment on all of our outstanding Series D Preferred Shares for all past completed dividend periods, no distributions may be declared or paid on our common shares subject to limited exceptions.

We may incur expenses or liabilities or be subject to other circumstances in the future that reduce or eliminate the amount of cash that we have available for distribution as dividends, including as a result of the risks described herein. Our business strategy contemplates that we will finance our acquisitions of additional vessels using cash from operations, through debt financings and/or from the net proceeds of future equity issuances on terms acceptable to us. If financing is not available to us on acceptable terms or at all, our Board may determine to finance or refinance acquisitions with cash from operations, which would reduce the amount of any cash available for the payment of dividends, if any.

The Republic of Marshall Islands laws generally prohibits the payment of dividends other than from surplus (retained earnings and the excess of consideration received for the sale of shares above the par value of the shares) or while a company is insolvent or would be rendered insolvent by the payment of such a dividend. We may not have sufficient surplus in the future to pay dividends and our subsidiaries may not have sufficient funds or surplus to make distributions to us. We currently pay no cash dividends and we may never pay dividends.

Increasing scrutiny and changing expectations from investors, lenders and other market participants with respect to our Environmental, Social and Governance (“ESG”) policies may impose additional costs on us or expose us to additional risks.

Companies across all industries are facing increasing scrutiny relating to their ESG practices and policies. Investor advocacy groups, certain institutional investors, investment funds, lenders and other market participants are increasingly focused on ESG practices and in recent years have placed increasing importance on the implications and social cost of their investments. The increased focus and activism related to ESG and similar matters may hinder access to capital, as investors and lenders may decide to reallocate capital or to not commit capital as a result of their assessment of a company’s ESG practices. Companies which do not adapt to or comply with investor, lender or other industry shareholder expectations and standards, which are evolving, or which are perceived to have not responded appropriately to the growing concern for ESG issues, regardless of whether there is a legal requirement to do so, may suffer from reputational damage and the business, financial condition, and/or stock price of such a company could be materially and adversely affected.

We may face increasing pressures from investors, lenders and other market participants, who are increasingly focused on climate change, to prioritize sustainable energy practices, reduce our carbon footprint and promote sustainability. As a result, we may be required to implement more stringent ESG procedures or standards so that our existing and future investors and lenders remain invested in us and make further investments in us, especially given the highly focused and specific trade and transport of dry bulk and containerized products in which we are engaged. If we do not meet these standards, our business and/or our ability to access capital could be harmed.

These limitations in both the debt and equity capital markets may affect our ability to grow. If those markets are unavailable, or if we are unable to access alternative means of financing on acceptable terms, or at all, we may be unable to implement our business strategy, which could impair our ability to service our indebtedness. Further, it is likely that we will incur additional costs and require additional resources to monitor, report, comply with and implement wide ranging ESG requirements. Any of the foregoing factors could have a material adverse effect on our business, financial condition and operating results.

We are a foreign private issuer and, as a result, are not subject to U.S. proxy rules and are subject to Exchange Act reporting obligations that, to some extent, are more lenient and less frequent than those of a U.S. domestic public company and are permitted to rely on home country practice in respect of certain corporate governance and other requirements, which may mean that our corporate governance practices differ from those of certain of our listed U.S. competitors.

We report under the Exchange Act as a non-U.S. company with foreign private issuer status. Because we qualify as a foreign private issuer under the Exchange Act, we are exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies, including (i) the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act, (ii) the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time and (iii) the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial and other specified information, or current reports on Form 8-K, upon the occurrence of specified significant events. In addition, foreign private issuers are not required to file their Annual Report on Form 20-F until four months after the end of each financial year, while U.S. domestic issuers that are large accelerated filers are required to file their Annual Report on Form 10-K within 60 days after the end of each fiscal year. Foreign private issuers are also exempt from Regulation FD, aimed at preventing issuers from making selective disclosures of material information. As a result of the above, you may not have the same protections afforded to shareholders of companies that are not foreign private issuers or controlled companies.

As a publicly traded company, the SEC, Nasdaq Capital Market, and other regulatory bodies subject us to increased scrutiny on the way we manage and operate our business by urging us to utilize or mandating certain corporate governance actions. Corporate governance of listed companies has increasingly become an area of focus among policymakers and investors. Listed companies are generally encouraged to follow best practices and often must comply with these rules and/or practices addressing a variety of corporate governance and anti-fraud matters such as director independence, board committees, corporate transparency, ethical behavior, sustainability and prevention of and controls relating to corruption and fraud. While we believe we follow all requirements that regulatory bodies may from time to time impose on us, our internal processes and procedures might not be as advanced or mature as those implemented by other listed shipping companies with a longer experience and presence in the U.S. capital markets, which could be an area of concern to our investors and expose us to greater operational risks. In addition, as a foreign private issuer, we are also entitled to and do rely on exceptions from certain corporate governance requirements of the Nasdaq Capital Market. Refer to “*Item 16G. Corporate Governance*” for further details on such exceptions.

As a result, you may not have the same protections afforded to shareholders of companies that are not foreign private issuers.

We may be subject to litigation that, if not resolved in our favor and not sufficiently insured against, could have a material adverse effect on us.

We may, from time to time, be involved in various litigation matters. These matters may include, among other things, contract disputes, personal injury claims, environmental claims or proceedings, asbestos and other toxic tort claims, employment matters, governmental claims for taxes or duties, liabilities arising from performing asset management services and employee misconduct, and other litigation that arises in the ordinary course of our business.

We cannot predict with certainty the outcome or effect of any claim or other litigation or arbitration matter, and the ultimate outcome of any litigation or arbitration or the potential costs to resolve it may have a material adverse effect on our business. Insurance may not be applicable or sufficient in all cases and/or insurers may not remain solvent, which could have a material adverse effect on our financial condition. ***A change in tax laws, treaties or regulations, or their interpretation, of any country in which we operate could result in a higher tax rate on our worldwide earnings, which could result in a significant negative impact on our earnings and cash flows from operations.***

We conduct our operations through subsidiaries which can trade worldwide. Tax laws and regulations are highly complex and subject to interpretation. Consequently, we are subject to changing tax laws, treaties and regulations in and between countries in which we operate, manage assets, provide advisory services, market products, or invest, or in which any of the investors in our investment products are resident. Our income tax expense, if any, is based upon our interpretation of tax laws in effect in various countries at the time that the expense was incurred. A change in these tax laws, treaties or regulations, or in the interpretation thereof, could result in a materially higher tax expense or a higher effective tax rate on our worldwide earnings, and such change could be significant to our financial results. If any tax authority successfully challenges our operational structure, or the taxable presence of our operating subsidiaries in certain countries, or if the terms of certain income tax treaties are interpreted in a manner that is adverse to our structure, or if we lose a material tax dispute in any country, our effective tax rate on our worldwide earnings could increase substantially. An increase in our taxes could have a material adverse effect on our earnings and cash flows from these operations. Changes in tax treaties, or changes in the interpretation of such treaties, between jurisdictions in which we or our affiliates hold investments or in which our investors are resident could also affect the efficiency with which our investors realize income or capital gains or the ability to repatriate income and capital gains from those jurisdictions to our investors. In addition, the introduction of new EU directives or changes to existing tax frameworks could adversely affect the tax efficiency of our investments. As a result, MPC Capital or its affiliates may be subject to unfavorable tax treatment in certain jurisdictions, which could undermine the value of our investments or the feasibility of investing in certain countries. These changes could materially affect the returns on our investments and the feasibility of making investments in certain countries, and could also affect our ability to attract investors in the future.

EU Finance ministers rate jurisdictions for tax rates and tax transparency, governance and real economic activity. Countries that are viewed by such finance ministers as not adequately cooperating, including by not implementing sufficient standards in respect of the foregoing, may be put on a “grey list” or a “blacklist”. EU member states have agreed upon a set of measures, which they can choose to apply against grey- or blacklisted countries, including increased monitoring and audits, withholding taxes, special documentation requirements and anti-abuse provisions. The European Commission has stated it will continue to support member states' efforts to develop a more coordinated approach to sanctions for the listed countries. EU legislation prohibits EU funds from being channeled or transited through entities in countries on the blacklist.

The Marshall Islands was added to the EU blacklist in February 2023, and it was subsequently removed from the EU blacklist in October 2023. If any jurisdiction in which we are incorporated in is added to the list of non-cooperative jurisdictions in the future and sanctions or other financial, tax or regulatory measures were applied by European Member States to countries on the list, our business could be harmed. In addition, if further economic substance or other requirements were imposed by the Marshall Islands, our business could be adversely affected.

Our subsidiaries may be subject to taxation in the jurisdictions in which their activities are conducted. The amount of any such taxation may be material and would reduce the amounts available for distribution to us.

We are subject to the risk of additional tax payments imposed by tax authorities.

Because shipping income may be exempt from local income taxes, a significant portion of our income tax liability is attributable to MPC Capital. Future tax assessments by the tax authorities, in Germany or elsewhere, regarding MPC Capital as part of future tax audits or based on a change in the administration of justice may be greater than the provisions made by the MPC Capital. The tax authorities may also claim that additional taxes are due in respect of prior assessment periods. The same risk also applies to future assessment periods. If it is determined that additional tax payments are due from MPC Capital, interest may also be payable. The statutory interest rate in Germany on late additional tax payments is currently set at 1.8% per annum but is subject to change.

We are dependent on our management and their ability to hire and retain key personnel and their ability to devote sufficient time and attention to their respective roles. In particular, we are dependent on the retention and performance of our Chairman, Chief Executive Officer and Chief Financial Officer, Petros Panagiotidis.

Our success depends upon our and our management’s ability to hire and retain key members of our management team and the ability of our management team to devote sufficient time and attention to their respective roles in light of outside business interests. In particular, we are dependent upon the performance of our Chairman, Chief Executive Officer and Chief Financial Officer, Petros Panagiotidis, who has outside business interests in Castor Ships and other ventures. Mr. Panagiotidis will continue to devote such portion of his business time and attention to our business as is appropriate and will also continue to devote substantial time to Toro’s business and other business and/or investment activities that Mr. Panagiotidis maintains now or in the future. Mr. Panagiotidis’ intention to provide adequate time and attention to other ventures will preclude him from devoting substantially all his time to our business. Further, the loss of Mr. Panagiotidis, either to outside business interests or for unrelated reasons, or resignation of Mr. Panagiotidis from any of his current managerial roles could adversely affect our business prospects and financial condition. Any difficulty in hiring and retaining key personnel generally could also adversely affect our results of operations. We do not maintain “key man” life insurance on any of our officers.

Our future growth depends on our ability to attract, retain and develop human capital in a highly competitive talent market.

The continued success of the asset management business is closely linked to the expertise, competence and reputation of its senior management and professionals, and therefore depends on the ability to attract, develop, and retain qualified, motivated, and highly skilled professionals. Competition for talent in the asset management industry is significant, particularly for experienced executives and specialists. The departure of key personnel—whether due to attrition, retirement, disability, or other reasons—along with the costs and challenges of replacing them, may impair the implementation of growth strategies and the ability to maintain high operational standards. Although competitive compensation and benefits are offered to support talent retention and motivation, there is no guarantee these measures will be sufficient. If current or former employees join competitors or establish competing firms, it may negatively affect the ability to raise capital for new or successor investment products and could weaken competitive positioning. In addition, the departure or reduced involvement of certain key individuals may trigger "key person" provisions included in the governing documents or management service agreement of certain of our investments. These provisions may allow investors to terminate the relevant management service agreement, impacting future revenue and profitability.

Risks Relating to our Preferred Shares

Our Series D Preferred Shares rank senior to our common shares with respect to dividends, distributions and payments upon liquidation and are convertible into our common shares, which could have an adverse effect on the value of our common shares.

Dividends on the Series D Preferred Shares accrue and are cumulative from their issue date and are payable quarterly on each distribution payment date declared by the Board, out of funds legally available for such purpose. See “Item 10. Additional Information—A. Memorandum and Articles of Association—Description of Series D Preferred Shares” for a full description of the dividend rate and periods of the Series D Preferred Shares.

The rights of the holders of our Series D Preferred Shares rank senior to the obligations to holders of our common shares. This means that, unless accumulated dividends have been paid or set aside for payment on all of our outstanding Series D Preferred Shares for all past completed dividend periods, no distributions may be declared or paid on our common shares subject to limited exceptions. Likewise, in the event of our voluntary or involuntary liquidation, dissolution or winding-up, no distribution of our assets may be made to holders of our common shares until we have paid to holders of our Series D Preferred Shares a liquidation preference equal to \$1,000 per share plus accumulated and unpaid dividends.

In addition, our Series D Preferred Shares are convertible, in whole or in part, at their holder’s option, to common shares at any time and from time to time from and including January 1, 2026 and at any time thereafter. The conversion of our Series D Preferred Shares could result in significant dilution to our shareholders at the time of conversion. See also “—*Risks Relating to our Common Shares—Past share issuances and future issuances of common shares or other equity securities, or the potential for such issuances, may impact the price of our common shares and could impair our ability to raise capital through subsequent equity offerings, to the extent available and permitted. Shareholders may experience significant dilution as a result of any such issuances.*”

Accordingly, the existence of the Series D Preferred Shares and the ability of a holder to convert the Series D Preferred Shares into common shares on or after January 1, 2026 could have a material adverse effect on the value of our common shares. See “*Item 10. Additional Information—B. Memorandum and Articles of Incorporation—Description of the Series D Preferred Shares*” for a more detailed description of the Series D Preferred Shares.

Risks Relating To Our Common Shares

Our share price has recently been highly volatile and may continue to be volatile in the future, and as a result, investors in our common shares could incur substantial losses.

The stock market in general, and the market for shipping and energy companies in particular, have experienced extreme volatility that has often been unrelated or disproportionate to the operating performance of particular companies. As a result of this volatility, investors may experience rapid and substantial losses on their investment in our common shares that are unrelated to our operating performance. Our stock price has been volatile and may continue be volatile, which may cause our common shares to trade above or below what we believe to be their fundamental value. During 2023, the market price of our common shares on the Nasdaq Capital Market has fluctuated from an intra-day low of \$2.855 per share on November 13, 2023 to an intra-day high of \$12.4 per share on March 8, 2023. On December 29, 2023, the closing price of our common shares was \$4.25 per share. During 2024, the market price of our common shares on the Nasdaq Capital Market has fluctuated from an intra-day low of \$2.67 per share on December 31, 2024 to an intra-day high of \$6.50 per share on January 4, 2024. On December 31, 2024, the closing price of our common shares was \$2.75 per share. As of March 26, 2025, the closing bid price of our common shares was \$2.53 per common share. Further, significant historical fluctuations in the market price of our common shares have been accompanied by reports of strong and atypical retail investor interest, including on social media and online forums. Our shares may continue to experience volatility as the market evaluates our prospects as an independent publicly traded company.

The market volatility and trading patterns we have experienced may create several risks for investors, including but not limited to the following:

- the market price of our common shares may experience rapid and substantial increases or decreases unrelated to our operating performance or prospects, or macro or industry fundamentals;
- to the extent volatility in our common shares is caused by a “short squeeze” in which coordinated trading activity causes a spike in the market price of our common shares as traders with a short position make market purchases to avoid or to mitigate potential losses, investors may purchase at inflated prices unrelated to our financial performance or prospects, and may thereafter suffer substantial losses as prices decline once the level of short-covering purchases has abated;
- if the market price of our common shares declines, you may be unable to resell your shares at or above the price at which you acquired them. We cannot assure you that the equity issuance of our common shares will not fluctuate, increase or decline significantly in the future, in which case you could incur substantial losses.

We may continue to incur rapid and substantial increases or decreases in our stock price in the foreseeable future that may not coincide in timing with the disclosure of news or developments by or affecting us. Accordingly, the market price of our common shares may decline or fluctuate rapidly, regardless of any developments in our business. Overall, there are various factors, many of which are beyond our control, that could negatively affect the market price of our common shares or result in fluctuations in the price or trading volume of our common shares, which include but are not limited to:

- investor reaction to our business strategy;
- the sentiment of the significant number of retail investors whom we believe to hold our common shares, in part due to direct access by retail investors to broadly available trading platforms, and whose investment thesis may be influenced by views expressed on financial trading and other social media sites and online forums;
- the amount and status of short interest in our common shares, access to margin debt, trading in options and other derivatives on our common shares and any related hedging and other trading factors;
- our continued compliance with the listing standards of the Nasdaq Capital Market;
- regulatory or legal developments in the United States and other countries, especially changes in laws or regulations applicable to our industry;
- variations in our financial results or those of companies that are perceived to be similar to us;
- our ability or inability to raise additional capital and the terms on which we raise it;
- our dividend strategy;
- our continued compliance with our debt covenants;
- variations in the value of our fleet;
- declines in the market prices of stocks generally;
- trading volume of our common shares;
- sales of our common shares by us or our shareholders;
- speculation in the press or investment community about our Company or industry;
- general economic, industry and market conditions; and
- other events or factors, including those resulting from such events, or the prospect of such events, including war, terrorism and other international conflicts, public health issues including health epidemics or pandemics, and natural disasters such as fire, hurricanes, earthquakes, tornados or other adverse weather and climate conditions, whether occurring in the United States or elsewhere, could disrupt our operations or result in political or economic instability.

The sale of significant volumes of our common shares, or the perception in the market that this will occur, may decrease their market price and have an adverse impact on our business, including due to Nasdaq minimum bid price requirements.

Some companies that have experienced volatility in the market price of their common shares have been subject to securities class-action litigation. If instituted against us, such litigation could result in substantial costs and diversion of management’s attention and resources, which could materially and adversely affect our business, financial condition, operating results and growth prospects. There can be no guarantee that the price of our common shares will remain at its current level or that future sales of our common shares will not be at prices lower than those sold to investors.

Past share issuances and future issuances of common shares or other equity securities, or the potential for such issuances, may impact the price of our common shares and could impair our ability to raise capital through subsequent equity offerings, to the extent available and permitted. Shareholders may experience significant dilution as a result of any such issuances.

Over the past few years, we have issued and sold large quantities of our common shares pursuant to public and private offerings of our equity and equity-linked securities. The Company had 9,662,354 issued and outstanding common shares as of December 31, 2024. Upon the exercise of our outstanding warrants, the Company may issue up to an additional 25,623 common shares. Additionally, the Company has an authorized share capital of 1,950,000,000 common shares that it may issue without further shareholder approval. Moreover, the Series D Preferred Shares issued on August 7, 2023 and December 12, 2024 are convertible, in whole or in part, at their holder’s option, to common shares at any time and from time to time from and including January 1, 2026. Subject to certain adjustments, the conversion price for any conversion of the Series D Preferred Shares shall be the lower of (i) \$7.00 and (ii) the 5 day value weighted average price immediately preceding the conversion, subject to a minimum conversion price of \$0.30 per common share. The number of common shares to be issued to a converting holder shall be equal to the quotient of (i) the aggregate stated amount of the Series D Preferred Shares converted plus Accrued Dividends (but excluding any dividends declared but not yet paid) thereon on the date on which the conversion notice is delivered divided by (ii) the Conversion Price. If converted by Toro, Toro will have registration rights in relation to the common shares issued upon conversion. See “*Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions— Issuance of Series D Preferred Shares and Dividends to Toro.*” The issuance of additional common shares upon conversion of the Series D Preferred Shares could result in significant dilution to our shareholders at the time of conversion.

Our business strategy may require the issuance of a substantial amount of additional shares, to the extent available and permitted. We cannot assure you at what price the offering of our shares in the future, if any, will be made and they may be offered and sold at a price significantly below the current trading price of our common shares or the acquisition price of common shares by shareholders and may be at a discount to the trading price of our common shares at the time of such sale. Purchasers of the common shares we sell, as well as our existing shareholders, will experience significant dilution if we sell shares at prices significantly below the price at which they invested.

In addition, to the extent available and permitted, we may issue additional common shares or other equity securities of equal or senior rank in the future in connection with, among other things, debt prepayments, future vessel acquisitions, without shareholder approval, in a number of circumstances. To the extent that we issue restricted stock units, stock appreciation rights, options or warrants to purchase our common shares in the future and those stock appreciation rights, options or warrants are exercised or as the restricted stock units vest, our shareholders may experience further dilution. Holders of shares of our common shares have no preemptive rights that entitle such holders to purchase their pro rata share of any offering of shares of any class or series and, therefore, such sales or offerings could result in increased dilution to our shareholders.

Our issuance of additional common shares or other equity securities of equal or senior rank, or the perception that such issuances may occur, could have the following effects:

- our existing shareholders’ proportionate ownership interest in us will decrease;
- the earnings per share and the per share amount of cash available for dividends on our common shares (as and if declared) could decrease;
- the relative voting strength of each previously outstanding common share could be diminished;
- the market price of our common shares could decline; and
- our ability to raise capital through the sale of additional securities at a time and price that we deem appropriate, could be impaired.

The market price of our common shares could also decline due to sales, or the announcements of proposed sales, of a large number of common shares by our large shareholders (including sales of common shares issued upon conversion, if any, of the Series D Preferred Shares), or the perception that these sales could occur.

We are incorporated in the Marshall Islands, which does not have a well-developed body of corporate and case law.

We are organized in the Republic of the Marshall Islands, which does not have a well-developed body of corporate or case law, and as a result, shareholders may have fewer rights and protections under Marshall Islands law than under a typical jurisdiction in the United States. Our corporate affairs are governed by our Articles of Incorporation and Bylaws and by the Marshall Islands Business Corporations Act (the “BCA”). The provisions of the BCA resemble provisions of the corporation laws of a number of states in the United States. However, there have been few judicial cases in the Marshall Islands interpreting the BCA. The rights and fiduciary responsibilities of directors under the laws of the Marshall Islands are not as clearly established as the rights and fiduciary responsibilities of directors under statutes or judicial precedent in existence in the United States. The rights of shareholders of companies incorporated in the Marshall Islands may differ from the rights of shareholders of companies incorporated in the United States. While the BCA provides that its provisions shall be applied and construed in a manner to make them uniform with the laws of the State of Delaware and other states with substantially similar legislative provisions, there have been few, if any, court cases interpreting the BCA in the Marshall Islands and we cannot predict whether Marshall Islands courts would reach the same conclusions as U.S. courts. Thus, you may have more difficulty in protecting your interests in the face of actions by our management, directors or controlling shareholders than shareholders of a corporation incorporated in a United States jurisdiction which has developed a relatively more substantial body of case law would.

The Marshall Islands has no established bankruptcy act, and as a result, any bankruptcy action involving us would have to be initiated outside the Marshall Islands, and our shareholders may find it difficult or impossible to pursue their claims in such other jurisdictions.

We are incorporated in the Marshall Islands, and the majority of our officers and directors are non-U.S. residents. It may be difficult to serve legal process or enforce judgments against us, our directors or our management.

We are incorporated under the laws of the Republic of the Marshall Islands, and substantially all of our assets are located outside of the United States. Our principal executive office is located in Cyprus. In addition, the majority of our directors and officers are non-residents of the United States, and substantially all of their assets are located outside the United States. As a result, it may be difficult or impossible for you to bring an action against us or against these individuals in the United States if you believe that your rights have been infringed under securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Republic of the Marshall Islands and of other jurisdictions may prevent or restrict you from enforcing a judgment against our assets or our directors and officers. Although you may bring an original action against us or our affiliates in the courts of the Marshall Islands, and the courts of the Marshall Islands may impose civil liability, including monetary damages, against us or our affiliates for a cause of action arising under Marshall Islands law, it may be impracticable for you to do so.

We are subject to certain anti-takeover provisions that could have the effect of discouraging, delaying or preventing a merger or acquisition, or could make it difficult for our shareholders to replace or remove our current Board, and could adversely affect the market price of our common shares.

Several provisions of our Articles of Incorporation and Bylaws could make it difficult for our shareholders to change the composition of our Board in any one year, preventing them from changing the composition of management. In addition, the same provisions may discourage, delay or prevent a merger or acquisition that shareholders may consider favorable. These provisions include:

- authorizing our Board to issue “blank check” preferred shares without shareholder approval;
- providing for a classified Board with staggered, three-year terms;
- establishing certain advance notice requirements for nominations for election to our Board or for proposing matters that can be acted on by shareholders at shareholder meetings;

- prohibiting cumulative voting in the election of directors;
- prohibiting any owner of 15% or more of our voting stock from engaging in a business combination with us within three years after the owner acquired such ownership, except under certain conditions;
- limiting the persons who may call special meetings of shareholders; and
- establishing supermajority voting provisions with respect to amendments to certain provisions of our Articles of Incorporation and Bylaws.

On November 21, 2017, our Board declared a dividend of one preferred share purchase right (a “Right”), for each outstanding common share and adopted a shareholder rights plan, as set forth in the Stockholders Rights Agreement dated as of November 20, 2017 (the “Rights Agreement”), by and between the Company and American Stock Transfer & Trust Company, LLC, as rights agent. Each Right allows its holder to purchase from the Company one one-thousandth of a share of Series C Participating Preferred Stock, or a Series C Preferred Share, for the Exercise Price of \$1,500.00 once the Rights become exercisable. This portion of a Series C Preferred Share will give the shareholder approximately the same dividend, voting and liquidation rights as would one common share. The Board adopted the Rights Agreement to protect shareholders from coercive or otherwise unfair takeover tactics. In general terms, it imposes a significant penalty upon any person or group that acquires 15% or more of our outstanding common shares without the approval of our Board. If a shareholder’s beneficial ownership of our common shares as of the time of the public announcement of the rights plan and associated dividend declaration is at or above the applicable threshold, that shareholder’s then-existing ownership percentage would be grandfathered, but the rights would become exercisable if at any time after such announcement, the shareholder increases its ownership percentage by 1% or more. Our Chairman, Chief Executive Officer and Chief Financial Officer, Petros Panagiotidis and Thalassa Investment Co. S.A. (“Thalassa”) – a company affiliated with Petros Panagiotidis- are exempt from these provisions. For a full description of the rights plan, see “*Item 10. Additional Information— Stockholders Rights Agreement*” and Exhibit 2.2 to this Annual Report.

The Rights may have anti-takeover effects. The Rights will cause substantial dilution to any person or group that attempts to acquire us without the approval of our Board. As a result, the overall effect of the Rights may be to render more difficult or discourage any attempt to acquire us. Because our Board can approve a redemption of the Rights for a permitted offer, the Rights should not interfere with a merger or other business combination approved by our Board.

In addition to the Rights above, we have issued 12,000 Series B Preferred Shares (representing all the issued and outstanding Series B Preferred Shares) to Thalassa, a company affiliated with Petros Panagiotidis, each of which has the voting power of 100,000 common shares. The Series B Preferred Shares currently represent 99.2% of the aggregate voting power of our total issued and outstanding share capital. The Series B Preferred Shares and the shares in Thalassa currently bear no transfer restrictions. See “*Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders*” and “*Item 10. Additional Information—B. Memorandum and Articles of Association.*”

Further, lenders have imposed provisions prohibiting or limiting a change of control, subject to certain exceptions, on all of our credit facilities. See “*—Our recently repaid credit facility contained, and we expect that any new or amended credit facility we may enter into will contain, restrictive covenants that we may not be able to comply with due to economic, financial or operational reasons and can limit, or may limit the future, our business and financing activities.*” Our management agreements similarly permit our fleet managers to terminate these agreements in the event of a change of control. For further information on our management agreements, see “*Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions — Related Party Transactions*” and Note 4 to our consolidated financial statements included elsewhere in this Annual Report.

The foregoing anti-takeover provisions could substantially impede the ability of public shareholders to benefit from a change in control and, as a result, may adversely affect the market price of our common shares and your ability to realize any potential change of control premium.

The direct holder of our Series B Preferred Shares, and the indirect holders of our Series B Preferred Shares, including our Chairman, Chief Executive Officer and Chief Financial Officer, may be able to exert considerable influence over matters on which our shareholders are entitled to vote.

As of the date of this Annual Report, Thalassa owns all of the 12,000 outstanding shares of our Series B Preferred Shares. The shares of Series B Preferred Shares each carry 100,000 votes. The Series B Preferred Shares currently represent 0.12% of our total issued and outstanding share capital and 99.2% of the aggregate voting power of our total as of the date of this Annual Report, issued and outstanding share capital. Our Series B Preferred Shares currently bear no transfer restrictions. By its ownership of 100% of our Series B Preferred Shares, Thalassa controls 99.2% of the aggregate voting power of the Company’s total issued and outstanding share capital as of the same date and may limit our shareholders’ ability to influence the outcome of matters on which our shareholders are entitled to vote, including the election of directors and other significant corporate actions.

The shares in Thalassa are owned, directly or indirectly by several significant shareholders, including Mr. Panagiotidis. The shares in Thalassa currently bear no transfer restrictions. No shareholder of Thalassa, including Mr. Panagiotidis, controls Thalassa (whether by the holding of shares in it or through a shareholder’s or other agreement), and each significant shareholder of Thalassa, including Mr. Panagiotidis, may exercise significant influence in Thalassa and, as a result, in us. There is no assurance that Thalassa’s shareholders will act in a coordinated fashion, or that Mr. Panagiotidis will be part of any majority controlling Thalassa from time to time. Through his current role as Chairman, Chief Executive Officer and Chief Financial Officer of Castor and through the ownership of shares in Thalassa, Mr. Panagiotidis, and through the direct or indirect ownership of shares in Thalassa, each of Thalassa’s other direct or indirect significant shareholders, may be able to influence the outcome of matters on which our shareholders are entitled to vote, including the election of directors and other significant corporate actions.

The interests of Thalassa and the other direct (if applicable) or indirect holder(s) of the Series B Preferred Shares, including Mr. Panagiotidis, may conflict with the interests of our common shareholders, and as a result, the holders of our capital stock may approve actions that our common shareholders may not view as beneficial.

Mr. Panagiotidis also controls Toro as he is the ultimate beneficial owner of over a majority of Toro’s outstanding common shares as of April 30, 2025 and of 40,000 Series B Preferred Shares (the “Toro Series B Preferred Shares”), each carrying 100,000 votes, of Toro. Mr. Panagiotidis also controls Robin Energy Ltd. (“Robin”) as he is the ultimate beneficial owner of over a majority of Robin’s outstanding common shares as of April 15, 2025 (the date of the publication of Robin’s 2024 annual report) and of 40,000 Series B Preferred Shares, each carrying 100,000 votes, of Robin. He also has significant private interests. The interests of Mr. Panagiotidis may be different from your interests.

U.S. tax authorities could treat us as a “passive foreign investment company”, which could have adverse U.S. federal income tax consequences to U.S. shareholders.

A foreign corporation will be treated as a “passive foreign investment company” (a “PFIC”), for U.S. federal income tax purposes if either (1) at least 75% of its gross income for any taxable year consists of certain types of “passive income” or (2) at least 50% of the average value of the corporation’s assets produce or are held for the production of those types of “passive income.” For purposes of these tests, “passive income” includes dividends, interest, and gains from the sale or exchange of investment property and rents and royalties other than rents and royalties which are received from unrelated parties in connection with the active conduct of a trade or business. For purposes of these tests, income derived from the performance of services does not constitute “passive income,” whereas rental income would generally constitute “passive income” to the extent not attributable to the active conduct of a trade or business. U.S. shareholders of a PFIC are subject to a disadvantageous U.S. federal income tax regime with respect to the income derived by the PFIC, the distributions they receive from the PFIC and the gain, if any, they derive from the sale or other disposition of their shares in the PFIC.

We do not believe that we will be treated as a PFIC for any taxable year. However, our status as a PFIC is determined on an annual basis and will depend upon the operations of our vessels and our other activities during each taxable year. In this regard, we intend to treat the gross income we derive or are deemed to derive from our spot or index-linked chartering and time chartering activities as services income, rather than rental income. Accordingly, we believe that our income from our time chartering activities does not constitute “passive income,” and the assets that we own and operate in connection with the production of that income do not constitute passive assets.

There is, however, no direct legal authority under the PFIC rules addressing our method of operation. Accordingly, no assurance can be given that the U.S. Internal Revenue Service (the “IRS”), or a court of law will accept our position, and there is a risk that the IRS or a court of law could determine that we are a PFIC. Moreover, no assurance can be given that we would not constitute a PFIC for any taxable year if we become unable to acquire vessels in a timely fashion or if there were to be changes in the nature and extent of our operations.

If the IRS were to find that we are or have been a PFIC for any taxable year, our U.S. shareholders would face adverse U.S. federal income tax consequences and information reporting obligations. Under the PFIC rules, unless those shareholders made an election available under the Internal Revenue Code (which election could itself have adverse consequences for such shareholders, as discussed below under “*Taxation—U.S. Federal Income Tax Considerations—Passive Foreign Investment Company Status and Significant Tax Consequences*”), such shareholders would be liable to pay U.S. federal income tax upon excess distributions and upon any gain from the disposition of our common shares at the then prevailing income tax rates applicable to ordinary income plus interest as if the excess distribution or gain had been recognized ratably over the shareholder’s holding period of our common shares. Please see the section of this Annual Report entitled “*Item 10. Additional Information—E. Taxation—U.S. Federal Income Tax Considerations—Passive Foreign Investment Company Status and Significant Tax Consequences*” for a more comprehensive discussion of the U.S. federal income tax consequences to U.S. shareholders if we are treated as a PFIC.

We may have to pay tax on United States source income, which would reduce our earnings, cash from operations and cash available for distribution to our shareholders.

Under the United States Internal Revenue Code of 1986 (the “Code”), 50% of the gross shipping income of a vessel owning or chartering corporation, such as ourselves and our subsidiaries, that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States, may be subject to a 4% U.S. federal income tax without allowance for deduction, unless that corporation qualifies for exemption from tax under Section 883 of the Code and the applicable Treasury Regulations promulgated thereunder.

We intend to take the position that we and each of our subsidiaries qualify for this statutory tax exemption for our 2023, 2024 and future taxable years. However, as discussed below under “*Taxation—U.S. Federal Income Tax Considerations—U.S. Federal Income Taxation of Our Company*”, we do not qualify for this exemption in view of our share structure based on the current wording of the applicable 883 regulations. We believe our share structure satisfies the intent and purpose of the 883 regulations and have filed a petition with the U.S. Department of the Treasury to have the regulations amended to clearly encompass our share structure. However, there can be no assurance that our petition will be successful and that the exemption from tax under Section 883 of the Code will be available to us.

If we or our subsidiaries are not entitled to this exemption, we would be subject to an effective 2% U.S. federal income tax on the gross shipping income we derive during the year that are attributable to the transport of cargoes to or from the United States. If this tax were imposed for our 2022, 2023 and 2024 taxable year, we anticipate that U.S. source income taxes of approximately \$388,669, \$177,794 and \$113,915 would be recognized for the years ended December 31, 2022, 2023, and 2024, respectively, and we have included a provision for this amount in our annual consolidated financial statements. However, there can be no assurance that such taxes will not be materially higher or lower in future taxable years.

ITEM 4. INFORMATION ON THE COMPANY

A. HISTORY AND DEVELOPMENT OF THE COMPANY

Business

Castor Maritime Inc. is a growth-oriented global shipping and energy company that was incorporated in the Republic of the Marshall Islands in September 2017 for the purpose of acquiring, owning, chartering and operating oceangoing cargo vessels. We are a provider of worldwide seaborne transportation services for dry bulk and containership cargoes and via our subsidiary MPC Capital an investor in the maritime and energy sectors and a provider of technical and commercial ship management and energy infrastructure project services.

On December 12, 2024, Castor Maritime Inc., through a wholly owned subsidiary, entered into a share purchase agreement, pursuant to which Castor agreed to acquire from MPC Holding, subject to the terms and conditions set forth therein, 26,116,378 shares of common stock of MPC Capital, representing 74.09% of MPC Capital's outstanding common stock, for a cash price of €7.00 per share, equivalent to aggregate consideration of €182.8 million (or approximately \$192.0 million), excluding transaction-related costs. On December 16, 2024, such acquisition was completed. MPC Capital is an asset manager specializing in infrastructure projects in the maritime and energy sectors. Partnering and co-investing with institutional investors, MPC Capital provides tailor-made investment solutions, project access, and integrated asset management expertise, including technical and commercial ship management. Listed on the Frankfurt Stock Exchange since 2000, as of December 31, 2024, 2024, MPC Capital has assets under management (“AUM”) totaling €5.1 billion. The transaction was financed with cash on hand and the proceeds of (i) a \$100 million senior term loan facility between Toro and Castor and (ii) the issuance of an additional 50,000 of Castor's 5.00% Series D cumulative perpetual convertible preferred shares, par value \$0.001 per share (the “Series D Preferred Shares”) to Toro for an aggregate consideration of \$50,000,000, each of which is discussed in greater detail below.

As of December 31, 2024, our fleet consisted of 10 dry bulk carriers with a combined carrying capacity of 0.8 million dwt, consisting of four Kamsarmax, five Panamax and one Ultramax dry bulk vessels with an average age of 11.8 years, as well as two 2,700 TEU and one 1,850 TEU containerships with an aggregate cargo capacity of 0.1 million dwt and an average age of 18.4 years. On January 22, 2025 and May 7, 2025, we completed the previously announced sales of the *M/V Ariana A* and *M/V Gabriela A*, respectively, by delivering the vessels to their new owners and on March 6, 2025 and March 11, 2025, we entered into two separate agreements with entities beneficially owned by a family member of our Chairman, Chief Executive Officer and Chief Financial Officer for the sale of the *M/V Magic Eclipse* and *M/V Magic Callisto* for a gross sale price of \$13.5 million and \$14.5 million, respectively. The *M/V Magic Eclipse* and the *M/V Magic Callisto* were delivered to their new owners on March 24, 2025 and April 28, 2025, respectively. Therefore, as of May 9, 2025, our fleet consisted of 8 dry bulk carriers with a combined carrying capacity of 0.6 million dwt with an average age of 11.8 years, and one 1,850 TEU containership with an aggregate cargo capacity of 0.03 million dwt and an average age of 16.8 years.

Our principal executive office is at 223 Christodoulou Chatzipavlou Street, Hawaii Royal Gardens, 3036 Limassol, Cyprus. Our telephone number at that address is +357 25 357 767. Our website is www.castormaritime.com. This web address is provided as an inactive textual reference only. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The address of the SEC’s internet site is www.sec.gov. None of the information contained on, or that can be accessed through, these websites is incorporated into or forms a part of this Annual Report.

For an overview of our fleet and information regarding the development of our fleet, including vessel acquisitions and disposals, please see “*Item 4. Business Overview—B. Our fleet.*”

The Spin-Off

On March 7, 2023, we effected the Spin-Off, whereby eight tanker-owning subsidiaries (each owning one tanker vessel) and Elektra Co. were contributed to a former wholly owned-subsiidiary, Toro, in exchange for (i) the issuance to the Company of 9,461,009 common shares of Toro, (ii) the issuance to the Company of 140,000 Toro Series A Preferred Shares and (iii) the issuance to Pelagos, a controlled affiliate of Mr. Petros Panagiotidis, of 40,000 Series B Preferred Shares of Toro, par value \$0.001 per share, against payment of the par value of such shares. On such same day, we distributed on a pro rata basis all of the common shares of Toro received in connection with the Spin-Off to our holders of common stock of record at the close of business on February 22, 2023. Our common shareholders received one common share of Toro for every ten of our common shares held at the close of business on February 22, 2023. From March 7, 2023, we and Toro have operated as independent publicly traded companies each listed on the Nasdaq Capital Market.

Pursuant to a Contribution and Spin-Off Distribution Agreement entered into with Toro in connection with the Spin-Off, Toro replaced us as guarantor with effect from March 7, 2023 under an \$18.0 million term loan facility entered into by Alpha Bank S.A. (“Alpha Bank”) and two of our former tanker-owning subsidiaries on April 27, 2021. The Contribution and Spin-Off Distribution Agreement also provided for the settlement or extinguishment of certain liabilities and other obligations between us and Toro.

On November 15, 2022, our independent, disinterested directors, on the recommendation of a special committee comprised of our independent, disinterested directors, resolved, among other things, to focus our efforts on dry bulk shipping services. This does not, however, preclude us from pursuing other opportunities and we entered the containership shipping industry in the fourth quarter of 2022 with the purchase of two containership vessels.

Similarly, in connection with the Spin-Off, Toro’s board of directors resolved, among other things, to focus its efforts on the tanker shipping industry. This does not, however, preclude Toro from pursuing other opportunities, and it subsequently entered into the LPG carrier industry.

The terms of the Spin-Off were negotiated and approved by a special committee of independent disinterested directors.

Equity and Financing Transactions

On August 7, 2023, we agreed to issue 50,000 Series D Preferred Shares to Toro for aggregate consideration of \$50.0 million in cash. On December 12, 2024, we agreed to issue an additional 50,000 Castor Series D Preferred Shares for an aggregate consideration of \$50.0 million in cash. These transactions and their terms were approved by the independent members of the board of directors of each of Castor and Toro at the recommendation of their respective special committees comprised of independent and disinterested directors, which negotiated the transactions and their terms. Please see “*Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions*” and “*Item 10. Additional Information—B. Memorandum and Articles of Association*” for more detailed description of this transaction and the Series D Preferred Shares. During 2023 and 2024, we paid \$0.5 million and \$2.5 million, respectively, in dividends to Toro in connection with the Series D Preferred Shares.

For a description of our recent equity transactions, please see “*Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Equity Transactions.*”

Loan Facility Agreement from Toro

On December 11, 2024, Castor entered into a facility agreement with Toro to receive a \$100.0 million senior term loan facility from Toro which was drawn down on the same date. For a description of this transaction, please see “*Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Loan Facility Agreement of \$100.0 million from Toro.*”

For more information about our borrowing activities, please see “*Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Our Borrowing Activities*” and Note 12 to the consolidated financial statements included elsewhere in this Annual Report.

Vessel Capital Expenditures

As of May 9, 2025, our fleet consisted of 8 dry bulk carriers, and one containership vessel, as during 2024 and up to the date of this Annual Report we sold nine dry bulk vessels and two container vessel. In 2024, we completed the acquisitions of two dry bulk vessels and one container vessel. For further information on vessel acquisitions / disposal and the series of financing transactions that enabled our vessel acquisitions, see “—*B. Business Overview—Fleet Development*” below and Notes 7 to our consolidated financial statements included in this Annual Report.

During the years ended December 31, 2022, 2023 and 2024, we made capital expenditures of approximately \$2.6 million, \$0.1 million and \$0.0 million, respectively, primarily relating to the installation of ballast water treatment system (“BWTS”) on our vessels.

Nasdaq Listing Standards Compliance

On April 20, 2023, we received a notification from the Nasdaq that we were not in compliance with the minimum \$1.00 per share bid price requirement for continued listing on the Nasdaq Capital Market (the “Minimum Bid Price Requirement”) and were provided with 180 calendar days to regain compliance with it. On October 18, 2023, we received a notification letter from Nasdaq granting the Company an additional 180-day extension, until April 15, 2024, to regain compliance with Minimum Bid Price Requirement (the “Second Compliance Period”). On March 27, 2024, we effected a 1-for-10 reverse stock split of our common shares without any change in the number of authorized common shares, and, as a result we regained compliance.

B. BUSINESS OVERVIEW

During the years ended December 31, 2022, 2023 and 2024, we operated (i) dry bulk vessels that engaged in the worldwide transportation of commodities such as iron ore, coal, soybeans, etc., (ii) from the fourth quarter of 2022, containerships that are engaged in the transportation of containerized cargoes and, (iii) from the first quarter of 2021 until the completion of the Spin-Off, Aframax/LR2 tanker vessels that were engaged in the worldwide transportation of crude oil, and (iv) from the second quarter of 2021 until the completion of the Spin-Off, Handysize tanker vessels that carried refined petroleum products. In addition, from December 16, 2024, upon the acquisition of MPC Capital, we provide a range of products and services comprising the structuring and placement of investment solutions for professional institutional investors, the provision of commercial and technical ship management services as well as management services of energy infrastructure projects.

Following the acquisition of the MPC Capital on December 16, 2024, we determined that we operated in three reportable segments, from two segments that operated as of December 31, 2023: (i) the dry bulk segment (ii) the containership segment and (iii) the asset management segment. These reportable segments reflect our internal organization and the way our chief operating decision maker (“CODM”), who is the Chief Executive Officer of the Company, reviews and analyzes the operating results and allocates capital within the Company. The CODM assesses segment performance using key financial measures, including revenues, operating expenses, segment operating income and net income. These metrics help the CODM assess segment profitability, optimize fleet deployment (where applicable), control costs and determine capital allocation. Based on these segment performance trends, the CODM makes resource allocation decisions such as adjusting asset acquisition strategies, chartering strategies, prioritizing fleet expansion or disposals (where applicable), and optimizing cost efficiencies to enhance profitability and overall segment performance. Further, the transport of dry bulk cargoes and containerized cargoes has different characteristics and the nature of trade, trading routes, charterers and cargo handling of differ in important respects between the two. MPC Capital provides asset management services and it does not have similar business and economic characteristics to the other two segments. We do not disclose geographic information relating to our dry bulk and container ship segments because when we charter a vessel to a charterer, the charterer is free, subject to certain exemptions, to trade the vessel worldwide and, as a result, the disclosure of geographic information is impracticable. For geographic information relating to our asset management segment, refer to Note 19 to our consolidated financial statements included elsewhere in this Annual Report.

Our Fleet

During the year ended December 31, 2024, our dry bulk vessels and containerships operated exclusively under time charter contracts. As of December 31, 2024, all of our dry bulk vessels were fixed on period charter contracts in which the rate of daily hire is linked to the average of the time charter routes comprising the respective indices for dry bulk vessels of the Baltic Exchange and our three containerships were under fixed rate period charter contracts.

The following tables summarize key information about our fleet in each segment as of May 6, 2025:

Dry Bulk Segment

Vessel Name	Capacity (dwt)	Year Built	Country of Construction	Type of Employment ⁽¹⁾	Gross Charter Rate (\$/day)	Estimated Redelivery Date	
						Earliest	Latest
M/V Magic Thunder	83,375	2011	Japan	TC period	\$11,950 per day ⁽²⁾	- ⁽³⁾	- ⁽³⁾
M/V Magic Perseus	82,158	2013	Japan	TC period	\$12,550 per day ⁽⁴⁾	- ⁽³⁾	- ⁽³⁾
M/V Magic Starlight	81,048	2015	China	TC period	\$13,000 per day for Q2 2025 & \$11,256 per day for Q3 2025 ⁽⁵⁾	- ⁽³⁾	- ⁽³⁾
M/V Magic Mars	76,822	2014	Korea	TC period	\$11,600 per day ⁽⁶⁾	- ⁽³⁾	- ⁽³⁾
M/V Magic P	76,453	2004	Japan	Panamax Pool ⁽⁷⁾	N/A	- ⁽⁸⁾	- ⁽⁸⁾
M/V Magic Pluto	74,940	2013	Japan	TC period	100% of BPI4TC ⁽⁹⁾	- ⁽³⁾	- ⁽³⁾
M/V Magic Ariel	81,845	2020	China	TC period	108% of BPI5TC ⁽¹³⁾	May-25 ⁽¹⁰⁾	- ⁽³⁾
M/V Magic Celeste	63,310	2015	China	TC period	111% of BSI10TC ⁽¹¹⁾	May-25 ⁽¹²⁾	- ⁽³⁾

(1) TC stands for time charter.

(2) The vessel’s daily gross charter rate is equal to 97% of BPI5TC⁽¹³⁾. In accordance with the prevailing charter party, on February 4, 2025, we converted the index-linked rate to fixed from April 1, 2025 until June 30, 2025 at a rate of \$11,950 per day. Thereafter, the rate will be converted back to index-linked.

(3) In accordance with the prevailing charterparty, both parties (owners and charterers) have the option to terminate the charter by providing 3 months’ written notice to the other party.

(4) The vessel’s daily gross charter rate is equal to 100% of BPI5TC⁽¹³⁾. In accordance with the prevailing charter party, on April 24, 2025, we converted the index-linked rate to fixed from May 1, 2025 until September 30, 2025 at a rate of \$12,550 per day. Thereafter, the rate will be converted back to index-linked.

(5) The vessel’s daily gross charter rate is equal to 98% of BPI4TC⁽⁹⁾. In accordance with the prevailing charter party, on February 14, 2025, we converted the index-linked rate to fixed from April 1, 2025 until June 30, 2025 at a rate of \$13,000 per day. Thereafter, the rate will be converted back to index-linked. In accordance with the prevailing charter party, on April 10, 2025, we converted the index-linked rate to fixed from July 1, 2025 until September 30, 2025 at a rate of \$11,256 per day.

(6) The vessel’s daily gross charter rate is equal to 102% of BPI4TC⁽⁹⁾. In accordance with the prevailing charter party, on February 4, 2025, we converted the index-linked rate to fixed from April 1, 2025 until June 30, 2025 at a rate of \$11,600 per day. Thereafter, the rate will be converted back to index-linked.

(7) The vessel is currently participating in an unaffiliated pool specializing in the employment of Panamax/Kamsarmax dry bulk vessels.

(8) Under the prevailing pool agreement, owners may terminate the charter by giving three months’ written notice.

(9) The benchmark vessel used in the calculation of the average of the Baltic Panamax Index 4TC routes (“BPI4TC”) is a non-scrubber fitted 74,000mt dwt vessel (Panamax) with specific age, speed – consumption, and design characteristics.

(10) The earliest redelivery under the prevailing charter party is 7 months after delivery. Thereafter, both owners and charterers have the option to terminate the charter by providing 3 months written notice to the other party.

(11) The benchmark vessel used in the calculation of the average of the Baltic Supramax Index 10TC routes (“BSI10TC”) is a non-scrubber fitted 58,000mt dwt vessel (Supramax) with specific age, speed–consumption, and design characteristics.

(12) The earliest redelivery under the prevailing charter party is 9 months after delivery. Thereafter, both owners and charterers have the option to terminate the charter by providing 3 months written notice to the other party.

(13) The benchmark vessel used in the calculation of the average of the Baltic Panamax Index 5TC routes (“BPI5TC”) is a non-scrubber fitted 82,000mt dwt vessel (Kamsarmax) with specific age, speed–consumption, and design characteristics.

Containership Segment

Vessel Name	Capacity (dwt)	Year Built	Country of Construction	Type of employment	Gross Charter Rate (\$/day)	Estimated Earliest Charter Expiration	Estimated Latest Charter Expiration
Containership Segment							
M/V Raphaela	26,811	2008	Turkey	TC period	\$ 19,250	Oct-25	Dec-25

Fleet Development

Vessel Acquisitions

During the years ended December 31, 2022 and 2024, we acquired the vessels listed below. There were no vessels acquired during the year ended December 31, 2023:

Dry Bulk Carriers						
Vessel Name	Vessel Type	DWT	Year Built	Country of Construction	Purchase Price (in million)	Delivery Date
2022 Acquisitions						
Magic Callisto	Panamax	74,930	2012	Japan	\$ 23.55	01/04/2022
2024 Acquisitions						
Magic Celeste	Ultramax	63,310	2015	China	\$ 25.50	08/16/2024
Magic Ariel	Kamsarmax	81,845	2020	China	\$ 29.95	10/09/2024

Containerships						
2022 Acquisitions						
Ariana A	2,700 TEU capacity Containership	38,117	2005	Germany	\$ 25.00	11/23/2022
Gabriela A	2,700 TEU capacity Containership	38,121	2005	Germany	\$ 25.75	11/30/2022
2024 Acquisitions						
Raphaela	1,850 TEU capacity Containership	26,811	2008	Turkey	\$ 16.49	10/03/2024

The acquisitions performed during 2022 were financed using a mix of cash from operations and the net cash proceeds from financing transactions, as further discussed under “Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources.”, while the acquisitions performed during 2024 were financed in their entirety with cash on hand.

Vessel Disposals

During the year ended December 31, 2023 and 2024, we sold a number of our older vessels as listed below:

Dry Bulk Carriers						
2023 Disposals						
Vessel Name	Vessel Type	DWT	Year Built	Country of Construction	Sale Price (in million)	Delivery Date
Magic Phoenix	Panamax	76,636	2008	Japan	\$ 14.0	11/27/2023
Magic Argo	Kamsarmax	82,338	2009	Japan	\$ 15.75	12/14/2023
Magic Twilight	Kamsarmax	80,283	2010	S. Korea	\$ 17.5	07/20/2023
Magic Rainbow	Panamax	73,593	2007	China	\$ 12.6	04/18/2023
Magic Sun	Panamax	75,311	2001	S. Korea	\$ 6.55	11/14/2023
2024 Disposals						
Vessel Name	Vessel Type	DWT	Year Built	Country of Construction	Sale Price (in million)	Delivery Date
Magic Moon	Panamax	76,602	2005	Japan	\$ 11.8	01/16/2024
Magic Orion	Capesize	180,200	2006	Japan	\$ 17.4	03/22/2024
Magic Venus	Kamsarmax	83,416	2010	Japan	\$ 17.5	05/10/2024
Magic Nova	Panamax	78,833	2010	Japan	\$ 16.1	03/11/2024
Magic Horizon	Panamax	76,619	2010	Japan	\$ 15.8	05/28/2024
Magic Vela	Panamax	75,003	2011	China	\$ 16.4	05/23/2024
Magic Nebula	Kamsarmax	80,281	2010	Korea	\$ 16.2	04/18/2024

In addition, on November 13, 2024, we entered into an agreement with an unaffiliated third party for the sale of the *M/V Ariana A* for a gross sale price of \$16.5 million and on December 4, 2024, we entered into an agreement with an unaffiliated third party for the sale of the *M/V Gabriela A* for a gross sale price of \$19.3 million.

Further, on January 22, 2025, and May 7, 2025, we completed the previously announced sales of the *M/V Ariana A* and *M/V Gabriela A*, respectively, by delivering the vessels to their new owners and on March 6, 2025 and March 11, 2025, entered into two separate agreements with entities beneficially owned by a family member of our Chairman, Chief Executive Officer and Chief Financial Officer for the sale of the *M/V Magic Eclipse* and *M/V Magic Callisto* for a gross sale price of \$13.5 million and \$14.5 million, respectively. The *M/V Magic Eclipse* was delivered to its new owners on March 24, 2025 and the *M/V Magic Callisto* on April 28, 2025. See “Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Vessel Disposals and Acquisitions.”

Chartering of our Fleet

We actively market our vessels, in the short, medium and long-term period time charter markets in order to secure optimal employment in the shipping markets in which our vessels actively participate and our commercial strategy focuses on deploying our fleet in both the spot (mainly via index-linked time charter contracts) and period markets according to our assessment of market conditions. We utilize and expect to continue to utilize various types of employment for our vessels and adjust the mix of charter types to take advantage of the relatively stable cash flows and high utilization rates associated with fixed rate period time charters or to profit from attractive spot trip or index-linked charter rates during periods of strong charter market conditions.

Charter rates in the spot market are volatile and sometimes fluctuate on a seasonal and year-to-year basis. Fluctuations derive from imbalances in the availability of cargoes for shipment and the number of vessels available at any given time to transport these cargoes. Vessels operating in the spot /index-linked market generate revenue that is less predictable than those under period time charters but may enable us to capture increased profit margins during periods of improvements in the dry bulk and containership markets. Downturns in the shipping markets in which our vessels participate, would result in a reduction in profit margins and could lead to losses.

Voyage charters involve a charterer engaging a vessel for a particular journey. A voyage contract is made for the use of a vessel, for which we are paid freight (a fixed amount per ton of cargo carried) on the basis of transporting cargo from a loading port to a discharge port. Depending on charterparty terms, freight can be fully prepaid, or be paid upon reaching the discharging destination upon delivery of the cargo, at the discharging destination but before discharging, or during a ship's voyage. Revenues from voyage charters are typically tied to prevailing market rates and may therefore be more volatile than rates from other charters, such as time charters.

Time charters involve a charterer engaging a vessel for a set period of time. Time charter agreements may have extension options ranging from months, to sometimes, years and are therefore viewed as providing more predictable cash flows over the period of the engagement than may otherwise be attainable from other charter arrangements. We have also recently engaged in time charter contracts with a minimum period, with owners/charterers option to terminate the charter with three months' written notice to the other party thereafter. The time charter party generally provides, among others, typical warranties regarding the speed and the performance of the vessel as well as owner protective restrictions such that the vessel is sent only to safe ports by the charterer, subject always to compliance with applicable sanction laws and war risks, and carry only lawful and non-hazardous cargo. We typically enter into time charters ranging from one month to twelve months and in isolated cases on longer terms depending on market conditions. Time charter agreements may have extension options that range over certain time periods, which are usually periods of months. The charterer has the full discretion over the ports visited, shipping routes and vessel speed, subject to the owner's protective restrictions. Under our time charter contracts, whereby our vessels are utilized by a charterer for a set duration of time, the charterer pays a fixed or floating daily hire rate and other compensation costs related to the contracts. As of December 31, 2024, all of our dry-bulk vessels are currently fixed on period charter contracts, with the rate of daily hire linked to the average of the time charter routes comprising the respective indices for dry bulk vessels of the Baltic Exchange. Such contracts also carry an option for us to convert the index-linked rate to a fixed rate for a minimum period of three months and up to the maximum duration of the charter contract, according to the average of the Freight Forward Agreement forward curve of the respective Baltic index for the desired period, at the time of conversion. The index-linked contracts with conversions clause of our dry bulk fleet provide flexibility and allow us to either enjoy exposure in the spot market, when the rate is floating, or to secure foreseeable cashflow when the rate has been converted to fixed over a certain period. We also fix, from time to time, a number of our dry bulk vessels on spot time charter trips. Our three containership vessels are currently employed under period time charter contracts.

For further information on our charters and charter terms, please refer to *“Management's Discussion and Analysis of Financial Condition and Operating Results—Hire Rates and the Cyclical Nature of the Industry”* and Note 1 to our consolidated financial statements included elsewhere in this Annual Report.

Management of our Shipping Business

Our vessels are commercially and technically managed by Castor Ships, a company controlled by our Chairman, Chief Executive Officer and Chief Financial Officer. Castor Ships manages our business overall and provides us with crew management, technical management, operational employment management, insurance management, provisioning, bunkering, commercial, chartering and administrative services, including, but not limited to, securing employment for our fleet, arranging and supervising the vessels' commercial operations, handling all of the Company's vessel sale and purchase transactions, undertaking related shipping projects, management advisory and support services, accounting and audit support services, as well as other associated services requested from time to time by us and our ship-owning subsidiaries. Castor Ships may choose to subcontract these services to other parties at its discretion.

In exchange for the above management services Castor Ships charges and collects (i) following an inflation-based adjustment effective July 1, 2024, a (A) flat quarterly management fee in the amount of \$0.82 million for the management and administration of our business and (B) daily fee of \$1,017 per vessel for the provision of ship management services to our vessels under separate Ship Management Agreements entered into by our ship-owning subsidiaries (as defined in *Item 7. Major Shareholder and Related Party Transactions*), (ii) a chartering commission for and on behalf of Castor Ships and/or on behalf of any third-party broker(s) involved in the trading of our vessels, on all gross income received by our shipowning subsidiaries arising out of or in connection with the operation of our vessels for distribution among Castor Ships and any third-party broker(s), which, when calculated together with any address commission that any charterer of any of our vessels is entitled to receive, will not exceed the aggregate rate of 6.25% on each vessel's gross income and (iii) a sale and purchase brokerage commission at the rate of 1% on each consummated transaction applicable to the total consideration of acquiring or selling: (a) a vessel or (b) the shares of a ship owning entity owning vessel(s) or (c) shares and/or other securities with an aggregate purchase or sale value, as the case may be, of an amount equal to, or in excess of, \$10,000,000 issued by an entity engaged in the maritime industry.

As of May 9, 2025, Castor Ships performs the commercial and the technical management of our entire fleet. For any vessels for which Castor Ships has sub-contracted some aspects of the management services, Castor Ships pays, at its own expense, a fee for such services, without burdening the Company with any additional costs.

For further information, see “*Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions*” and Notes 1 and 4 to our consolidated financial statements included elsewhere in this Annual Report.

Asset Management Segment

Our asset management segment is comprised of the activities of our subsidiary MPC Capital, an internationally active manager and provider of services for investment projects in maritime and energy infrastructure, which was originally founded in 1994 and that we acquired on December 16, 2024, together with its subsidiaries. With 155 employees mainly based in Germany (as of December 31, 2024), MPC Capital’s activities comprise its investment business, its shipping management service business and its energy infrastructure management service business. MPC Capital specializes in the asset segments of maritime (in particular commercial maritime transport and offshore maritime services) and energy infrastructure (specifically and renewable power generation and storage, but also sustainable residential real estate developments).

Investment business

The main activity of the investment business consists in making of minority investments in entities engaged in the maritime and energy infrastructure areas, structuring the related investment alongside third party professional institutional investors that it seeks out (typically including insurance companies, pension funds, hedge funds, private equity investors and family offices) through special purpose vehicles formed to hold the relevant assets. The asset composition and the governance of each such investment is tailored to investor requirements in terms of specific risk-return profiles, regulatory requirements, and other factors such as sustainability objectives. MPC Capital takes the lead in structuring these investments and typically makes a minority investment in the ventures. MPC Capital, through its subsidiaries and joint ventures, also provides comprehensive management and operational services with respect to the assets held by such investments through its shipping management business or its energy infrastructure management business, as applicable, as described further below. In the investment business, we generate revenue through fees for structuring the investment, acquiring assets or disposing assets and income from our equity investments.

MPC Capital provides management services to, among others, the Oslo-listed companies MPC Container Ships ASA (“MPCC”) and MPC Energy Solutions N.V. (“MPCES”), in which it retains an equity stake following their listing. MPC Capital’s investments also include MPC Caribbean Clean Energy Limited (“CCEF”).

MPCC is a prominent player in the global feeder container shipping industry. Our strategic equity investment in MPCC approximates 14% of MPCC’s outstanding share capital as of December 31, 2024. We have significant influence over MPCC despite holding less than 20 % of the outstanding voting stock due to our representation on the board of directors, which is based on our contractual right to appoint a certain number of board members, and our participation in policy-making processes. We provide MPCC with ship management services as described further below under “—*Shipping management business*”, as well as corporate management services.

MPCES is a provider of sustainable energy, primarily focusing on low-carbon energy infrastructure. MPCES is involved in the full project lifecycle of renewable solutions, focusing on Latin America and the Caribbean region. MPCES is a Dutch company based in Amsterdam and listed on the Oslo Stock Exchange. As of December 31, 2024 we hold 20% of MPCES share capital. We provide MPCES with asset management services, as described further below under “—*Energy infrastructure management business*”, as well as corporate management services.

CCEF is a company investing in operational renewable energy assets with a focus on Latin America and the Caribbean region. As of December 31, 2024 we hold 22% of CCEF share capital. We provide certain asset management services to CCEF through our energy infrastructure management business. For further information, see “—*Energy infrastructure management business*”.

Shipping management business

MPC Capital and its subsidiaries and joint ventures provide shipping management services to certain of the companies in which we hold minority investments. These services are also provided to certain third-party clients in which we do not hold equity interests. The business activities in the shipping management business comprise commercial ship management, technical ship management, as well as other maritime services (e.g., vessel IT and performance management).

Commercial management for container and tanker vessels is provided through our wholly owned subsidiaries Harper Petersen & Co. GmbH & Co. KG and Harper Petersen Albis GmbH & Co. KG.

Technical ship management and other maritime services are provided by joint ventures in which MPC Capital is a 50% shareholder, namely Wilhelmsen Ahrenkiel Ship Management GmbH & Co. KG, Barber Ship Management Germany GmbH & Co. KG, and Waterway IT Solutions GmbH & Co. KG. These entities are not controlled by MPC Capital, nor by any other shareholder.

In our shipping management business, we receive: (i) management fees in return for our asset management services, and (ii) one-off and performance-based transaction fees in connection with the acquisition or disposition of assets. The level of management fees primarily reflects the volume of assets under management.

Energy infrastructure management business

MPC Capital and its subsidiaries provide various management services to the energy infrastructure companies in which we hold minority investments. Our focus is currently on renewable energy infrastructure and maritime infrastructure servicing energy infrastructure, and in particular projects associated with the energy transition (including solar and onshore wind projects) and decarbonization. In these areas, we manage the development of infrastructure projects (by contracting with construction companies, suppliers, and other third parties), their financing and we provide ongoing asset management services.

In 2024, MPC Capital entered the market for offshore service vessels. The first project consists in the construction of up to six offshore survey and service vessels (OSSV). The total investment in these ships is up to €130 million (approximately \$135.4 million), with an equity commitment by MPC Capital of €4 million, and they have an expected delivery schedule between 2026 and 2028. The OSSVs will primarily be deployed in offshore wind farms in the North Sea and Baltic Sea. Their technical specifications make them suitable for a wide range of applications throughout the life cycle of offshore wind farms as well as on other offshore assignments. The vessels will be equipped with propulsion technology that enables carbon-neutral operation and therefore meets the highest ESG standards. We have partnered with O.S. Energy, a German specialist in offshore projects and services, for the development and operation of the project. O.S. Energy will be involved in the day-to-day operation of the vessel and MPC Capital will provide asset management services to the project, overseeing the day-to-day operational management.

Environmental and Other Regulations in the Shipping Industry

Government regulations and laws significantly affect the ownership and operation of our fleet. We are subject to international conventions and treaties, regional, national, state and local laws and regulations in force in the countries in which our vessels may operate or are registered relating to safety and health and environmental protection including the storage, handling, emission, transportation and discharge of hazardous and non-hazardous materials, and the remediation of contamination and liability for damage to natural resources. Compliance with such international conventions, laws, regulations, insurance and other requirements entails significant expense, including for vessel modifications and the implementation of certain operating procedures.

A variety of government and private entities subject our vessels to both scheduled and unscheduled inspections. These entities include the local port authorities (applicable national authorities such as the United States Coast Guard (“USCG”), harbor master or equivalent), classification societies, flag state administrations (countries of registry) and charterers, particularly terminal operators. Certain of these entities require us to obtain permits, licenses, certificates and other authorizations for the operation of our vessels. Failure to maintain necessary permits, certificates and approvals could require us to incur substantial costs or result in the temporary suspension of the operation of our vessels.

Increasing environmental concerns have created a demand for vessels that conform to stricter environmental standards. We are required to maintain operating standards for our vessels that emphasize operational safety, quality maintenance, continuous training of our officers and crews and compliance with United States, European Union, other state and international regulations and standards. We believe that the operation of our vessels is in substantial compliance with applicable environmental laws and regulations and that our vessels have all material permits, licenses, certificates or other authorizations necessary for the conduct of our operations. However, because such laws and regulations frequently change and may impose increasingly stricter requirements, we cannot predict the ultimate cost of complying with these requirements, or the impact of these requirements on the resale value or useful lives of our vessels. In addition, a serious marine incident that causes significant adverse environmental impact could result in additional legislation or regulation that could have a material adverse effect on our business, financial condition, and operating results.

International Maritime Organization

The International Maritime Organization, the United Nations agency for maritime safety and the prevention of pollution by vessels (the “IMO”), has adopted the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto, collectively referred to as MARPOL 73/78 and herein as “MARPOL”, the International Convention for the Safety of Life at Sea of 1974 (“SOLAS Convention”), and the International Convention on Load Lines of 1966. MARPOL establishes environmental standards relating to oil leakage or spilling, garbage management, sewage, air emissions, handling and disposal of noxious liquids and handling of harmful substances in packaged forms. MARPOL is applicable to dry bulk, tanker, containers, LPG and LNG carriers, among other vessels, and includes six Annexes, each of which regulates a different source of pollution. Annex I relates to operational or accidental oil leakage or spilling; Annexes II and III relate to harmful substances carried in bulk in liquid or in packaged form, respectively; Annexes IV and V relate to sewage and garbage management, respectively. Annex VI, which relates to air emissions, was separately adopted by the IMO in September of 1997. New emissions standards, titled IMO-2020, took effect on January 1, 2020.

Air Emissions

In September of 1997, the IMO adopted Annex VI to MARPOL to address air emissions from vessels. Effective May 2005, Annex VI sets limits on sulfur dioxide, nitrogen oxide and other emissions from all commercial vessel exhausts and prohibits “deliberate emissions” of ozone depleting substances (such as halons and chlorofluorocarbons), emissions of volatile compounds from cargo tanks, and shipboard incineration of specific substances. Annex VI also includes a global cap on the sulfur content of fuel oil and allows for special emission control areas to be established with more stringent limits on sulfur emissions, as explained below. Emissions of “volatile organic compounds” from shipboard incineration (from incinerators installed after January 1, 2000) of certain substances (such as polychlorinated biphenyls, or PCBs) are also prohibited. We believe that our vessels are currently compliant in all material respects with these requirements.

The Marine Environment Protection Committee (“MEPC”) adopted amendments to Annex VI regarding emissions of sulfur dioxide, nitrogen oxide, particulate matter and ozone depleting substances, which entered into force on July 1, 2010. The amended Annex VI seeks to further reduce air pollution by, among other things, implementing a progressive reduction of the amount of sulfur contained in any fuel oil used on board ships. On October 27, 2016, at its 70th session, the MEPC agreed to implement a global 0.5% m/m (fuel and emissions) sulfur oxide emissions limit (reduced from 3.50%) starting from January 1, 2020. This limitation can be met by using low-sulfur compliant fuel oil, alternative fuels, or certain exhaust gas cleaning systems. Ships are now required to obtain bunker delivery notes and International Air Pollution Prevention Certificates from their flag states that specify sulfur content. Additionally, at MEPC 73, amendments to Annex VI to prohibit the carriage of bunkers above 0.5% sulfur on ships not equipped with exhaust gas cleaning systems were adopted and took effect on March 1, 2020. These regulations subject ocean-going vessels to stringent emissions controls and may cause us to incur substantial costs. As of the date of this Annual Report, our vessels are not equipped with scrubbers and have transitioned to burning IMO compliant fuels.

Sulfur content standards are even stricter within certain “Emission Control Areas” (“ECAs”). As of January 1, 2015, ships operating within an ECA were not permitted to use fuel with sulfur content in excess of 0.1% m/m. Amended Annex VI establishes procedures for designating new ECAs. Currently, the IMO has designated four ECAs, including specified portions of the Baltic Sea area, North Sea area, North American area and United States Caribbean area. Ocean-going vessels in these areas are subject to more stringent emission controls and may cause us to incur additional costs. Other areas in China are subject to local regulations that impose stricter emission controls. If other ECAs are approved by the IMO, or other new or more stringent requirements relating to emissions from marine diesel engines or port operations by vessels are adopted by the U.S. Environmental Protection Agency (“EPA”) or the other jurisdictions where we operate, compliance with these regulations could entail significant capital expenditures or otherwise increase the costs of our operations.

Amended Annex VI also establishes new tiers of more stringent nitrogen oxide emissions standards for marine diesel engines, depending on their date of installation. At the MEPC meeting held from March to April 2014, amendments to Annex VI were adopted which address the date on which Tier III Nitrogen Oxide (NOx) standards in ECAs will go into effect. Under the amendments, Tier III NOx standards apply to ships that operate in the North American and U.S. Caribbean Sea ECAs designed for the control of NOx produced by vessels with a marine diesel engine installed and constructed on or after January 1, 2016. At MEPC 70 and MEPC 71, the MEPC approved the North Sea and Baltic Sea as ECAs for nitrogen oxide for ships built on or after January 1, 2021. The EPA promulgated equivalent (and in some respects stricter) emissions standards in 2010. Currently, all of our vessels, are built prior to 2016 and therefore they are not affected by Tier III requirements from an operational perspective. While our vessels are currently in compliance with Tier I or II NOx standards, we may acquire additional vessels that are not in compliance with such regulations of which may cause us to us incur additional capital expenses and/or other compliance costs.

As determined at the MEPC 70, the new Regulation 22A of MARPOL Annex VI became effective as of March 1, 2018, and requires ships above 5,000 gross tonnage to collect and report annual data on fuel oil consumption to an IMO database, with the first year of data collection having commenced on January 1, 2019. The IMO intends to use such data as the first step in its roadmap for developing its strategy to reduce greenhouse gas emissions from ships. The 2023 IMO GHG Strategy seeks a reduction in carbon intensity of international shipping as an average across international shipping, by at least 40% by 2030. Related measures are discussed further below.

At the 82nd session of MEPC 82 (September 30- October 4, 2024), the IMO designated three further Emission Control Areas (ECAs) - the Mediterranean Sea, the Canadian Arctic and the Norwegian Sea. This ECA will fall under MARPOL Annex VI Regulations 13 (Nitrogen Oxides) and 14 (Sulphur Oxides and Particulate Matter). The ECA will apply to a marine diesel engine that is installed on a ship constructed on or after the following dates and in compliance with tier III standards:

- Mediterranean Sea: constructed on or after March 1, 2026 and is operating in the Mediterranean Sea Emission Control Area.
- Norwegian Sea: constructed on or after March 1, 2026 and is operating in the Norwegian Sea Emission Control Area. For the Norwegian Sea Emission Control Area.
- Canadian Arctic: ship is constructed on or after March 1, 2026 and is operating in the Canadian Arctic Emission Control Area.

As of January 1, 2013, MARPOL made mandatory certain measures relating to energy efficiency for ships. All ships are now required to develop and implement Ship Energy Efficiency Management Plans (“SEEMPs”), and new ships must be designed in compliance with minimum energy efficiency levels per capacity mile as defined by the Energy Efficiency Design Index (“EEDI”). Under these measures, by 2025, all new ships built will be 30% more energy efficient than those built in 2014. Additionally, MEPC 75 adopted amendments to MARPOL Annex VI which brings forward the effective date of the EEDI’s “phase 3” requirements from January 1, 2025 to April 1, 2022 for several ship types, including gas carriers, general cargo ships, and LNG carriers. This may require us to incur additional operating or other costs for those vessels built after January 1, 2013. Further, MEPC 75 approved draft amendments requiring that, on or before January 1, 2023, all ships above 400 gross tonnage must have an approved SEEMP on board. For ships above 5,000 gross tonnage, the SEEMP needs to include certain mandatory content. Additionally, from January 1, 2023, ships subject to the Carbon Intensity Indicator (CII) rating must develop a SEEMP Part III, which includes the CII calculation methodology, required CII values over the next three years, an implementation plan for achieving the required CII, and procedures for self-evaluation and improvement.

In addition to the recently implemented emission control regulations, the IMO has been devising strategies to reduce greenhouse gases and carbon emissions from ships. According to its latest announcement, IMO plans to initiate measures to reduce carbon intensity by at least 40% by 2030 and 70% by 2050 from the levels in 2008. It also plans to introduce measures to reduce GHG emissions by 50% by 2050 from the 2008 levels. These are likely to be achieved by setting energy efficiency requirements and encouraging ship owners to use alternative fuels such as biofuels, and electro-/synthetic fuels such as hydrogen or ammonia and may also include limiting the speed of the ships. The 2023 IMO Strategy on Reduction of GHG Emissions from Ships includes an enhanced ambition to reach net-zero GHG emissions from international shipping by or around 2050. Additionally, the strategy aims for at least 5%, striving for 10%, of the energy used by international shipping to come from zero or near-zero GHG emission technologies, fuels, and/or energy sources by 2030. However, there is still uncertainty regarding the exact measures that the IMO will undertake to achieve these targets. IMO-related uncertainty is also a factor discouraging ship owners from ordering newbuild vessels, as these vessels may have high future environmental compliance costs with untested technology.

In June 2021, IMO’s Marine Environment Protection Committee (“MEPC”) adopted amendments to MARPOL Annex VI that will require ships to reduce their greenhouse gas emissions. These amendments combine technical and operational approaches to improve the energy efficiency of ships, also providing important building blocks for future GHG reduction measures. The new measures require the IMO to review the effectiveness of the implementation of the Carbon Intensity Indicator (“CII”) and Energy Efficiency Existing Ship Index (“EEXI”) requirements, by January 1, 2026 at the latest. EEXI is a technical measure and will apply to ships above 400 GT. It indicates the energy efficiency of the ship compared to a baseline and is based on a required reduction factor (expressed as a percentage relative to the EEDI baseline). On the other hand, CII is an operational measure which specifies carbon intensity reduction requirements for vessels with 5,000 GT and above. The CII determines the annual reduction factor needed to ensure continuous improvement of the ship’s operational carbon intensity within a specific rating level. The operational carbon intensity rating would be given on a scale of A, B, C, D or E indicating a major superior, minor superior, moderate, minor inferior, or inferior performance level, respectively. The performance level would be recorded in the ship’s SEEMP. A ship rated E for three consecutive years would have to submit a corrective action plan to show how the required index (D or above) would be achieved. Further, the European Union has endorsed a binding target of at least 55% domestic reduction in economy wide GHG reduction by 2030 compared to 1990. The amendments to MARPOL Annex VI (adopted in a consolidated revised Annex VI) entered into force on November 1, 2022, with the requirements for EEXI and CII certification coming into effect from January 1, 2023. This means that the first annual reporting on carbon intensity will be completed for 2023, with the first rating given in 2024. Additionally, ships subject to the Carbon Intensity Indicator (CII) rating must develop a SEEMP Part III, which includes the CII calculation methodology, required CII values over the next three years, an implementation plan for achieving the required CII, and procedures for self-evaluation and improvement. We are also required to comply with requirements relating to new European Union Emissions Trading Scheme (“EU ETS”) regulations for carbon emissions for voyages of vessels above 5000 GT departing from or arriving to ports in the European Union phased in from the beginning of 2024, with an implementation scheme of 40% of emissions, followed by 70% of emissions in 2025 and ending in 2026 with 100% of the emissions produced by these voyages.

We may incur costs to comply with these revised standards including the introduction of new emissions software platform applications which will enable continuous monitoring of CII’s as well as automatic generation of CII reports, amendment of SEEMP part II and part III plans and adoption and implementation of ISO 500001 procedures. Additional or new conventions, laws and regulations may be adopted that could require the installation of expensive emission control systems and could adversely affect our business, cash flows, financial condition, and operating results.

Safety Management System Requirements

The SOLAS Convention was amended to address the safe manning of vessels and emergency training drills. The Convention of Limitation of Liability for Maritime Claims (the “LLMC”) sets limitations of liability for a loss of life or personal injury claim, or a property claim against ship owners. We believe that our vessels are in substantial compliance with SOLAS and LLMC standards.

Under Chapter IX of the SOLAS Convention, or the International Safety Management Code for the Safe Operation of Ships and for Pollution Prevention (the “ISM Code”), our operations are also subject to environmental standards and requirements. The ISM Code requires the party with operational control of a vessel to develop an extensive safety management system that includes, among other things, the adoption of a safety and environmental protection policy, as well as a cybersecurity risk policy, setting forth instructions and procedures for operating its vessels safely and describing procedures for responding to emergencies. We rely upon the safety management system that we and our technical management team have developed for compliance with the ISM Code. The failure of a vessel owner or bareboat charterer to comply with the ISM Code may subject such party to increased liability, decrease available insurance coverage for the affected vessels and/or result in a denial of access to, or detention in, certain ports.

The ISM Code requires that vessel operators obtain a safety management certificate for each vessel they operate. This certificate evidences compliance by a vessel’s management with the ISM Code requirements for a safety management system. No vessel can obtain a safety management certificate unless its manager has been awarded a document of compliance, issued by each flag state, under the ISM Code. We have obtained applicable documents of compliance for our offices and safety management certificates for our vessels for which the certificates are required by the IMO. The document of compliance and safety management certificate are renewed as required.

Regulation II-1/3-10 of the SOLAS Convention on goal-based ship construction standards for dry bulk carriers stipulates that ships over 150 meters in length must have adequate strength, integrity and stability to minimize risk of loss or pollution.

Amendments to the SOLAS Convention Chapter VII apply to vessels transporting dangerous goods and require those vessels be in compliance with the International Maritime Dangerous Goods Code (“IMDG Code”). Effective January 1, 2018, the IMDG Code includes (1) updates to the provisions for radioactive material, reflecting the latest provisions from the International Atomic Energy Agency, (2) new marking, packing and classification requirements for dangerous goods, and (3) new mandatory training requirements. Amendments which took effect on January 1, 2020, also reflect the latest material from the UN Recommendations on the Transport of Dangerous Goods, including (1) new provisions regarding IMO type 9 tank, (2) new abbreviations for segregation groups, and (3) special provisions for carriage of lithium batteries and of vehicles powered by flammable liquid or gas.

The IMO has also adopted the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (“STCW”). As of February 2017, all seafarers are required to meet the STCW standards and be in possession of a valid STCW certificate. Flag states that have ratified SOLAS and STCW generally authorize the classification societies, to undertake surveys to confirm compliance on their behalf.

The IMO’s Maritime Safety Committee and MEPC, respectively, each adopted relevant parts of the International Code for Ships Operating in Polar Water (the “Polar Code”). The Polar Code, which entered into force on January 1, 2017, covers design, construction, equipment, operational, training, search and rescue as well as environmental protection matters relevant to ships operating in the waters surrounding the two poles. It also includes mandatory measures regarding safety and pollution prevention as well as recommended provisions. The Polar Code applies to new ships constructed after January 1, 2017, and from January 1, 2018, ships constructed before January 1, 2017, are required to meet the relevant requirements by the earlier of their first intermediate or renewal survey.

Furthermore, recent action by the IMO’s Maritime Safety Committee and United States agencies indicates that cybersecurity regulations for the maritime industry are likely to be further developed in the near future in an attempt to combat cybersecurity threats. As of January 1, 2021, IMO Resolution MSC.428(98) requires that cybersecurity risks be managed as part of a ship’s Safety Management System (SMS). This includes addressing vulnerabilities in both IT and operational technology (OT) systems. Additionally, the United States Coast Guard has implemented minimum cybersecurity requirements to help detect risks and respond to and recover from cybersecurity incidents. Companies are required to develop additional procedures for monitoring cybersecurity, which could necessitate additional expenses and/or capital expenditures. Regular risk assessments, crew training, and incident response planning are also essential components of effective cybersecurity management.

Fuel Regulations in Arctic Waters

MEPC 76 adopted amendments to MARPOL Annex I (addition of a new regulation 43A) to introduce a prohibition on the use and carriage for use as fuel of heavy fuel oil (HFO) by ships in Arctic waters on and after July 1, 2024. The prohibition will cover the use and carriage for use as fuel of oils having a density at 15°C higher than 900 kg/m3 or a kinematic viscosity at 50°C higher than 180 mm2/s. Ships engaged in securing the safety of ships, or in search and rescue operations, and ships dedicated to oil spill preparedness and response are exempt. Ships which meet certain construction standards with regard to oil fuel tank protection would need to comply on and after July 1, 2029.

Pollution Control and Liability Requirements

The IMO has negotiated international conventions that impose liability for pollution in international waters and the territorial waters of the signatories to such conventions. For example, the IMO adopted an International Convention for the Control and Management of Ships’ Ballast Water and Sediments (the “BWM Convention”) in 2004. The BWM Convention entered into force on September 8, 2017. The BWM Convention requires ships to manage their ballast water to remove, render harmless, or avoid the uptake or discharge of new or invasive aquatic organisms and pathogens within ballast water and sediments. The BWM Convention’s implementing regulations call for a phased introduction of mandatory ballast water exchange requirements, to be replaced in time with mandatory concentration limits, and require all ships to carry a ballast water record book and an international ballast water management certificate.

On December 4, 2013, the IMO Assembly passed a resolution revising the application dates of the BWM Convention so that the dates are triggered by the entry into force date and not the dates originally in the BWM Convention. This, in effect, makes all vessels delivered before the entry into force date “existing vessels” and allows for the installation of ballast water management systems on such vessels at the first International Oil Pollution Prevention (“IOPP”) renewal survey following entry into force of the convention. The MEPC adopted updated guidelines for approval of ballast water management systems (G8) at MEPC 70. At MEPC 71, amendments were introduced to extend the date existing vessels are subject to certain ballast water standards. Those changes were adopted at MEPC 72. Ships over 400 gross tons generally must comply with a “D-1 standard,” requiring the exchange of ballast water only in open seas and away from coastal waters. The “D-2 standard” specifies the maximum amount of viable organisms allowed to be discharged, and compliance dates vary depending on the IOPP renewal dates. Depending on the date of the IOPP renewal survey, existing vessels must comply with the D-2 standard on or after September 8, 2019. For most ships, compliance with the D-2 standard will involve installing onboard systems to treat ballast water and eliminate unwanted organisms. Ballast water management systems, which include systems that make use of chemical, biocides, organisms or biological mechanisms, or which alter the chemical or physical characteristics of the Ballast Water, must be approved in accordance with IMO Guidelines (Regulation D-3). As of October 13, 2019, MEPC 72’s amendments to the BWM Convention took effect, making the Code for Approval of Ballast Water Management Systems, which governs assessment of ballast water management systems, mandatory rather than permissive, and formalized an implementation schedule for the D-2 standard. Under these amendments, all ships must meet the D-2 standard by September 8, 2024. Significant costs may be incurred to comply with these regulations. Additionally, in November 2020, MEPC 75 adopted amendments to the BWM Convention which would require a commissioning test of the ballast water management system for the initial survey or when performing an additional survey for retrofits. This analysis will not apply to ships that already have an installed BWM system certified under the BWM Convention. These amendments entered into force on June 1, 2022. As of December 31, 2022 and 2023, we had made \$2.6 million and \$0.1 million in capital expenditures relating to the installation of BWTS on our vessels. For further information on these installations, see “*A. History and Development of the Company—Vessel Capital Expenditures.*”

Many countries already regulate the discharge of ballast water carried by vessels from country to country to prevent the introduction of invasive and harmful species via such discharges. The U.S., for example, requires vessels entering its waters from another country to conduct mid-ocean ballast exchange, or undertake some alternate measure, and to comply with certain reporting requirements. Ballast water compliance requirements could adversely affect our business, results of operations, cash flows and financial condition.

The IMO also adopted the International Convention on Civil Liability for Bunker Oil Pollution Damage (the “Bunker Convention”) to impose strict liability on ship owners (including the registered owner, bareboat charterer, manager or operator) for pollution damage in jurisdictional waters of ratifying states caused by discharges of bunker fuel. The Bunker Convention requires registered owners of ships over 1,000 gross tons to maintain insurance for pollution damage in an amount equal to the limits of liability under the applicable national or international limitation regime (but not exceeding the amount calculated in accordance with the LLMC). With respect to non-ratifying states, liability for spills or releases of oil carried as fuel in ships’ bunkers typically is determined by the national or other domestic laws in the jurisdiction where the events or damages occur.

Ships are required to maintain a certificate attesting that they maintain adequate insurance to cover an incident. In jurisdictions, such as the United States where the Bunker Convention has not been adopted, the Oil Pollution Act of 1990 along with various legislative schemes and common law standards of conduct govern, and liability is imposed either on the basis of fault or on a strict-liability basis.

Anti-Fouling Requirements

In 2001, the IMO adopted the International Convention on the Control of Harmful Anti-fouling Systems on Ships (the “Anti-fouling Convention”). The Anti-fouling Convention, which entered into force on September 17, 2008, prohibits the use of organotin compound coatings to prevent the attachment of mollusks and other sea life to the hulls of vessels. Vessels of over 400 gross tons engaged in international voyages are also required to undergo an initial survey before the vessel is put into service or before an International Anti-fouling System Certificate is issued for the first time; and subsequent surveys when the anti-fouling systems are altered or replaced.

In June 2021, MEPC 76 adopted amendments to the Anti-fouling Convention to prohibit the use of biocide cybutryne contained in anti-fouling systems, which would apply to ships from January 1, 2023, or, for ships already bearing such an anti-fouling system, at the next scheduled renewal of the system after that date, but no later than 60 months following the last application to the ship of such a system, as studies have proven that the substance is harmful to a variety of marine organisms.

We have obtained Anti-fouling System Certificates for all of our vessels that are subject to the Anti-fouling Convention.

Compliance Enforcement

Noncompliance with the ISM Code or other IMO regulations may subject the ship owner or bareboat charterer to increased liability, may lead to decreases in available insurance coverage for affected vessels and may result in the denial of access to, or detention in, some ports. The USCG and European Union authorities have indicated that vessels not in compliance with the ISM Code by applicable deadlines will be prohibited from trading in U.S. and European Union ports, respectively. As of the date of this Annual Report, our vessels were ISM Code certified either through Castor Ships, acting as the DOC holder for the vessels it operates directly, or through any subcontracted technical managers, who serve as the DOC holders for the vessels under their management. All technical managers have obtained the documents of compliance in order to operate the vessels in accordance with the ISM Code and all other international and regional requirements that are applicable to our vessels. However, there can be no assurance that such certificates will be maintained in the future. The IMO continues to review and introduce new regulations. It is impossible to predict what additional regulations, if any, may be passed by the IMO and what effect, if any, such regulations might have on our operations.

United States Regulations

The U.S. Oil Pollution Act of 1990 and the Comprehensive Environmental Response, Compensation and Liability Act

The U.S. Oil Pollution Act of 1990 (“OPA”) established an extensive regulatory and liability regime for the protection and cleanup of the environment from oil spills. OPA affects all “owners and operators” whose vessels trade or operate within the U.S., its territories and possessions or whose vessels operate in U.S. waters, which includes the U.S.’s territorial sea and its 200 nautical mile exclusive economic zone around the U.S. The U.S. has also enacted the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), which applies to the discharge of hazardous substances other than oil, except in limited circumstances, whether on land or at sea. OPA and CERCLA both define “owner and operator” in the case of a vessel as any person owning, operating or chartering by demise, the vessel. Both OPA and CERCLA impact our operations.

Under OPA, vessel owners and operators are “responsible parties” and are jointly, severally and strictly liable (unless the spill results solely from the act or omission of a third party, an act of God or an act of war) for all containment and clean-up costs and other damages arising from discharges or threatened discharges of oil from their vessels, including bunkers (fuel). OPA defines these other damages broadly to include:

- (i) injury to, destruction or loss of, or loss of use of, natural resources and related assessment costs;
- (ii) injury to, or economic losses resulting from, the destruction of real and personal property;
- (iii) loss of subsistence use of natural resources that are injured, destroyed or lost;
- (iv) net loss of taxes, royalties, rents, fees or net profit revenues resulting from injury, destruction or loss of real or personal property, or natural resources;
- (v) lost profits or impairment of earning capacity due to injury, destruction or loss of real or personal property or natural resources; and
- (vi) net cost of increased or additional public services necessitated by removal activities following a discharge of oil, such as protection from fire, safety or health hazards, and loss of subsistence use of natural resources.

OPA contains statutory caps on liability and damages but such caps do not apply to direct cleanup costs. Effective December 12, 2019, the USCG adjusted the limits of OPA liability for non-tank vessels, edible oil tank vessels, and any oil spill response vessels, to the greater of \$1,200 per gross ton or \$997,100 (subject to periodic adjustment for inflation). However, these limits of liability do not apply if an incident was proximately caused by the violation of an applicable U.S. federal safety, construction or operating regulation by a responsible party (or its agent, employee or a person acting pursuant to a contractual relationship), or a responsible party’s gross negligence or willful misconduct. The limitation on liability similarly does not apply if the responsible party fails or refuses to (i) report the incident as required by law where the responsible party knows or has reason to know of the incident; (ii) reasonably cooperate and assist as requested in connection with oil removal activities; or (iii) without sufficient cause, comply with an order issued under the Federal Water Pollution Act (Section 311 (c), (e)) or the Intervention on the High Seas Act.

CERCLA contains a similar liability regime whereby owners and operators of vessels are liable for cleanup, removal and remedial costs, as well as damages for injury to, or destruction or loss of, natural resources, including the reasonable costs associated with assessing the same, and health assessments or health effects studies. There is no liability if the discharge of a hazardous substance results solely from the act or omission of a third party, an act of God or an act of war. Liability under CERCLA is limited to the greater of \$300 per gross ton or \$5.0 million for vessels carrying a hazardous substance as cargo and the greater of \$300 per gross ton or \$500,000 for any other vessel. However, these limits do not apply (rendering the responsible person liable for the total cost of response and damages) if the release or threat of release of a hazardous substance resulted from willful misconduct or negligence, or the primary cause of the release was a violation of applicable safety, construction or operating standards or regulations. The limitation on liability also does not apply if the responsible person fails or refused to provide all reasonable cooperation and assistance as requested in connection with response activities where the vessel is subject to OPA.

OPA and CERCLA each preserve the right to recover damages under existing law, including maritime tort law. OPA and CERCLA both require owners and operators of vessels to establish and maintain with the USCG evidence of financial responsibility sufficient to meet the maximum amount of liability to which the particular responsible person may be subject. Vessel owners and operators may satisfy their financial responsibility obligations by providing a proof of insurance, a surety bond, qualification as a self-insurer or a guarantee. We comply and plan to be in compliance going forward with the USCG’s financial responsibility regulations by providing applicable certificates of financial responsibility.

The 2010 *Deepwater Horizon* oil spill in the Gulf of Mexico resulted in additional regulatory initiatives or statutes, including higher liability caps under OPA, new regulations regarding offshore oil and gas drilling, and a pilot inspection program for offshore facilities. Several of these initiatives and regulations have been or may be revised. For example, the U.S. Bureau of Safety and Environmental Enforcement’s (“BSEE”) revised Production Safety Systems Rule (“PSSR”), effective December 27, 2018, modified and relaxed certain environmental and safety protections under the 2016 PSSR. Additionally, the BSEE amended the Well Control Rule, effective July 15, 2019, which rolled back certain reforms regarding the safety of drilling operations. In 2023 the BSSE issued a final Well Control Rule which revises or rescinds certain modifications that were made in the 2019 rule. The effects of these proposals and changes are currently unknown. On January 27, 2021, the Biden administration issued an executive order temporarily blocking new leases for oil and gas drilling in federal waters. On April 18, 2022 the Bureau of Land Management resumed oil and gas leasing on a much reduced basis and, in September 2023, a record low of just three offshore lease sales over the next five years were unveiled. However, leasing for oil and gas drilling in federal waters remains a contentious political issue, with certain states and Republicans in U.S. Congress pushing for increased leasing. On January 6, 2025, the Biden administration issued an executive order prohibiting new oil and gas leases in offshore areas more than three miles from the US coast, and President Trump issued an executive order on January 20, 2025 seeking to revoke it; both actions are currently the subject of legal challenges. Compliance with any new requirements of OPA and future legislation or regulations applicable to the operation of our vessels could impact the cost of our operations or demand for our vessels and adversely affect our business.

OPA specifically permits individual states to impose their own liability regimes with regard to oil pollution incidents occurring within their boundaries, provided they accept, at a minimum, the levels of liability established under OPA and some states have enacted legislation providing for unlimited liability for oil spills, including bunker fuel spills. Many U.S. states that border a navigable waterway have enacted environmental pollution laws that impose strict liability on a person for removal costs and damages resulting from a discharge of oil or a release of a hazardous substance. Some of these laws are more stringent than U.S. federal law in some respects. Moreover, some states have enacted legislation providing for unlimited liability for discharge of pollutants within their waters, although in some cases, states which have enacted this type of legislation have not yet issued implementing regulations defining owners’ responsibilities under these laws. The Company intends to be in compliance with all applicable state regulations in the relevant ports where the Company’s vessels call.

We currently maintain pollution liability coverage insurance in the amount of \$1.0 billion per incident for our vessels. If the damages from a catastrophic spill were to exceed our insurance coverage, it could have an adverse effect on our business and operating results.

Other United States Environmental Initiatives

The U.S. Clean Air Act of 1970 (including its amendments of 1977 and 1990) (“CAA”) requires the EPA to promulgate standards applicable to emissions of greenhouse gasses, volatile organic compounds and other air contaminants. The CAA requires states to adopt State Implementation Plans, some of which regulate emissions resulting from vessel loading and unloading operations which may affect our vessels.

The U.S. Clean Water Act (“CWA”) prohibits the discharge of oil, hazardous substances and ballast water in U.S. navigable waters unless authorized by a duly issued permit or exemption and imposes strict liability in the form of penalties for any unauthorized discharges. The CWA also imposes substantial liability for the costs of removal, remediation and damages and complements the remedies available under OPA and CERCLA.

The EPA and the USCG have also enacted specific rules relating to ballast water discharges, compliance with which requires the installation of equipment on our vessels to treat ballast water before it is discharged or the implementation of other port facility disposal arrangements or procedures at potentially substantial costs, and/or otherwise restrict our vessels from entering U.S. waters. The EPA will regulate these ballast water discharges and other discharges incidental to the normal operation of certain vessels within United States waters pursuant to the Vessel Incidental Discharge Act (“VIDA”), which was signed into law on December 4, 2018 and replaces the 2013 Vessel General Permit (“VGP”) program (which authorizes discharges incidental to operations of commercial vessels and contains numeric ballast water discharge limits for most vessels to reduce the risk of invasive species in U.S. waters, stringent requirements for exhaust gas scrubbers, and requirements for the use of environmentally acceptable lubricants) and current Coast Guard ballast water management regulations adopted under the U.S. National Invasive Species Act, such as mid-ocean ballast exchange programs and installation of approved USCG technology for all vessels equipped with ballast water tanks bound for U.S. ports or entering U.S. waters. VIDA establishes a new framework for the regulation of vessel incidental discharges under the CWA, requires the EPA to develop performance standards for those discharges within two years of enactment, and requires the U.S. Coast Guard to develop implementation, compliance, and enforcement regulations within two years of the EPA’s promulgation of standards. The EPA issued these new VIDA vessel performance standards on November 8, 2024, and the USCG has until October, 2026 to developed implementation, compliance and enforcement regulations. Under VIDA, all provisions of the 2013 VGP and USCG regulations regarding ballast water treatment remain in force and effect until U.S. Coast Guard regulations are finalized. Non-military, non-recreational vessels greater than 79 feet in length must continue to comply with the requirements of the VGP, including submission of a Notice of Intent (“NOI”) or retention of a Permit Authorization and Record of Inspection form and submission of annual reports. We have submitted NOIs for our vessels where required. Compliance with the EPA, U.S. Coast Guard and state regulations could require the installation of additional ballast water treatment equipment on our vessels which have not already installed this equipment or the implementation of other port facility disposal procedures as a result of which we may incur additional capital expenditures or may otherwise have to restrict certain of our vessels from entering U.S. waters.

California Air Resources Board (CARB) regulation

The California Air Resources Board shore power regulation for reducing emissions from diesel auxiliary engines on ships while at-berth applies to all container vessels visiting California ports from January 1, 2023. Effective January 1, 2025, tanker vessels visiting terminals at the Port of Los Angeles or Port of Long Beach must also be equipped with shore power supply. By January 1, 2027, all tanker vessels visiting any California regulated terminal must comply with this requirement.

European Union Regulations

In October 2009, the European Union amended a directive to impose criminal sanctions for illicit ship-source discharges of polluting substances, including minor discharges, if committed with intent, recklessly or with serious negligence and the discharges individually or in the aggregate result in deterioration of the quality of water. Aiding and abetting the discharge of a polluting substance may also lead to criminal penalties. The directive applies to all types of vessels, irrespective of their flag, with certain exceptions for warships or where human safety or that of the ship is in danger. Criminal liability for pollution may result in substantial penalties or fines and increased civil liability claims. Regulation (EU) 2015/757 of the European Parliament and of the Council of 29 April 2015 (amending EU Directive 2009/16/EC) governs the monitoring, reporting and verification of carbon dioxide emissions from maritime transport, and, subject to some exclusions, requires companies with ships over 5,000 gross tonnage to monitor and report carbon dioxide emissions annually, which may cause us to incur additional expenses.

The European Union has adopted several regulations and directives requiring, among other things, more frequent inspections of high-risk ships, as determined by type, age, and flag as well as the number of times the ship has been detained. The European Union also adopted and extended a ban on substandard ships and enacted a minimum ban period and a definitive ban for repeated offenses. The regulation also provided the European Union with greater authority and control over classification societies, by imposing more requirements on classification societies and providing for fines or penalty payments for organizations that failed to comply. Furthermore, the EU has implemented regulations requiring vessels to use reduced sulfur content fuel for their main and auxiliary engines. The EU Directive 2005/33/EC (amending Directive 1999/32/EC) introduced requirements parallel to those in MARPOL Annex VI relating to the sulfur content of marine fuels. In addition, the EU imposed a 0.1% maximum sulfur requirement for fuel used by ships at berth in the Baltic, the North Sea and the English Channel (the so called “SOx-Emission Control Area”). As of January 2020, EU member states must also ensure that ships in all EU waters, except in the SOx-Emission Control Area, use fuels with a 0.5% maximum sulfur content.

As of May 1, 2025, the Mediterranean Sea will effectively become an Emission Control Area (ECA) for sulphur oxides (SOx) under MARPOL Annex VI Regulation 14. This implies that from then on when operating in the Mediterranean Sea, the sulphur content of the fuel used on board shall not exceed 0.10%, unless using an exhaust gas cleaning system (EGCS) ensuring an equivalent SOx emission level. That means that the fuel that will be used in the Mediterranean Sea will become more expensive, which may influence the net revenue of our vessels.

On September 15, 2020, the European Parliament voted to include greenhouse gas emissions from the maritime sector in the European Union’s carbon market. This will require shipowners to buy permits to cover these emissions. On July 14, 2021, the EU Commission proposed legislation to amend the EU ETS to include shipping emissions which was phased in beginning in 2023. In January 2024, EU ETS was extended to cover CO₂ emissions from all large ships (of 5,000 gross tonnage and above) entering EU ports, regardless of the flag they fly.

By September 2025, shipping companies will have to surrender emission allowances (EUAs) based on their verified emissions as quantified as per Regulation (EU) 2015/757 (Monitoring, Reporting and Verification of CO₂ emissions from maritime transport, MRV).

In addition, the European Union's Fuel EU Maritime Regulation 2023/1805, which came into force on January 1, 2025, aims to reduce the carbon intensity of fuels used by ships operating in EU waters. Under this regulation, shipping companies are required to progressively reduce the carbon intensity of the fuels they use, with specific targets set for different years. By 2030, ships will need to achieve a 40% reduction in carbon intensity compared to 2020 levels, with further reductions by 2040 and 2050. This will impact shipping companies by requiring them to adopt cleaner fuels, invest in new technologies, or implement operational measures to meet the regulations. Compliance may involve additional costs related to fuel procurement, retrofitting vessels, or adopting new carbon-reducing technologies, significantly influencing operational strategies and fuel management practices.

Greenhouse Gas Regulation

Currently, the emissions of greenhouse gases from international shipping are not subject to the Kyoto Protocol to the United Nations Framework Convention on Climate Change, which entered into force in 2005 and pursuant to which adopting countries have been required to implement national programs to reduce greenhouse gas emissions with targets extended through 2020. International negotiations are continuing with respect greenhouse gas emissions and restrictions on shipping emissions may be included in any new treaty. In December 2009, more than 27 nations, including the U.S. and China, signed the Copenhagen Accord, which includes a non-binding commitment to reduce greenhouse gas emissions. The 2015 United Nations Climate Change Conference in Paris resulted in the Paris Agreement, which entered into force on November 4, 2016 and does not directly limit greenhouse gas emissions from ships. The U.S. initially entered into the agreement, but the Trump administration withdrew from the Paris Agreement effective November 4, 2020. On January 20, 2021, U.S. President Biden signed an executive order to rejoin the Paris Agreement, which took effect on February 19, 2021. On January 20, 2025, U.S. President Trump signed an Executive Order seeking, again, to withdraw the United States from the Paris Agreement.

At MEPC 70 and MEPC 71, a draft outline of the structure of the initial strategy for developing a comprehensive IMO strategy on reduction of greenhouse gas emissions from ships was approved. In accordance with this roadmap, in April 2018, nations at the MEPC 72 adopted an initial strategy to reduce greenhouse gas emissions from ships. The initial strategy identifies “levels of ambition” to reducing greenhouse gas emissions, including: (1) decreasing the carbon intensity from ships through implementation of further phases of the EEDI for new ships; (2) reducing carbon dioxide emissions per transport work, as an average across international shipping, by at least 40% by 2030, pursuing efforts towards 70% by 2050, compared to 2008 emission levels; and (3) reducing the total annual greenhouse emissions by at least 50% by 2050 compared to 2008 while pursuing efforts towards phasing them out entirely. The initial strategy notes that technological innovation, alternative fuels and/or energy sources for international shipping will be integral to achieving the overall ambition. The MEPC 76 adopted amendments to MARPOL Annex VI that will require ships to reduce their greenhouse gas emissions. These amendments combine technical and operational approaches to improve the energy efficiency of ships, in line with the targets established in the 2018 Initial IMO Strategy for Reducing GHG Emissions from Ships and provide important building blocks for future GHG reduction measures. The new measures will require all ships to calculate their EEXI following technical means to improve their energy efficiency and to establish their annual operational carbon intensity indicator (CII) and CII rating. Carbon intensity links the GHG emissions to the transport work of ships. These regulations could cause us to incur additional substantial expenses. In July 2023, at MEPC 80, the IMO adopted the 2023 IMO Strategy on Reduction of GHG Emissions from Ships, which includes enhanced targets to tackle harmful emissions. The revised strategy aims to reach net-zero GHG emissions from international shipping by or around 2050. It also includes a commitment to ensure an uptake of alternative zero and near-zero GHG fuels by 2030, with specific check-points for 2030 and 2040.

The EU made a unilateral commitment to reduce overall greenhouse gas emissions from its member states by 20% of 1990 levels by 2020. The EU also committed to reduce its emissions by 20% under the Kyoto Protocol's second period from 2013 to 2020. Starting in January 2018, large ships over 5,000 gross tonnage calling at EU ports are required to collect and publish data on carbon dioxide emissions and other information. As previously discussed, implementation of regulations relating to the inclusion of greenhouse gas emissions from the maritime sector in the European Union's carbon market is also forthcoming.

In the United States, the EPA issued a finding that greenhouse gases endanger the public health and safety, adopted regulations to limit greenhouse gas emissions from certain mobile sources, and proposed regulations to limit greenhouse gas emissions from large stationary sources. However, in March 2017, U.S. President Trump sought to eliminate elements of the EPA's plan to cut greenhouse gas emissions and rolled back standards to control methane and volatile organic compound emissions from new oil and gas facilities. However, the Biden administration directed the EPA to publish a rules suspending, revising, or rescinding certain of these regulations. On January 20, 2025, the Trump administration issued Executive Order 14154 directing a review of the legality and applicability of EPA's greenhouse gas endangerment finding. The EPA or individual U.S. states could enact additional environmental regulations that would affect our operations.

Any passage of climate control legislation or other regulatory initiatives by the IMO, the EU, the U.S. or other countries where we operate, or any treaty adopted at the international level to succeed or further implement the Kyoto Protocol or Paris Agreement which further restricts emissions of greenhouse gases could require us to make significant financial expenditures which we cannot predict with certainty at this time. Even in the absence of climate control legislation, our business may be indirectly affected to the extent that climate change results in sea level changes or increases in extreme weather events.

International Labor Organization

The International Labor Organization is a specialized agency of the UN that has adopted the Maritime Labor Convention 2006 ("MLC 2006"). A Maritime Labor Certificate and a Declaration of Maritime Labor Compliance is required to ensure compliance with the MLC 2006 for all ships that are 500 gross tonnage or over and are either engaged in international voyages or flying the flag of a Member and operating from a port, or between ports, in another country. Our vessels are certified as per MLC 2006 and, we believe, in substantial compliance with the MLC 2006.

Vessel Security Regulations

Since the terrorist attacks of September 11, 2001 in the United States, there have been a variety of initiatives intended to enhance vessel security such as the U.S. Maritime Transportation Security Act of 2002 ("MTSA"). To implement certain portions of the MTSA, the USCG issued regulations requiring the implementation of certain security requirements aboard vessels operating in waters subject to the jurisdiction of the United States and at certain ports and facilities, some of which are regulated by the EPA.

Similarly, Chapter XI-2 of the SOLAS Convention imposes detailed security obligations on vessels and port authorities and mandates compliance with the International Ship and Port Facility Security Code ("the ISPS Code"). The ISPS Code is designed to enhance the security of ports and ships against terrorism. To trade internationally, a vessel must attain an International Ship Security Certificate ("ISSC") from a recognized security organization approved by the vessel's flag state. Ships operating without a valid certificate may be detained, expelled from, or refused entry at port until they obtain an ISSC. The various requirements, some of which are found in the SOLAS Convention, include, for example, onboard installation of automatic identification systems to provide a means for the automatic transmission of safety-related information from among similarly equipped ships and shore stations, including information on a ship's identity, position, course, speed and navigational status; onboard installation of ship security alert systems, which do not sound on the vessel but only alert the authorities on shore; the development of vessel security plans; ship identification number to be permanently marked on a vessel's hull; a continuous synopsis record kept onboard showing a vessel's history including the name of the ship, the state whose flag the ship is entitled to fly, the date on which the ship was registered with that state, the ship's identification number, the port at which the ship is registered and the name of the registered owner(s) and their registered address; and compliance with flag state security certification requirements.

The USCG regulations, intended to align with international maritime security standards, exempt non-U.S. vessels from MTSA vessel security measures, provided such vessels have on board a valid ISSC that attests to the vessel’s compliance with the SOLAS Convention security requirements and the ISPS Code. Future security measures could have a significant financial impact on us. We intend to comply with the various security measures addressed by MTSA, the SOLAS Convention and the ISPS Code.

The cost of vessel security measures has also been affected by the escalation in the frequency of acts of piracy against ships, notably off the coast of Somalia in the Gulf of Aden and off the coast of Nigeria in the Gulf of Guinea. Furthermore, costs of vessel security measures have been affected by the geopolitical conflicts in the Middle East and maritime incidents in and around the Red Sea, including off the coast of Yemen in the Gulf of Aden where vessels have faced an increased number of armed attacks targeting Israeli and US-linked ships, as well as Marshall Islands’ flagged vessels. Substantial loss of revenue and other costs may be incurred as a result of detention of a vessel or additional security measures, and the risk of uninsured losses could have a material adverse effect on our business, liquidity and operating results. Costs are incurred in taking additional security measures in accordance with Best Management Practices to Deter Piracy, notably those contained in the BMP5 industry standard.

Inspection by Classification Societies

The hull and machinery of every commercial vessel must be classed by a classification society authorized by its country of registry. The classification society certifies that a vessel is safe and seaworthy in accordance with the applicable rules and regulations of the country of registry of the vessel and SOLAS. Most insurance underwriters make it a condition for insurance coverage and lending that a vessel be certified “in class” by a classification society which is a member of the International Association of Classification Societies, the IACS. The IACS has adopted harmonized Common Structural Rules, or the Rules, which apply to dry bulk carriers and containerships contracted for construction on or after July 1, 2015. The Rules attempt to create a level of consistency between IACS Societies. Our vessels are certified as being “in class” by the applicable IACS Classification Societies (e.g., American Bureau of Shipping, Lloyd’s Register of Shipping, Det Norske Veritas, Nippon Kaiji Kyokai, etc.).

A vessel must undergo annual surveys, intermediate surveys, dry-dockings and special surveys. A vessel’s machinery may be on a continuous survey cycle, under which the machinery would be surveyed periodically over a five-year period. Every vessel is also required to be dry-docked every 30 to 36 months for inspection of the underwater parts of the vessel. If any vessel does not maintain its class and/or fails any annual survey, intermediate survey, dry-docking or special survey, the vessel will be unable to carry cargo between ports and will be unemployable and uninsurable which could cause us to be in violation of certain covenants in our loan agreements. Any such inability to carry cargo or be employed, or any such violation of covenants, could have a material adverse impact on our financial condition and operating results.

Risk of Loss and Liability Insurance

General

The operation of any cargo vessel includes risks such as mechanical failure, physical damage, collision, property loss, cargo loss or damage and business interruption due to political circumstances in foreign countries, piracy incidents, hostilities and labor strikes. In addition, there is always an inherent possibility of marine disaster, including oil spills and other environmental events, and the liabilities arising from owning and operating vessels in international trade. We carry insurance coverage as customary in the shipping industry. However, not all risks can be insured, specific claims may be rejected, and we might not be always able to obtain adequate insurance coverage at reasonable rates. Any of these occurrences could have a material adverse effect on the business.

Hull and Machinery Insurance

We procure hull and machinery insurance, protection and indemnity insurance, which includes environmental damage and pollution insurance and war risk insurance and freight, demurrage and defense insurance for our fleet. Each of our vessels is insured up to what we believe to be at least its fair market value, after meeting certain deductibles. We do not and do not expect to obtain loss of hire insurance (or any other kind of business interruption insurance) covering the loss of revenue during off-hire periods, other than due to war risks, for any of our vessels.

Protection and Indemnity Insurance

Protection and indemnity insurance is provided by mutual protection and indemnity associations, or “P&I Associations” or clubs, and covers our third-party liabilities in connection with our shipping activities. This includes third-party liability and other related expenses of injury or death of crew, passengers and other third parties, loss or damage to cargo, claims arising from collisions with other vessels, damage to other third-party property, pollution arising from oil or other substances, and salvage, towing and other related costs, including wreck removal.

Our current protection and indemnity insurance coverage for pollution is \$1 billion per vessel per incident. There are 13 P&I Associations that comprise the “International Group”, a group of P&I Associations that insure approximately 90% of the world’s commercial tonnage and have entered into a pooling agreement to reinsure each association’s liabilities. The International Group’s website states that the pool provides a mechanism for sharing all claims in excess of \$10 million up to, currently, approximately \$8.9 billion. As a member of a P&I Association, which is a member of the International Group, we are subject to calls payable to the associations based on our claim records as well as the claim records of all other members of the individual associations and members of the shipping pool of P&I Associations comprising the International Group.

Competition

We operate in markets that are highly competitive, in part due to the fact that ownership of dry bulk is highly fragmented and ownership of containership vessels is moderately fragmented. The process of obtaining new employment for our fleet generally involves intensive screening, and competitive bidding, and often extends for several months. Although we believe that at the present time no single company has a dominant position in the markets in which we operate, that could change and we may face substantial competition for charters from a number of established companies who may have greater resources, capabilities or experience.

We compete for charters on the basis of price, vessel location, size, age and condition of the vessel, as well as based on customer relationships our reputation as an owner and operator. Demand for dry bulk and containerships fluctuates in line with the main patterns of trade of the major dry bulk and containerships cargoes and varies according to supply and demand for such products.

With regards to our asset management segment, we concentrate our activities mainly in Germany (though the assets we manage are in various geographic areas) with the aim to be one of the leading independent asset managers and operational service providers for projects in the maritime and energy infrastructure segments. As such, we are in competition with other providers of investment and operational services. As a result of focusing our sales activities to international institutional investors, family offices and other third-party clients for our service business, the field of competitors now includes similar international companies.

If we are not successful in establishing ourselves among our co-investors and customers, offering the investments and services that our target groups expect, or consistently generating income, our business, results of operations and financial condition may be adversely affected. In addition, increased competition, including competition leading to fee reductions on existing or new business, may cause our investments and assets under management, revenue and earnings to decline. We counter this risk by concentrating our investments and services in the markets in which we have particular competences.

Regulatory framework for the asset management business

MPC Capital operates in the ship management and the energy infrastructure management industries. MPC Capital’s activities are subject to a large number of laws and regulations in different jurisdictions that apply to such business activities, including, but not limited to, anti-money laundering laws, data protection laws with respect to client and other information, health and safety, labor, and permissions and licenses infrastructure . The assets managed by MPC Capital and its subsidiaries and joint ventures are, in turn, subject to a number of laws and regulations, including the laws and regulations described above under “*Environmental and Other Regulations in the Shipping Industry*”, laws and regulations relating to the operation of energy infrastructure, and the generation and trading of energy.

MPC Capital is a German company and most of its subsidiaries are German companies, as such subject to German company law and other applicable laws. In connection with certain of its investment business activities, MPC Capital works with external service providers to meet regulatory requirements (e.g., in relation to compliance with the European Union's Alternative Investment Fund Managers Directive).

Failure to comply with any of the foregoing rules and regulations could restrict our ability to conduct certain activities or expose us to liability and/or reputational damage. Additional legislation, increasing global regulatory oversight of fundraising and investment activities, or changes in the laws or rules, or interpretation or enforcement of existing laws and rules, either in the European Union or elsewhere, may directly affect our operations and profitability.

Permits and Authorizations

We are required by various governmental and quasi-governmental agencies to obtain certain permits, licenses and certificates with respect to our vessels. The kinds of permits, licenses and certificates required depend upon several factors, including the commodity transported, the waters in which the vessel operates, the nationality of the vessel’s crew and the age of a vessel. We have been able to obtain all permits, licenses and certificates currently required to permit our vessels to operate, such as the Document of Compliance required to perform technical ship management. We are also required to obtain permissions and licenses to develop energy infrastructure and technically manage and operate vessels. Additional laws and regulations, environmental or otherwise, may be adopted which could limit our ability to do business or increase our cost of doing business.

MPC Capital holds a license for the distribution and brokerage of financial investment pursuant to Sec. 34f, Paragraph. 1, Sentence 1, No. 1–3 of the German Trade Regulation Act (GewO). It is authorized to distribute and broker interests in German open-ended or closed-ended investment funds, open-ended or closed-ended EU investment funds, and foreign open-ended or closed-ended investment funds that are permitted for distribution under the German Capital Investment Code (KAGB). The license also extends to asset investments within the meaning of Sec. 1, Paragraph. 2 of the German Asset Investment Act (VermAnlG), investment brokerage as defined in Sec. 1, Paragraph. 1a, Sentence 2, No. 1 of the German Banking Act (KWG), and investment advice as defined in Sec. 1, Paragraph 1a, Sentence 2, No. 1a German Banking Act (KWG).

To ensure compliance with certain other regulatory requirements, MPC Capital works with external service providers (e.g., in relation to compliance with the European Union's Alternative Investment Fund Managers Directive).

Seasonality

Based on the Company’s historical data and industry trends, we expect demand for our dry bulk vessels and containerships to continue to exhibit seasonal variations and, as a result, charter and freight rates to fluctuate. These variations may result in quarter-to-quarter volatility in our operating results for the vessels in our business segments when trading in the spot trip or period time charter when a new time charter is being entered into. Seasonality in the sectors in which we operate could materially affect our operating results and cash flows.

The limited seasonality of the asset management business is primarily attributable to commercial management commissions related to shipping services and the minority interests held in shipping companies, which themselves may be subject to the seasonal nature of the shipping industry.

C. ORGANIZATIONAL STRUCTURE

We were incorporated in the Republic of the Marshall Islands in September 2017, with our principal executive offices located at 223 Christodoulou Chatzipavlou Street, Hawaii Royal Gardens, 3036 Limassol, Cyprus. A list of our subsidiaries is filed as Exhibit 8.1 to this Annual Report.

D. PROPERTY, PLANTS AND EQUIPMENT

We own no material tangible fixed assets other than our vessels. For a description of our fleet, please see “*Item 4. Information on the Company—B. Business Overview—Our Fleet.*”

ITEM 4A. UNRESOLVED STAFF COMMENTS

None.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion provides a review of the performance of our operations and compares our performance with that of the preceding year. All dollar amounts referred to in this discussion and analysis are expressed in United States dollars except where indicated otherwise.

For a discussion of our results for the year ended December 31, 2023, compared to the year ended December 31, 2022, please see “—A. Operating Results – Year ended December 31, 2023 as compared to year ended December 31, 2022” contained in our annual report on Form 20-F for the year ended December 31, 2023, filed with the SEC on February 29, 2024.

On March 7, 2023, we distributed on a pro rata basis all common shares of Toro received in connection with the Spin-Off to our holders of common stock of record at the close of business on February 22, 2023. As a result, as of and from March 7, 2023, our business was comprised of two reportable segments, Dry bulk and Containerships. For more information, please see *Item 4. Information on the Company—A. History and Development of the Company*”, “*Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions*” and Notes 1 and 3 to our consolidated financial statements included elsewhere in this Annual Report. Results of operations and cash flows of the Aframax/LR2 and Handysize tanker segments and assets and liabilities that were part of the Spin-Off are reported as discontinued operations for all periods presented.

On December 16, 2024, we completed the MPC Acquisition of 26,116,378 shares of common stock of MPC Capital from MPC Holding, representing 74.09% of MPC Capital’s outstanding common stock, for a cash price of €7.00 per share, equivalent to aggregate consideration of €182.8 million (or approximately \$192.0 million), excluding transaction related costs. For more information, please see *Item 4. Information on the Company—A. History and Development of the Company*” and Note 8 to our consolidated financial statements included elsewhere in this Annual Report.

The following discussion of the results of our operations and our financial condition should be read in conjunction with the financial statements and the notes to those statements included in “*Item 18. Financial Statements*.” This discussion contains forward-looking statements that involve risks, uncertainties, and assumptions. See “*Cautionary Statement Regarding Forward-Looking Statements*.” Actual results, cash flows, financial position, events or conditions may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those set forth in “*Item 3. Key Information—D. Risk Factors*.”

A. OPERATING RESULTS

Business Overview and Fleet Information

Following the acquisition of MPC Capital on December 16, 2024, we determined that as of December 31, 2024, we operated in three reportable segments, from two segments that operated as of December 31, 2023: (i) the dry bulk segment (ii) the containership segment and (iii) the asset management segment. These reportable segments reflect our internal organization and the way our chief operating decision maker (“CODM”), who is the Chief Executive Officer of the Company, reviews and analyzes the operating results and allocates capital within the Company. The CODM assesses segment performance using key financial measures, including revenues, operating expenses, segment operating income and net income. These metrics help the CODM assess segment profitability, optimize fleet deployment (where applicable), control costs and determine capital allocation. Based on these segment performance trends, the CODM makes resource allocation decisions such as adjusting asset acquisition strategies, chartering strategies, prioritizing fleet expansion or disposals (where applicable), and optimizing cost efficiencies to enhance profitability and overall segment performance. Further, the transport of dry bulk cargoes and containerized cargoes has different characteristics and the nature of trade, trading routes, charterers and cargo handling differs in important respects.. MPC Capital provides asset management services and it does not have similar business and economic characteristics to the other two segments. We do not disclose geographic information relating to our segments because when we charter a vessel to a charterer, the charterer is free, subject to certain exemptions, to trade the vessel worldwide and, as a result, the disclosure of geographic information is impracticable. For the asset management disclosure of geographic information refer to Note 19 included in this Annual Report.

Principal factors impacting our business, results of operations and financial condition

Our results of operations are affected by numerous factors. The principal factors that have impacted the business during the fiscal periods presented in the following discussion and analysis and that are likely to continue to impact our business are the following:

- The levels of demand and supply of seaborne cargoes and vessel tonnage in the shipping segments in which we operate;
- The cyclical nature of the shipping industry in general and its impact on charter rates and vessel values;
- The successful implementation of the Company’s business strategy, including our ability to obtain equity and debt financing at acceptable and attractive terms to fund future capital expenditures and/or to implement our business strategy;
- The global economic growth outlook and trends, such as price inflation and/or volatility;
- Economic, regulatory, political and governmental conditions that affect shipping and the dry bulk and container segments, including international conflict or war (or threatened war), such as between Russia and Ukraine and in the Middle East, and acts of piracy or maritime aggression, such as recent maritime incidents involving vessels in and around the Red Sea, and the imposition of tariffs;
- The employment and operation of our fleet including the utilization rates of our vessels;
- Our ability to successfully employ our vessels at economically attractive rates and our strategic decisions regarding the employment mix of our fleet as our charters expire or are otherwise terminated;
- Management of the financial, operating, general and administrative elements involved in the conduct of our business and ownership of our fleet, including the effective and efficient technical management of our fleet by our head and sub-managers, and their suppliers;
- The number of customers who use our services and the performance of their obligations under their agreements, including their ability to make timely payments to us;
- Our ability to maintain solid working relationships with our existing customers and our ability to increase the number of our charterers through the development of new working relationships;
- The reputation and safety record of our manager and/or sub-managers for the management of our vessels;
- Dry-docking and special survey costs and duration, both expected and unexpected;
- The level of any distribution on all classes of our shares;
- Our borrowing levels and the finance costs related to our outstanding debt as well as our compliance with our debt covenants;
- Management of our financial resources, including banking relationships and of the relationships with our various stakeholders;
- Major outbreaks of diseases and governmental responses thereto; and
- The acquisition of our majority owned subsidiary MPC Capital, whose results affected our consolidated statement of comprehensive income for the period December 16, 2024 to December 31, 2024.
- The performance of the listed equity securities in which the Company currently has investments, which is subject to market risk and price volatility, and may adversely affect our results due to the realization of losses upon disposition of these investments or the recognition of significant unrealized losses during their holding period.

These factors are volatile and in certain cases may not be within our control. Accordingly, past performance is not necessarily indicative of future performance, and it is difficult to predict future performance with any degree of certainty. See also “*Item 3. Key Information—D. Risk Factors*” in this Annual Report and “*Risk Factors*” herein.

Hire Rates and the Cyclical Nature of the Industry

One of the factors that impacts our profitability is the hire rates at which we are able to fix our vessels. The shipping industry is cyclical with attendant volatility in charter hire rates and, as a result, profitability. The dry bulk and container sectors have both been characterized by long and short periods of imbalances between supply and demand, causing charter rates to be volatile.

The degree of charter rate volatility among different types of dry bulk and container vessels has varied widely, and charter rates for these vessels have also varied significantly in recent years. Fluctuations in charter rates result from changes in the supply and demand for vessel capacity and changes in the supply and demand for the major commodities carried by oceangoing vessels internationally. The factors and the nature, timing, direction and degree of changes in industry conditions affecting the supply and demand for vessels are unpredictable to a great extent and outside our control.

Our vessel deployment strategy seeks to maximize charter revenue throughout industry cycles while maintaining cash flow stability and foreseeability. Our time charter revenues for the year ended December 31, 2024, consisted of hire earned under time charter contracts, where charterers pay a fixed or index-linked daily hire, and other compensation costs related to the contracts (such as ballast positioning compensation, holds cleaning compensation, etc.). For further details on these arrangements, refer to “*Item 4. Information on the Company—A. Business Overview—Chartering of our Fleet.*”

Our future gross revenues may be affected by our commercial strategy including the decisions regarding the mix of different vessel types in our fleet and the employment mix of our fleet including among the spot market and time charters. See Note 25 to our consolidated financial statements included elsewhere in this Annual Report for further details regarding segment revenues. Year-to-year comparisons of gross revenues are not necessarily indicative of vessel performance. We believe that the Daily TCE Rate provides a more accurate measure for comparison and such measure is one of the metrics used by our management to assess the performance of our business and segments. The Daily TCE Rate is not a measure of financial performance under U.S. GAAP (i.e., it is a non-GAAP measure). Refer to “—*Important Measures and Definitions for Analyzing Results of Operations*” for its description and a reconciliation to its most directly comparable GAAP measure, total vessel revenue.

The Dry Bulk Industry

The Baltic Dry Index (“BDI”) is a shipping freight-cost index used as a benchmark in the dry bulk industry. The BDI as at December 22, 2023, and December 24, 2024 was 2,094 points and 997 points, respectively, and the BDI recorded an annual high of 2,419 points on March 18, 2024 and a low of 976 points on December 19,2024. As of March 31, 2025, the BDI stood at 1,598 points. China ending its “zero COVID” policy during 2023 did not result in increased demand of raw materials. In addition, port congestion eased at the majority of ports around the world and docking repairs and crew changes resumed to pre-pandemic levels. The global dry cargo fleet deadweight carrying capacity for 2024 increased by approximately 3.1%, which is a lower rate of increase relative to the substantial increases observed during the early 2000s and mid-2010s. Global seaborne trade of dry bulk commodities increased by approximately 4%. The volatility in charter rates in the dry bulk market affects the value of dry bulk vessels, which follows the trends of dry bulk charter rates, and similarly affects our earnings, cash flows and liquidity

The Containership Industry

Container shipping markets reached their highest levels outside of the Covid era in 2024, following a market deterioration that took place in 2023. The improvement in the freight and charter rates was significant, despite a 10.1% increase in the deadweight carrying capacity of the world container fleet during 2024. This continued the upward trend in fleet capacity, following an 8% increase in the deadweight carrying capacity experienced in 2023. Demand for seaborne container trade in 2024 saw a significant increase from 2023, increasing by about 17% to 10,110 in billion-tonne miles in 2024 from 8,639 in billion tonne miles in 2023. The container freight markets have strengthened since late December 2023 due to the rerouting of vessels away from the Red Sea and Gulf of Aden, which had a major impact as vessels that were trading on East-West routes are now completing their trades via longer alternative routes (through the Cape of Good Hope). This caused an average increase in distances of about 12% in 2024 compared to 2023. Nevertheless, a potential return to Red Sea transits for containerships could exert downward pressure on both freight and charter rates. Another factor that may lead to uncertainty is the potential escalation of tariffs, which could result in the rerouting of cargoes.

Asset Management Industry

Through our majority-owned subsidiary, MPC Capital, which we acquired on December 16, 2024, we receive management fees in return for managing assets in the shipping and energy infrastructure segments. The level of these management fees primarily reflects the volume of assets under management. In the shipping sector, these fees mainly relate to commercial ship management (commission income on charter revenues), technical ship management (flat rate management fees) and other services (flat rate management fees). Management fees for technical ship management and other services are provided by joint ventures in which MPC Capital is a 50% shareholder. Companies in which MPC Capital is a 50% shareholder are accounted for using the equity method. In the energy sector, management fees include asset management fees (flat rate management fees). In addition, we may receive one-off and, to some extent, performance-related transaction fees on the acquisition and sale of assets, which are primarily linked to the value of the assets acquired or sold. We generate other operating income or income from equity investments through co-investments.

The principal factors impacting the business of our asset management segment and its results of operations and financial condition include the following:

- Market conditions and economic volatility – Fluctuations in global or regional economic environments may impact investor sentiment, asset valuations, and fundraising efforts.
- Ability to identify and develop new investment projects – Limited access to attractive investment opportunities, delays or deficiencies in project, or lack of resources may hinder portfolio expansion and revenue growth.
- Ability to raise third party equity capital – Challenges in securing funding due to market dynamics, performance history, or competition may limit project execution and growth.
- Credit market conditions – Access to debt financing may be constrained by tightening credit, rising interest rates, or lender risk aversion.
- Performance of our investments – Underperformance relative to benchmarks or competitors can affect our reputation and track record, impacting investor confidence and hinder future fundraising.
- Co-investment exposure – As we routinely make minority investments, their performance may adversely affect our results due to the realization of losses upon disposition of these investments or the recognition of significant unrealized losses during their holding period, impacting both profitability and our ability to reinvest. The performance of our minority equity investments in companies is subject to a broad range of risks, including economic and market risks, operational performance risk, governance risks, legal and regulatory risks and tax risks. This is in particular relevant for our co-investments in listed companies, whose share price is subject to market risk and price volatility.
- Competition within the asset management industry – Increased competition for capital and investment opportunities may compress margins, break client relationships and impact scalability.
- Regulatory and legal environment – Compliance with evolving regulations across jurisdictions may increase operational complexity and costs.

Employment and operation of our fleet

The profitable employment of our fleet is highly dependent on the levels of demand and supply in the shipping industries in which we operate, our commercial strategy including the decisions regarding the employment mix of our fleet, as well as our managers’ ability to leverage our relationships with existing or potential customers. Our customer base is currently and historically has been concentrated to a small number of charterers, in part due to the fact that we are a new entrant to the containership shipping industry. In particular, for the years ended December 31, 2024 and 2023, we derived 92% and 90%, respectively, of our dry bulk segment operating revenues from two and three charterers, respectively. Further, for the years ended December 31, 2024 and 2023, we derived 87% and 100% of our containership segment operating revenues from three and two charterers, respectively. See Note 1 to the consolidated financial statements included elsewhere in this Annual Report for further information regarding our charterer concentration.

The effective operation of our fleet mainly requires regular maintenance and repair, effective crew selection and training, ongoing supply of our fleet with the spares and the stores that it requires, contingency response planning, auditing of our vessels’ onboard safety procedures, arrangements for our vessels’ insurance, chartering of the vessels, training of onboard and on-shore personnel with respect to the vessels’ security and security response plans (ISPS), obtaining of ISM certifications, compliance with environmental regulations and standards, and performing the necessary audit for the vessels within the year of taking over a vessel and the ongoing performance monitoring of the vessels.

Financial, general and administrative management

The management of financial, general and administrative elements involved in the conduct of our business and ownership of our vessels requires us to manage our financial resources, which includes managing banking relationships, administrating our bank accounts, managing our accounting system, records and financial reporting, monitoring and ensuring compliance with the legal and regulatory requirements affecting our business and assets and managing our relationships with our service providers and customers.

Because many of the foregoing factors are beyond our control and certain of these factors have historically been volatile, past performance is not necessarily indicative of future performance and it is difficult to predict future performance with any degree of certainty.

Important Measures and Definitions for Analyzing Results of Operations

Our management uses the following metrics to evaluate our operating results, including the operating results of our segments, and to allocate capital accordingly:

Total vessel revenues. Total vessel revenues are currently generated solely from time charters, though vessels have and may be employed under voyage charters in the future. Vessels operating on fixed time charters for a certain period provide more predictable cash flows over that period. Total vessel revenues are affected by the number of vessels in our fleet, hire rates and the number of days a vessel operates which, in turn, are affected by several factors, including the amount of time that we spend positioning our vessels, the amount of time that our vessels spend in dry dock undergoing repairs, maintenance and upgrade work, the age, condition and specifications of our vessels, and levels of supply and demand in the seaborne transportation market.

For a breakdown of vessel revenues for the year ended December 31, 2024, please refer to Notes 3 and 19(a) to our consolidated financial statements included elsewhere in this Annual Report. For a description of time charters, refer to “*Item 4. Information on the Company—B. Business Overview—Chartering of Our Fleet.*”

Revenues from services. The Company generates revenue from services through the following streams: (i) transaction services, (ii) management services for companies and assets, and (iii) ship management services. For a breakdown of revenue from services for the year ended December 31, 2024, please refer to Note 19(b) to our consolidated financial statements included elsewhere in this Annual Report

The Company provides transaction-related services in connection with the acquisition, sale or development of assets such as vessels or renewable energy assets. These services are typically success-based and remunerated through transaction fees that are contingent upon the successful closing of the underlying transaction. Additionally, the Company provides asset management services, including commercial and technical ship management services. Commercial ship management services include activities such as chartering, voyage coordination, and related support services, while technical ship management services include vessel maintenance, repairs, and regulatory compliance services.

Voyage expenses. Our voyage expenses primarily consist of brokerage commissions paid in connection with the chartering of our vessels. Under a time charter, the charterer pays substantially all the vessel voyage related expenses. However, we may incur voyage related expenses from time to time, such as for bunkers, when positioning or repositioning vessels before or after the period of a time charter, during periods of commercial waiting time or while off-hire during dry docking or due to other unforeseen circumstances. Gain/loss on bunkers may also arise where the cost of the bunker fuel sold to the new charterer is greater or less than the cost of the bunker fuel acquired.

Operating expenses. We are responsible for vessel operating costs, which include crewing, expenses for repairs and maintenance, the cost of insurance, tonnage taxes, the cost of spares and consumable stores, lubricating oils costs, communication expenses, and other expenses. Expenses for repairs and maintenance tend to fluctuate from period to period because most repairs and maintenance typically occur during periodic dry-docking. Our ability to control our vessels' operating expenses also affects our financial results.

Cost of revenue from services. Cost of revenue from services comprise expenses for services purchased from third party providers and employee expenses which are directly attributable to the operating business activities.

Management fees. Management fees include fees paid to related parties providing certain ship management services to our fleet as provided in the Ship Management Agreements.

Off-hire. The period a vessel in our fleet is unable to perform the services for which it is required under a charter for reasons such as scheduled repairs, vessel upgrades, dry-dockings or special or intermediate surveys or other unforeseen events.

Dry-docking/Special Surveys. We periodically dry-dock and/or perform special surveys on our vessels for inspection, repairs and maintenance and any modifications required to comply with industry certification or governmental requirements. Our ability to control our dry-docking and special survey expenses and our ability to complete our scheduled dry-dockings and/or special surveys on time also affects our financial results. Dry-docking and special survey costs are accounted under the deferral method whereby the actual costs incurred are deferred and are amortized on a straight-line basis over the period through the date the next survey is scheduled to become due.

Ownership Days. Ownership Days are the total number of calendar days in a period during which we owned a vessel. Ownership Days are an indicator of the size of our fleet over a period and determine both the level of revenues and expenses recorded during that specific period.

Available Days. Available Days are the Ownership Days in a period less the aggregate number of days our vessels are off-hire due to scheduled repairs, dry-dockings or special or intermediate surveys. The shipping industry uses Available Days to measure the aggregate number of days in a period during which vessels are available to generate revenues. Our calculation of Available Days may not be comparable to that reported by other companies.

Operating Days. Operating Days are the Available Days in a period after subtracting unscheduled off-hire days and idle days.

Fleet Utilization. Fleet Utilization is calculated by dividing the Operating Days during a period by the number of Available Days during that period. Fleet Utilization is used to measure a company's ability to efficiently find suitable employment for its vessels.

Daily Time Charter Equivalent (“TCE”) Rate. The Daily Time Charter Equivalent Rate (“Daily TCE Rate”) is a measure of the average daily revenue performance of a vessel. The Daily TCE Rate is not a measure of financial performance under U.S. GAAP (i.e., it is a non-GAAP measure) and should not be considered as an alternative to any measure of financial performance presented in accordance with U.S. GAAP. We calculate Daily TCE Rate by dividing total revenues (time charter and/or voyage charter revenues, and/or pool revenues, net of charterers’ commissions), less voyage expenses, by the number of Available Days during that period. Under a time charter, the charterer pays substantially all the vessel voyage related expenses. However, we may incur voyage related expenses when positioning or repositioning vessels before or after the period of a time or other charter, during periods of commercial waiting time or while off-hire during dry-docking or due to other unforeseen circumstances. Under voyage charters, the majority of voyage expenses are generally borne by us whereas for vessels in a pool, such expenses are borne by the pool operator. The Daily TCE Rate is a standard shipping industry performance measure used primarily to compare period-to-period changes in a company’s performance and, management believes that the Daily TCE Rate provides meaningful information to our investors since it compares daily net earnings generated by our vessels irrespective of the mix of charter types (i.e., time charter, voyage charter or other) under which our vessels are employed between the periods while it further assists our management in making decisions regarding the deployment and use of our vessels and in evaluating our financial performance. Our calculation of the Daily TCE Rates may not be comparable to that reported by other companies. See below for a reconciliation of Daily TCE rate to Total vessel revenues, the most directly comparable U.S. GAAP measure.

Daily vessel operating expenses. Daily vessel operating expenses are a measure of the average daily expenses of a vessel and are calculated by dividing vessel operating expenses for the relevant period by the Ownership Days for such period.

EBITDA. EBITDA is not a measure of financial performance under U.S. GAAP, does not represent and should not be considered as an alternative to net income, operating income, cash flow from operating activities or any other measure of financial performance presented in accordance with U.S. GAAP. We define EBITDA as earnings before interest and finance costs (if any), net of interest income, taxes (when incurred), depreciation and amortization of deferred dry-docking costs. EBITDA is used as a supplemental financial measure by management and external users of financial statements to assess our operating performance. We believe that EBITDA assists our management by providing useful information that increases the comparability of our operating performance from period to period and against the operating performance of other companies in our industry that provide EBITDA information. This increased comparability is achieved by excluding the potentially disparate effects between periods or companies of interest, other financial items, depreciation and amortization and taxes, which items are affected by various and possibly changing financing methods, capital structure and historical cost basis and which items may significantly affect net income between periods. We believe that including EBITDA as a measure of operating performance benefits investors in (a) selecting between investing in us and other investment alternatives and (b) monitoring our ongoing financial and operational strength. EBITDA as presented below may not be comparable to similarly titled measures of other companies. See below for a reconciliation of EBITDA to Net Income/(Loss), the most directly comparable U.S. GAAP measure.

The Daily TCE Rate (applicable only to dry bulk and containership segments) and EBITDA are non-GAAP measures used by management to assess the performance of our business and segments. The following tables reconcile the Daily TCE Rate and operational metrics of the Company on a consolidated basis and per operating segment for the year ended December 31, 2024, and their comparative information (where applicable), and our consolidated EBITDA to the most directly comparable GAAP measures for the periods presented (amounts in U.S. dollars, except for share data, utilization and days).

Reconciliation of Daily TCE Rate to Total vessel revenues — Consolidated (continuing operations)

	Year Ended December 31,	
	2023	2024
Total vessel revenues	\$ 97,515,511	\$ 65,069,003
Voyage expenses - including commissions to related party	(5,052,228)	(4,248,856)
TCE revenues	\$ 92,463,283	\$ 60,820,147
Available Days	7,483	4,626
Daily TCE Rate	\$ 12,356	\$ 13,147

Reconciliation of Daily TCE Rate to Total vessel revenues — Dry Bulk Segment

	Year Ended December 31,	
	2023	2024
Total vessel revenues	\$ 82,996,018	\$ 49,704,809
Voyage expenses - including commissions to related party	(4,425,879)	(3,142,501)
TCE revenues	\$ 78,570,139	\$ 46,562,308
Available Days	6,777	3,804
Daily TCE Rate	\$ 11,594	\$ 12,240

Reconciliation of Daily TCE Rate to Total vessel revenues — Containership Segment

	Year Ended December 31,	
	2023	2024
Total vessel revenues	\$ 14,519,493	\$ 15,364,194
Voyage expenses - including commissions to related party	(626,349)	(1,106,355)
TCE revenues	\$ 13,893,144	\$ 14,257,839
Available Days	706	822
Daily TCE Rate	\$ 19,679	\$ 17,345

Operational Metrics — Consolidated (continuing operations)

	Year Ended December 31,	
	2023	2024
Daily vessel operating expenses	\$ 5,583	\$ 5,609
Ownership Days	7,507	4,669
Available Days	7,483	4,626
Operating Days	7,433	4,588
Fleet Utilization	99%	99%
Daily TCE Rate	\$ 12,356	\$ 13,147
EBITDA	\$ 51,607,538	\$ 29,679,564

Operational Metrics — Dry Bulk Segment

	Year Ended December 31,			
	2023		2024	
Daily vessel operating expenses	\$	5,441	\$	5,597
Ownership Days		6,777		3,847
Available Days		6,777		3,804
Operating Days		6,727		3,767
Fleet Utilization		99%		99%
Daily TCE Rate	\$	11,594	\$	12,240

Operational Metrics — Containership Segment

	Year Ended December 31,			
	2023		2024	
Daily vessel operating expenses	\$	6,900	\$	5,666
Ownership Days		730		822
Available Days		706		822
Operating Days		706		821
Fleet Utilization		99%		99%
Daily TCE Rate	\$	19,679	\$	17,345

Reconciliation of EBITDA to Net Income — Consolidated (continuing operations)

	Year Ended December 31,			
	2023		2024	
Net Income	\$	21,303,156	\$	15,304,934
Depreciation and amortization		22,076,831		15,037,006
Interest and finance costs, net ⁽¹⁾		8,049,757		(796,364)
Income taxes		177,794		133,988
EBITDA	\$	51,607,538	\$	29,679,564

⁽¹⁾ Includes interest and finance costs and interest income, if any.

Consolidated Results of Operations

Year ended December 31, 2024, as compared to the year ended December 31, 2023

	Year ended December 31, 2023	Year ended December 31, 2024	Change- amount	Change %
(In U.S. Dollars, except for number of share data)				
Time charter revenues	\$ 97,515,511	\$ 65,069,003	\$ 32,446,508	33.3%
Total vessel revenues	97,515,511	65,069,003	32,446,508	33.3%
Revenue from services (including revenue from related parties)	-	1,174,376	1,174,376	100%
Total revenues	97,515,511	66,243,379	(31,272,132)	32.1%
Expenses:				
Voyage expenses (including commissions to related party)	(5,052,228)	(4,248,856)	803,372	15.9%
Vessel operating expenses	(41,913,628)	(26,188,773)	15,724,855	37.5%
Cost of revenue from services (exclusive of depreciation and amortization shown separately below)	—	(1,117,476)	1,117,476	100%
Management fees to related parties	(7,167,397)	(4,808,602)	2,358,795	32.9%
Depreciation and amortization	(22,076,831)	(15,037,006)	7,039,825	31.9%
Loss on vessels held for sale	—	(3,629,521)	3,629,521	100%
Provision for doubtful accounts	—	(4,823)	4,823	100%
General and administrative expenses (including costs from related party)	(5,681,371)	(13,343,878)	7,662,507	134.9%
Net gain on sale of vessels	6,383,858	19,298,394	12,914,536	202.3%
Gain from a claim	—	1,418,096	1,418,096	100%
Other operating income				
Net gain on disposal	—	158,440	158,440	100%
Net gain from equity method investments measured at fair value	—	2,687,236	2,687,236	100%
Operating income	\$ 22,007,914	\$ 21,426,610	\$ 581,304	2.6%
Interest and finance costs, net	(8,049,757)	796,364	8,846,121	109.9%
Other income / (expenses) ⁽¹⁾	7,522,793	(6,784,052)	14,306,845	190.2%
Income taxes	(177,794)	(133,988)	43,806	24.6%
Net income from continuing operations, net of taxes	\$ 21,303,156	\$ 15,304,934	\$ 5,998,222	28.2%
Net income from discontinued operations, net of taxes	\$ 17,339,332	\$ —	\$ 17,339,332	100.0%
Net income	\$ 38,642,488	\$ 15,304,934	\$ 23,337,554	60.4%

⁽¹⁾ Includes aggregated amounts for foreign exchange losses / (gains), unrealized gains from equity securities and other income, as applicable in each period.

Total vessel revenues – Total vessel revenues decreased to \$65.1 million in the year ended December 31, 2024 from \$97.5 million in the same period of 2023. The decrease was driven by the decrease in our Available Days from 7,483 days in the year ended December 31, 2024, to 4,626 days in the year ended December 31, 2024, following the sale of the (i) *M/V Magic Rainbow* on April 18, 2023, (ii) *M/V Magic Twilight* on July 20, 2023, (iii) *M/V Magic Sun* on November 14, 2023, (iv) *M/V Magic Phoenix* on November 27, 2023, (v) *M/V Magic Argo* on December 14, 2023, (vi) *M/V Magic Moon* on January 16, 2024, (vii) *M/V Magic Orion* on March 22, 2024, (viii) *M/V Magic Nova* on March 11, 2024, (ix) *M/V Magic Nebula* on April 18, 2024, (x) *M/V Magic Venus* on May 10, 2024, (xi) *M/V Magic Vela* on May 23, 2024, and (xii) *M/V Magic Horizon* on May 28, 2024, as partially offset by the acquisitions of *M/V Magic Celeste* on August 16, 2024, the *M/V Magic Ariel* on October 9, 2024 and the *M/V Raphaela* on October 3, 2024 and the decrease in the prevailing charter rates of our container vessels. This decrease was partially offset by the increase in the prevailing charter rates of our dry bulk vessels. During the year ended December 31, 2024, our Fleet earned on average a Daily TCE Rate of \$13,147, compared to an average Daily TCE Rate of \$12,356 earned during the same period in 2023. Daily TCE Rate is not a recognized measure under U.S. GAAP.

Revenue from services –Service revenue is generated through the following streams: (i) transaction services, (ii) management services for companies and assets, and (iii) ship management services Service revenues amounted to \$1,174,376 for the year ended December 31, 2024 and relates to revenue earned from our newly acquired subsidiary MPC Capital for the period from December 16, 2024 (the date on which the MPC Capital Acquisition was consummated) to December 31, 2024.

Cost of revenue from services– Cost of revenue from services comprise expenses for purchased services and employee expenses. This amounted to \$1,117,476 as of December 31, 2024 and relates to cost of revenue from our newly acquired subsidiary MPC Capital.

Voyage expenses – Voyage expenses decreased by \$0.8 million, to \$4.2 million in the year ended December 31, 2024, from \$5.0 million in the corresponding period of 2023. This decrease in voyage expenses is mainly associated with the decreased brokerage commission expenses, corresponding to the decrease in vessel revenues discussed above and the decrease in the overall bunkers consumption of our Fleet, offset by increased port and other expenses.

Vessel operating expenses – The decrease in operating expenses by \$15.7 million to \$26.2 million in the year ended December 31, 2024, from \$41.9 million in the same period of 2023 mainly reflects the decrease in the Ownership Days of our Fleet to 4,669 days in the year ended December 31, 2024, from 7,507 days in the same period in 2023.

Management fees – Management fees in the year ended December 31, 2024, amounted to \$4.8 million, whereas, in the same period of 2023, management fees totaled \$7.2 million. This decrease in management fees is due to the decrease in the total number of Ownership Days following the sale of the dry bulk vessels mentioned above. This decrease was partially offset by the adjustments of management fees under the terms of the Amended and Restated Master Management Agreement (i) effected on July 1, 2023, from \$925 per vessel per day to \$986 per vessel per day and (ii) effected on July 1, 2024, from \$986 per vessel per day to \$1,017 per vessel per day. For further details on our management arrangements, see “*Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions— Management, Commercial and Administrative Services.*”

Depreciation and amortization – Depreciation and amortization expenses are comprised of vessels’ depreciation, the amortization of vessels’ capitalized dry-dock costs, property and equipment depreciation and intangible assets amortization. Depreciation expenses decreased to \$13.6 million in the year ended December 31, 2024, from \$19.9 million in the same period of 2023. The decrease by \$6.3 million reflects mainly the decrease in the Ownership Days of our Fleet following the sale of dry bulk vessels discussed above. Dry-dock and special survey amortization charges amounted to \$1.4 million for the year ended December 31, 2024, compared to a charge of \$2.2 million in the respective period of 2023. This variation in dry-dock amortization charges primarily resulted from the decrease in aggregate amortization days to 1,228 days in the year ended December 31, 2024, from 2,361 days in the year ended December 31, 2023, mainly as a result of the sale of vessels mentioned above. Further to the above, depreciation and amortization expenses for our asset management segment amounted to \$0.1 million in the December 16, 2024 to December 31, 2024 period, comprising of property and equipment depreciation and intangible assets amortization.

Loss on vessels held for sale - During the year ended December 31, 2024, we recorded a loss on vessels held for sale of \$3.6 million, representing the expected loss from the sale of the containership vessel *M/V Ariana A* during the next twelve-month period. We did not record any loss on any vessels held for sale during the year ended December 31, 2023. During the year ended December 31, 2023, for the dry bulk vessels that were classified as vessels held for sale no loss on vessels held for sale was recorded, since each vessel’s estimated fair value less costs to sell exceeded each vessel’s carrying value.

General and administrative expenses – The increase in General and administrative expenses by \$7.7 million, to \$13.3 million in the year ended December 31, 2024, from \$5.7 million in the same period of 2023 mainly reflects the increase in professional fees by \$7.5 million, due to increased costs of \$7.0 million related to the acquisition of MPC Capital and the increase in our administrative fees under the Amended and Restated Master Management Agreement by \$0.2 million.

Net gain on sale of vessels - On January 16, 2024, we concluded the sale of the *M/V Magic Moon*, sold pursuant to an agreement dated November 10, 2023, for a cash consideration of \$11.8 million. The sale resulted in net proceeds to the Company of \$11.2 million and the Company recorded a net gain on the sale of \$2.4 million. On March 11, 2024, we concluded the sale of the *M/V Magic Nova*, sold pursuant to an agreement dated January 19, 2024 for cash consideration of \$16.1 million. The sale resulted in net proceeds to the Company of \$15.9 million and the Company recorded a net gain on the sale of \$4.1 million. On March 22, 2024, we concluded the sale of the *M/V Magic Orion*, sold pursuant to an agreement dated December 7, 2023 for cash consideration of \$17.4 million. The sale resulted in net proceeds to the Company of \$16.8 million and the Company recorded a net gain on the sale of \$1.4 million. On April 18, 2024, we concluded the sale of the *M/V Magic Nebula*, sold pursuant to an agreement dated February 15, 2024 for cash consideration of \$16.2 million. The sale resulted in net proceeds to the Company of \$15.6 million and the Company recorded a net gain on the sale of \$1.9 million. On May 10, 2024, we concluded the sale of the *M/V Magic Venus*, sold pursuant to an agreement dated December 21, 2023 for cash consideration of \$17.5 million. The sale resulted in net proceeds to the Company of \$17.2 million and the Company recorded a net gain on the sale of \$3.2 million. On May 23, 2024, we concluded the sale of the *M/V Magic Vela*, sold pursuant to an agreement dated May 1, 2024 for cash consideration of \$16.4 million. The sale resulted in net proceeds to the Company of \$15.7 million and the Company recorded a net gain on the sale of \$2.0 million. On May 28, 2024, we concluded the sale of the *M/V Magic Horizon*, sold pursuant to an agreement dated January 19, 2024 for cash consideration of \$15.8 million. The sale resulted in net proceeds to the Company of \$15.5 million and the Company recorded a net gain on the sale of \$4.3 million. On April 18, 2023, we concluded the sale of the *M/V Magic Rainbow* which we sold, pursuant to an agreement dated March 13, 2023, for cash consideration of \$12.6 million. The sale resulted in net proceeds to the Company of \$12.0 million and the Company recorded a net gain on the sale of \$3.2 million. On July 20, 2023, we concluded the sale of the *M/V Magic Twilight*, sold pursuant to an agreement dated June 2, 2023 for cash consideration of \$17.5 million. The sale resulted in net proceeds to the Company of \$16.7 million and the Company recorded a net gain on the sale of \$3.2 million. On November 14, 2023, we concluded the sale of the *M/V Magic Sun*, sold pursuant to an agreement dated October 6, 2023 for cash consideration of \$6.55 million. The sale resulted in net proceeds to the Company of \$6.3 million and the Company recorded a net gain on the sale of \$0.7 million. On November 27, 2023, we concluded the sale of the *M/V Magic Phoenix*, sold pursuant to an agreement dated October 16, 2023 for cash consideration of \$14.0 million. The sale resulted in net proceeds to the Company of \$13.3 million and the Company recorded a net loss on the sale of \$3.3 million. On December 14, 2023, we concluded the sale of the *M/V Magic Argo*, sold pursuant to an agreement dated September 22, 2023 for cash consideration of \$15.75 million. The sale resulted in net proceeds to the Company of \$15.3 million and the Company recorded a net gain on the sale of \$2.6 million. Please also refer to Note 7 to our audited consolidated financial statements included elsewhere in this Annual Report.

Gain from a claim – On May 28, 2024, the Company collected the amount of \$1,411,356 (including the deposit amount of \$1,395,000 and gross interest earned on the deposit) in connection with a claim related to the *M/V Magic Moon*. Following the provisions of ASC 450-30-25-1, the Company has recorded this gain in its financial statements for the year ended December 31, 2024. Please also refer to Note 17 to our audited consolidated financial statements included elsewhere in this Annual Report.

Net gain from Equity Method Investments – Income/(loss) from equity method investments for the year ended December 31, 2024, was \$2,687,236 representing our share in jointly owned companies or equity method investments (all of which relate to the asset management segment).

Interest and finance costs, net – Interest and finance costs, net, amounted to \$(0.8) million in the year ended December 31, 2024, whereas in the same period of 2023, they amounted to \$8.0 million. The decrease by \$8.8 million is mainly due to the decrease in our weighted average indebtedness from \$116.2 million in the year ended December 31, 2023 to \$70.3 million in the year ended December 31, 2024 as well as an increase in interest we earned from time and cash deposits due to increased interest rates and cash balances, and partially offset by an increase in the weighted average interest rate on our debt from 8.5% in the year ended December 31, 2023, to 8.7% in the year ended December 31, 2024.

Other income / (expenses) – Other expenses in the year ended December 31, 2024 amounted to \$6.8 million and mainly includes (i) a loss of \$14.7 million from our investments in listed equity securities, set off by (ii) dividend income on equity securities of \$6.7 million and (iii) dividend income of \$1.4 million from our investment in 140,000 1.00% Series A Fixed Rate Cumulative Perpetual Convertible Preferred Shares of Toro (the “Toro Series A Preferred Shares”). – Other income in the year ended December 31, 2023 amounted to \$7.5 million and mainly includes (i) an unrealized gain of \$5.1 million from revaluing our investments in listed equity securities at period end market rates, (ii) dividend income on equity securities of \$1.3 million and (iii) dividend income of \$1.2 million from our investment in the Toro Series A Preferred Shares.

Segment Results of Operations

Year ended December 31, 2024, as compared to the year ended December 31, 2023 —Dry Bulk Segment

<i>(in U.S. Dollars)</i>	Year ended December 31, 2023	Year ended December 31, 2024	Change- amount	Change %
Total vessel revenues	82,996,018	49,704,809	33,291,209	40.1%
Expenses:				
Voyage expenses (including commissions to related party)	(4,425,879)	(3,142,501)	1,283,378	29.0%
Vessel operating expenses	(36,876,772)	(21,531,189)	15,345,583	41.6%
Management fees to related parties	(6,469,699)	(3,956,453)	2,513,246	38.8%
Depreciation and amortization	(16,689,989)	(9,593,639)	7,096,350	42.5%
Provision for doubtful accounts	—	(4,823)	4,823	100.0%
Net gain on sale of vessels	6,383,858	19,298,394	12,914,536	202.3%
Gain from a claim	—	1,418,096	1,418,096	100.0%
Segment operating income ⁽¹⁾	24,917,537	32,192,694	7,275,157	29.2%

(1) Does not include corporate general and administrative expenses. See the discussion under “Consolidated Results of Operations” above.

Total vessel revenues – Total vessel revenues for our dry bulk fleet decreased to \$49.7 million in the year ended December 31, 2024 from \$83.0 million in 2023. The decrease was driven by the decrease in our Available Days from 6,777 days in the year ended December 31, 2023, to 3,804 days in the year ended December 31, 2024, following the sale of the (i) *M/V Magic Rainbow* on April 18, 2023, (ii) *M/V Magic Twilight* on July 20, 2023, (iii) *M/V Magic Sun* on November 14, 2023, (iv) *M/V Magic Phoenix* on November 27, 2023, (v) *M/V Magic Argo* on December 14, 2023, (vi) *M/V Magic Moon* on January 16, 2024, and (vii) *M/V Magic Orion* on March 22, 2024, (viii) *M/V Magic Nova* on March 11, 2024, (ix) *M/V Magic Nebula* on April 18, 2024, (x) *M/V Magic Venus* on May 10, 2024, (xi) *M/V Magic Vela* on May 23, 2024, and (xii) *M/V Magic Horizon* on May 28, 2024, as partially offset by the acquisition of *M/V Magic Celeste* on August 16, 2024 and the *M/V Magic Ariel* on October 9, 2024. This decrease was partially offset by the increase in the prevailing charter rates of our dry bulk vessels. During the year ended December 31, 2024, our dry bulk fleet earned on average a Daily TCE Rate of \$12,240 compared to an average Daily TCE Rate of \$11,594 earned during the same period in 2023. Daily TCE Rate is not a recognized measure under U.S. GAAP.

Voyage expenses – Voyage expenses decreased to \$3.1 million in the year ended December 31, 2024, from \$4.4 million in the corresponding period of 2023. This decrease in voyage expenses is mainly associated with the decreased brokerage commission expenses, corresponding to the decrease in vessel revenues discussed above and the decrease in the overall bunkers consumption, offset by increased port and other expenses.

Vessel operating expenses – The decrease in operating expenses for our dry bulk fleet by \$15.4 million, to \$21.5 million in the year ended December 31, 2024, from \$36.9 million in the same period of 2023, mainly reflects the decrease in Ownership Days due to the sale of the vessels mentioned above.

Management fees – Management fees in the year ended December 31, 2024, amounted to \$4.0 million, whereas, in the same period of 2023, management fees totaled \$6.5 million. This decrease in management fees is due to a decrease in the total number of Ownership Days following the sale of the dry bulk vessels mentioned above. This decrease was partially offset by the adjustments of management fees under the terms of the Amended and Restated Master Management Agreement (i) effected on July 1, 2023, from \$925 per vessel per day to \$986 per vessel per day and (ii) effected on July 1, 2024, from \$986 per vessel per day to \$1,017 per vessel per day.

Depreciation and amortization – Depreciation expenses for our dry bulk fleet in the year ended December 31, 2024 and 2023 amounted to \$8.6 million and \$14.8 million, respectively. The decrease reflects (i) the net decrease in the Ownership Days of our dry bulk segment days to 3,847 days in the year ended December 31, 2024, from 6,777 days in the same period in 2023, due to the sale and acquisition of vessels described above and (ii) the effect of classifying those vessels as “held for sale” on the date of the agreements for sale, as depreciation was not recorded during the period in which these vessels were classified as held for sale. Dry-dock and special survey amortization charges decreased to \$1.0 million in the year ended December 31, 2024, from \$1.9 million in the same period of 2023. This variation in dry-dock amortization charges primarily resulted from the decrease in aggregate amortization days to 910 days in the year ended December 31, 2024, from 2,205 days in the year ended December 31, 2023, mainly as a result of the sale of vessels mentioned above.

Net gain on sale of vessels – Refer to discussion under ‘*Consolidated Results of Operations- Gain on sale of vessels*’ above for details on the sale of the *M/V Magic Moon*, *M/V Magic Nova*, *M/V Magic Orion*, *M/V Magic Nebula*, *M/V Magic Venus*, *M/V Magic Vela* and *M/V Magic Horizon*.

Gain from a claim – Refer to discussion under ‘*Consolidated Results of Operations- Gain from a claim*’.

Year ended December 31, 2024, as compared to year ended December 31, 2023— Containership Segment

	Year ended December 31, 2023	Year ended December 31, 2024	Change - amount	Change %
Total vessel revenues	14,519,493	15,364,194	844,701	5.8%
Expenses:				
Voyage expenses (including commissions to related party)	(626,349)	(1,106,355)	480,006	76.6%
Vessel operating expenses	(5,036,856)	(4,657,584)	379,272	7.5%
Management fees to related parties	(697,698)	(852,149)	154,451	22.1%
Depreciation and amortization	(5,386,842)	(5,330,681)	56,161	1.0%
Loss on vessels held for sale	—	(3,629,521)	3,629,521	100.0%
Segment operating income	2,771,748	(212,096)	2,983,844	107.7%

Total vessel revenues – Total vessel revenues for our containership segment amounted to \$15.4 million in the year ended December 31, 2024, as compared to \$14.5 million in the same period of 2023. The increase was driven by the increase in our Available Days from 706 days in the year ended December 31, 2023, to 822 days in the year ended December 31, 2024, following the acquisition of the *M/V Raphaela* on October 3, 2024. This increase was partially offset by the decrease in the prevailing charter rates of our container vessels. During the year ended December 31, 2024, our containerships earned an average Daily TCE Rate of \$17,341 compared to an average Daily TCE Rate of \$19,679 earned in the same period of 2023. Daily TCE Rate is not a recognized measure under U.S. GAAP.

Voyage expenses – Voyage expenses for our containership segment increased to \$1.1 million in the year ended December 31, 2024, from \$0.6million in the same period of 2023, mainly reflecting the increase in port and other expenses.

Vessel operating expenses – Operating expenses for our containership segment decreased to \$4.7 million in the year ended December 31, 2024, from \$5.0 million in the same period of 2023, mainly reflecting the decrease in repairs, spares and maintenance costs of our containership vessels.

Management fees – Management fees for our containership segment increased to \$0.9 million in the year ended December 31, 2024, from \$0.7 million in the same period of 2023 as a result of the increase in Ownership Days and the adjustment in management fees under the terms of the Amended and Restated Master Management Agreement.

Depreciation and amortization – Depreciation expenses for our containership segment decreased to \$5.0 million in the year ended December 31, 2024, from \$5.1 million in the same period in 2023 as a result of the effect of classifying the vessel *M/V Ariana A* as “held for sale” on the date of the agreement for sale, as depreciation was not recorded during the period in which this vessel was classified as held for sale, set off by the increase in the Ownership Days due to the acquisition of *M/V Raphaela*. Dry-dock amortization charges in the year ended December 31, 2024 and the same period of 2023 amounted to \$0.4 million and \$0.3 million, respectively. The increase by \$0.1 million relates to the *M/V Ariana A*, which underwent its dry-dock and special survey from middle of April 2023 up to early May 2023.

Period ended December 31, 2024 – Asset Management Segment

We entered the asset management business on December 16, 2024 and, accordingly, no comparative financial information exists for the year ended December 31, 2023.

	December 16, 2024 - December 31, 2024 period
(In U.S. Dollars, except for number of share data)	
Service revenue	1,174,376
Expenses:	
Cost of revenue (exclusive of depreciation and amortization shown separately below)	(1,117,476)
Depreciation and amortization	(112,686)
Other operating income	
Net gain on dispositions of assets	158,440
Net gain from equity method investments	2,687,236
Segment operating income	\$ 2,789,890

Revenue from services –Service revenue is generated through the following streams: (i) transaction services, (ii) management services for companies and assets, and (iii) ship management services. Service revenues amounted to \$1,174,376 for the year ended December 31, 2024 and relates to revenue earned from our newly acquired subsidiary MPC Capital for the period from December 16, 2024 (the date on which the MPC Capital Acquisition was consummated) to December 31, 2024.

Cost of revenue from services– Cost of revenue from services comprise expenses for purchased services and employee expenses. This amounted to \$1,117,476 for the December 16, 2024 to December 31, 2024 period and relates to cost of revenue from our newly acquired subsidiary MPC Capital following the consummation of the MPC Capital Acquisition on December 16, 2024.

Depreciation and amortization – Depreciation and amortization expenses for our asset management segment amounted to \$0.1 million in the December 16, 2024 to December 31, 2024 period, comprising of property and equipment depreciation and intangible assets amortization.

Net gain from Equity Method Investments – Income/(loss) from equity method investments for the year ended December 31, 2024, was \$2,687,236 representing our share in jointly owned companies or equity method investments (all of which relate to the asset management segment).

B. LIQUIDITY AND CAPITAL RESOURCES

We operate in a capital-intensive industry, and we expect to finance the purchase of additional vessels and other capital expenditures through a combination of proceeds from cash generated from operations, borrowings in debt transactions and equity offerings, to the extent available and permitted. Our liquidity requirements relate to servicing the principal and interest on our debt, funding capital expenditures and working capital (which includes maintaining the quality of our vessels and complying with international shipping standards and environmental laws and regulations) and maintaining cash reserves for the purpose of satisfying certain minimum liquidity restrictions contained in our credit facilities. In accordance with our business strategy, other liquidity needs may relate to funding potential investments in additional vessels or businesses and maintaining cash reserves to hedge against fluctuations in operating cash flows. Our funding and treasury activities are intended to maximize investment returns while maintaining appropriate liquidity.

For the year ended December 31, 2024, our principal source of funds was (i) cash from operations, (ii) the net proceeds from the sale of our vessels as discussed above under “Item 4. —*B. Business overview*”, (iii) the incurrence of secured debt as discussed below under “—*Our Borrowing Activities*.” and (iv) the proceeds from the sale of preferred equity securities. In the previous years, we have also issued equity as a source of financing, as discussed below under “—*Equity Transactions*”. As of December 31, 2024 and December 31, 2023, we had cash and cash equivalents of \$87.9 million and \$111.4 million (which excludes \$0 million and \$9.5 million of cash restricted in each period, under our debt agreements), respectively. Cash and cash equivalents are primarily held in U.S. dollars.

Working capital is equal to current assets minus current liabilities. As of December 31, 2024, we had a working capital surplus of \$185.9 million as compared to a working capital surplus of \$213.7 million as of December 31, 2023.

We believe that our current sources of funds and those that we anticipate to internally generate for a period of at least the next twelve months from the date of this Annual Report, will be sufficient to fund the operations of our business, meet our working capital and capital expenditures requirements and service the principal and interest on our existing debt for that period.

Our medium- and long-term liquidity requirements relate to the funding of cash dividends on our Series D Preferred Shares, when declared, repayments of outstanding debts, expenditures relating to the operation and maintenance of our vessels and entering into new co-investments. Sources of funding for our medium- and long-term liquidity requirements include cash flows from operations or new debt financing, if required, and proceeds from equity offerings to the extent available and permitted.

As noted above, acquisitions may require, to the extent available and permitted, additional equity issuances, which may dilute our common shareholders if issued at lower prices than the price they acquired their shares, or the incurrence of additional indebtedness, both of which could lower our available cash. See “Item 3. Key Information—*D. Risk Factors—Risks Relating to Our Company—We may not be able to execute our shipping business strategy and we may not realize the benefits we expect from acquisitions or other strategic transactions.*”

For a discussion of our management agreements with our related-party managers and relevant fees charged, see “Item 7. Major Shareholders and Related Party Transactions—*B. Related Party Transactions.*”

Capital Expenditures

From time to time, we make capital expenditures in connection with vessel acquisitions and vessels upgrades and improvements (either for the purpose of meeting regulatory or legal requirements or for the purpose of complying with requirements imposed by classification societies), which we finance and expect to continue to finance with cash from operations, debt financing and equity issuances. As of December 31, 2024 and April 30, 2025, we did not have any commitments for capital expenditures related to vessel acquisitions.

Subsequent to December 31, 2024, MPC Capital acquired a 50% share in BestShip GmbH & Cie., KG from the Norwegian Wilhelmsen Group at the beginning of January 2025, following which BestShip GmbH & Cie. KG is operated as a 50/50 joint venture between MPC Capital and the Wilhelmsen Group. BestShip provides IT-based assessments of vessels for improving energy efficiency and reducing emissions, and advises on how to realize vessel energy improvements. BestShip currently provides services for around 450 vessels.

A failure to fulfill our capital expenditure commitments generally results in a forfeiture of advances paid with respect to the contracted acquisitions and a write-off of capitalized expenses. In addition, we may also be liable for other damages for breach of contract. Such events could have a material adverse effect on our business, financial condition, and operating results.

Equity Transactions

On August 7, 2023, we agreed to issue 50,000 Series D Preferred Shares to Toro for aggregate consideration of \$50.0 million in cash. On December 12, 2024, we agreed to issue an additional 50,000 Castor Series D Preferred Shares for an aggregate consideration of \$50.0 million in cash. These transactions and their terms were approved by the independent members of the board of directors of each of Castor and Toro at the recommendation of their respective special committees comprised of independent and disinterested directors, which negotiated the transactions and their terms. Please see “*Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions*” and “*Item 10. Additional Information—B. Memorandum and Articles of Association*” for more detailed description of this transaction and the Series D Preferred Shares. During 2023 and 2024, we paid \$0.5 million and \$2.5 million, respectively, in dividends to Toro in connection with the Series D Preferred Shares.

On April 22, 2024, the Company commenced a series of private transactions to purchase all of its outstanding April 7 Warrants at a price of \$0.105 per warrant. The April 7 Warrants were exercisable in the aggregate into 1,033,077 of the Company’s common shares, par value \$0.001 per share (the “Warrant Shares”), at an exercise price per warrant share of \$55.30. The number of Warrant Shares and the exercise price reflected adjustments as a result of the 1-for-10 reverse stock split discussed above. On May 31, 2024, the Company repurchased in the tender offer 10,080,770 Warrants, exercisable in the aggregate into 1,008,077 Common Shares for an aggregate cost of \$1,058,481 excluding fees relating to the tender offer. Following the retirement and cancellation by the Company of the April 7 Warrants purchased pursuant to the tender offer, as of December 31, 2024, the April 7 Warrants that remain outstanding are exercisable in the aggregate into 25,000 Common Shares.

Our Borrowing Activities

During 2024, we used the proceeds from the sales of our vessels of \$86.6 million to prepay all of our outstanding indebtedness as of December 31, 2023, as described below. As of December 31, 2024, we had \$103.6 million of gross indebtedness outstanding under (i) a facility agreement with Toro for a term loan facility, which was entered into on December 11, 2024 and was drawn down on the same date and (ii) a term loan with Ostfriesische Volksbank eG. For a description of this transaction, please see “*Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Loan Facility Agreement of \$100.0 million from Toro.*” Of that total figure, \$11.0 million mature in the twelve-month period ending December 31, 2025. Our borrowing commitments, as of December 31, 2024, relating to debt and interest repayments under our credit facilities amounted to \$127.8 million, of which approximately \$16.9 million mature in less than one year. The calculation of interest payments was made assuming interest rates based on the EURIBOR and SOFR specific to our variable rate credit facilities as of December 31, 2024, and our applicable margin rate. On March 24, 2025, March 31, 2025 and on April 8, 2025, we performed partial prepayments to Toro related to the Term Loan amounting to \$13,500,000, \$34,000,000, and \$14,000,000 respectively. The prepayment of \$13,500,000 was made pursuant to the sale of *M/V Magic Eclipse* on March 24, 2025. The prepayment of \$14,000,000 was made pursuant to the sale of *M/V Magic Callisto* on April 28, 2025. On May 5, 2025, we prepaid in full the amount of \$36,000,000 remaining outstanding at that date. As of the date of this Annual Report, the Term Loan has been fully repaid.

As of December 31, 2024 and December 31, 2023, we were in compliance with all the financial and liquidity covenants contained in our debt agreements.

Dry Bulk Segment Credit Facilities

\$11.0 Million Term Loan Facility

On November 22, 2019, two of our wholly owned dry bulk vessel ship-owning subsidiaries, Spetses Shipping Co. and Pikachu Shipping Co., entered into our first senior secured term loan facility in the amount of \$11.0 million with Alpha Bank. The facility was drawn down in two tranches on December 2, 2019. This facility has a term of five years from the drawdown date, bears interest at a 3.50% margin over LIBOR per annum and is repayable in twenty (20) equal quarterly installments of \$400,000 each, plus a balloon installment of \$3.0 million payable at maturity, on December 2, 2024. On February 14, 2024, we entered into a first supplemental agreement with Alpha Bank, pursuant to which, with effect from April 3, 2023, SOFR replaced LIBOR as the reference rate under this facility and the margin was increased by a percentage of 0.045%, which was the equivalent of the positive difference as of April 3, 2023 between USD LIBOR and SOFR for the first rollover period commencing April 3, 2023 selected upon application of SOFR methodology. Such percentage will apply over the tenor of the loan going forward regardless of future rollover periods.

The above facility is secured by, including but not limited to, a first preferred mortgage and first priority general assignment covering earnings, insurances and requisition compensation over the vessels owned by the borrowers (the *M/V Magic Moon* and the *M/V Magic P*), an earnings account pledge, shares security deed relating to the shares of the vessels’ owning subsidiaries, manager’s undertakings and is guaranteed by the Company. The facility also contains certain customary minimum liquidity restrictions and financial covenants that require the borrowers to (i) maintain a certain amount of minimum liquidity per collateralized vessel; and (ii) meet a specified minimum security requirement ratio, which is the ratio of the aggregate market value of the mortgaged vessels plus the value of any additional security and the value of the minimum liquidity deposits referred to above to the aggregate principal amounts due under the facility.

On January 16, 2024, Alpha Bank entered into a deed of partial release, with respect to the *M/V Magic Moon*, releasing and discharging the underlying borrower and all securities created over the *M/V Magic Moon* in full after the settlement of the outstanding balance of \$2.4 million. On December 3, 2024, we fully repaid the outstanding amount of \$1.6 million, thus as of December 31, 2024, this loan facility has been fully repaid.

\$15.29 Million Term Loan Facility

On January 22, 2021, pursuant to the terms of a credit agreement, two of our wholly owned dry bulk vessel ship-owning subsidiaries, Pocahontas Shipping Co. and Jumaru Shipping Co., entered into a \$15.29 million senior secured term loan facility with Hamburg Commercial Bank AG. The facility was drawn down in two tranches on January 27, 2021, is repayable in sixteen (16) equal quarterly installments of \$471,000 each, plus a balloon installment of \$7.8 million payable at maturity and bears interest at a 3.30% margin over LIBOR per annum. On July 3, 2023, the Company entered into an amendment agreement to this facility providing that, with effect from July 3, 2023, the LIBOR-based interest rate was replaced by a replacement interest rate, i.e. Term SOFR, and the margin.

The above facility contains a standard security package including first preferred mortgages on the vessels owned by the borrowers (the *M/V Magic Horizon* and the *M/V Magic Nova*), pledge of bank accounts, charter assignments, and a general assignment over the vessels’ earnings, insurances and any requisition compensation in relation to the vessels owned by the borrowers, and is guaranteed by the Company. Pursuant to the terms of this facility, the Company is also subject to a certain minimum liquidity restriction requiring the borrowers to maintain a certain cash collateral deposit balance with the lender (secured by an account pledge), to maintain and gradually fund certain dry-dock reserve accounts in order to ensure the payment of any costs incurred in relation to the next dry-docking of each mortgaged vessel, as well as to certain negative covenants customary for this type of facility. The credit agreement governing this facility also requires maintenance of a minimum security cover ratio being the aggregate amount of (i) the fair market value of the collateral vessels, (ii) the value of the cash collateral deposit balance referred to above, (iii) the value of the dry-dock reserve accounts referred to above, and (iv) any additional security provided, over the aggregate principal amount outstanding of the loan.

On March 8, 2024, Hamburg Commercial Bank AG entered into a deed of partial release, with respect to the *M/V Magic Nova*, releasing and discharging the underlying borrower and all securities created over the *M/V Magic Nova* in full after the settlement of the outstanding balance of \$4.9 million pertaining to *M/V Magic Nova*’s tranche. On May 28, 2024, Hamburg Commercial Bank AG entered into a deed of total release with respect to the *M/V Magic Horizon*, releasing and discharging the underlying borrower and all securities created over the *M/V Magic Horizon* in full after the settlement of the outstanding balance of \$4.5 million pertaining to *M/V Magic Horizon*’s tranche. As of December 31, 2024, this loan facility has been fully repaid.

\$40.75 Million Term Loan Facility

On July 23, 2021, pursuant to the terms of a credit agreement, four of our wholly owned dry bulk vessel ship-owning subsidiaries, Liono Shipping Co., Snoopy Shipping Co., Cinderella Shipping Co., and Luffy Shipping Co., entered into a \$40.75 million senior secured term loan facility with Hamburg Commercial Bank AG. The loan was drawn down in four tranches on July 27, 2021, is repayable in twenty (20) equal quarterly installments of \$1,154,000 each, plus a balloon installment in the amount of \$17.7 million payable at maturity simultaneously with the last installment and bears interest at a 3.10% margin over LIBOR per annum. On July 3, 2023, the Company entered into an amendment agreement to its \$40.75 million senior secured term loan facility with Hamburg Commercial Bank AG. With effect from July 3, 2023, the interest rate was replaced by a replacement interest rate, i.e. Term SOFR, and the margin.

The above facility contains a standard security package including first preferred mortgages on the vessels owned by the borrowers (the *M/V Magic Thunder*, *M/V Magic Nebula*, and *M/V Magic Eclipse*), pledge of bank accounts, charter assignments, and a general assignment over the vessels’ earnings, insurances and any requisition compensation in relation to the vessels owned by the borrowers and is guaranteed by the Company. The Company is also subject to a certain minimum liquidity restriction requiring the borrowers to maintain a certain liquidity deposit cash balance pledged to lender under an account pledge, a specified portion of which shall be released to the borrowers following the repayment of the fourth installment with respect to all four tranches, to maintain and gradually fund certain dry-dock reserve accounts in order to ensure the payment of any costs incurred in relation to the next dry-docking of each mortgaged vessel, as well as to certain negative covenants customary for this type of facility. The credit agreement governing this facility requires maintenance of a minimum security cover ratio being the aggregate amount of (i) the aggregate market value of the collateral vessels, (ii) the value of the dry-dock reserve accounts referred to above, and, (iii) any additional security provided over the aggregate principal amount outstanding of the loan.

On July 20, 2023, Hamburg Commercial Bank AG entered into a deed of partial release, with respect to the *M/V Magic Twilight*, releasing and discharging the underlying borrower and all securities created over the *M/V Magic Twilight* in full after the settlement of the outstanding balance of \$7.91 million pertaining to *M/V Magic Twilight*’s tranche. The facility’s repayment schedule was adjusted accordingly.

On April 18, 2024, Hamburg Commercial Bank AG entered into a deed of partial release with respect to the *M/V Magic Nebula*, releasing and discharging the underlying borrower and all securities created over the *M/V Magic Nebula* in full, after the settlement of the outstanding balance of \$7.0 million pertaining to *M/V Magic Nebula*’s tranche. The facility’s repayment schedule was adjusted accordingly.

On September 17, 2024, Hamburg Commercial Bank AG entered into a deed of total release with respect to the *M/V Magic Thunder* and *M/V Magic Eclipse*, releasing and discharging the underlying borrowers and all securities created over those vessels in full after the voluntary settlement of the outstanding balance of \$13.8 million pertaining to *M/V Magic Thunder*’s and *M/V Magic Eclipse*’s tranches. As of December 31, 2024, this loan facility has been fully repaid.

\$55.0 Million Term Loan Facility

On January 12, 2022, pursuant to the terms of a credit agreement, five of our wholly owned dry bulk vessel ship-owning subsidiaries, Mulan Shipping Co., Johnny Bravo Shipping Co., Songoku Shipping Co., Asterix Shipping Co. and Stewie Shipping Co., entered into a \$55.00 million secured term loan facility with Deutsche Bank AG. The loan was drawn down in five tranches on January 13, 2022, is repayable in twenty (20) quarterly installments (1 to 6 in the amount of \$3,535,000, 7 to 12 in the amount of \$1,750,000 and 13 to 20 in the amount of \$1,340,000) and (b) a balloon installment in the amount of \$12.6 million payable at maturity simultaneously with the last installment and bears interest at a 3.15% margin over adjusted SOFR per annum.

The above facility contains a standard security package including a first preferred mortgage on the vessels, owned by the borrowers (the *M/V Magic Starlight*, the *M/V Magic Mars*, the *M/V Magic Pluto*, the *M/V Magic Perseus*, and the *M/V Magic Vela*), pledge of bank accounts, charter assignments, shares pledge and a general assignment over the vessel’s earnings, insurances, and any requisition compensation in relation to the vessel owned by the borrower and is guaranteed by the Company. Pursuant to the terms of this facility, the borrowers are subject (i) a specified minimum security cover requirement, which is the maximum ratio of the aggregate principal amounts due under the facility to the aggregate market value of the mortgaged vessels plus the value of the dry-dock reserve accounts referred to below and any additional security, and (ii) to certain minimum liquidity restrictions requiring us to maintain certain blocked and free liquidity cash balances with the lender, to maintain and gradually fund certain dry-dock reserve accounts in order to ensure the payment of any costs incurred in relation to the next dry-docking of each mortgaged vessel, as well as to certain customary, for this type of facilities, negative covenants. Moreover, the facility contains certain financial covenants requiring the Company as guarantor to maintain (i) a ratio of net debt to assets adjusted for the market value of our fleet of vessels, to net interest expense ratio above a certain level, (ii) an amount of unencumbered cash above a certain level and, (iii) our trailing 12 months EBITDA to net interest expense ratio not to fall below a certain level.

On May 23, 2024, Deutsche Bank AG entered into a deed of partial release, with respect to the *M/V Magic Vela*, releasing and discharging the underlying borrower and all securities created over the *M/V Magic Vela* in full, after the settlement of the outstanding balance of \$4.3 million pertaining to *M/V Magic Vela*’s tranche. On the same date, the Company voluntarily prepaid \$12.2 million in aggregate with respect to the remaining tranches under this facility from the proceeds of the sale of *M/V Magic Vela*. Following the prepayments, the facility was repayable in 10 quarterly installments (installments 1 to 3 in the amount of \$1,487,500, installments 4 to 9 in the amount of \$1,139,000 and installment 10 in the amount of \$802,500).

On September 3, 2024, Deutsche Bank AG entered into a deed of release with respect to the *M/V Magic Starlight*, *M/V Magic Mars*, *M/V Magic Pluto* and *M/V Magic Perseus*, releasing and discharging the underlying borrowers and all securities created over those vessels in full, after the voluntary settlement of the outstanding balance of \$10.6 million pertaining to *M/V Magic Starlight*’s, *M/V Magic Mars*’s, *M/V Magic Pluto*’s and *M/V Magic Perseus*’s tranches. As of December 31, 2024, this loan facility has been fully repaid.

Containership Segment Credit Facilities

\$22.5 Million Term Loan Facility

On November 22, 2022, our two wholly owned containership owning subsidiaries, Jerry Shipping Co. and Tom Shipping Co., entered into a \$22.5 million senior term loan facility with Chailease International. The facility was drawn down in two tranches of \$11.25 million each on November 28, 2022, and December 7, 2022, respectively. This facility has a term of five years from the drawdown date of each tranche, bears interest at a 3.875% margin over SOFR per annum and each tranche is repayable in sixty (60) consecutive monthly installments (installments 1 to 9 in the amount of \$250,000, installments 10 to 12 in the amount of \$175,000, installments 13 to 59 in the amount of \$150,000 and a balloon installment in the amount of \$1,425,000 payable at maturity).

The above facility is secured by first preferred mortgage and first priority general and charter assignment covering earnings, insurances, requisition compensation and any charter and charter guarantee over the vessels owned by the borrowers (the *M/V Ariana A* and the *M/V Gabriela A*), shares security deed relating to the shares of the vessels’ owning subsidiaries, managers’ undertakings and is guaranteed by Castor. Pursuant to the terms of this facility, the Company is also subject to certain negative covenants customary for this type of facility and a certain minimum liquidity restriction requiring the borrowers to maintain a certain cash collateral deposit in an account held by the lender.

On August 7, 2024, the Company prepaid in full the amount of \$14.6 million remaining outstanding at that date. On August 14, 2024, Chailease International Financial Services (Singapore) Pte., Ltd entered into a deed of release with respect to the *M/V Ariana A* and *M/V Gabriela A*, releasing and discharging the underlying borrowers and all securities created over those vessels in full after the settlement of the outstanding balance of \$14.6 million. As of December 31, 2024, this loan facility has been fully repaid.

Asset Management segment

€5 Million Term Loan

On November 20, 2024, MPC Maritime Holding GmbH entered into a term loan in the amount of up to €5.0 million (\$5.2 million) with Ostfriesische Volksbank eG. The term loan was drawn down in a tranche of €3.5 million Euro (\$3.7 million) on December 9, 2024. This term loan has a term of five years from the first date of the first installment payment (March 31, 2025), bears interest at a margin of 2.1 -1.8%over EURIBOR (for drawings in Euro) and over SOFR (for drawings in US Dollar). It is repayable in twenty equal quarterly installments of €250,000 (\$260,390) starting on March 31, 2025. The term loan is unsecured and is not subject to any covenants. Subsequent to December 31, 2024, an additional €1.5 million was drawn out of the loan facility from Ostfriesische Volksbank eG.

On November 17, 2023, MPC Capital entered into a revolving credit facility in the amount of €5.0 million Euro (\$5.0 million) with VR Bank in Holstein eG until further notice. As of December 31, 2024, the facility is not drawn. It bears interest at a rate of 1.5% over EURIBOR and is unsecured and is not subject to any covenants.

Cash Flows

The following table summarizes our net cash flows provided by/(used in) operating, investing, and financing activities and our cash, cash equivalents and restricted cash for the years ended December 31, 2023, and 2024:

	For the year ended,	
	December 31, 2023	December 31, 2024
(in U.S. Dollars)		
Net cash provided by operating activities from continuing operations	\$ 22,183,365	\$ 41,911,298
Net cash used in investing activities from continuing operations	(8,968,304)	(133,475,878)
Net cash (used in) / provided by financing activities from continuing operations	(2,141,740)	59,565,250
Net cash provided by operating activities from discontinued operations	20,409,041	-
Net cash used in investing activities from discontinued operations	(153,861)	-
Net cash used in financing activities from discontinued operations	(62,734,774)	-
Net increase/(decrease) in cash, cash equivalents, and restricted cash	-	(284,819)
Cash, cash equivalents and restricted cash at beginning of period	152,307,420	120,901,147
Cash, cash equivalents and restricted cash at end of period	\$ 120,901,147	\$ 88,616,998

Operating Activities (from continuing operations):

For the year ended December 31, 2024, net cash provided by operating activities of continuing operations amounted to \$41.9 million, consisting of net income of \$15.3 million, non-cash adjustments related to depreciation and amortization of \$15.0 million, payments related to dry-docking costs of \$1.2 million , amortization and write off of deferred finance charges of \$0.8 million, amortization of fair value of acquired charters of \$0.6 million, straight line amortization of hire of \$0.1 million, unrealized loss of \$14.6 million from revaluing our investments in listed equity securities at period end market rates, a realized loss on sale of equity securities of \$0.3 million, a loss on vessels held for sale of \$3.6 million, and unrealized gain from our equity method investments of \$2.7 million, aggregate gain on sale of the vessels discussed above of \$19.3 million, a gain of \$1.4 million from a claim, dividends received from investments of \$4.4 million and a net decrease of \$11.9 million in working capital, which is mainly the result of decreases in (i) trade receivables by \$3.5 million, (ii) due from/to related parties by \$5.8 million, (iii) prepaid expenses and other assets by \$1.0 million, (iv) accounts payable by \$1.8 million, (v) deferred revenue by \$1.0 million and set off by increases in (vi) inventories by \$0.3 million and (vii) accrued liabilities by \$4.4 million.

For the year ended December 31, 2023, net cash provided by operating activities of continuing operations amounted to \$22.2 million, consisting of net income of \$21.3 million, non-cash adjustments related to depreciation and amortization of \$22.1 million, aggregate gain on sales of the *M/V Magic Rainbow*, *M/V Magic Twilight*, *M/V Magic Sun*, *M/V Magic Phoenix* and *M/V Magic Argo* of \$6.4 million, amortization of deferred finance charges of \$0.9 million, amortization of fair value of acquired charters of \$2.2 million, unrealized gain of \$5.1 million from revaluing our investments in listed equity securities at period end market rates, payments related to dry-docking costs of \$2.4 million and a net increase of \$10.4 million in working capital, which is mainly derived from (i) decrease in accounts payable by \$3.3 million, (ii) decrease in accrued liabilities by \$1.9 million and (iii) increase in ‘Due from/to related parties’ by \$4.5 million.

The \$19.7 million increase in net cash from operating activities in the year ended December 31, 2024, as compared with the same period of 2023, reflects mainly the favorable change in working capital position.

Investing Activities (from continuing operations):

For the year ended December 31, 2024, net cash used in investing activities amounted to \$133.5 million mainly reflecting the net cash inflow of \$107.9 million of net proceeds from the sale of the vessels discussed above, and inflows of \$1.4 million of proceeds from a claim associated with an unsuccessful sale of *M/V Magic Moon*, offset by the acquisition of MPC Capital of \$192.0 million, net of \$28.0 million in cash held by MPC Capital and \$1.0 million included in assets held for sale on the acquisition date, the acquisitions of the *M/V Magic Celeste*, the *M/V Raphaela* and *M/V Magic Ariel* amounting to \$72.2 million and net outflows of \$7.0 million associated with the purchase and sale of equity securities. Please also refer to Notes 7, 8, 13 and 17 to our audited consolidated financial statements included elsewhere in this Annual Report.

For the year ended December 31, 2023, net cash used in investing activities amounted to \$9.0 million mainly reflecting the net cash outflows of \$72.0 million associated with the purchase and sale of equity securities and \$0.6 million used for other capital expenditures relating to our fleet, offset by the net proceeds from the sale of the *M/V Magic Rainbow*, *M/V Magic Twilight*, *M/V Magic Sun*, *M/V Magic Phoenix* and *M/V Magic Argo* of \$63.6 million. Please also refer to Notes 9 and 7 to our audited consolidated financial statements included elsewhere in this Annual Report.

Financing Activities (from continuing operations):

For the year ended December 31, 2024, net cash provided by financing activities amounted to \$59.6 million, mainly relating to (i) \$50.0 million of gross proceeds following the issuance of additional Series D Preferred Shares to Toro, (ii) \$100.0 million proceeds related to the Toro Term Loan Facility, as offset by (iii) \$86.9 million consisting of period scheduled principal repayments under our existing credit facilities, early prepayments due to sale of vessels and voluntary prepayments, (iv) \$2.5 million of dividends paid relating to Series D Preferred Shares and (v) \$1.1 million for the repurchase of warrants. Please also refer to Notes 4, 12 and 14 to our audited consolidated financial statements included elsewhere in this Annual Report for a more detailed discussion.

For the year ended December 31, 2023, net cash used in financing activities amounted to \$2.1 million, mainly relating to (i) \$49.9 million of net proceeds following the issuance of Series D Preferred Shares to Toro, (ii) \$2.7 million cash reimbursement from Toro relating to the Spin-Off expenses incurred by us on Toro’s behalf during 2022 and up to the completion of the Spin-Off and (iii) \$0.6 million of net proceeds under our at-the-market common share offering program dated May 23, 2023, as offset by (i) the \$53.9 million of period scheduled principal repayments under our existing secured credit facilities and early prepayments due to sale of vessels, (ii) the \$0.9 million of warrants repurchase and (iii) \$0.5 million of dividends paid relating to Series D Preferred Shares. Please also refer to Notes 4, 8 and 10 to our audited consolidated financial statements included elsewhere in this Annual Report for a more detailed discussion.

C. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES, ETC.

Not applicable.

D. TREND INFORMATION

Our results of operations depend primarily on the charter rates that we are able to realize and the results of operations of the asset management business. Charter hire rates paid for dry bulk and containerships are primarily a function of the underlying balance between vessel supply and demand. For a discussion regarding the market performance, please see “—*A. Operating Results—Hire Rates and Cyclical Nature of the Industry.*”

There can be no assurance as to how long charter rates will remain at their current levels or whether they will improve or deteriorate and, if so, when and to what degree. That may have a material adverse effect on our future growth potential and our profitability.

Furthermore, the Company’s business could be adversely affected by the risks related to the conflicts in Ukraine and Gaza and the severe worsening of Russia’s relations with Western economies, along with escalating tariff disputes that has created significant uncertainty in global markets, including increased volatility in the prices of certain of the commodities and products which our vessels transport, such as grain, shifts in the trading patterns and transit routes for such products which may continue into the future. The 2023 Israel–Hamas war and subsequent missile attacks by the Houthis in the Red Sea have led vessels to divert via the Cape of Good Hope, which had a modestly positive impact on the dry bulk market by reducing supply. While the cease-fire declared on January 15, 2025 eased tensions in the region, attacks resumed in March 2025 and the future direction of the conflict remains highly uncertain and may continue to pose a significant safety hazard for vessels transiting the Red Sea. Finally, potential trade tariffs from the new U.S. administration could pose risks for our dry bulk and container vessels business. The administration's proposed tariffs lead to higher import costs and trade imbalances. These tariffs may affect shipping volumes, routes, and demand patterns, potentially impacting the dry bulk market. Refer to “Item 3. Key Information—D. Risk Factors—Geopolitical conditions, such as political instability or conflict, terrorist attacks and international hostilities can affect the seaborne transportation industry, which could adversely affect our business” and “Item 3. Key Information—D. Risk Factors—Trade disputes or the imposition of tariffs on imports and exports could affect international trade, and therefore could adversely affect our business.” for further details.

We are currently unable to predict with reasonable certainty the potential effects of the ongoing conflict in Ukraine or the Middle East, including due to the attacks on vessels described above, on our future business, financial condition, cash flows or operating results and these events could have a material adverse effect on any of the foregoing.

Furthermore, many economies worldwide have experienced inflationary pressures during 2024 and as of the date of this Annual Report. For further information, see “Item 3. Key Information—D. Risk Factors—We are exposed to fluctuating demand, supply and prices for commodities (such as iron ore, coal, grain, soybeans and aggregates) and consumer and industrial products, and may be affected by changes in the demand for such commodities and/or products and the volatility in their prices due to their effects on supply and demand of maritime transportation services.” Such inflationary pressures and disruptions could adversely impact our operating costs and demand and supply for products we transport. It remains to be seen whether inflationary pressures will continue, and to what degree. Interventions in the economy by central banks in response to inflationary pressures may slow down economic activity, reducing demand for products we carry, and cause a reduction in trade. As a result, the volumes of products we deliver and/or charter rates for our vessels may be affected. These factors could have an adverse effect on our business, financial condition, cash flows and operating results.

The results of operations of the asset management business depend primarily on the management and transaction fees as well as future returns from co-investments. The amount of management and transaction fees will be subject to our ability to maintain existing assets under management, to originate new investment projects and to raise equity and debt capital to fund such projects, which is affected by financial market conditions and global economic conditions. Whilst MPC Capital has been successful in developing assets under management, there can be no assurance as to the future development of assets under management, management fees and transaction fees, which may have a material adverse effect on MPC Capital's future growth potential and profitability. In addition, future returns on our co-investment participations in investment projects are uncertain and subject to various factors including, but not limited to, economic and market risks in the underlying industries, operational performance risks of the assets invested in, legal and regulatory risks and tax risks. Economic and markets risks related to our minority investments include, but are not limited to, risks related to the container shipping industry such as the impact of potential trade tariffs from the new U.S. administration on global containerized trade patterns and volumes or a development of the conflicts in the Red Sea leading to reduced diverting of vessels via the Cape of Good Hope.

E. CRITICAL ACCOUNTING ESTIMATES

Critical accounting estimates are those estimates made in accordance with generally accepted accounting principles that involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on our financial condition or results of operations. We prepare our financial statements in accordance with accounting principles generally accepted in the United States, or U.S. GAAP. On a regular basis, management reviews the accounting policies, assumptions, estimates and judgments to ensure that our consolidated financial statements are presented fairly and in accordance with U.S. GAAP. However, because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such differences could be material. For a description of our material accounting policies, please read “Item 18. Financial Statements” and more precisely Note 2 to our consolidated financial statements included elsewhere in this Annual Report.

Mezzanine equity

As discussed in Note 14 of our consolidated financial statements included elsewhere in this Annual Report, the Company has issued to Toro 100,000 Series D Preferred Shares.

The Series D Preferred Shares are convertible, at their holder’s option, to common shares after January 1, 2026 and at any time thereafter. For each dividend period commencing on and from the seventh anniversary of August 7, 2023, the rate shall be the annual dividend rate in effect for the prior dividend period multiplied by a factor of 1.3; provided that such dividend rate cannot exceed 20% per annum. Dividends are subject to declaration by the Board or any authorized committee thereof and may be paid only out of legally available funds for such purpose.

The Company may, at its option, redeem the Series D Preferred Shares (i) in whole or in part, at any time and from time to time on or after the fifth anniversary of August 7, 2023 (the Series D Preferred Shares issue date), at a cash redemption price equal to 105% of the stated amount and (ii) in whole but not in part, if at any time the number of shares of the Series outstanding is 30,000 shares or less, at a cash redemption price equal to 100% of the stated amount, together with an amount equal to all accrued dividends to, but excluding, the redemption date.

Toro, a related party, is the holder of all of our issued and outstanding Series D Preferred Shares. The Series D Preferred Shares have been classified in Mezzanine equity as per ASC 480-10-S99 “Distinguishing liabilities from Equity – SEC Materials” as they are in essence redeemable at the option of the holder as Mr. Panagiotidis, the Chairman, Chief Executive Officer and controlling shareholder of Toro, who can effectively determine the timing of the redemption of the Series D Preferred Shares.

The fair value of Series D Preferred Shares on initial recognition was determined through Level 3 of the fair value hierarchy as defined in FASB guidance for Fair Value Measurements (ASC 820). Determining the fair value of the mezzanine equity requires management to make judgments about the valuation methodologies, including the unobservable inputs and other assumptions and estimates, which are significant in the fair value measurement of mezzanine equity. For the estimation of the fair value of the mezzanine equity, we used the Black & Scholes and the discounted cash flow model and we also used significant unobservable inputs which are sensitive in nature and subject to uncertainty, such as expected volatility and weighted average cost of capital.

Acquisition of MPC Capital

As discussed in Note 8 to our consolidated financial statements included elsewhere in this Annual Report, in connection with the acquisition of MPC Capital, we elected to apply pushdown accounting. The new basis of accounting was established by the Company for the individual assets and liabilities of the MPC Capital subsidiary that were acquired using the acquisition method of accounting. Among other things, MPC Capital recorded intangible assets of \$19,575,000, including intangible assets for customer relationships. MPC Capital also recorded investments of \$169,843,000, including its investment in Wilhelmshen Ahrenkiel Ship Management GmbH & Co. KG (“WASM”).

The determination of the fair values of such acquired assets and liabilities (and the determination of estimated lives of depreciable tangible and identifiable intangible assets) requires significant judgment by management.

- In particular:
- valuation of intangible assets comprising non-contractual customer relationships relating to commercial ship management and maritime infrastructure is based on the Multi-Period Excess Earnings Method. The key assumptions underlying the valuation are the duration of existing contracts, useful lives of commercial ships underlying the management contracts, contractually agreed fee rates and expected conditions for future contracts, expected profit margins and present value factors based on capital market data. The discount rate was estimated at 6.6% reflecting the weighted average cost of capital; and
 - for the investment in WASM we used a discounted cash flow model based on management business plan projections and a discount rate determined by MPC Capital management.

Vessel Impairment

The Company reviews for impairment on its held and used vessels whenever events or changes in circumstances (such as market conditions, obsolesce or damage to the asset, potential sales and other business plans) indicate that the carrying amount of the vessels may not be recoverable. When the estimate of undiscounted cash flows, excluding interest charges, expected to be generated by the use of the vessel is less than its carrying amount, including the value of unamortized dry-docking costs and the value of any related intangible assets and/or liabilities, we are required to evaluate the asset for an impairment loss. Measurement of the impairment loss is based on the fair value of the asset.

The carrying values of our vessels may not represent their fair market value at any point in time since the market prices of second-hand vessels tend to fluctuate with changes in charter rates and the cost of newbuilds. Historically, both charter rates and vessel values tend to be cyclical, including for the reasons discussed under the headings “—Charter hire rates in the shipping industry are cyclical and volatile. A decrease in charter rates may adversely affect our business, financial condition and operating results.” in “Item 3. Key Information—D. Risk Factors”.

Our estimates of basic market value assume that the vessels are all in good and seaworthy condition without need for repair and, if inspected, would be certified in class without notations of any kind. Our estimates are based on the estimated market values for the vessels received from a third-party independent shipbroker approved by our financing providers. Vessel values are highly volatile. Accordingly, our estimates may not be indicative of the current or future basic market value of the vessels or prices that could be achieved if the vessels were to be sold.

The table below specifies the carrying value of our vessels as of December 31, 2023 and identifies using an “*” vessels that had a charter-free market value below their carrying value.

As of December 31, 2024, the charter-free market value of all our vessels exceeded their carrying value. Thus, no undiscounted cash flow tests was deemed necessary to be performed for any of our vessels. Therefore, for the year ended December 31, 2024, this is not considered a critical accounting estimate.

As of December 31, 2023, the aggregate carrying value, including, where applicable, the value of related intangible assets, of the *M/V Magic Callisto*, *M/V Ariana A* and *M/V Gabriela A* was \$23.7 million more than their fair market value, based on broker quotes. This aggregate difference represents the approximate analysis of the amount by which we believe we would have to reduce our net income as of December 31, 2023 if we sold all of such vessels on industry standard terms in cash transactions to a willing buyer in circumstances where we are not under any compulsion to sell and where the buyer is not under any compulsion to buy. For purposes of this calculation, we have assumed that the vessels would be sold at a price that reflects our estimate of their current basic market values as at December 31, 2023. As of December 31, 2022, four of our vessels had a charter-free market value below their carrying value. As of December 31, 2022, the aggregate carrying value, including, where applicable, the value of related intangible assets of these four vessels was \$22.9 million more than their fair market value, based on broker quotes.

		Carrying value as of December 31, 2023 (in millions of United States dollars)	
Vessels	Date acquired		
<i>M/V Magic P</i>	02/21/2017	\$	6.2 \$
<i>M/V Magic Sun</i>	09/05/2019	\$	- \$
<i>M/V Magic Moon</i>	10/20/2019	\$	8.8 \$
<i>M/V Magic Rainbow</i>	08/08/2020	\$	- \$
<i>M/V Magic Horizon</i>	10/09/2020	\$	10.9 \$
<i>M/V Magic Nova</i>	10/15/2020	\$	11.8 \$
<i>M/V Magic Venus</i>	03/02/2021	\$	14.0 \$
<i>M/V Magic Orion</i>	03/17/2021	\$	15.4 \$
<i>M/V Magic Argo</i>	03/18/2021	\$	- \$
<i>M/V Magic Twilight</i>	04/09/2021	\$	- \$
<i>M/V Magic Thunder</i>	04/13/2021	\$	14.9 \$
<i>M/V Magic Vela</i>	05/12/2021	\$	13.4 \$
<i>M/V Magic Nebula</i>	05/20/2021	\$	13.8 \$
<i>M/V Magic Starlight</i>	05/23/2021	\$	21.0 \$
<i>M/V Magic Eclipse</i>	06/07/2021	\$	16.3 \$
<i>M/V Magic Pluto</i>	08/06/2021	\$	19.3 \$
<i>M/V Magic Perseus</i>	08/09/2021	\$	19.6 \$
<i>M/V Magic Mars</i>	09/20/2021	\$	18.8 \$
<i>M/V Magic Phoenix</i>	10/26/2021	\$	- \$
<i>M/V Magic Callisto</i>	01/04/2022	\$	21.2* \$
<i>M/V Ariana A</i>	11/23/2022	\$	21.5* \$
<i>M/V Gabriela A</i>	11/30/2022	\$	20.9* \$
Total		\$	267.8 \$

* Indicates vessels for which we believe that, as of December 31, 2023, their carrying value, including, where applicable, the value of related intangible assets, exceeded their charter-free market value. As discussed below, we believe that the carrying values of these vessels as of December 31, 2023, were recoverable as the undiscounted projected net operating cash flows of these vessels exceeded their carrying values including, where applicable, the value of related intangible assets.

As of December 31, 2023, for the above indicated vessels, we performed an impairment analysis, in which we made estimates and assumptions relating to determining the projected undiscounted net operating cash flows by considering the following:

- the charter revenues from existing time charters for the fixed fleet days;
- estimated vessel operating expenses and voyage expenses;
- estimated dry-docking expenditures;
- an estimated gross daily charter rate for the unfixed days (based on the ten-year average of the historical six-months and one-year time charter rates available for each type of vessel) over the remaining economic life of each vessel, excluding estimated days of scheduled off-hires and net of estimated commissions;
- residual value of vessels;
- commercial and technical management fees;
- an estimated utilization rate; and
- the remaining estimated lives of our vessels, consistent with those used in our depreciation calculations.

The net operating undiscounted cash flows are then compared with the vessels’ net book value plus estimated unamortized dry-docking costs and the unamortized portion of any intangible asset and/or liability. In the event that the net operating undiscounted cash flows are less than the carrying value of the vessels and the associated unamortized dry-docking cost and intangible asset and/or liability, if any, then the vessel is written down to its fair value and an impairment loss is recorded.

Although we believe that the assumptions used to evaluate potential impairment, which are largely based on the historical performance of our fleet, are reasonable and appropriate, such assumptions are highly subjective. There can be no assurance as to how charter rates and vessel values will fluctuate in the future. Charter rates may, from time to time throughout our vessels’ lives, remain for a considerable period of time at depressed levels which could adversely affect our revenue and profitability, and future assessments of vessel impairment.

Our assumptions, based on historical trends, and our accounting policies are as follows:

- our secondhand vessels are depreciated from the date of their acquisition through their remaining estimated useful life. We estimate the full useful life of vessels to be 25 years from the date of initial delivery from the shipyard;
- estimated useful life of vessels takes into account commercial considerations and regulatory restrictions;
- estimated charter rates are based on rates under existing vessel contracts and thereafter at estimated future market rates at which we expect we can re-charter our vessels based on market trends. We believe that the ten-year average historical time charter rate is an appropriate (or less than ten years if appropriate data is not available) approximation of the estimated future market rates for the following reasons:
 - it reflects more accurately the earnings capacity of the type, specification, deadweight capacity and average age of our vessels; and
 - it is an appropriate period to capture the volatility of the market and includes numerous market highs and lows so as to be considered a fair estimate based on past experience;
- respective data series are adequately populated;
- estimates of vessel utilization, including estimated off-hire time are based on the historical experience of our fleet;
- estimates of operating expenses and dry-docking expenditures are based on historical operating and dry-docking costs based on the historical experience of our fleet and our expectations of future operating requirements; and
- vessel residual values are a product of a vessel’s lightweight tonnage and an estimated scrap rate.

The impairment test that we conduct, when required, is most sensitive to variances in future time charter rates. Based on the sensitivity analysis performed for December 31, 2023, we would begin recording impairment loss on the first vessel, if time charter declines by 6% from their ten-year historical averages.

Based on the above assumptions, we determined that the undiscounted cash flows supported the above vessels’ carrying amounts as of December 31, 2023.

Business Combinations – Purchase price allocation

Business combinations are accounted for under the acquisition method of accounting in accordance with the ASC 805, Business Combinations (“ASC 805”). The purchase price is allocated to the assets acquired and liabilities assumed based on their estimated fair values. The excess, if any, of the acquisition price over the fair values of the assets acquired and liabilities assumed is recorded as goodwill if the definition of a business is met. Fair value of the acquired assets and liabilities is measured in accordance with the guidance of ASC 820, Fair Value Measurements (“ASC 820”), using discounted cash flows and other applicable valuation techniques. To assist the Company in making these fair value determinations, the Company may engage third-party valuation specialists or internal specialists who generally assist the Company in the fair value determination of identifiable assets.

Adjustments to the fair values of assets acquired and liabilities assumed are made until the Company obtains all relevant information regarding the facts and circumstances that existed as of the acquisition date (the “measurement period”), not to exceed one year from the date of the acquisition. The Company recognizes measurement-period adjustments in the period in which it determines the amounts, including the effect on earnings of any amounts it would have recorded in previous periods if the accounting had been completed at the acquisition date.

The estimation of the fair values of assets and liabilities acquired in business combinations requires significant judgment. The fair value estimation requires the Company to use significant observable and unobservable inputs. The estimates of fair value are also subject to significant variability, are sensitive to changes in market conditions, and are reasonably likely to change in the future. A significant change in the observable and unobservable inputs and determination of fair value of the assets and liabilities acquired could significantly impact the Company’s consolidated financial statements.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. DIRECTORS AND SENIOR MANAGEMENT

Set forth below are the names, ages and positions of our current directors and executive officer. Our Board currently consists of three directors who are elected annually on a staggered basis. Each director holds office until the third succeeding annual general meeting from their election. The business address of each of our directors and executive officer listed below is Castor Maritime Inc., 223 Christodoulou Chatzipavlou Street, Hawaii Royal Gardens, 3036 Limassol, Cyprus.

Name	Age	Position
Petros Panagiotidis	35	Chairman, Chief Executive Officer, Chief Financial Officer, President, Treasurer and Class C Director
Dionysios Makris	44	Secretary and Class B Director
Angelos Rounick Platanias ⁽¹⁾	34	Class A Director

⁽¹⁾ Mr. Angelos Rounick Platanias was appointed as a Class A Director on February 11, 2025 to serve until the next scheduled election for Class A Directors.

Mr. Georgios Daskalakis, who served as a Class A Director during the year ended December 31, 2024, resigned from such position on February 10, 2025.

Certain biographical information with respect to each director and senior management of the Company listed above is set forth below.

Petros Panagiotidis, Chairman, Chief Executive Officer, Chief Financial Officer, President, Treasurer and Class C Director

Petros Panagiotidis is the founder of Castor Maritime Inc. He has been serving as Chairman of our Board, Chief Executive Officer and Chief Financial Officer since our inception in 2017, and he played a key role in our successful listing on the Nasdaq Capital Market in February 2019. With his expertise in shipping and extensive experience in capital markets, he navigates our strategic path and overall management, driving operational excellence and ensuring sustainable growth. Additionally, Mr. Panagiotidis holds the positions of Chairman and Chief Executive Officer at the Nasdaq-listed company Toro Corp., since March 2023. He also holds the same positions at Robin Energy Ltd., another Nasdaq-listed company, since April, 2025. Mr. Panagiotidis holds a Bachelor's degree in International Studies and Mathematics from Fordham University and a Master's degree in Management and Systems from New York University. In 2023, Mr. Panagiotidis received the Lloyd's List Next Generation Shipping Award in recognition for his achievements within the maritime sector.

Dionysios Makris, Secretary and Class B Director

Dionysios Makris has been a non-executive member and Secretary of our Board since our establishment in September 2017 and currently serves as a member of our Audit Committee.. He is a lawyer and has been a member of the Athens Bar Association since September 2005. He is currently based in Piraeus, Greece and is licensed to practice law before the Supreme Court of Greece. He practices mainly shipping and commercial law and is involved in both litigation and transactional practice. He holds a Bachelor of Laws degree from the Law School of the University of Athens, Greece and a Master of Arts degree in International Relations from the University of Warwick, United Kingdom.

Angelos Rounick Platanias, Class A Director

Angelos Rounick Platanias has been a non-executive member of our Board and has been serving as the chairman of our Audit Committee since February 11, 2025. Additionally, Mr. Platanias is also serving as a member of the Audit Committee and Class B Director of Toro Corp. Mr. Rounick Platanias is currently employed as Senior Director of Strategy for Retail Markets at NextEra Energy Resources, a diversified clean energy company with an emphasis on power generation and a major producer of wind and solar energy globally and has gained experience across various energy sectors, including oil and gas and power. Prior to his current role, Mr. Rounick Platanias was employed by McKinsey & Co. as a strategy and operations consultant with a focus on clients in global energy markets. He holds a Master's degree in Energy Trade and Finance, from the Costas Grammenos Center for Shipping Trade and Finance at London's Bayes Business School, as well as a Bachelor's degree in Robotics Engineering from Worcester Polytechnic Institute.

B. COMPENSATION

The services rendered by our Chairman, Chief Executive Officer and Chief Financial Officer for the year ended December 31, 2024, are included in the Amended and Restated Master Management Agreement with Castor Ships described under “*Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions*” below. For the year ended December 31, 2024, we paid our non-executive directors fees in the aggregate amount of \$96,000 per annum, or \$48,000 per director per annum, plus reimbursement for their out-of-pocket expenses. Additionally, we pay the Chairman of the Company's Audit Committee fees amounting to \$20,000 per annum and any member of the Company's Audit Committee fees amounting to \$10,000 per annum, plus reimbursement for their out-of-pocket expenses. Our Chief Executive Officer and Chief Financial Officer who also serves as our director does not receive additional compensation for his service as director. For the year ended December 31, 2024, one-time compensation of \$2.6 million is payable to certain officers of a subsidiary related to a business combination with no amounts paid during the year.

C. BOARD PRACTICES

Our Board currently consists of three directors who are elected annually on a staggered basis. Each director elected holds office until the third succeeding annual general meeting from their election and until his successor is duly elected and qualified, except in the event of his death, resignation, removal or the earlier termination of his term of office. At our annual meeting of shareholders held on September 6, 2024, our shareholders re-elected our Class A director to serve until the annual meeting of shareholders to be held in 2027. The term of office of our Class B director expires at the annual meeting of shareholders to be held in 2025, and the term of office of our Class C director expires at the annual meeting of shareholders to be held in 2026. Officers are appointed from time to time by our Board and hold office until a successor is appointed. Our directors do not have service contracts and do not receive any benefits upon termination of their directorships.

Our audit committee is currently comprised of our independent directors, Mr. Dionysios Makris, and Mr. Angelos Rounick Plataniias (since February 10, 2025 and up to date of this Annual Report). During 2024 and until his resignation from the Board on February 10, 2025, Mr. Georgios Daskalakis was a member of our audit committee. Our Board has determined that the members of the audit committee, in 2024 and in its current composition, meet the applicable independence requirements of the Commission and the Nasdaq Stock Market Rules. Our Board has determined that Mr. Georgios Daskalakis was in 2024, and his successor, Mr. Angelos Rounick Plataniias, is currently, the “Audit Committee Financial Expert” under the Commission’s rules and the corporate governance rules of the Nasdaq Stock Market. The audit committee is responsible for our external financial reporting function as well as for selecting and meeting with our independent registered public accountants regarding, among other matters, audits and the adequacy of our accounting and control systems. Our audit committee is also responsible for reviewing all related party transactions for potential conflicts of interest and all related party transactions are subject to the approval of the audit committee.

D. EMPLOYEES

As of December 31, 2024 and 2023, we had 155 and 0 employees, respectively. The increase in the number of employees compared to December 31, 2023, is attributed to the MPC Capital Acquisition. The main location of the employees is Germany. Our vessels are commercially and technically managed by Castor Ships. For further details, see “Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Management, Commercial and Administrative Services.”

E. SHARE OWNERSHIP

With respect to the total amount of common shares owned by all of our officers and directors individually and as a group, please see “Item 7. Major Shareholders and Related Party Transactions” Please also see “Item 10. Additional Information—B. Memorandum and Articles of Association” for a description of the rights of holders of our Series B Preferred Shares and Series D Preferred Shares relative to the rights of holders of our common shares.

In July 2024, management and key employees of MPC Capital were granted stock options under a long-term incentive program. As of December 31, 2024, 450,000 stock options were outstanding.

The stock option program is structured as a four-year plan, with vesting occurring at the end of the period, subject to the achievement of specific performance thresholds tied to MPC Capital’s share price. As of December 31, 2024, all performance thresholds had been met, meaning the stock options will become exercisable upon completion of the vesting period. Upon exercise of the stock options, the beneficiary receives MPC Capital shares for a consideration of 1.00 Euro per share. Due to the program's knock-in structure, the options remain exercisable even if MPC Capital’s share price falls below the initial performance thresholds after vesting has occurred. The stock option program contains other customary provisions, such as anti-dilution mechanisms and good/bad leaver provisions.

F. **DISCLOSURE OF A REGISTRANT’S ACTION TO RECOVER ERRONEOUSLY AWARDED COMPENSATION**

Not applicable.

ITEM 7. **MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS**

A. **MAJOR SHAREHOLDERS**

Based on information available to us, including information contained in public filings, as of the date of this Annual Report, there were no beneficial owners of 5% or more of our common shares. The following table sets forth certain information regarding the beneficial ownership of common shares and Series B Preferred Shares of all of our directors and officers as of the date of this Annual Report.

The percentage of beneficial ownership is based on 9,662,354 common shares outstanding as of the date of this Annual Report.

Name of Beneficial Owner	No. of Common Shares	Percentage
All executive officers and directors as a group ⁽¹⁾ ⁽²⁾	-	-%

⁽¹⁾ No member of our Board of Directors or executive officer individually, nor all of them taken as a group, holds more than 1% of our outstanding common shares.

⁽²⁾ By virtue of its ownership of 11,240 common shares and 12,000 Series B Preferred Shares (representing all such Series B Preferred Shares outstanding, each Series B Preferred Share having the voting power of 100,000 common shares) Thalassa controls 99.2% of the aggregate voting power of the Company’s total issued and outstanding share capital as of the date of this Annual Report. The shares in Thalassa are owned, directly or indirectly, by several significant shareholders (including Mr. Panagiotidis), none of whom controls Thalassa. Please see “*Item 10. Additional Information—B. Memorandum and Articles of Association*” for a description of the rights of holders of our Series B Preferred Shares relative to the rights of holders of our common shares.

All of our common shareholders are entitled to one vote for each common share held. As of the date of this Annual Report, there were eight holders of record of our common shares which have a U.S. mailing address. One of these holders is Cede & Co., a nominee company for The Depository Trust Company, which held approximately 99.82% of Castor’s outstanding common shares as of the same date. The beneficial owners of the common shares held by Cede & Co. may include persons who reside outside the United States.

B. **RELATED PARTY TRANSACTIONS**

From time to time, we have entered into agreements and have consummated transactions with certain related parties. We may enter into related party transactions from time to time in the future.

Management, Commercial and Administrative Services

During the period from September 1, 2020 (being the initial effective date of the Castor Ships Management Agreements (as defined below) and up to June 30, 2022, pursuant to the terms and conditions stipulated in a master management agreement (the “Master Management Agreement”) and separate commercial ship management agreements (the “Commercial Ship Management Agreements”) each with Castor Ships (together, the “Castor Ships Management Agreements”), Castor Ships managed our business and provided commercial ship management, chartering and administrative services to us and our vessel owning subsidiaries. During the abovementioned period, in exchange for Castor Ship’s services, we paid Castor Ships: (i) a flat quarterly management fee in the amount of \$0.3 million for the management and administration of the Company’s business, (ii) a daily fee of \$250 per vessel for the provision of the services under the Commercial Ship Management Agreements, (iii) a commission rate of 1.25% on all charter agreements arranged by Castor Ships and (iv) a commission of 1% on each vessel sale and purchase transaction. The following is a summary of the Amended and Restated Master Management Agreement and is qualified in its entirety by reference to the full text of the relevant agreement, which is attached as an exhibit hereto and incorporated by reference into this Annual Report. Refer to Note 4 to the consolidated financial statements included elsewhere in this Annual Report for further information. Effective July 1, 2022, we and each of our vessel owning subsidiaries entered, by mutual consent, into an Amended and Restated Master Management Agreement with Castor Ships (the “Amended and Restated Master Management Agreement”), appointing Castor Ships as commercial and technical manager for our vessels. The Amended and Restated Master Management Agreement along with new ship management agreements signed between each vessel owning subsidiary and Castor Ships (together, the “Amended Castor Ship Management Agreements”) superseded in their entirety the existing Castor Ships Management Agreements. Pursuant to the Amended and Restated Master Management Agreement, Castor Ships manages our overall business and provides our vessel-owning subsidiaries with a wide range of shipping services such as crew management, technical management, operational employment management, insurance management, provisioning, bunkering, accounting and audit support services, commercial, chartering and administrative services, including, but not limited to, securing employment for our fleet, arranging and supervising the vessels’ commercial operations, providing technical assistance where requested in connection with the sale of a vessel, negotiating loan and credit terms for new financing upon request and providing cybersecurity and general corporate and administrative services, among other matters, which it may choose to subcontract to other parties at its discretion. Castor Ships shall generally not be liable to us for any loss, damage, delay or expense incurred during the provision of the foregoing services, except insofar as such events arise from Castor Ships or its employees’ fraud, gross negligence or willful misconduct (for which our recovery will be limited to two times the Flat Management Fee, as defined below). Notwithstanding the foregoing, Castor Ships shall in no circumstances be responsible for the actions of the crews of our vessels. We have also agreed to indemnify Castor Ships in certain circumstances. Under the terms of the Amended and Restated Master Management Agreement, our shipowning subsidiaries have also entered into separate management agreements appointing Castor Ships as commercial and technical manager of their vessels (collectively, the “Ship Management Agreements”).

In exchange for these services, Castor Ships charges and collects (i) a flat quarterly management fee in the amount of \$0.82 million for the management and administration of our business (the “Flat Management Fee”), (ii) a chartering commission for and on behalf of Castor Ships and/or on behalf of any third-party broker(s) involved in the trading of our vessels, on all gross income received by our shipowning subsidiary arising out of or in connection with the operation of our vessels for distribution among Castor Ships and any third-party brokers, which, when calculated together with any address commission that any charterer of our vessels is entitled to receive, that will not exceed the aggregate rate of 6.25% on the vessel’s gross income and (iii) a sale and purchase brokerage commission at the rate of 1% on each consummated transaction applicable to the total consideration of acquiring or selling: (a) a vessel or (b) the shares of a ship owning entity owning vessels or (c) shares and/or other securities with aggregate purchase or sale value, as the case may be, of an amount equal, to or in excess, of \$10,000,000 issued by an entity engaged in the maritime industry. In addition, Castor Ships charges and collects a daily fee of \$1,017 per vessel for the provision of commercial and technical ship management services provided under the Ship Management Agreements (the “Ship Management Fee”). The Ship Management Fee and Flat Management Fee are adjusted annually for inflation on the 1st of July of each year, (i) the Ship Management Fee increased from \$925 per vessel per day to \$986 per vessel per day and the Flat Management Fee increased from \$0.75 million to \$0.8 million effective July 1, 2023 and (ii) the Ship Management Fee increased from \$986 per vessel per day to \$1,017 per vessel per day and the Flat Management Fee increased from \$0.8 million to \$0.82 million effective July 1, 2024. Pavimar was paid directly by the dry bulk vessel owning subsidiaries its previously agreed proportionate daily management fee of \$600 per vessel and Castor Ships was paid the residual amount of \$386 in the first half of 2023 and \$471, effective from July 1, 2024 and up to December 31, 2024. We may also reimburse Castor Ships for extraordinary fees and costs, such as the costs of repairs, maintenance or structural changes to our vessels.

The Amended and Restated Master Management Agreement has a term of eight years from its effective date and this term automatically renews for a successive eight-year term on each anniversary of the effective date, starting from the first anniversary of the effective date, unless the agreements are terminated earlier in accordance with the provisions contained therein. In the event that the Amended and Restated Master Management Agreement is terminated by the Company or is terminated by Castor Ships due to a material breach of the Master Management Agreement by the Company or a change of control in the Company (including certain business combinations, such as a merger or the disposal of all or substantially all of the Company’s assets or changes in key personnel such as the Company’s current directors or Chief Executive Officer), Castor Ships shall be entitled to a termination fee equal to seven times the total amount of the Flat Management Fee calculated on an annual basis. This termination fee is in addition to any termination fees provided for under each Ship Management Agreement.

Castor Ships may choose to subcontract some of these services to other parties at its discretion. As of December 31, 2022, in accordance with the provisions of the Ship Management Agreements, Castor Ships had subcontracted to two third-party ship management companies the technical management of all the Company’s tanker vessels, had subcontracted to Pavimar the technical management of the Company’s containerships and was co-managing with Pavimar the Company’s dry bulk vessels. In late January 2023, Castor Ships transferred the technical management of our containership vessels from Pavimar to a third-party ship management company. As of May 9, 2025, Castor Ships performs the commercial and technical management of our entire fleet. For any vessels for which Castor Ships has sub-contracted some aspects of the management services, Castor Ships pays, at its own expense, a fee for such service, without burdening the Company any additional cost t.

Pavimar

From our inception until June 30, 2022, Pavimar provided on an exclusive basis, our dry-bulk vessel owning subsidiaries with a wide range of shipping services, including crew management, technical management, operational management, insurance management, provisioning, bunkering, vessel accounting and audit support services, which it could choose to subcontract to other parties at its discretion. During the six-month period ended June 30, 2022, Pavimar provided the services stipulated in the technical management agreements in exchange for a daily management fee of \$600 per vessel. Effective July 1, 2022, the technical management agreements entered between Pavimar and our tanker vessel owning subsidiaries were terminated by mutual consent. In connection with such termination, Pavimar and the tanker vessel owning subsidiaries agreed to mutually discharge and release each other from any past and future liabilities arising from the respective agreements.

Further, with effect from July 1, 2022, pursuant to the terms of the Amended and Restated Master Management Agreement, Pavimar continues to provide, as co-manager with Castor Ships, the dry-bulk vessel owning subsidiaries with the same range of technical management services it provided prior to our entry into the Amended and Restated Management Agreement, in exchange for the previously agreed daily management fee of \$600 per vessel.

The Spin-Off Resolutions

On November 15, 2022 and December 30, 2022, in connection with the Spin-Off, our Board of Directors resolved with effect from the completion of the Spin-Off, among other things, (i) to focus our efforts on our current business of dry bulk shipping services, (ii) that we have no interest or expectancy to participate or pursue any opportunity in areas of business outside of the dry bulk shipping business and (iii) that Petros Panagiotidis, our director, Chairman, Chief Executive Officer, and Chief Financial Officer and his affiliates, such as Castor Ships, are not required to offer or inform us of any such opportunity. This does not preclude us, however, from pursuing opportunities outside of the dry bulk shipping business if in the future our Board determines to do so. For example, we entered the containership shipping industry in the fourth quarter of 2022 with the purchase of two containership vessels. Nevertheless, focusing our operations on the industries we currently operate in may reduce the scope of opportunities we may exploit.

Similarly on November 15, 2022 and December 30, 2022, Toro’s board of directors resolved, among other things, (i) to focus its efforts on its tanker shipping services, (ii) that Toro has no interest or expectancy to participate or pursue any opportunity in areas of business outside of the tanker shipping business and (iii) that Petros Panagiotidis, its director, Chairman, Chief Executive Officer and controlling shareholder and his affiliates are not required to offer or inform it of any such opportunity. This does not preclude Toro from pursuing opportunities outside of its declared business focus area, including in the dry bulk shipping business, if in the future Toro’s board determines to do so.

Mr. Panagiotidis will continue to devote such portion of his business time and attention to our business as is appropriate and will also continue to devote substantial time to Toro’s business and other business and/or investment activities that Mr. Panagiotidis maintains now or in the future. Mr. Panagiotidis’ intention to provide adequate time and attention to other ventures will preclude him from devoting substantially all his time to our business. Our Board of Directors and Toro’s board have each resolved to accept this arrangement.

Contribution and Spin-Off Distribution Agreement

The following description of the Contribution and Spin-Off Distribution Agreement does not purport to be complete and is subject to and qualified in its entirety by reference to the Contribution and Spin-Off Distribution Agreement, which is included as an exhibit to this Annual Report and is incorporated by reference herein. The terms of the transactions which are the subject of the Contribution and Spin-Off Distribution Agreement were negotiated and approved by a special committee of our disinterested and independent directors.

In connection with the Spin-Off, based on the recommendation of a special committee comprised of independent, disinterested directors, we entered into the Contribution and Spin-Off Distribution Agreement with Toro, pursuant to which (i) we contributed the Toro Subsidiaries to Toro in exchange for 9,461,009 common shares of Toro, 140,000 Toro Series A Preferred Shares and the issue of 40,000 Series B Preferred Shares of Toro to Pelagos against payment of their nominal value, (ii) we agreed to indemnify Toro and our vessel-owning subsidiaries for any and all obligations and other liabilities arising from or relating to the operation, management or employment of vessels or subsidiaries it retains after March 7, 2023 and Toro agreed to indemnify us for any and all obligations and other liabilities arising from or relating to the operation, management or employment of the vessels contributed to us or our vessel-owning subsidiaries, and (iii) Toro replaced us as guarantor under the \$18.0 Million Term Loan Facility upon completion of the Spin-Off. The Contribution and Spin-Off Distribution Agreement also provided for the settlement or extinguishment of certain liabilities and other obligations between us and Toro.

Under the Contribution and Spin-Off Distribution Agreement, we distributed on March 7, 2023, all of Toro’s then outstanding common shares to holders of our common shares, with one of Toro’s common shares being distributed for every ten shares of our common shares held by Castor shareholders as of the close of business New York Time on February 22, 2023.

Further, the Contribution and Spin-Off Distribution Agreement provides us with certain registration rights relating to Toro’s common shares, if any, issued upon conversion of the Toro Series A Preferred Shares (the “Registrable Securities”). Such securities will cease to be registrable by us upon the earliest of (i) their sale pursuant to an effective registration statement, (ii) their eligibility for sale or sale pursuant to Rule 144 of the Securities Act, and (iii) the time at which they cease to be outstanding. Subject to our timely provision to Toro of all information and documents reasonably requested by Toro in connection with such filings and to certain blackout periods, Toro has agreed to file, as promptly as practicable and in any event no later than 30 calendar days after our request, one or more registration statements to register Registrable Securities then held by us and to use our reasonable best efforts to have each such registration statement declared effective as soon as practicable after such filing and keep such registration statement continuously effective until such registration rights terminate. All fees and expenses incident to Toro’s performance of its obligations in connection with such registration rights shall be borne solely by Toro and we shall pay any transfer taxes and fees and expenses of its counsel relating to a sale of Registrable Securities. These registration rights shall terminate on (i) the date occurring after the seventh anniversary of the original issue date of the Toro Series A Preferred Shares on which Castor owns no Registrable Securities or (ii) if earlier, the date on which we own no Toro Series A Preferred Shares and no Registrable Securities.

Any and all agreements and commitments, currently existing between us and our subsidiaries, on the one hand, and Toro and its subsidiaries upon completion of the Spin-Off, on the other hand, was terminated as of March 7, 2023. None of these arrangements and commitments is deemed material to us. Further, based on the recommendation of a special committee comprised of independent, disinterested directors, Toro’s vessel-owning subsidiaries ceased to be parties to the Amended and Restated Master Management Agreement and entered into a Master Management Agreement with Toro and Castor Ships with substantially similar terms to the Amended and Restated Master Management Agreement. The tanker vessel-owning subsidiaries contributed to Toro ceased to be party to certain custodial and cash pooling deeds entered into individually by each of the such subsidiaries and Castor Maritime SCR Corp. and entered into substantively similar cash management and custodial arrangements with Toro’s wholly owned treasury subsidiary, Toro RBX Corp. Under the Contribution and Spin-Off Distribution Agreement, Toro also reimbursed us \$2,694,646 for transaction expenses that we incurred in relation to the Spin-Off. As of December 31, 2023, there were no outstanding expenses to be reimbursed to us by Toro under the Contribution and Spin-Off Distribution Agreement.

Investment in Toro

In connection with the Spin-Off, Toro issued 140,000 Toro Series A Preferred Shares to Castor. Dividends are payable quarterly in arrears on the 15th day of January, April, July and October in each year, subject to Toro’s board of directors’ approval. For each quarterly dividend period commencing on or after the reset date (the seventh anniversary of the issue date of the Toro Series A Preferred Shares), the dividend rate will be the dividend rate in effect for the prior quarterly dividend period multiplied by a factor of 1.3, provided that the dividend rate will not exceed 20% per annum in respect of any quarterly dividend period. As of December 31, 2023, Toro paid to Castor a dividend amounting to \$0.8 million on the Toro Series A Preferred Shares for the period from March 7, 2023 to October 14, 2023. As of December 31, 2024, Toro paid to Castor a dividend amounting to \$1.4 million on the Toro Series A Preferred Shares for the period from October 14, 2023 to October 14, 2024 and the accrued amount for the period from October 15, 2024 to December 31, 2024 (included in the dividend period ended January 14, 2025) amounted to \$0.3 million.

The Toro Series A Preferred Shares do not have voting rights. The Toro Series A Preferred Shares are convertible into common shares at the Company’s option commencing upon the third anniversary of the issue date until but excluding the seventh anniversary, at a conversion price equal to the lesser of (i) 150% of the VWAP of Toro common shares over the five consecutive trading day period commencing on the distribution date, and (ii) the VWAP of Toro common shares over the 10 consecutive trading day period expiring on the trading day immediately prior to the date of delivery of written notice of the conversion, provided, that, in no event shall the conversion price be less than \$2.50. In connection with the Spin-Off, we obtained certain registration rights in connection with the Toro Series A Preferred Shares, as described under “—*Contribution and Spin-Off Distribution Agreement.*”

This transaction and its terms were approved by the independent members of the board of directors of each of Castor and the Company at the recommendation of their respective special committees comprised of independent and disinterested directors, which negotiated the transaction and its terms.

Issuance of Series D Preferred Shares and Dividends to Toro

On August 7, 2023, Castor entered into a share purchase agreement with Toro (the “Series D Purchase Agreement”) pursuant to which we agreed to issue and sell 50,000 newly designated Series D Preferred Shares to Toro for aggregate cash consideration of \$50.0 million. On December 12, 2024, the Company agreed to issue additional 50,000 Series D Preferred Shares for an aggregate consideration of \$50.0 million in cash. The Series D Preferred Shares were issued in a private placement pursuant to Section 4(a)(2) of the Securities Act and Regulation D promulgated thereunder. The following description of the Series D Purchase Agreement does not purport to be complete and is subject to and qualified in its entirety by reference to the Series D Purchase Agreement, which is included as an exhibit to this Annual Report and is incorporated by reference herein.

The Series D Purchase Agreement contains customary representations, warranties, and covenants of each party. We granted Toro certain registration rights with respect to the Series D Preferred Shares and the common shares issuable upon conversion thereof.

The distribution rate on the Series D Preferred Shares is 5.00% per annum, which rate will be multiplied by a factor of 1.3 on the seventh anniversary of the issue date of the Series D Preferred Shares and annually thereafter, subject to a maximum distribution rate of 20% per annum in respect of any annual dividend period. Dividends on the Series D Preferred Shares are payable quarterly in arrears on the 15th day of January, April, July and October in each year, subject to approval by the Board. The first payment date occurred on October 16, 2023 and we paid a dividend on the Series D Preferred Shares to Toro amounting to \$0.5 million. During the year ended December 31, 2024, we paid to Toro a dividend amounting to \$2.5 million on the Series D Preferred Shares.

In connection with the December 12, 2024 transaction, Castor amended the terms of the Castor Series D Preferred Shares to, among other things: (i) reset the date from which holders of the Castor Series D Preferred Shares may convert their Series D Preferred Shares into common shares of Castor to January 1, 2026 from August 7, 2024, (ii) require that any holder of the Castor Series D Preferred Shares electing to exercise its optional conversion rights convert not less than 500 Castor Series D Preferred Shares into common shares of Castor, and (iii) introduce an additional redemption feature whereby Castor may, at its option, redeem for cash all remaining outstanding Castor Series D Preferred Shares if the number of Series D Preferred Shares is 30,000 shares or less. Toro may not dispose of any of the Castor Series D Preferred Shares for a period of 180 days after the closing date of the transaction. See “*Item 10. Additional Information—B. Memorandum and Articles of Association—Description of Series D Preferred Shares*” for a full description of the Series D Preferred Shares.

These transactions and their terms were approved by the independent members of the board of directors of each of Castor and Toro at the recommendation of their respective special committees comprised of independent and disinterested directors, which negotiated the transaction and its terms.

Loan Facility Agreement of \$100.0 million from Toro

On December 11, 2024, Castor entered into the Term Loan, a facility agreement with Toro to receive a \$100.0 million senior term loan facility from Toro, which was drawn down on the same date. The Term Loan has a tenor of 5 years, bears interest at the secured overnight financing rate (“SOFR”) plus 1.80% per annum, is guaranteed by ten ship-owning subsidiaries of Castor and is payable in (a) twenty (20) consecutive quarterly installments, each of \$2,500,000, commencing on March 11, 2025, and (b) a balloon installment in the amount of \$50.0 million at its maturity together with the last quarterly installment. The Term Loan is secured by first priority mortgages and first priority general assignments covering insurance policies and requisition compensation over the ten vessels owned by wholly-owned subsidiaries of Castor. Pursuant to the terms of this facility, Castor is also subject to certain negative covenants customary for facilities of this type, which may be waived in Toro’s sole discretion.

This transaction and its terms were approved by the independent members of the board of directors of each of Castor and Toro at the recommendation of their respective special committees comprised of independent and disinterested directors, which negotiated the transaction and its terms.

On March 24, 2025, March 31, 2025 and on April 28, 2025, we performed partial prepayments to Toro related to the Term Loan amounting to \$13,500,000, \$34,000,000, and \$14,000,000 respectively. The prepayment of \$13,500,000 was made pursuant to the sale of *M/V Magic Eclipse* on March 24, 2025. The prepayment of \$14,000,000 was made pursuant to the sale of *M/V Magic Callisto* on April 28, 2025. On May 5, 2025, we prepaid in full the amount of \$36,000,000 remaining outstanding at that date. As of the date of this Annual Report, the Term Loan has been fully repaid.

Vessel Disposals and Acquisitions

The following descriptions do not purport to be complete and are subject to and qualified in their entirety by reference to the Form of Memorandum of Agreement for Vessel Sale, which is included as an exhibit to this Annual Report and is incorporated by reference herein.

On October 26, 2022, we, through two of our wholly owned subsidiaries, entered into two separate agreements for each to acquire a 2005 German-built 2,700 TEU containership vessel, from two separate entities beneficially owned by family members of our Chairman, Chief Executive Officer and Chief Financial Officer. The purchase price for the vessel agreed to be acquired by the first of the two subsidiaries, Tom Shipping Co., was \$25.75 million, and the purchase price of the vessel agreed to be acquired by the second subsidiary, Jerry Shipping Co., was \$25.00 million. The vessels were delivered to us on November 30, 2022, and November 23, 2022, respectively.

On December 21, 2023, we, through one of our wholly owned subsidiaries, entered into an agreement with an entity affiliated with a family member of our Chairman, Chief Executive Officer and Chief Financial Officer for the sale of the *M/V Magic Venus*, a 2010-built Kamsarmax bulk carrier vessel, for a price of \$17.5 million. The vessel was delivered to its new owner on May 10, 2024.

On January 19, 2024, we, through two of our wholly owned subsidiaries, entered into two separate agreements for the sale of two 2010-built Panamax bulk carrier vessels, *M/V Magic Horizon* and *M/V Magic Nova*, from two separate entities beneficially owned by a family member of our Chairman, Chief Executive Officer and Chief Financial Officer. The sale price for *M/V Magic Horizon* was \$15.8 million, and for *M/V Magic Nova* was \$16.1 million. The *M/V Magic Nova* was delivered to its new owners on March 11, 2024 and the *M/V Magic Horizon* was delivered to its new owners on May 28, 2024.

On February 15, 2024, we, through one of our wholly owned subsidiaries, entered into an agreement with an entity affiliated with a family member of our Chairman, Chief Executive Officer and Chief Financial Officer, for the sale of the *M/V Magic Nebula* for a gross sale price of \$16.2 million. The vessel was delivered to its new owners on April 18, 2024.

On March 6, 2025, we, through one of our wholly owned subsidiaries, entered into an agreement with an entity beneficially owned by a family member of our Chairman, Chief Executive Officer and Chief Financial Officer for the sale of the *M/V Magic Eclipse* for a gross sale price of \$13.5 million. The vessel was delivered to its new owners on March 24, 2025.

On March 11, 2025, we, through one of our wholly owned subsidiaries, entered into an agreement with an entity beneficially owned by a family member of our Chairman, Chief Executive Officer and Chief Financial Officer for the sale of the *M/V Magic Callisto* for a gross sale price of \$14.5 million. The vessel was delivered to its new owners on April 28, 2025.

The terms of each of the foregoing transactions were negotiated and approved by a special committee of disinterested and independent directors of the Company. In connection with all foregoing vessel sales, excluding the sale of the *M/V Magic Nebula*, we have agreed to enter into novation agreements in respect of the time charters the vessels are currently employed in.

Asset management segment

MPC Container Ships ASA

MPC Capital holds around 13.7% of the shares in MPC Container Ships ASA, indirectly through MPC CSI GmbH, Hamburg. MPC Container Ships ASA is an equity method investment and – together with its subsidiaries – is considered a related party of the Company. MPC Capital and its subsidiaries provide corporate management and commercial ship management services to MPC Container Ships ASA and its subsidiaries.

The outstanding amounts from service performed for MPC Container Ships ASA and its subsidiaries, included in accounts receivable due from related parties in the accompanying consolidated balance sheet included in this Annual Report, amount to \$202,274 as of December 31, 2024.

MPC Energy Solutions NV

MPC Capital holds around 20.5% of the shares in MPC Energy Solutions NV as of December 31, 2024. MPC Energy Solutions NV is an equity method investment and – together with its subsidiaries – is considered a related party of the Company. The Company provides corporate management and asset management services to MPC Energy Solutions NV and its subsidiaries.

The outstanding amounts from service performed for MPC Energy Solutions NV and its subsidiaries, included in accounts receivable due from related parties in the accompanying consolidated balance sheet included in this Annual Report, amount to \$777,997 as of December 31, 2024.

MPC Caribbean Clean Energy Limited

MPC Capital holds around 22.2% of the shares in MPC Caribbean Clean Energy Limited as of December 31, 2024. MPC Caribbean Clean Energy Limited is an equity method investment and – together with its subsidiaries – is considered a related party of the Company. The Company acts as a fund manager to MPC Caribbean Clean Energy Limited and its subsidiaries.

The outstanding amounts from services performed for MPC Caribbean Clean Energy Limited and its subsidiaries, included in accounts receivable due from related parties in the accompanying consolidated balance sheet included in this Annual Report, amount to \$523,304 as of December 31, 2024.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. CONSOLIDATED STATEMENTS AND OTHER FINANCIAL INFORMATION

Please see “*Item 18. Financial Statements.*”

Legal Proceedings

To our knowledge, we are not currently a party to any legal proceedings that, if adversely determined, would have a material adverse effect on our financial condition results of operations or liquidity. As such, we do not believe that pending legal proceedings, taken as a whole, should have any significant impact on our financial statements. We are, and from time to time in the future, may be subject to legal proceedings and claims in the ordinary course of business, principally personal injury and property casualty claims. While we expect that these claims would be covered by our existing insurance policies, subject to customary deductibles, those claims, even if lacking merit, could result in the expenditure of significant financial and managerial resources.

Dividend Policy

We do not have a declared dividend policy in respect of our common shares. Under our Bylaws, our Board may declare and pay dividends in cash, stock or other property of the Company. Any dividends declared will be in the sole discretion of the Board and will depend upon factors such as earnings, increased cash needs and expenses, restrictions in any of our agreements (including our current and future credit facilities), overall market conditions, current capital expenditure programs and investment opportunities, and the provisions of Marshall Islands law affecting the payment of distributions to shareholders (as described below), and will be subject to the priority of our Series D Preferred Shares. The foregoing is not an exhaustive list of factors which may impact the payment of dividends. We cannot assure you that we will be able to pay dividends at all, and our ability to pay dividends will be subject to the limitations set forth below and under “*Item 3. Risk Factors—Risks Relating to our Common Shares—We do not have a declared dividend policy and our Board may never declare cash dividends on our common shares.*”

In the event that we declare a dividend of the stock of a subsidiary which we control, the holder(s) of our Series B Preferred Shares are entitled to receive preferred shares of such subsidiary. Such preferred shares will have at least substantially identical rights and preferences to our Series B Preferred Shares and will be issued *pro rata* to holder(s) of the Series B Preferred Shares. The Series B Preferred Shares have no other dividend or distribution rights. See “*Item 10. Additional Information—B. Memorandum and Articles of Association*” for more detailed descriptions of the Series B Preferred Shares.

Dividends on our Series D Preferred Shares accrue and are cumulative from their issue date and are payable quarterly in arrears on the 15th day of each January, April, July and October, respectively, in each year, beginning on October 15, 2023, assuming dividends have been declared by our Board or any authorized committee thereof out of legally available funds for such purpose. From, and including, their issue date, the dividend rate for the Series D Preferred Shares will be 5.00% per annum of the stated amount of \$1,000 per share; For each dividend period commencing on and from the seventh anniversary of August 7, 2023, the rate shall be the annual dividend rate in effect for the prior dividend period multiplied by a factor of 1.3, provided that such dividend rate cannot exceed 20% per annum. The rights of the holders of our Series D Preferred Shares rank senior to the obligations to holders of our common shares. This means that, unless accumulated dividends have been paid or set aside for payment on all of our outstanding Series D Preferred Shares for all past completed dividend periods, no distributions may be declared or paid on our common shares subject to limited exceptions. We may redeem the Series D Preferred Shares (i) in whole or in part, at any time and from time to time on or after the fifth anniversary of August 7, 2023 (the issue date of the Series D Preferred Shares), at a cash redemption price equal to 105% of the stated amount and (ii) in whole but not in part, if at any time the number of shares of the Series outstanding is 30,000 shares or less, at a cash redemption price equal to 100% of the stated amount, together with an amount equal to all accrued dividends to, but excluding, the redemption date. See “*Item 10. Additional Information—B. Memorandum and Articles of Association*” for more detailed descriptions of the Series D Preferred Shares.

Marshall Islands law provides that we may pay dividends on and redeem any shares of capital stock only to the extent that assets are legally available for such purposes. Legally available assets generally are limited to our surplus, which essentially represents our retained earnings and the excess of consideration received by us for the sale of shares above the par value of the shares. In addition, under Marshall Islands law, we may not pay dividends on or redeem any shares of capital stock if we are insolvent or would be rendered insolvent by the payment of such a dividend or the making of such redemption.

Any dividends paid by us may be treated as ordinary income to a U.S. shareholder. Please see the section entitled “*Item 10. Additional Information—E. Taxation—U.S. Federal Income Tax Considerations—U.S. Federal Income Taxation of U.S. Holders—Distributions*” for additional information relating to the U.S. federal income tax treatment of our dividend payments, if any are declared in the future.

In 2024, we did not pay any dividends to our shareholders, excluding the dividend paid to Toro amounting to \$2.5 million in connection to the Series D Preferred Shares.

B. SIGNIFICANT CHANGES

There have been no significant changes since the date of the consolidated financial statements included in this Annual Report, other than those described in Note 26 to the consolidated financial statements included elsewhere in this Annual Report.

ITEM 9. THE OFFER AND LISTING

A. OFFER AND LISTING DETAILS

Our common shares and associated Preferred Stock Purchase Rights under the Stockholders Rights Agreement currently trade on the Nasdaq Capital Market under the symbol “CTRM” and on the Norwegian OTC, or the NOTC, under the symbol “CASTOR”.

B. PLAN OF DISTRIBUTION

Not applicable.

C. MARKETS

Please see “*—A. The Offer and Listing—Offer and Listing Details.*”

D. **SELLING SHAREHOLDERS**

Not applicable.

E. **DILUTION**

Not applicable.

F. **EXPENSES OF THE ISSUE**

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. **SHARE CAPITAL**

Not applicable.

B. **MEMORANDUM AND ARTICLES OF ASSOCIATION**

Articles of Association and Bylaws

The following is a description of material terms of our articles of incorporation and bylaws. Because the following is a summary, it does not contain all information that you may find useful. For more complete information, you should read our articles of incorporation and our bylaws, as amended, copies of which are filed as exhibits to this Annual Report.

Purpose

Our purpose is to engage in any lawful act or activity for which corporations may now or hereafter be organized under the Marshall Islands Business Corporations Act, or BCA. However, in connection with the Spin-Off, our Board resolved to focus our efforts on our then current business of dry bulk shipping, though we have since expanded into container shipping services in accordance with such resolutions. We have also expanded into the asset management industry through the MPC Capital Acquisition. Our amended and restated Articles of Incorporation and Bylaws do not impose any limitations on the ownership rights of our shareholders.

Shareholders’ Meetings

The time and place of our annual meeting of shareholders is determined by our Board. Special meetings of the shareholders, unless otherwise prescribed by law, may be called for any purpose or purposes permitted under applicable law (i) at any time by the Chairman, Chief Executive Officer or President of the Company or a majority of the Board and (ii) by shareholders holding more than 50% of the voting rights in the Company. No other person or persons are permitted to call a special meeting, unless otherwise prescribed by law. The Board may fix a record date of not more than sixty (60) nor less than fifteen (15) days prior to the date of any meeting of shareholders.

Authorized Capitalization

Under our Articles of Incorporation, our authorized capital stock consists of 1,950,000,000 common shares, par value \$0.001 per share, of which 9,662,354 common shares were issued and outstanding as of April 30, 2025, and 50,000,000 preferred shares, par value \$0.001 per share, of which 12,000 Series B Preferred Shares and 100,000 Series D Preferred Shares were issued and outstanding as of the same date.

Description of Common Shares

For a description of our common shares, see *Exhibit 2.2 (Description of Securities)*.

Share History

Please see “*Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Equity Transactions*” for a description of the Company’s equity transactions.

Preferred Shares

Our Articles of Incorporation authorize our Board to establish one or more series of preferred shares and to determine, with respect to any series of preferred shares, the terms and rights of that series, including:

- the designation of the series;
- the number of shares of the series;
- the preferences and relative, participating, option or other special rights, if any, and any qualifications, limitations or restrictions of such series; and
- the voting rights, if any, of the holders of the series.

Description of Series B Preferred Shares

On September 22, 2017, pursuant to an Exchange Agreement dated September 22, 2017, between the Company, Spetses Shipping Co., and the shareholders of Spetses Shipping Co., we made certain issuances of our capital stock, including the issuance of 12,000 Series B Preferred Shares to Thalassa, a company affiliated with Petros Panagiotidis, the Company’s Chairman, Chief Executive Officer and Chief Financial Officer. Each Series B Preferred Share has the voting power of one hundred thousand (100,000) common shares. On November 15, 2022, the independent disinterested members of our board of directors approved an amendment to the terms of our Series B Preferred Shares to entitle the holder thereof to (i) receive preferred shares with at least substantially identical rights and preferences in the event of a future spin-off of a controlled company, (ii) participate in a liquidation, dissolution or winding up of Castor *pari passu* with Castor’s common shares up to the Series B Preferred Shares’ nominal value and (iii) have their voting power adjusted to maintain a substantially identical voting interest upon the occurrence of certain events.

The Series B Preferred Shares have the following characteristics:

- **Conversion.** The Series B Preferred Shares are not convertible into common shares.
- **Distributions.** In the event that we declare a dividend of the stock of a subsidiary which we control, the holder(s) of the Series B Preferred Shares are entitled to receive preferred shares of such subsidiary. Such preferred shares will have at least substantially identical rights and preferences to our Series B Preferred Shares and be issued in an equivalent number to our Series B Preferred Shares. The Series B Preferred Shares have no other dividend or distribution rights.
- **Voting.** Each Series B Preferred Share has the voting power of 100,000 common shares and counts for 100,000 votes for purposes of determining quorum at a meeting of shareholders, subject to adjustment to maintain a substantially identical voting interest in Castor following the (i) creation or issuance of a new series of shares of the Company carrying more than one vote per share to be issued to any person other than holders of the Series B Preferred Shares, except for the creation (but not the issuance) of Series C Participating Preferred Shares substantially in the form approved by the Board and included as an exhibit to this registration statement, without the prior affirmative vote of a majority of votes cast by the holders of the Series B Preferred Shares or (ii) issuance or approval of common shares pursuant to and in accordance with the Shareholder Protection Rights Agreement. The Series B Preferred Shares vote together with common shares as a single class, except that the Series B Preferred Shares vote separately as a class on amendments to the Articles of Incorporation that would materially alter or change the powers, preference or special rights of the Series B Preferred Shares.
- **Liquidation, Dissolution or Winding Up.** Upon any liquidation, dissolution or winding up of the Company, the Series B Preferred Shares shall have the same liquidation rights as and *pari passu* with the common shares up to their par value of \$0.001 per share and, thereafter, the Series B Preferred Shares have no right to participate further in the liquidation, dissolution or winding up of the Company.

Description of Series D Preferred Shares

On August 7, 2023, we entered into the Series D Purchase Agreement, pursuant to which we agreed to issue 50,000 newly designated Series D Preferred Shares, having a stated value of \$1,000 and par value of \$0.001 per share. On December 12, 2024, we agreed to issue additional 50,000 Series D Preferred Shares. See “*Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions— Issuance of Series D Preferred Shares and Dividends to Toro*” for further details regarding this transaction. The Series D Preferred Shares have the following characteristics:

- **Conversion.** The Series D Preferred Shares are convertible, at their holder’s option, to common shares after January 1, 2026 and at any time thereafter. The conversion price for any conversion of the Series D Preferred Shares shall be the lower of (i) \$7.00 and (ii) the 5 day value weighted average price immediately preceding the conversion. The conversion price is subject to certain adjustments, including due to a stock dividend, subdivision, split or combination (including a reverse stock split) of the common shares and was adjusted to \$7.00 per common share on March 27, 2024 from \$0.70 per common share following effectiveness of the 1-for-10 reverse stock split discussed in this Annual Report. The minimum conversion price is \$0.30 per common share. The Series D Preferred Shares otherwise are not convertible into or exchangeable for property or shares of any other series or class of our capital stock.
- **Redemption.** The Company may, at its option, redeem the Series D Preferred Shares (i) in whole or in part, at any time and from time to time on or after the fifth anniversary of August 7, 2023 (the Series D Preferred Shares issue date), at a cash redemption price equal to 105% of the stated amount and (ii) in whole but not in part, if at any time the number of shares of the Series outstanding is 30,000 shares or less, at a cash redemption price equal to 100% of the stated amount, together with an amount equal to all accrued dividends to, but excluding, the redemption date.
- **Dividends.** Holders of Series D Preferred Shares are entitled to receive, when, as and if declared by the Board, cumulative dividends at 5.00% per annum of the stated amount, in cash or Series D Preferred Shares, payable quarterly in arrears on the 15th day of each January, April, July and October, respectively, in each year, beginning on October 15, 2023. For each dividend period commencing on and from the seventh anniversary of August 7, 2023, the rate shall be the annual dividend rate in effect for the prior dividend period multiplied by a factor of 1.3; provided that such dividend rate cannot exceed 20% per annum.
- **Restrictions on Dividends, Redemption and Repurchases.** So long as any Series D Preferred Share remains outstanding, unless full Accrued Dividends on all outstanding Series D Preferred Shares through and including the most recently completed Dividend Period have been paid or declared and a sum sufficient for the payment thereof has been set aside for payment, no dividend may be declared or paid or set aside for payment, and no distribution may be made, on any Junior Stock, other than a dividend payable solely in stock that ranks junior to the Series D Preferred Shares in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Company. “Accrued Dividends” means, with respect to Series D Preferred Shares, an amount computed at the Annual Rate from, as to each share, the date of issuance of such share to and including the date to which such dividends are to be accrued (whether or not such dividends have been declared), less the aggregate amount of all dividends previously paid on such share.

So long as any Series D Preferred Share remains outstanding, unless full Accrued Dividends on all outstanding Series D Preferred Shares through and including the most recently completed Dividend Period have been paid or declared and a sum sufficient for the payment thereof has been set aside for payment, no monies may be paid or made available for a sinking fund for the redemption or retirement of Junior Stock, nor shall any shares of Junior Stock be purchased, redeemed or otherwise acquired for consideration by us, directly or indirectly, other than (i) as a result of (x) a reclassification of Junior Stock, or (y) the exchange or conversion of one share of Junior Stock for or into another share of stock that ranks junior to the Series D Preferred Shares in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Company; or (ii) through the use of the proceeds of a substantially contemporaneous sale of other shares of stock that rank junior to the Series D Preferred Shares in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Company.

- ***Voting.*** Except as indicated below or otherwise required by law, the holders of the Series D Preferred Shares do not have any voting rights, except for (a) the right to elect, together with parity stock, up to two preferred directors, in certain circumstances upon nonpayment of dividends and (b) together with any other series of preferred shares that would be adversely affected in substantially the same manner and entitled to vote as a single class in proportion to their respective stated amounts (to the exclusion of all other series of preferred shares), given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, will be necessary for effecting or validating: (i) any amendment, alteration or repeal of any provision of our Articles of Incorporation or Bylaws that would alter or change the voting powers, preferences or special rights of the Series D Preferred Shares so as to affect them adversely; (ii) the issuance of Dividend Parity Stock if the Accrued Dividends on all outstanding Series D Preferred Shares through and including the most recently completed Dividend Period have not been paid or declared and a sum sufficient for the payment thereof has been set aside for payment; (iii) any amendment or alteration of the Articles of Incorporation to authorize or create, or increase the authorized amount of, any shares of any class or series or any securities convertible into shares of any class or series of our capital stock ranking prior to Series A in the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding up of the Company; or (iv) any consummation of (x) a binding share exchange or reclassification involving the Series D Preferred Shares, (y) a merger or consolidation of the Company with another entity (whether or not a corporation), or (z) a conversion, transfer, domestication or continuance of the Company into another entity or an entity organized under the laws of another jurisdiction, unless in each case (A) the Series D Preferred Shares remain outstanding or, in the case of any such merger or consolidation with respect to which we are not the surviving or resulting entity, or any such conversion, transfer, domestication or continuance, the Series D Preferred Shares are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (B) such shares remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, and limitations and restrictions, and limitations and restrictions thereof, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers, and restrictions and limitations thereof, of the Series D Preferred Shares immediately prior to such consummation, taken as a whole. The foregoing voting rights do not apply in connection with the issuance of Series C Participating Preferred Shares of the Company.
- ***Liquidation, Dissolution or Winding Up.*** In the event of any liquidation, dissolution or winding up of the affairs of the Company, whether voluntary or involuntary, before any distribution or payment out of the Company’s assets may be made to or set aside for the holders of any Junior Stock (as defined in the statement of designations of the Series D Preferred Shares), holders of Series D Preferred Shares will be entitled to receive out of our assets legally available for distribution to our shareholders an amount equal to the stated amount per share (\$1,000), together with an amount equal to all accrued dividends to the date of payment whether or not earned or declared.
- ***No Preemptive Rights; No Sinking Fund.*** Holders of the Series D Preferred Shares do not have any preemptive rights. The Series D Preferred Shares will not be subject to any sinking fund or any other obligation of us for their repurchase or retirement.

Stockholders Rights Agreement

On November 21, 2017, our Board declared a dividend of one preferred share purchase right (a “Right” or the “Rights”), for each outstanding common share and adopted a shareholder rights plan, as set forth in the Stockholders Rights Agreement dated as of November 20, 2017 (the “Rights Agreement”), by and between the Company and American Stock Transfer & Trust Company, LLC, as rights agent. The Rights entitle the holder to purchase from the Company one one-thousandth of a share of Series C Participating Preferred Shares (as defined in the Stockholders Rights Agreement) and become exercisable 10 days after a public announcement that a person or group has obtained beneficial ownership of 15% or more of our outstanding shares. See *Exhibit 2.2 (Description of Securities)* for a full description of the Stockholders Rights Agreement. As of December 31, 2024, 9,662,387 Rights were issued and outstanding in connection with our common shares.

Description of the Class A Warrants

The following summary of certain terms and provisions of our Class A Warrants is not complete and is subject to and qualified in its entirety by the provisions of the form of Class A Warrant, which is filed as an exhibit to our registration statement on Form F-1/A (Registration No. 333-238990), filed with the Commission on June 23, 2020. Prospective investors should carefully review the terms and provisions set forth in the form of Class A Warrant. As of April 30, 2025, 623 Class A Warrants remain outstanding.

Exercise Price. The exercise price per whole common share purchasable upon exercise of the Class A Warrants is \$35.00 per share. The exercise price and number of common shares issuable upon exercise will adjust in the event of certain stock dividends and distributions, stock splits (including the reverse stock split we effected on March 27, 2024), stock combinations, reclassifications or similar events affecting our common shares. The Class A Warrants may be exercised at any time until they are exercised in full. On March 7, 2023, in connection with the Spin-Off, the exercise price of the Class A Warrants was reduced to \$25.30.

Exercisability. The Class A Warrants are exercisable at any time after their original issuance up to the date that is five years after their original issuance. Each of the Class A Warrants is exercisable, at the option of each holder, in whole or in part by delivering to us a duly executed exercise notice and, at any time a registration statement registering the issuance of the common shares underlying the Class A Warrants under the Securities Act is effective and available for the issuance of such shares, or an exemption from registration under the Securities Act is available for the issuance of such shares, by payment in full in immediately available funds for the number of common shares purchased upon such exercise.

If a registration statement registering the issuance of the common shares underlying the Class A Warrants under the Securities Act is not effective or available and an exemption from registration under the Securities Act is not available for the issuance of such shares, the holder may, in its sole discretion, elect to exercise the Class A Warrant through a cashless exercise, in which case the holder would receive upon such exercise the net number of common shares determined according to the formula set forth in the Class A Warrant. No fractional common shares will be issued in connection with the exercise of a Class A Warrant. In lieu of fractional shares, we will pay the holder an amount in cash equal to the fractional amount multiplied by the exercise price. The Class A Warrants contain certain damages provisions pursuant to which we have agreed to pay the holder certain damages if we do not issue the shares in a timely fashion.

A holder will not have the right to exercise any portion of the Class A Warrants if the holder (together with its affiliates) would beneficially own in excess of 4.99% (or, upon election of the holder, 9.99%) of the number of our common shares outstanding immediately after giving effect to the exercise, as such percentage of beneficial ownership is determined in accordance with the terms of the Class A Warrants. However, any holder may increase or decrease such percentage, but not in excess of 9.99%, provided that any increase will not be effective until the 61st day after such election.

Transferability. Subject to applicable laws, the Class A Warrants may be offered for sale, sold, transferred or assigned without our consent.

Exchange Listing. We do not intend to apply for the listing of the Class A Warrants on any stock exchange. Without an active trading market, the liquidity of the Class A Warrants will be limited.

Rights as a Shareholder. Except as otherwise provided in the Class A Warrants, the holder of a Class A Warrant does not have the rights or privileges of a holder of our common shares, including any voting rights, until the holder exercises the Class A Warrant.

Pro Rata Distributions. If, while the Class A Warrants are outstanding, we make certain dividend or distribution of our assets to holders of common shares, including any distribution of cash, stock, property or options by way of dividend, or spin off, then, in each such case, then the exercise price of the Class A Warrants shall be decreased, effective immediately after the effective date of such distribution, by the amount of cash and/or the fair market value (as determined by our Board of Directors, in good faith) of any securities or other assets paid on each common share in respect of such distribution such that the holders of Class A Warrants may obtain the equivalent benefit of such distribution.

Fundamental Transactions. If a fundamental transaction occurs, then the successor entity will succeed to, and be substituted for us, and may exercise every right and power that we may exercise and will assume all of our obligations under the Class A Warrants with the same effect as if such successor entity had been named in the Class A Warrant itself. If holders of our common shares are given a choice as to the securities, cash or property to be received in a fundamental transaction, then the holder shall be given the same choice as to the consideration it receives upon any exercise of the Class A Warrants following such fundamental transaction. In addition, we or the successor entity, at the request of Class A Warrant holders, will be obligated to purchase any unexercised portion of the Class A Warrants in accordance with the terms of such Class A Warrants.

Governing Law. The Class A Warrants and warrant agreement are governed by New York law.

Description of the April 7 Warrants

Each April 7 Warrant is exercisable for \$65.0 per common share and for a term of 5 years, on substantially the same terms as the Class A Warrants described above. On March 7, 2023, in connection with the Spin-Off, the exercise price of the April 7 Warrants was reduced to \$55.3.

On October 6, 2023, we repurchased, in privately negotiated transactions with unaffiliated third-party warrantholders, 8,900,000 April 7 Warrants for \$0.105 per repurchased warrant.

On April 22, 2024, we commenced a series of privately negotiated transactions to purchase all of our outstanding April 7 Warrants at a price of \$0.105 per warrant. The April 7 Warrants were exercisable in the aggregate into 1,033,077 of the Company’s common shares, par value \$0.001 per share (the “Warrant Shares”), at an exercise price per warrant share of \$55.30. The number of Warrant Shares and the exercise price reflected adjustments as a result of the 1-for-10 reverse stock split discussed above. On May 31, 2024, the Company following the completion of the private transactions repurchased in total 10,080,770 Warrants, exercisable in the aggregate into 1,008,077 Common Shares for an aggregate cost of \$1,058,481 excluding fees relating to the transaction. Following the retirement and cancellation by the Company of the April 7 Warrants purchased pursuant to the above mentioned transactions, the April 7 Warrants that remain outstanding are exercisable in the aggregate into 25,000 Common Shares.

Listing and Markets

Our common shares and associated Preferred Stock Purchase Rights under the Stockholders Rights Agreement are listed on the Nasdaq Capital Market under the ticker symbol “CTRM” and on the Norwegian OTC, or the NOTC, under the symbol “CASTOR”.

Transfer Agent

The registrar and transfer agent for our common shares is American Stock Transfer & Trust Company, LLC.

Marshall Islands Company Law Considerations

For a description of significant differences between the statutory provisions of the BCA and the General Corporation Law of the State of Delaware relating to shareholders’ rights, refer to Exhibit 2.2 (*Description of Securities*).

C. MATERIAL CONTRACTS

We refer you to “*Item 4. Information on the Company*,” “*Item 5. Operating and Financial Review and Prospects —B. Liquidity and Capital Resources*” and “*Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions*” for a discussion of certain material contracts to which we are a party entered into during the two-year period immediately preceding the date of this Annual Report.

D. EXCHANGE CONTROLS

The Marshall Islands impose no exchange controls on non-resident corporations.

E. TAXATION

The following is a discussion of the material Marshall Islands and U.S. federal income tax considerations relevant to a U.S. Holder and a Non-U.S. Holder, each as defined below, with respect to the common shares. This discussion does not purport to deal with the tax consequences of owning common shares to all categories of investors, such as dealers in securities or commodities, traders in securities that elect to use a mark-to-market method of accounting for securities holdings, financial institutions, insurance companies, tax-exempt organizations, U.S. expatriates, persons liable for the Medicare contribution tax on net investment income, persons liable for the alternative minimum tax, persons who hold common shares as part of a straddle, hedge, conversion transaction or integrated investment, persons that purchase or sell common shares as part of a wash sale for tax purposes, U.S. Holders whose functional currency is not the United States dollar, and investors that own, actually or under applicable constructive ownership rules, 10% or more of our common shares. This discussion deals only with holders who hold our common shares as a capital asset. You are encouraged to consult your own tax advisors concerning the overall tax consequences arising in your own particular situation under U.S. federal, state, local or foreign law of the ownership of common shares. The discussion below is based, in part, on the description of our business in this Annual Report above and assumes that we conduct our business as described in that section. Except as otherwise noted, this discussion is based on the assumption that we will not maintain an office or other fixed place of business within the United States. References in the following discussion to “we” and “us” are to Castor Maritime Inc. and its subsidiaries on a consolidated basis.

Marshall Islands Tax Consequences

We are incorporated in the Republic of the Marshall Islands. Under current Marshall Islands law, we are not subject to tax on income or capital gains, and no Marshall Islands withholding tax will be imposed upon payments of dividends by us to our shareholders, and holders of our common shares that are not residents of or domiciled or carrying on any commercial activity in the Republic of the Marshall Islands will not be subject to Marshall Islands tax on the sale or other disposition of our common shares.

U.S. Federal Income Taxation of Our Company

Taxation of Operating Income: In General

Unless exempt from U.S. federal income taxation under the rules discussed below, a foreign corporation is subject to U.S. federal income taxation in respect of any income that is derived from the use of vessels, from the hiring or leasing of vessels for use on a time, voyage or bareboat charter basis, from the participation in a pool, partnership, strategic alliance, joint operating agreement, cost sharing arrangements or other joint venture it directly or indirectly owns or participates in that generates such income, or from the performance of services directly related to those uses, which we refer to collectively as “shipping income,” to the extent that the shipping income is derived from sources within the United States. For these purposes, 50% of shipping income that is attributable to transportation that begins or ends, but that does not begin and end, in the United States constitutes income from sources within the United States, which we refer to as “U.S. source gross shipping income” or USSGTI.

Shipping income attributable to transportation that begins and ends in the United States is U.S. source income. We are not permitted by law to engage in such transportation and thus will not earn income that is considered to be 100% derived from sources within the United States.

Shipping income attributable to transportation between non-U.S. ports is considered to be derived from sources outside the United States. Such income is not subject to U.S. tax.

If not exempt from tax under Section 883 of the Code, our USSGTI would be subject to a tax of 4% without allowance for any deductions (“the 4% tax”) as described below.

Exemption of Operating Income from U.S. Federal Income Taxation

Under Section 883 of the Code and the regulations thereunder, we will be exempt from the 4% tax on our USSGTI if:

- (1) we are organized in a foreign country that grants an “equivalent exemption” to corporations organized in the United States; and
- (2) either:

(a) more than 50% of the value of our stock is owned, directly or indirectly, by individuals who are “residents” of a foreign country that grants an “equivalent exemption” to corporations organized in the United States (each such individual is a “qualified shareholder” and collectively, “qualified shareholders”), which we refer to as the “50% Ownership Test,” or

(b) our stock is “primarily and regularly traded on an established securities market” in our country of organization, in another country that grants an “equivalent exemption” to U.S. corporations, or in the United States, which we refer to as the “Publicly Traded Test.”

The Marshall Islands, the jurisdiction in which we and our ship-owning subsidiaries are incorporated, grants an “equivalent exemption” to U.S. corporations. Therefore, we will be exempt from the 4% on our USSGTI if we meet either the 50% Ownership Test or the Publicly Traded Test.

Due to the widely dispersed nature of the ownership of our common shares, it is highly unlikely that we will satisfy the requirements of the 50% Ownership Test. Therefore, we expect to be exempt from the 4% tax on our USSGTI only if we can satisfy the Publicly Traded Test.

Treasury Regulations provide, in pertinent part, that stock of a foreign corporation must be “primarily and regularly traded on an established securities market in the United States or in a qualified foreign country.” To be “primarily traded” on an established securities market, the number of shares of each class of our stock that are traded during any taxable year on all established securities markets in the country where they are listed must exceed the number of shares in each such class that are traded during that year on established securities markets in any other country. Our common shares, which are traded on the Nasdaq Capital Market, meet the test of being “primarily traded.”

To be “regularly traded” one or more classes of our stock representing more than 50% of the total combined voting power of all classes of stock entitled to vote and of the total value of the stock that is listed must be listed on an established securities market (“the vote and value” test) and meet certain other requirements. Our common shares are listed on the Nasdaq Capital Market, but do not represent more than 50% of the voting power of all classes of stock entitled to vote. Our Series B Preferred Shares, which have super voting rights and have voting control but are not entitled to dividends, are not listed. Thus, based on a strict reading of the vote and value test described above, our stock is not “regularly traded.”

Treasury Regulations provide, in pertinent part, that a class of stock will not be considered to be “regularly traded” on an established securities market for any taxable year in which 50% or more of such class of the outstanding shares of the stock is owned, actually or constructively under specified stock attribution rules, on more than half the days during the taxable year by persons who each own 5% or more of the value of such class of the outstanding stock, which we refer to as the “5% Override Rule.” When more than 50% of the shares are owned by 5% shareholders, then we will be subject to the 5% Override Rule unless we can establish that among the shares included in the closely-held block of stock are a sufficient number of shares in that block to “prevent nonqualified shareholders in the closely held block from owning 50 percent or more of the stock.”

We believe our ownership structure meets the intent and purpose of the Publicly Traded Test and the tax policy behind it, even if it does not literally meet the vote and value requirements. In our case, there is no closely-held block because less than 5% shareholders in aggregate own more than 50% of the value of our stock. However, we expect that we would have satisfied the Publicly Traded Test if, instead of our current share structure, our common shares represented more than 50% of the voting power of our stock. In addition, we can establish that nonqualified shareholders cannot exercise voting control over the corporation because a qualified shareholder controls the non-traded voting stock. Moreover, we believe that the 5% Override Rule suggests that the Publicly Traded Test should be interpreted by reference to its overall purpose, which we consider to be that Section 883 should generally be available to a publicly-traded company unless it is more than 50% owned, by vote or value, by nonqualified 5% shareholders. To that respect, we believe our stock structure, when considered by the U.S. Department of the Treasury in light of the Publicly Traded Test enunciated in the regulations, should be accepted as satisfying the exemption. Accordingly, beginning with our 2020 taxable year and going forward, we intend to take the position that we qualify for the benefits of Section 883. In this regard, we filed a petition with the U.S. Department of the Treasury to change the Publicly Traded Test in such a way that our stock structure would qualify us for the exemption. There can be no assurance that our petition will be successful. Based on the current wording of the relevant regulations, our particular stock structure does not satisfy the Publicly Traded Test. Accordingly, there can be no assurance that we or our subsidiaries will qualify for the benefits of Section 883 for any taxable year.

Taxation in the Absence of Exemption under Section 883 of the Code

If, contrary to our position described above, the IRS determines that we do not qualify for the benefits of Section 883 of the Code, USSGTI, to the extent not considered to be “effectively connected” with the conduct of a U.S. trade or business, as described below, would be subject to a 4% tax imposed by Section 887 of the Code on a gross basis, without the benefit of deductions, which we refer to as the “4% gross basis tax regime.”

To the extent the benefits of the exemption under Section 883 of the Code are unavailable and USSGTI is considered to be “effectively connected” with the conduct of a U.S. trade or business, as described below, any such “effectively connected” U.S.-source shipping income, net of applicable deductions, would be subject to the U.S. federal corporate income tax imposed at a rate of 21%. In addition, we may be subject to the 30% “branch profits” tax on earnings effectively connected with the conduct of such U.S. trade or business, as determined after allowance for certain adjustments, and on certain interest paid or deemed paid attributable to the conduct of such U.S. trade or business.

USSGTI would be considered “effectively connected” with the conduct of a U.S. trade or business only if:

- We have, or are considered to have, a fixed place of business in the United States involved in the earning of shipping income; and
- substantially all our USSGTI is attributable to regularly scheduled transportation, such as the operation of a vessel that follows a published schedule with repeated sailings at regular intervals between the same points for voyages that begin or end in the United States.

We do not currently have, nor do we intend to have or permit circumstances that would result in us having, any vessel operating to the United States on a regularly scheduled basis. Based on the foregoing and on the expected mode of our shipping operations and other activities, we believe that none of our USSGTI will be “effectively connected” with the conduct of a U.S. trade or business.

U.S. Taxation of Gain on Sale of Vessels

Regardless of whether we qualify for the exemption under Section 883 of the Code, we do not expect to be subject to U.S. federal income taxation with respect to gain realized on a sale of a vessel, provided the sale is considered to occur outside of the United States under U.S. federal income tax principles. In general, a sale of a vessel will be considered to occur outside of the United States for this purpose if title to the vessel, and risk of loss with respect to the vessel, pass to the buyer outside of the United States. It is expected that any sale of a vessel by us will be considered to occur outside of the United States.

U.S. Federal Income Taxation of U.S. Holders

As used herein, the term “U.S. Holder” means a beneficial owner of our common shares that is a U.S. citizen or resident, U.S. corporation or other U.S. entity taxable as a corporation, an estate the income of which is subject to U.S. federal income taxation regardless of its source, or a trust if (i) a court within the United States is able to exercise primary jurisdiction over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) it has in place an election to be treated as a United States person for U.S. federal income tax purposes.

If a partnership holds our common shares, the tax treatment of a partner of such partnership will generally depend upon the status of the partner and upon the activities of the partnership. If you are a partner in a partnership holding our common shares, you are encouraged to consult your tax advisor.

No ruling has been or will be requested from the IRS regarding any matter affecting Castor or its shareholders. The statements made here may not be sustained by a court if contested by the IRS.

Distributions

Subject to the discussion of the PFIC rules below, any distributions made by us with respect to our common shares to a U.S. Holder will generally constitute dividends to the extent of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Distributions in excess of such earnings and profits will be treated first as a nontaxable return of capital to the extent of the U.S. Holder’s tax basis in his common shares on a dollar-for-dollar basis and thereafter as capital gain. However, we generally do not expect to calculate earnings and profits in accordance with U.S. federal income tax principles. Accordingly, you should expect to generally treat the distributions we make as dividends. Because we are not a U.S. corporation, U.S. Holders that are corporations will generally not be entitled to claim a dividends-received deduction with respect to any distributions they receive from us. Dividends paid with respect to our common shares will generally be treated as “passive category income” for purposes of computing allowable foreign tax credits for U.S. foreign tax credit purposes.

Dividends paid on our common shares to a U.S. non-corporate holder will generally be treated as ordinary income. However, if you are a U.S. non-corporate holder, dividends that constitute qualified dividend income will be taxable to you at the preferential rates applicable to long-term capital gains provided that you hold the shares for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date and meet other holding period requirements. Dividends paid with respect to the shares generally will be qualified dividend income provided that, in the year that you receive the dividend, the shares are readily tradable on an established securities market in the United States. Our common stock is listed on the Nasdaq Capital Market, and we therefore expect that dividends will be qualified dividend income.

Special rules may apply to any “extraordinary dividend,” generally, a dividend paid by us in an amount which is equal to or in excess of 10% of a shareholder’s adjusted tax basis (or fair market value in certain circumstances) or dividends received within a one-year period that, in the aggregate, equal or exceed 20% of a shareholder’s adjusted tax basis (or fair market value upon the shareholder’s election) in a common share. If we pay an “extraordinary dividend” on our common shares that is treated as “qualified dividend income,” then any loss derived by a U.S. non-corporate holder from the sale or exchange of such common shares will be treated as long-term capital loss to the extent of such dividend.

Sale, Exchange or other Disposition of Common Shares

Subject to the discussion of our status as a PFIC below, a U.S. Holder generally will recognize taxable gain or loss upon a sale, exchange or other disposition of our common shares in an amount equal to the difference between the amount realized by the U.S. Holder from such sale, exchange or other disposition and the U.S. Holder’s tax basis in such stock. Subject to the discussion of the PFIC rules below, such gain or loss will be treated as long-term capital gain or loss if the U.S. Holder’s holding period is greater than one year at the time of the sale, exchange or other disposition. Such capital gain or loss will generally be treated as U.S.-source income or loss, as applicable, for U.S. foreign tax credit purposes. A U.S. Holder’s ability to deduct capital losses is subject to certain limitations.

Passive Foreign Investment Company Status and Significant Tax Consequences

Special U.S. federal income tax rules apply to a U.S. Holder that holds stock in a foreign corporation classified as a PFIC for U.S. federal income tax purposes. In general, we will be treated as a PFIC with respect to a U.S. Holder if, for any taxable year in which such holder held our common shares, either

- (i) at least 75% of our gross income for such taxable year consists of passive income (e.g., dividends, interest, capital gains and rents derived other than in the active conduct of a rental business); or
- (ii) at least 50% of the average value of the assets held by the corporation during such taxable year (generally determined by reference to the corporation’s assets on the last day of each calendar quarter) produce, or are held for the production of, passive income.

For purposes of determining whether we are a PFIC, we will be treated as earning and owning our proportionate share of the income and assets, respectively, of any of our subsidiaries’ corporations in which we own at least 25% of the value of the subsidiary’s stock. Income earned, or deemed earned, by us in connection with the performance of services would not constitute “passive income” for these purposes. By contrast, rental income would generally constitute “passive income” unless we were treated under specific rules as deriving our rental income in the active conduct of a trade or business.

In general, income derived from the bareboat charter of a vessel will be treated as “passive income” for purposes of determining whether we are a PFIC, and such vessel will be treated as an asset which produces or is held to produce “passive income.” On the other hand, income derived from the time charter of a vessel should not be treated as “passive income” for such purpose, but rather should be treated as services income; likewise, a time chartered vessel should generally not be treated as an asset which produces or is held for the production of “passive income.”

Based on our current assets and activities, we do not believe that we will be a PFIC for the current or subsequent taxable years. Although there is no legal authority directly on point, and we are not relying upon an opinion of counsel on this issue, our belief is based principally on the position that, for purposes of determining whether we are a PFIC, the gross income we derive or are deemed to derive from the time chartering and voyage chartering activities of our wholly-owned subsidiaries should constitute services income, rather than rental income. Correspondingly, such income should not constitute passive income, and the assets that we or our wholly owned subsidiaries own and operate in connection with the production of such income, particularly, the vessels, should not constitute passive assets for purposes of determining whether we were a PFIC. We believe there is substantial legal authority supporting our position consisting of case law and IRS pronouncements concerning the characterization of income derived from time charters and voyage charters as services income for other tax purposes. However, in the absence of any legal authority specifically relating to the statutory provisions governing PFICs, the IRS or a court could disagree with our position. In addition, although we intend to conduct our affairs in a manner to avoid being classified as a passive foreign investment company with respect to any taxable year, we cannot assure you that the nature of our operations will not change in the future.

As discussed more fully below, if we were to be treated as a PFIC for any taxable year, a U.S. Holder would be subject to different U.S. federal income taxation rules depending on whether the U.S. Holder makes an election to treat us as a “Qualified Electing Fund,” which election is referred to as a “QEF Election.” As discussed below, as an alternative to making a QEF Election, a U.S. Holder should be able to make a “mark-to-market” election with respect to our common shares, which election is referred to as a “Mark-to-Market Election.” A U.S. Holder holding PFIC shares that does not make either a “QEF Election” or “Mark-to-Market Election” will be subject to the Default PFIC Regime, as defined and discussed below in “—Taxation of U.S. Holders Not Making a Timely QEF or “Mark-to-Market” Election.”

If the Company were to be treated as a PFIC, a U.S. Holder would be required to file IRS Form 8621 to report certain information regarding the Company. If you are a U.S. Holder who held our common shares during any period in which we are a PFIC, you are strongly encouraged to consult your tax advisor.

The QEF Election

If a U.S. Holder makes a timely QEF Election, which U.S. Holder we refer to as an “Electing Holder,” the Electing Holder must report each year for United States federal income tax purposes his pro rata share of our ordinary earnings and our net capital gain, if any, for our taxable year that ends with or within the taxable year of the Electing Holder, regardless of whether or not distributions were made by us to the Electing Holder. The Electing Holder’s adjusted tax basis in the common shares will be increased to reflect taxed but undistributed earnings and profits. Distributions of earnings and profits that had been previously taxed will result in a corresponding reduction in the adjusted tax basis in the common shares and will not be taxed again once distributed. An Electing Holder would generally recognize capital gain or loss on the sale, exchange or other disposition of our common shares. It should be noted that if any of our subsidiaries is treated as a corporation for U.S. federal income tax purposes, a U.S. Holder must make a separate QEF Election with respect to each such subsidiary.

Taxation of U.S. Holders Making a “Mark-to-Market” Election

If we are a PFIC in a taxable year and our shares are treated as “marketable stock” in such year, you may make a Mark-to-Market Election with respect to your shares. As long as our common shares are traded on the Nasdaq Capital Market, as they currently are and as they may continue to be, our common shares should be considered “marketable stock” for purposes of making the Mark-to-Market Election. However, a Mark-to-Market Election generally cannot be made for equity interests in any lower-tier PFICs that we own, unless shares of such lower-tier PFIC are themselves “marketable.” As a result, even if a U.S. Holder validly makes a Mark-to-Market Election with respect to our common shares, the U.S. Holder may continue to be subject to the Default PFIC Regime (described below) with respect to the U.S. Holder’s indirect interest in any of our subsidiaries that are treated as an equity interest in a PFIC. U.S. Holders are urged to consult their own tax advisors.

Taxation of U.S. Holders Not Making a Timely QEF or “Mark-to-Market” Election

Finally, a U.S. Holder who does not make either a QEF Election or a Mark-to-Market Election with respect to any taxable year in which we are treated as a PFIC, or a U.S. Holder whose QEF Election is invalidated or terminated (or a “Non-Electing Holder”), would be subject to special rules, or the Default PFIC Regime, with respect to (1) any excess distribution (i.e., the portion of any distributions received by the Non-Electing Holder on the common shares in a taxable year (other than the taxable year in which such Non-Electing Holder’s holding period in the common shares begins) in excess of 125% of the average annual distributions received by the Non-Electing Holder in the three preceding taxable years, or, if shorter, the Non-Electing Holder’s holding period for the common shares), and (2) any gain realized on the sale, exchange, redemption or other disposition of the common shares.

- Under the Default PFIC Regime:
- the excess distribution or gain would be allocated ratably over the Non-Electing Holder’s aggregate holding period for the common shares;
 - the amount allocated to the current taxable year and any taxable year before we became a PFIC would be taxed as ordinary income; and
 - the amount allocated to each of the other taxable years would be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year, and an interest charge for the deemed tax deferral benefit would be imposed with respect to the resulting tax attributable to each such other taxable year.
- Any distributions other than “excess distributions” by us to a Non-Electing Holder will be treated as discussed above under “—*Distributions*.”

If a Non-Electing Holder who is an individual dies while owning the common shares, such Non-Electing Holder’s successor generally would not receive a step-up in tax basis with respect to the common shares in relation to their ownership of our shares.

Shareholder Reporting

A U.S. Holder that owns “specified foreign financial assets” with an aggregate value in excess of \$50,000 (and in some circumstances, a higher threshold) may be required to file an information report with respect to such assets with its tax return. “Specified foreign financial assets” may include financial accounts maintained by foreign financial institutions, as well as the following, but only if they are held for investment and not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-United States persons, (ii) financial instruments and contracts that have non-United States issuers or counterparties, and (iii) interests in foreign entities. Significant penalties may apply for failing to satisfy this filing requirement. U.S. Holders are urged to contact their tax advisors regarding this filing requirement.

U.S. Federal Income Taxation of “Non-U.S. Holders”

A beneficial owner of our common shares (other than a partnership) that is not a U.S. Holder is referred to herein as a “Non-U.S. Holder.”

Dividends on Common Shares

Non-U.S. Holders generally will not be subject to U.S. federal income tax or withholding tax on dividends received from us with respect to our common shares, unless that income is effectively connected with a trade or business conducted by the Non-U.S. Holder in the United States. If the Non-U.S. Holder is entitled to the benefits of a U.S. income tax treaty with respect to those dividends, that income is taxable only if it is attributable to a permanent establishment maintained by the Non-U.S. Holder in the United States.

Sale, Exchange or Other Disposition of Common Shares

Non-U.S. Holders generally will not be subject to U.S. federal income tax or withholding tax on any gain realized upon the sale, exchange or other disposition of our common shares, unless the gain is effectively connected with a trade or business conducted by the Non-U.S. Holder in the United States. If the Non-U.S. Holder is entitled to the benefits of a U.S. income tax treaty with respect to that gain, that gain is taxable only if it is attributable to a permanent establishment maintained by the Non-U.S. Holder in the United States; or the Non-U.S. Holder is an individual who is present in the United States for 183 days or more during the taxable year of disposition and other conditions are met.

If the Non-U.S. Holder is engaged in a U.S. trade or business for U.S. federal income tax purposes, the income from the common shares, including dividends and the gain from the sale, exchange or other disposition of the stock that is effectively connected with the conduct of that trade or business will generally be subject to U.S. federal income tax in the same manner as discussed in the previous section relating to the taxation of U.S. Holders. In addition, in the case of a corporate Non-U.S. Holder, the earnings and profits of such Non-U.S. Holder that are attributable to effectively connected income, subject to certain adjustments, may be subject to an additional branch profits tax at a rate of 30%, or at a lower rate as may be specified by an applicable U.S. income tax treaty.

Backup Withholding and Information Reporting

If you are a non-corporate U.S. Holder, information reporting requirements, on IRS Form 1099, generally will apply to dividend payments or other taxable distributions made to you within the United States, and the payment of proceeds to you from the sale of common shares effected at a United States office of a broker.

Additionally, backup withholding may apply to such payments if you fail to comply with applicable certification requirements or (in the case of dividend payments) are notified by the IRS that you have failed to report all interest and dividends required to be shown on your federal income tax returns.

If you are a Non-U.S. Holder, you are generally exempt from backup withholding and information reporting requirements with respect to dividend payments made to you outside the United States by us or another non-United States payor. You are also generally exempt from backup withholding and information reporting requirements in respect of dividend payments made within the United States and the payment of the proceeds from the sale of common shares effected at a United States office of a broker, as long as either (i) you have furnished a valid IRS Form W-8 or other documentation upon which the payor or broker may rely to treat the payments as made to a non-United States person, or (ii) you otherwise establish an exemption.

Payment of the proceeds from the sale of common shares effected at a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, a sale effected at a foreign office of a broker could be subject to information reporting in the same manner as a sale within the United States (and in certain cases may be subject to backup withholding as well) if (i) the broker has certain connections to the United States, (ii) the proceeds or confirmation are sent to the United States or (iii) the sale has certain other specified connections with the United States.

You generally may obtain a refund of any amounts withheld under the backup withholding rules that exceed your income tax liability by filing a refund claim with the IRS.

Other Tax Considerations

In addition to the income tax consequences discussed above, the Company may be subject to tax, including tonnage taxes, in one or more other jurisdictions where the Company conducts activities. All our vessel-owning subsidiaries are subject to tonnage taxes. Generally, under a tonnage tax, a company is taxed based on the net tonnage of qualifying vessels such company operates, independent of actual earnings. The amount of any tonnage tax imposed upon our operations may be material.

F. DIVIDENDS AND PAYING AGENTS

Not applicable.

G. STATEMENT BY EXPERTS

Not applicable.

H. DOCUMENTS ON DISPLAY

We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended. In accordance with these requirements, we file reports and other information with the SEC. The SEC maintains a website (www.sec.gov) that contains reports, proxy and information statements and other information that we and other registrants have filed electronically with the SEC. Our filings are also available on our website at www.castormaritime.com. This web address is provided as an inactive textual reference only. Information contained on, or that can be accessed through, these websites, does not constitute part of, and is not incorporated into, this Annual Report.

Shareholders may also request a copy of our filings at no cost, by writing or telephoning us at the following address:

Castor Maritime Inc.
223 Christodoulou Chatzipavlou Street
Hawaii Royal Gardens
3036 Limassol, Cyprus
Tel: + 357 25 357 767

I. SUBSIDIARY INFORMATION

Not applicable.

J. ANNUAL REPORT TO SECURITY HOLDERS

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to various market risks, including foreign currency fluctuations, changes in interest rates, equity price risk and credit risk. Our activities expose us primarily to the financial risks of changes in interest rates and foreign currency exchange rates as described below.

Interest Rate Risk

The international shipping industry is capital intensive, requiring significant amounts of investment provided in the form of long-term debt. A significant portion of our debt contains floating interest rates that fluctuate with changes in the financial markets and in particular changes in SOFR, which is the relevant reference rate under our credit facilities. Increasing interest rates could increase our interest expense and adversely impact our future results of operations. As of December 31, 2024, our net effective exposure to floating interest rate fluctuations on our outstanding debt was \$103.6 million. Our interest expense is affected by changes in the general level of interest rates, particularly SOFR. As an indication of the extent of our sensitivity to interest rate changes, an increase in either Euribor and SOFR of 1% would have decreased our net income in the years ended December 31, 2023 and 2024 by \$1.1 million and \$0.5 million, respectively, based upon our floating interest-bearing average debt levels during 2023 and 2024. We expect our sensitivity to interest rate changes to increase in the future as we enter into additional debt agreements in connection with vessel acquisitions.

Foreign Currency Exchange Rate Risk

We generate all of our vessels revenue in U.S. dollars and 71% of our revenue from services in U.S. dollars. A minority of our vessels’ operating expenses (approximately 1.7% for the year ended December 31, 2024) and of our general and administrative expenses (approximately 10.8%) are in currencies other than the U.S. dollar, primarily the Euro. For accounting purposes, expenses incurred in other currencies are converted into U.S. dollars at the exchange rate prevailing on the date of each transaction. For our foreign subsidiaries with non-USD functional currencies (such as MPC Capital) income and expense items are translated at the average exchange rates for the reporting period. We do not consider the risk from exchange rate fluctuations to be material for our results of operations because as of December 31, 2024, these non-US dollar expenses represented 4.2% of our total revenues. However, the portion of our business conducted in other currencies could increase in the future, which could increase our exposure to losses arising from exchange rate fluctuations.

Through our subsidiary, MPC Capital, we enter from time to time in forward and options agreement to hedge against foreign currency risks. As of December 31, 2024, the fair value of our outstanding derivatives was a net liability of \$0.3 million. In 2024, we recorded a net loss of \$0.2 million on our derivatives, presented in other comprehensive income, in the consolidated financial statements included in this Annual Report.

Equity price risk

Due to the Company’s investments in listed equity securities carried at fair value, equity price fluctuations represent a market risk factor affecting the Company’s consolidated financial position. As of December 31, 2024, our investment in listed equity securities amounted to \$69.1 million. The carrying values of investments subject to equity price risks are based on quoted market prices as of the balance sheet date. Market prices fluctuate, and the amount realized in the subsequent sale of an investment may differ significantly from the reported fair value.

The following table summarizes the Company’s equity price risks in securities recorded at fair value on a recurring basis as of December 31, 2024, and shows the effects of a hypothetical 25 percent increase and a 25 percent decrease in market prices.

	Fair Value at December 31, 2024	Hypothetical Percentage Change	Estimated Fair Value After Hypothetical Price Change	Estimated Increase /(Decrease) in Net Income/(Loss) (1)
(U.S. dollars)				
Equity securities at fair value	\$ 69,119,010	25% increase	\$ 86,398,763	\$ 17,279,753
		25% decrease	\$ 51,839,257	\$ (17,279,753)

(1) Changes in unrealized gains and losses on listed equity securities at fair value are included in earnings in the consolidated statements of comprehensive income.

The following table summarizes the Company’s equity price risks in equity method investments recorded at fair value on a recurring basis as of December 31, 2024, and shows the effects of a hypothetical 25 percent increase and a 25 percent decrease in market prices.

<i>(U.S. dollars)</i>	Fair Value at December 31, 2024	Hypothetical Percentage Change	Estimated Fair Value After Hypothetical Price Change	Estimated Increase/ (Decrease) in Net Income/(Loss) (1)
MPC Container Ships	\$ 111,586,255	25% increase	\$ 139,482,819	\$ 27,896,564
		25% decrease	83,689,691	(27,896,564)
MPC Energy Solution	\$ 3,868,793	25% increase	\$ 4,835,991	\$ 967,198
		25% decrease	2,901,595	(967,198)
Total	\$ 115,455,048	25% increase	144,318,810	28,863,762
		25% decrease	86,591,286	(28,863,762)

The selected hypothetical changes do not reflect what could be considered best- or worst-case scenarios. Results could be significantly different due to both the nature of markets and the concentration of the Company’s investment portfolio.

Inflation Risk

Inflation has not had a material effect on our expenses in the preceding fiscal year. Inflation continued to fall in 2024. At the end of 2024, the inflation rate in the eurozone and Germany was back down at around 2%, and slightly higher in the United States. Against a backdrop of declining inflation, central banks relaxed their restrictive monetary policy again.

In the event that significant global inflationary pressures appear, these pressures would increase our operating costs.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not applicable.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

Not applicable.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

We have adopted the Stockholders Rights Agreement, pursuant to which each of our common shares includes one right that entitles the holder to purchase from us a unit consisting of one-thousandth of a share of our Series C Participating Preferred Shares if any third party seeks to acquire control of a substantial block of our common shares without the approval of our Board. See “Item 10. Additional Information—B. Memorandum and Articles of Association—Stockholders Rights Agreement” included in this Annual Report and Exhibit 2.2 (*Description of Securities*) to this Annual Report for a description of our Stockholders Rights Agreement.

Please also see “Item 10. Additional Information—B. Memorandum and Articles of Association” for a description of the rights of holders of our Series D Preferred Shares and B Preferred Shares relative to the rights of holders of our common shares.

ITEM 15. CONTROLS AND PROCEDURES

A. DISCLOSURE CONTROLS AND PROCEDURES

As of December 31, 2024, our management conducted an evaluation pursuant to Rules 13a-15(e) and 15d-15(e) promulgated under the Exchange Act, as amended, of the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act.

The term disclosure controls and procedures is defined under SEC rules as controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Act is accumulated and communicated to the issuer’s management or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

Our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the partnership have been detected. Further, in the design and evaluation of our disclosure controls and procedures, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Subject to the paragraph below, based upon that evaluation, our management concluded that, as of December 31, 2024, our disclosure controls and procedures which include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act is accumulated and communicated to management, as appropriate to allow timely decisions regarding required disclosure, were effective in providing reasonable assurance that information that was required to be disclosed by us in reports we file or submit under the Exchange Act was recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC.

We have excluded from the scope of our evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, the disclosure controls and procedures relating to MPC Capital and its subsidiaries, which was acquired in a business combination on December 16, 2024, which represented 39% of our consolidated total assets for the year ended December 31, 2024.

B. MANAGEMENT’S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) promulgated under the Exchange Act. Our internal controls were designed to provide reasonable assurance as to the reliability of our financial reporting and the preparation and presentation of our financial statements for external purposes in accordance with accounting principles generally accepted in the United States.

Our internal controls over financial reporting includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of Company’s management and directors; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Our management conducted an evaluation of the effectiveness of our internal control over financial reporting based upon the 2013 framework in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Subject to the paragraph below, based on this evaluation, our management believes that our internal control over financial reporting was effective as of December 31, 2024.

As permitted by related SEC staff interpretive guidance for newly acquired businesses, we have excluded from the scope of our assessment of internal control over financial reporting MPC Capital, together with its subsidiaries, which was acquired in a business combination on December 16, 2024, which represented 39% of our consolidated total assets for the year ended December 31, 2024.

However, because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree or compliance with the policies or procedures may deteriorate.

C. **ATTESTATION REPORT OF THE REGISTERED PUBLIC ACCOUNTING FIRM**

This Annual Report does not include an attestation report of our registered public accounting firm because the Company is neither an accelerated filer nor a large accelerated filer, as such terms are defined under U.S. federal securities laws.

D. **CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING**

There have been no changes in internal control over financial reporting that occurred during the period covered by this Annual Report that have materially affected or are reasonably likely to materially affect the Company’s internal control over financial reporting.

ITEM 16. [RESERVED]

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

The Board has determined that Mr. Georgios Daskalakis, who served as Chairman of the Audit Committee up until February 10, 2025 and Mr. Angelos Rounick Platanias, who serves as Chairman of the Audit Committee since February 11, 2025, qualify as an “audit committee financial expert” under SEC rules, and that Mr. Daskalakis was and Mr. Angelos Rounick Platanias is “independent” under applicable Nasdaq rules and SEC standards.

ITEM 16B. CODE OF ETHICS

We adopted a code of conduct that applies to any of our employees, including our Chief Executive Officer and Chief Financial Officer. The code of conduct may be downloaded from our website (www.castormaritime.com). None of the information contained on, or that can be accessed through, the Company’s website is incorporated into or forms a part of this Annual Report. Additionally, any person, upon request, may receive a hard copy or an electronic file of the code of conduct at no cost. If we make any substantive amendment to the code of conduct or grant any waivers, including any implicit waiver, from a provision of our code of conduct, we will disclose the nature of that amendment or waiver on our website. During the year ended December 31, 2024, no such amendment was made, or waiver granted.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Audit Fees

Aggregate fees billed to the Company for the years ended December 31, 2023, and 2024 represent fees billed by our principal accounting firm, Deloitte Certified Public Accountants S.A., an independent registered public accounting firm and member of Deloitte Touche Tohmatsu Limited. Audit fees represent compensation for professional services rendered for the audit of the consolidated financial statements of the Company and for the review of the quarterly financial information, as well as in connection with the review of registration statements and related consents and comfort letters and any other audit services required for SEC or other regulatory filings.

In U.S. dollars	For the year ended	
	December 31,	December 31,
	2023	2024
Audit Fees	\$ 439,820	\$ 238,674

Audit-Related Fees

Not applicable.

Tax Fees

During 2023 and 2024, tax fees amounted to \$0 and \$8,000, respectively, representing fees for professional services provided in connection with various U.S. income tax advisory services.

All Other Fees

Not applicable.

Audit Committee’s Pre-Approval Policies and Procedures

Our audit committee pre-approves all audit, audit-related and non-audit services not prohibited by law to be performed by our independent auditors and associated fees prior to the engagement of the independent auditor with respect to such services.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PERSONS

Not applicable.

ITEM 16F. CHANGE IN REGISTRANT’S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

Pursuant to an exception under the Nasdaq listing standards available to foreign private issuers, we are not required to comply with all of the corporate governance practices followed by U.S. companies under the Nasdaq listing standards, which are available at www.nasdaq.com, because in certain cases we follow our home country (Marshall Islands) practice. Pursuant to Section 5600 of the Nasdaq Listed Company Manual, we are required to list the significant differences between our corporate governance practices that comply with and follow our home country practices and the Nasdaq standards applicable to listed U.S. companies. Set forth below is a list of those differences:

- *Independence of Directors.* The Nasdaq requires that a U.S. listed company maintain a majority of independent directors. While our Board is currently comprised of three directors a majority of whom are independent, we cannot assure you that in the future we will have a majority of independent directors.
- *Executive Sessions.* The Nasdaq requires that non-management directors meet regularly in executive sessions without management. The Nasdaq also requires that all independent directors meet in an executive session at least once a year. As permitted under Marshall Islands law and our bylaws, our non-management directors do not regularly hold executive sessions without management.
- *Nominating/Corporate Governance Committee.* The Nasdaq requires that a listed U.S. company have a nominating/corporate governance committee of independent directors and a committee charter specifying the purpose, duties and evaluation procedures of the committee. As permitted under Marshall Islands law and our bylaws, we do not currently have a nominating or corporate governance committee.
- *Compensation Committee.* The Nasdaq requires U.S. listed companies to have a compensation committee composed entirely of independent directors and a committee charter addressing the purpose, responsibility, rights and performance evaluation of the committee. As permitted under Marshall Islands law, we do not currently have a compensation committee. To the extent we establish such committee in the future, it may not consist of independent directors, entirely or at all.
- *Audit Committee.* The Nasdaq requires, among other things, that a listed U.S. company have an audit committee with a minimum of three members, all of whom are independent. As permitted by Nasdaq Rule 5615(a)(3), we follow home country practice regarding audit committee composition and therefore our audit committee consists currently of two independent members of our Board, Mr. Angelos Rounick Platanias and Mr. Dionysios Makris. Although the members of our audit committee are independent, we are not required to ensure their independence under Nasdaq Rule 5605(c)(2)(A) subject to compliance with Rules 10A-3(b)(1) and 10A-3(c) under the Securities Exchange Act of 1934.
- *Shareholder Approval Requirements.* The Nasdaq requires that a listed U.S. company obtain prior shareholder approval for certain issuances of authorized stock or the approval of, and material revisions to, equity compensation plans. As permitted under Marshall Islands law and our bylaws, we do not seek shareholder approval prior to issuances of authorized stock or the approval of and material revisions to equity compensation plans.
- *Corporate Governance Guidelines.* The Nasdaq requires U.S. companies to adopt and disclose corporate governance guidelines. The guidelines must address, among other things: director qualification standards, director responsibilities, director access to management and independent advisers, director compensation, director orientation and continuing education, management succession and an annual performance evaluation of the Board. We are not required to adopt such guidelines under Marshall Islands law and we have not adopted such guidelines.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

ITEM 16J. INSIDER TRADING POLICIES

We have adopted an insider trading policy governing the purchase, sale, and other dispositions of our securities by directors, officers, and employees that are reasonably designed to promote compliance with applicable insider trading laws, rules and regulations, and any applicable listing standards. A copy of our insider trading policy is included as *Exhibit 11.1* to this Annual Report on Form 20-F.

ITEM 16K. CYBERSECURITY

We maintain various cybersecurity measures and protocols to safeguard our systems and data and continuously monitor and assess potential threats to pre-emptively address any emerging cyber risks. We have implemented various processes for assessing, identifying, and managing material risks from cybersecurity threats, which are integrated into our overall risk management framework. These processes include access controls to organizational systems, data encryption, cybersecurity training and security awareness campaigns through direct mail, and are designed to systematically evaluate potential vulnerabilities and cybersecurity threats and minimize their potential impact on our organization’s operations, assets, and stakeholders. Our cybersecurity risk management processes share common methodologies, reporting channels and governance processes with our broader risk management processes. By embedding cybersecurity risk management into and aligning it with our broader risk management processes, we aim to ensure a comprehensive and proactive approach to safeguarding our assets and operations.

We engage assessors, consultants, auditors, and other third-party specialists to enhance the effectiveness of our cybersecurity processes, augment our internal capabilities, validate our controls, and stay abreast of evolving cybersecurity risks and best practices.

In 2024, we did not detect any cybersecurity incidents that have materially affected or are reasonably likely to materially affect us, including our business strategy, results of operations, or financial condition.

Responsibility for overseeing cybersecurity risks is integrated into the purview of the Information Technology and Cybersecurity Department of Castor Ships (the “ITC Department”), our commercial and technical co-manager. The ITC Department is responsible for monitoring, detecting and assessing cybersecurity risks and incidents at the parent company, subsidiary and vessel level. The ITC Department provides these services to us pursuant to the Amended and Restated Master Management.

We also utilize third-party service providers for certain IT-related and other services, where appropriate, to assess, test or otherwise assist with aspects of our security controls. Accordingly, we also implement processes to oversee and identify material cybersecurity risks associated with our utilization of third-party service providers on whom we have a material dependency, such as conducting due diligence assessments to evaluate their cybersecurity measures, data protection practices, and compliance with relevant regulatory requirements.

The ITC Department currently comprises a senior IT professional who has approximately 15 years’ experience in risk management, cybersecurity, and information technology. This individual has, and any future members of the ITC Department are expected to have, credentials relevant to their role, which includes prior experience working in similar roles and formal education (e.g., a Bachelors of Science in information technology fields). The ITC Department is also expected to keep abreast of cybersecurity best practices and procedures. The ITC Department is responsible for assessing, identifying and mitigating material cybersecurity risks, including at a strategic level, monitoring for, defending against and remediating cybersecurity incidents and implementing and making improvements to our overall cybersecurity strategy. The ITC Department utilizes key performance indicators and metrics to monitor their performance and track progress towards goals established by the ITC Department.

With regards to our asset management segment, responsibility for overseeing cybersecurity risks is integrated into the purview of the IT service provider MPC IT Services GmbH (“MPC IT”). MPC IT is responsible for monitoring, detecting and assessing cybersecurity risks and incidents in our asset management segment. MPC IT maintains a robust cybersecurity infrastructure with centralized management of all client systems, ensuring streamlined oversight and consistent enforcement of security policies across the organization.

As we do not have a dedicated board committee solely focused on cybersecurity, our full Board oversees the implementation of our cybersecurity strategy, as well as cybersecurity risks, with the aim of protecting our interests and assets. Our cybersecurity strategy was developed by the ITC Department and approved by senior management. The Board receives periodic reports and presentations on cybersecurity risks from the ITC Department, including regarding recent incidents or breaches (if any), vulnerabilities, mitigation strategies and the overall effectiveness of our cybersecurity program. These reports highlight significant or emerging cybersecurity threats, their potential impact on the organization, ongoing initiatives to mitigate risks and any proposed actions or investments required to enhance our cybersecurity posture.

PART III

ITEM 17. FINANCIAL STATEMENTS

See Item 18.

ITEM 18. FINANCIAL STATEMENTS

The financial information required by this Item is set forth on pages F-1 to F-73 filed as part of this Annual Report.

ITEM 19. EXHIBITS

1.1	Articles of Incorporation of the Company incorporated by reference to Exhibit 3.1 to the Company’s registration statement on Form F-4 filed with the SEC on April 11, 2018.
1.2	Articles of Amendment to the Articles of Incorporation of the Company, as amended, filed with the Registry of the Marshall Islands on May 27, 2021 incorporated by reference to Exhibit 99.1 to Amendment No. 2 to Form 8-A filed with the SEC on May 28, 2021.
1.3	Bylaws of the Company incorporated by reference to Exhibit 3.2 to the Company’s registration statement on Form F-4 filed with the SEC on April 11, 2018.
2.1	Form of Common Share Certificate incorporated by reference to Exhibit 99.2 of Amendment No. 2 to Form 8-A filed with the SEC on May 28, 2021.
2.2	Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934.
2.3	Form of Class A Warrant incorporated by reference to Exhibit 4.8 of Amendment No. 2 to the Company’s registration statement on Form F-1 filed with the SEC on June 23, 2020.
2.4	Form of Common Share Purchase Warrant incorporated by reference to Exhibit 4.3 of the Company’s report on Form 6-K furnished to the SEC on April 7, 2021.
4.1	Stockholder Rights Agreement dated as of November 20, 2017 by and between the Company and American Stock Transfer & Trust Company, LLC, as rights agent, incorporated by reference to Exhibit 10.2 to the Company’s registration statement on Form F-4 filed with the SEC on April 11, 2018.
4.2	Amended and Restated Statement of Designation of the Rights, Preferences and Privileges of the Series B Preferred Shares of the Company, filed with the Registrar of Corporations of the Republic of the Marshall Islands on November 22, 2022, incorporated by reference to Exhibit 4.2 of the Company’s annual report on Form 20-F filed with the SEC on March 8, 2023.
4.3	Amended and Restated Statement of Designations of Rights, Preferences and Privileges of Series C Participating Preferred Stock of Castor Maritime Inc., filed with the Registrar of Corporations of the Republic of the Marshall Islands on March 30, 2022, incorporated by reference to Exhibit 4.6 of the Company’s annual report on Form 20-F filed with the SEC on March 31, 2022.
4.4	Amended and Restated Statement of Designation of Rights, Preferences and Privileges of 5.00% Series D Cumulative Perpetual Convertible Preferred Shares of the Castor Maritime Inc., filed with the Registrar of Corporations of the Republic of the Marshall Islands on December 12, 2024.
4.5	Share Purchase Agreement by and between Castor Maritime Inc. and Toro Corp., dated as of August 7, 2023, incorporated by reference to Exhibit 99.2 of the Company’s report on Form 6-K furnished to the SEC on August 8, 2023.

4.6	Exchange Agreement dated September 22, 2017, between the Company, Spetses Shipping Co., and the shareholders of Spetses Shipping Co., incorporated by reference to Exhibit 10.1 of the Company’s registration statement on Form F-4 filed with the SEC on April 11, 2018.
4.7	Warrant Agency Agreement, among the Company and American Stock Transfer & Trust Company, LLC, dated June 26, 2020, incorporated by reference to Exhibit 4.1 of the Company’s report on Form 6-K furnished to the SEC on June 29, 2020.
4.8	Securities Purchase Agreement by and between the Company and the purchasers identified on the signature pages thereto, dated July 12, 2020, incorporated by reference to Exhibit 4.2 of the Company’s report on Form 6-K furnished to the SEC on July 15, 2020.
4.9	Securities Purchase Agreement by and between the Company and the purchasers identified on the signature pages thereto, dated April 5, 2021, incorporated by reference to Exhibit 4.2 of the Company’s report on Form 6-K furnished to the SEC on April 7, 2021.
4.10	Amended and Restated Master Management Agreement, dated July 28, 2022, by and among Castor Maritime Inc., its shipowning subsidiaries and Castor Ships S.A., incorporated by reference to Exhibit 4.16 of the Company’s annual report on Form 20-F filed with the SEC on March 8, 2023.
4.11	Addendum No.1 to the Amended and Restated Master Management Agreement, dated November 18, 2022, by and among Castor Maritime Inc., its shipowning subsidiaries, its ex-shipowning subsidiary and Castor Ships S.A., incorporated by reference to Exhibit 4.17 of the Company’s annual report on Form 20-F filed with the SEC on March 8, 2023.
4.12	Contribution and Spin-Off Distribution Agreement entered into by and between Castor Maritime Inc. and Toro Corp., dated March 7, 2023, incorporated by reference to Exhibit 4.18 of the Company’s annual report on Form 20-F filed with the SEC on March 8, 2023.
4.13	Equity Distribution Agreement entered into by and between Castor Maritime Inc. and Maxim Group LLC, dated May 23, 2023, incorporated by reference to Exhibit 1.1 of the Company’s report on Form 6-K furnished to the SEC on May 23, 2023.
4.14	Form of Memorandum of Agreement for Vessel Sale, incorporated by reference to Exhibit 4.23 of the Company’s annual report on Form 20-F filed with the SEC on February 29, 2024.
4.15*	Share Purchase Agreement for the Majority of Shares in MPC Munchmeyer Petersen Capital AG, dated as of December 12, 2024.
4.16	Share Purchase Agreement by and between Castor Maritime Inc. and Toro Corp., dated as of December 12, 2024, incorporated by reference to Exhibit 99.1 of the Company’s report on Form 6-K furnished to the SEC on December 12, 2024.
4.17	Term Loan Facility Agreement by and among Castor Maritime Inc., Toro Corp. and the shipowning subsidiaries of Castor Maritime Inc. named therein, dated as of December 11, 2024, incorporated by reference to Exhibit 99.3 of the Company’s report on Form 6-K furnished to the SEC on December 12, 2024.
8.1	List of Subsidiaries.

11.1	Policies and Procedures to Detect and Prevent Insider Trading of Castor Maritime Inc.
12.1	Rule 13a-14(a)/15d-14(a) Certification of the Chief Executive Officer and Chief Financial Officer.
13.1	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
15.1	Consent of Independent Registered Public Accounting Firm.
15.2	Consent of Independent Registered Public Accounting Firm.
97.1	Policy Regarding the Recovery of Erroneously Awarded Incentive-Based Compensation, incorporated by reference to Exhibit 97.1 of the Company’s annual report on Form 20-F filed with the SEC on February 29, 2024
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Schema Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Schema Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Schema Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Schema Presentation Linkbase Document
104	Cover Page Interactive Data File (Inline XBRL)

* Portions of this exhibit have been omitted in accordance with the Instructions as to Exhibits of Form 20-F. The Registrant agrees to furnish an unredacted copy of the exhibit to the SEC upon its request.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and has duly caused and authorized the undersigned to sign this Annual Report on its behalf.

CASTOR MARITIME INC.

/s/ Petros Panagiotidis
Name: Petros Panagiotidis
Title: Chairman, Chief Executive Officer and
Chief Financial Officer

May 14, 2025

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	Page
Report of Independent Registered Public Accounting Firm (PCAOB ID 1163)	F-2
Report of Independent Registered Public Accounting Firm (PCAOB ID 1010)	F-4
Consolidated Balance Sheets as of December 31, 2023, and 2024	F-6
Consolidated Statements of Comprehensive Income for the years ended December 31, 2022, 2023, and 2024	F-7
Consolidated Statements of Shareholders' Equity and Mezzanine Equity for the years ended December 31, 2022, 2023 and 2024	F-8
Consolidated Statements of Cash Flows for the years ended December 31, 2022, 2023, and 2024	F-9
Notes to Consolidated Financial Statements	F-10

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the board of directors of Castor Maritime Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Castor Maritime Inc. and subsidiaries (the "Company") as of December 31, 2024 and 2023, the related consolidated statements of comprehensive income, shareholders' equity and mezzanine equity, and cash flows, for each of the three years in the period ended December 31, 2024, and the related notes (collectively referred to as the "financial statements"). In our opinion, based on our audits and the report of BDO AG Wirtschaftsprüfungsgesellschaft, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of MPC Münchmeyer Petersen Capital AG (a subsidiary), which financial statements reflect total assets constituting 39% of consolidated total assets as of December 31, 2024, and total revenues constituting 2% of consolidated total revenues for the year ended December 31, 2024.

Those financial statements were audited by BDO AG Wirtschaftsprüfungsgesellschaft, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for MPC Münchmeyer Petersen Capital AG, is based solely on the report of BDO AG Wirtschaftsprüfungsgesellschaft.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits and the report of BDO AG Wirtschaftsprüfungsgesellschaft provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Mezzanine Equity— Refer to Note 14(c) to the financial statements

Critical Audit Matter Description

The Company’s mezzanine equity includes 100,000 Series D Cumulative Perpetual Convertible Preferred Shares (“Series D Preferred Shares”) of which 50,000 Series D Preferred Shares were issued in 2024 for an aggregate consideration of \$50.0 million in cash. The Company determined that this issuance resulted in an extinguishment and an amount of \$22.4 million, being the difference between (1) the fair value of the consideration transferred to the holders of the preferred shares and (2) the carrying amount of the preferred shares as a capital contribution on extinguishment and has been recognized in equity.

As there was no observable market for the Series D Preferred Shares, the fair value was determined by the Company by taking into consideration a third-party valuation which used quotes and other observable market data, to the extent such data were available, but which also required the use of one or more unobservable inputs significant to the valuation taken as a whole such as volatility and weighted average cost of capital. The fair value of \$77.6 million is based on significant unobservable inputs that reflect management's determination of assumptions that market participants might reasonably use in valuing the Series D Preferred Shares.

We identified the initial recognition of the Series D Preferred Shares at fair value as a critical audit matter due to the judgments necessary for management to select an appropriate valuation methodology and the use of significant unobservable inputs to estimate the fair value of these preferred shares.

This required a high degree of auditor judgement and increased effort, including the need to involve fair value specialists who possess significant quantitative and modeling expertise to obtain an understanding of the appropriateness of the valuation methodology and to audit and evaluate the assumptions in determining the fair value of these preferred shares.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the valuation methodology and unobservable inputs used by management to estimate the fair value of the Series D Preferred Shares, included the following, among others:

- We evaluated the Company’s accounting for the Series D Preferred Shares in accordance with generally accepted accounting principles.
- With the assistance of our fair value specialists, we evaluated the appropriateness of the assumptions for the unobservable inputs used in the valuation model to derive the pricing information.
- With the assistance of our fair value specialists, we tested the reasonableness of the related significant unobservable inputs by comparing these inputs to external sources.
- With the assistance of our fair value specialists, we evaluated the appropriateness of the valuation methodology used.

/s/ Deloitte Certified Public Accountants S.A.
Athens, Greece
May 14, 2025

We have served as the Company's auditor since 2017.

Report of Independent Registered Public Accounting Firm

Shareholders and Supervisory Board
MPC Münchmeyer Petersen Capital AG
Hamburg, Germany

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of MPC Münchmeyer Petersen Capital AG (the “Company”) as of December 31, 2024, and December 16, 2024 (date of acquisition), the related consolidated statements of comprehensive income, shareholders’ equity, and cash flows in the sixteen day period ended December 31, 2024, and the related notes (collectively referred to as the “consolidated financial statements”(not included herein)). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2024 and December 16, 2024, and the results of its operations and its cash flows in the sixteen day period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the supervisory board and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

As described in Note 1 to the consolidated financial statements, on December 16, 2024, Thalvora Holdings GmbH, a subsidiary of Castor Maritime Inc., acquired 74.09% of the shares in the Company. The Company has elected to apply pushdown accounting. The new basis of accounting was established by the Company for the individual assets and liabilities that were acquired using the acquisition method of accounting. The Company recorded intangible assets of 19,575k USD. Part of the account is an intangible asset for customer relationships. The company also recorded investments of 169,843k USD. The investment in the company Wilhelmsen Ahrenkiel Ship Management GmbH & Co. KG (WASM) is one of those investments.

We identified the fair value accounting for the customer relationships and the investment in WASM as a critical audit matter. Auditing the Company’s accounting for these assets involved especially complex auditor judgement due to the significant estimation in management’s determination of the fair value of these acquired assets and the extent of specialized skills and knowledge needed. Specifically, the estimation uncertainty for (1) the customer relationship intangible asset primarily related to the future revenues per customer and the discount rate utilized in the multi-period excess earning method used by the Company to measure the fair value; and for (2) the investment in WASM primarily related to the assumptions of business plan and discount rate utilized in the discounted cash flow model the Company used to measure the fair value of this investment.

The primary procedures we performed to address this critical audit matter included (1) utilizing personnel with specialized knowledge and skills in valuation in evaluating the methodology of the models used (Multi Period Excess Earnings Method and discounted cash flow), assessing the appropriateness of the discount rates by analyzing the derivation of individual parameters; (2) assessing the appropriateness of future revenues per customer for the valuation of the customer relationship intangible asset; and (3) evaluating the business plan for WASM used by management by comparing it to third-party industry data, the company’s approved budget as well as historical results.

/s/ BDO AG Wirtschaftsprüfungsgesellschaft

We have served as the Company's auditor since 2011.
Frankfurt, Germany
May 14, 2025

CASTOR MARITIME INC.
CONSOLIDATED BALANCE SHEETS
December 31, 2023 and December 31, 2024
(Expressed in U.S. Dollars – except for share data)

ASSETS		December 31,	December 31,
CURRENT ASSETS:	Note	2023	2024
Cash and cash equivalents		\$ 111,383,645	\$ 87,896,786
Restricted cash	12	2,327,502	—
Accounts receivable trade, net		2,914,899	2,688,116
Due from related parties	4	5,650,168	6,393,625
Inventories		977,639	1,552,262
Prepaid expenses and other assets		3,277,873	3,773,218
Income tax receivable	23	—	11,844,503
Investment in equity securities	13	77,089,100	69,119,010
Assets held for sale	4, 7	38,656,048	69,430,788
Accrued charter revenue		—	52,084
Derivative Assets	15	—	1,107,832
Total current assets		242,276,874	253,858,224
NON-CURRENT ASSETS:			
Vessels, net	7	229,536,996	200,443,193
Property and equipment, net	9	—	1,994,191
Restricted cash	12	7,190,000	—
Due from related parties	4	4,504,340	3,504,667
Prepaid expenses and other assets		500,000	204,146
Deferred charges, net	5	3,231,461	2,205,544
Fair value of acquired time charters	6	265,173	119,733
Investment in related party	4(c)	117,537,135	117,560,467
Equity method investments	11	—	50,503,722
Equity method investments measured at fair value	11	—	115,455,048
Equity investments	15	—	4,661,658
Goodwill	2, 8	—	17,932,243
Intangible assets, net	10	—	19,323,603
Operating lease right-of-use assets	16	—	7,770,979
Deferred tax assets	23	—	1,839,503
Total non-current assets		362,765,105	543,518,697
Total assets		\$ 605,041,979	\$ 797,376,921
LIABILITIES, MEZZANINE EQUITY AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Current portion of long-term debt, net	12	17,679,295	1,053,156
Current portion of long-term debt, related party, net	4	—	9,970,623
Debt related to assets held for sale, net	12	2,406,648	—
Liabilities directly associated with assets held for sale	7	—	17,656,371
Accounts payable		2,833,167	2,127,051
Deferred revenue		1,548,892	578,452
Accrued liabilities (including \$0 and \$364,205 accrued interest to related party, respectively)	4	3,592,728	23,045,515
Due to related parties	4(d)	541,666	889,020
Derivative liabilities	15	—	1,389,542
Operating lease liabilities	16	—	1,049,167
Income tax payable	23	—	6,642,888
Total current liabilities		28,602,396	64,401,785
NON-CURRENT LIABILITIES:			
Long-term debt, net	12	65,709,842	2,603,900
Long-term debt, related party	4	—	89,921,162
Other accrued liabilities		—	166,156
Operating lease liabilities	16	—	6,721,813
Deferred tax liabilities	23	—	8,096,383
Total non-current liabilities		65,709,842	107,509,414
Commitments and contingencies	17		
MEZZANINE EQUITY:			
5.00% Series D fixed rate cumulative perpetual convertible preferred shares: 50,000 and 100,000 shares issued and outstanding as of December 31, 2023, and December 31, 2024, respectively, aggregate liquidation preference of \$50,000,000 and \$100,000,000 as of December 31, 2023 and December 31, 2024, respectively		49,549,489	77,708,258
Total mezzanine equity	14	49,549,489	77,708,258
SHAREHOLDERS' EQUITY:			
Common shares, \$0.001 par value; 1,950,000,000 shares authorized; 9,662,354 issued and outstanding as of December 31, 2023 and December 31, 2024	14	9,662	9,662
Preferred shares, \$0.001 par value: 50,000,000 shares authorized; Series B Preferred Shares – 12,000 shares issued and outstanding as of December 31, 2023, and December 31, 2024	14	12	12
Additional paid-in capital	14	266,447,819	265,389,338
Retained earnings		194,722,759	228,527,153
Accumulated other comprehensive loss		—	(1,509,187)
Total Castor Maritime Inc. shareholders' equity		461,180,252	492,416,978
Noncontrolling interests	8	—	55,340,486
Total shareholders' equity		461,180,252	547,757,464
Total liabilities, mezzanine equity and shareholders' equity		\$ 605,041,979	\$ 797,376,921

The accompanying notes are an integral part of these consolidated financial statements.

CASTOR MARITIME INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the years ended December 31, 2022, 2023 and 2024
(Expressed in U.S. Dollars – except for share data)

	Note	Year Ended December 31, 2022	Year Ended December 31, 2023	Year Ended December 31, 2024
REVENUES:				
Time charter revenues	6,19	\$ 150,216,130	\$ 97,515,511	\$ 65,069,003
Total vessel revenues		150,216,130	97,515,511	65,069,003
Revenue from services (including \$0, \$0, \$381,778 from related parties for the years ended December 31, 2022, 2023, and 2024, respectively)	19	—	—	1,174,376
Total revenues		150,216,130	97,515,511	66,243,379
EXPENSES:				
Voyage expenses (including \$1,944,288, \$1,274,384 and \$1,170,615 to related party for the years ended December 31, 2022, 2023, and 2024, respectively)	4,20	(3,721,277)	(5,052,228)	(4,248,856)
Vessel operating expenses	20	(41,259,554)	(41,913,628)	(26,188,773)
Cost of revenue from services (exclusive of depreciation and amortization shown separately below)		—	—	(1,117,476)
Management fees to related parties	4	(6,562,400)	(7,167,397)	(4,808,602)
Depreciation and amortization	5,7,9,10	(18,535,237)	(22,076,831)	(15,037,006)
Loss on vessels held for sale	7	—	—	(3,629,521)
Provision for doubtful accounts		—	—	(4,823)
General and administrative expenses (including \$2,100,000, \$3,099,000 and \$7,719,165 to related party for the years ended December 31, 2022, 2023, and 2024, respectively)	4, 21	(7,043,937)	(5,681,371)	(13,343,878)
Net gain on sale of vessels	4, 7	—	6,383,858	19,298,394
Gain from a claim	17	—	—	1,418,096
Total expenses, net		(77,122,405)	(75,507,597)	(47,662,445)
Other operating income (expense):				
Net gain on disposal		—	—	158,440
Net gain from equity method investments measured at fair value	11	—	—	2,687,236
Total other operating income (expense)		—	—	2,845,676
Operating income		73,093,725	22,007,914	21,426,610
OTHER INCOME/(EXPENSES):				
Interest and finance costs (including \$0, \$0 and \$781,828 to related party for the years ended December 31, 2022, 2023 and 2024, respectively)	4,12,22	(7,681,482)	(11,259,643)	(6,086,355)
Interest income		1,355,491	3,209,886	6,882,719
Foreign exchange gains / (losses)		109,882	(92,745)	(161,142)
Dividend income on equity securities	13	24,528	1,312,222	6,692,418
Dividend income from related party	4	—	1,166,667	1,423,332
Gain / (loss) on equity securities	13	27,450	5,136,649	(14,738,660)
Total other expenses, net		(6,164,131)	(526,964)	(5,987,688)
Net income from continuing operations, before taxes		\$ 66,929,594	\$ 21,480,950	\$ 15,438,922
Income taxes	23	(388,669)	(177,794)	(133,988)
Net income from continuing operations, net of taxes		\$ 66,540,925	\$ 21,303,156	\$ 15,304,934
Net income from discontinued operations, net of taxes	3	52,019,765	17,339,332	—
Net income		118,560,690	38,642,488	15,304,934
Less: Net income attributable to the non-controlling interest		—	—	(685,938)
Net income attributable to Castor Maritime Inc.		118,560,690	38,642,488	14,618,996
Deemed dividend on warrants repurchase		—	(444,885)	—
Dividend on Series D Preferred Shares		—	(1,020,833)	(2,645,833)
Deemed dividend on Series D Preferred Shares		—	(196,296)	(606,444)
Deemed contribution from Series D preferred shareholders	14	—	—	22,437,675
Net income attributable to common shareholders of Castor Maritime Inc.		118,560,690	36,980,474	33,804,394
Other comprehensive loss:				
Foreign currency translation	2	—	—	(1,878,694)
Net cash flow hedges		—	—	(168,377)
Other comprehensive loss		—	—	(2,047,071)
Other comprehensive loss attributable to noncontrolling interests		—	—	537,884
Other comprehensive loss attributable to Castor Maritime Inc.		—	—	(1,509,187)
Total comprehensive income		118,560,690	38,642,488	13,257,863
Comprehensive income attributable to noncontrolling interests		—	—	(148,054)
Total comprehensive income attributable to Castor Maritime Inc.		118,560,690	38,642,488	13,109,809
Earnings per common share, basic attributable to Castor Maritime Inc. common shareholders, continuing operations				
	18	7.03	2.05	3.50
Earnings per common share, diluted attributable to Castor Maritime Inc. common shareholders, continuing operations				
	18	7.03	0.95	0.38
Earnings per common share, basic attributable to Castor Maritime Inc. common shareholders, discontinued operations				
	18	5.50	1.81	—
Earnings per common share, diluted attributable to Castor Maritime Inc. common shareholders, discontinued operations				
	18	5.50	0.79	—
Earnings per common share, basic attributable to Castor Maritime Inc. common shareholders, Total	18	12.53	3.86	3.50
Earnings per common share, diluted attributable to Castor Maritime Inc. common shareholders, Total	18	12.53	1.74	0.38
Weighted average number of common shares, basic	18	9,460,976	9,571,045	9,662,354
Weighted average number of common shares, diluted	18	9,460,976	21,953,833	38,745,250

The accompanying notes are an integral part of these consolidated financial statements.

CASTOR MARITIME INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS’ EQUITY AND MEZZANINE EQUITY
For the years ended December 31, 2022, 2023, and 2024
(Expressed in U.S. Dollars – except for share data)

	Number of shares issued		Par Value of Shares issued	Additional Paid-in capital	Retained earnings	Accumulated Other Comprehensive Loss	Castor Maritime Inc.	Non- controlling Interest	Total Shareholders’ Equity	Mezzanine equity	
	Common shares	Series B Preferred shares								# of Series D Preferred Shares	Mezzanine Equity
Balance, December 31, 2021	9,460,976	12,000	9,473	303,743,302	39,181,595	—	342,934,370	—	342,934,370	—	—
- Net income and comprehensive income	—	—	—	—	118,560,690	—	118,560,690	—	118,560,690	—	—
Balance, December 31, 2022	9,460,976	12,000	9,473	303,743,302	157,742,285	—	461,495,060	—	461,495,060	—	—
- Distribution of net assets of Toro Corp. to shareholders (Note 1)	—	—	—	(37,919,432)	—	—	(37,919,432)	—	(37,919,432)	—	—
- Issuance of common shares pursuant to the ATM Program (Note 14)	201,378	—	201	620,690	—	—	620,891	—	620,891	—	—
- Issuance of Series D Preferred Shares, net of costs (Note 14)	—	—	—	—	—	—	—	—	—	50,000	49,353,193
- Capital contribution from Toro, pursuant to the issuance of Series D Preferred Shares (Note 14)	—	—	—	500,000	—	—	500,000	—	500,000	—	—
- Dividend on Series D Preferred Shares	—	—	—	—	(1,020,833)	—	(1,020,833)	—	(1,020,833)	—	—
- Deemed dividend on Series D Preferred Shares (Note 14)	—	—	—	—	(196,296)	—	(196,296)	—	(196,296)	—	196,296
- Warrants repurchase (Note 14)	—	—	—	(941,626)	—	—	(941,626)	—	(941,626)	—	—
- Deemed dividend on warrants repurchase (Note 14)	—	—	—	444,885	(444,885)	—	—	—	—	—	—
- Net income and comprehensive income	—	—	—	—	38,642,488	—	38,642,488	—	38,642,488	—	—
Balance, December 31, 2023	9,662,354	12,000	9,674	266,447,819	194,722,759	—	461,180,252	—	461,180,252	50,000	49,549,489
- Non-cash extinguishment of Series D Preferred Shares (Note 14)	—	—	—	—	—	—	—	—	—	(50,000)	(50,037,675)
- Issuance of Series D Preferred Shares at fair value, net of costs (Note 14)	—	—	—	—	—	—	—	—	—	100,000	77,590,000
- Capital contribution from extinguishment, pursuant to the issuance of Series D Preferred Shares to Toro (Note 14)	—	—	—	—	22,437,675	—	22,437,675	—	22,437,675	—	—
- Dividend on Series D Preferred Shares	—	—	—	—	(2,645,833)	—	(2,645,833)	—	(2,645,833)	—	—
- Deemed dividend on Series D Preferred Shares	—	—	—	—	(606,444)	—	(606,444)	—	(606,444)	—	606,444
- Warrants repurchase (Note 14)	—	—	—	(1,058,481)	—	—	(1,058,481)	—	(1,058,481)	—	—
- Acquisition of non-controlling interest (MPC Capital acquisition) Note 8	—	—	—	—	—	—	—	55,623,553	55,623,553	—	—
- Changes due to disposal of a subsidiary	—	—	—	—	—	—	—	(440,615)	(440,615)	—	—
- Share-based compensation (Note 24)	—	—	—	—	—	—	—	9,494	9,494	—	—
- Other comprehensive loss	—	—	—	—	—	(1,509,187)	(1,509,187)	(537,884)	(2,047,071)	—	—
- Net income and comprehensive income	—	—	—	—	14,618,996	—	14,618,996	685,938	15,304,934	—	—
Balance, December 31, 2024	9,662,354	12,000	9,674	265,389,338	228,527,153	(1,509,187)	492,416,978	55,340,486	547,757,464	100,000	77,708,258

The accompanying notes are an integral part of these consolidated financial statements.

CASTOR MARITIME INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2022, 2023, and 2024
(Expressed in U.S. Dollars)

		Year Ended December 31,		
	Note	2022	2023	2024
Cash Flows provided by Operating Activities of Continuing Operations:				
Net income		\$ 118,560,690	\$ 38,642,488	\$ 15,304,934
Less: Net income from discontinued operations, net of taxes		(52,019,765)	(17,339,332)	—
Net income from continuing operations, net of taxes		66,540,925	21,303,156	15,304,934
Adjustments to reconcile net income from Continuing operations to net cash provided by Operating Activities:				
Depreciation and amortization	5,7,9,10	18,535,237	22,076,831	15,037,006
Amortization and write-off of deferred finance charges	12	730,513	888,523	810,000
Amortization of fair value of acquired time charters	6	409,538	2,242,333	622,541
Straight line amortization of hire		—	—	(52,084)
Net gain on sale of vessels	7	—	(6,383,858)	(19,298,394)
Loss on vessels held for sale	7	—	—	3,629,521
Provision for doubtful accounts		—	—	4,823
Share-based compensation		—	—	9,494
Unrealized gains from equity method investments		—	—	(2,687,236)
Unrealized (gains) / losses on equity securities	13	—	(5,134,013)	14,664,266
Realized (gain) / loss on sale of equity securities	13	(27,450)	(2,636)	269,119
Non-cash effects from translation to reporting currency		—	—	(121,572)
Gain from a claim		—	—	(1,418,096)
Changes in operating assets and liabilities:				
Accounts receivable trade, net		1,415,828	(208,487)	3,500,308
Inventories		(640,665)	539,742	(259,885)
Due from/to related parties		7,573,712	(4,518,056)	5,826,732
Prepaid expenses and other assets		247,377	(86,333)	1,014,149
Other deferred charges		114,761	51,138	—
Accounts payable		3,344,840	(3,260,521)	(1,786,123)
Accrued liabilities		1,407,618	(1,894,102)	4,390,018
Income tax receivable / payable		—	—	129,173
Derivative assets and liabilities, net		—	—	61,026
Deferred revenue		(796,014)	(1,034,987)	(970,440)
Dry-dock costs paid		(3,180,671)	(2,395,365)	(1,199,999)
Dividends received from equity investments		—	—	222,490
Dividends received from equity method investments measured at fair value		—	—	4,209,527
Net Cash provided by Operating Activities from Continuing Operations		95,675,549	22,183,365	41,911,298
Cash flow used in Investing Activities of Continuing Operations:				
Vessel acquisitions (including time charters attached) and other vessel improvements	7	(75,553,224)	(623,283)	(72,171,465)
Purchase of equity securities	13	(60,750)	(72,211,450)	(59,903,362)
Acquisition of a subsidiary, net of cash acquired	8	—	—	(162,960,366)
Proceeds from sale of equity securities	13	88,200	258,999	52,940,067
Net proceeds from sale of vessels	7	—	63,607,430	107,867,155
Proceeds from a claim	17	—	—	1,418,096
Proceeds from disposition of equity investments		—	—	248,715
Proceeds from disposition of subsidiaries, net of cash disposed of		—	—	(914,718)
Net cash used in Investing Activities from Continuing Operations		(75,525,774)	(8,968,304)	(133,475,878)
Cash flows provided by / (used in) Financing Activities of Continuing Operations:				
Gross proceeds from issuance of common shares and warrants		—	881,827	—
Repurchase of warrants	14	—	(941,626)	(1,058,481)
Common share issuance expenses		(65,797)	(260,936)	—
Gross proceeds from Series D Preferred Shares	14	—	50,000,000	50,000,000
Series D Preferred Shares issuance expenses		—	(146,807)	(10,000)
Dividends paid on Series D Preferred Shares	14	—	(479,167)	(2,500,000)
Proceeds from long-term debt (including related party)	4,12	77,500,000	—	100,000,000
Repayment of long-term debt	12	(24,493,000)	(53,864,500)	(86,866,269)
Payment of deferred financing costs		(986,209)	(25,178)	—
Proceeds received from Toro Corp. related to Spin-Off	4	—	2,694,647	—
Net cash provided by/ (used in) Financing Activities from continuing operations		51,954,994	(2,141,740)	59,565,250
Cash flows of discontinued operations:				
Net cash provided by Operating Activities from discontinued operations		28,077,502	20,409,041	—
Net cash provided by / (used in) Investing Activities from discontinued operations		11,788,681	(153,861)	—
Net cash used in Financing Activities from discontinued operations		(3,050,000)	(62,734,774)	—
Net cash provided by / (used in) discontinued operations		36,816,183	(42,479,594)	—
Effect of exchange rate changes on cash, cash equivalents and restricted cash				
		—	—	(284,819)
Net increase/(decrease) in cash, cash equivalents, and restricted cash		108,920,952	(31,406,273)	(32,284,149)
Cash, cash equivalents and restricted cash at the beginning of the period		43,386,468	152,307,420	120,901,147
Cash, cash equivalents and restricted cash at the end of the period		\$ 152,307,420	\$ 120,901,147	\$ 88,616,998
RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH				
Cash and cash equivalents		\$ 142,373,151	\$ 111,383,645	\$ 87,896,786
Restricted cash, current		1,684,269	2,327,502	—
Restricted cash, non-current		8,250,000	7,190,000	—
Cash and cash equivalents included in assets held for sale		—	—	720,212
Cash, cash equivalents, and restricted cash		\$ 152,307,420	\$ 120,901,147	\$ 88,616,998
SUPPLEMENTAL CASH FLOW INFORMATION				
Cash paid for interest		5,669,627	10,153,448	3,200,464
Cash paid for income taxes, net of refunds		—	—	33,048
Unpaid capital raising costs (included in Accounts payable and Accrued Liabilities)		34,000	34,000	—
Unpaid vessel acquisition and other vessel improvement costs (included in Accounts payable and Accrued liabilities)		204,763	—	143,709
Unpaid deferred financing costs		25,178	—	110,000
Dividend declared but unpaid		—	541,666	687,500
Deemed dividend on Series D Preferred Shares		—	196,296	606,444
Deemed contribution from Series D preferred shareholders		—	—	22,437,675
Deemed dividend on warrants repurchase		—	444,885	—
Net assets of Toro (discontinued operations)		—	37,919,432	—

The accompanying notes are an integral part of these consolidated financial statements.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

1. Basis of Presentation and General information:

Castor Maritime Inc. (“Castor”) was incorporated in September 2017 under the laws of the Republic of the Marshall Islands. The accompanying consolidated financial statements include the accounts of Castor and its wholly owned and majority-owned subsidiaries (collectively, the “Company”). Castor is a diversified global shipping and energy company, with activities directly and indirectly in investment and asset management, vessel ownership, technical and commercial ship management and energy infrastructure projects. On December 21, 2018, Castor’s common shares, par value \$0.001 (the “common shares”) began trading on the Euronext NOTC, under the symbol “CASTOR” and, on February 11, 2019, they began trading on the Nasdaq Capital Market, or Nasdaq, under the symbol “CTRM”. As of December 31, 2024, Castor was controlled by Thalassa Investment Co. S.A. (“Thalassa”) by virtue of its ownership of 100% of the Series B preferred shares of Castor and, as a result, Thalassa controlled the outcome of matters on which shareholders are entitled to vote. Thalassa is controlled by Petros Panagiotidis, the Company’s Chairman, Chief Executive Officer and Chief Financial Officer.

On March 27, 2024, the Company effected a 1-for-10 reverse stock split on its issued and outstanding common shares (Note 14). All share and per share amounts disclosed in the accompanying consolidated financial statements give effect to this reverse stock split retroactively for the periods presented.

On March 7, 2023 (the “Distribution Date”), the Company contributed the subsidiaries constituting the Company’s Aframax/LR2 and Handysize tanker segments and Elektra (as defined below) to the Company’s wholly owned subsidiary, Toro Corp. (“Toro”), in exchange for (i) the issuance by Toro to Castor of all 9,461,009 of Toro’s issued and outstanding common shares, and 140,000 1.00% Series A fixed rate cumulative perpetual convertible preferred shares of Toro (the “Series A Preferred Shares”), having a stated amount of \$1,000 and a par value of \$0.001 per share and (ii) the issuance of 40,000 Series B preferred shares of Toro, par value \$0.001 per share, to Pelagos Holdings Corp, a company controlled by the Company’s Chairman, Chief Executive Officer and Chief Financial Officer. On the same day, the Company distributed all of Toro’s common shares outstanding to its holders of common shares of record at the close of business on February 22, 2023 at a ratio of one Toro common share for every ten Company common shares (such transactions collectively, the “Spin-Off”). The Spin-Off was concluded on March 7, 2023. Results of operations and cash flows of the Aframax/LR2 and Handysize tanker segments that were part of the Spin-Off are reported as discontinued operations for the years ended December 31, 2022 and 2023 (Note 3). Toro’s shares commenced trading on the same date on the Nasdaq Capital Market under the symbol “TORO”. As part of the Spin-Off, Toro entered into various agreements effecting the separation of Toro’s business from the Company, including a Contribution and Spin-Off Distribution Agreement, pursuant to which, among other things, (i) the Company agreed to indemnify Toro and its vessel-owning subsidiaries for any and all obligations and other liabilities arising from or relating to the operation, management or employment of vessels or subsidiaries the Company retained after the Distribution Date and Toro agreed to indemnify the Company for any and all obligations and other liabilities arising from or relating to the operation, management or employment of the vessels contributed to it or its vessel-owning subsidiaries, and (ii) Toro replaced the Company as guarantor under an \$18.0 million term loan facility entered into by Alpha Bank S.A. and two of the Company’s former tanker-owning subsidiaries on April 27, 2021. The Contribution and Spin-Off Distribution Agreement also provided for the settlement or extinguishment of certain liabilities and other obligations between the Company and Toro and provides the Company with certain registration rights relating to Toro’s common shares, if any, issued upon conversion of the Toro Series A Preferred Shares issued to the Company in connection with the Spin-Off.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

1. Basis of Presentation and General information (continued):

The assets and liabilities of Toro on March 7, 2023, were as follows:

	March 7, 2023
Cash and cash equivalents	\$ 61,359,774
Accounts receivable trade, net	6,767,408
Due from related parties, current	4,528,948
Inventories	890,523
Prepaid expenses and other assets, current	1,447,062
Vessels, net	91,492,003
Restricted cash	700,000
Due from related parties, non-current	1,708,474
Prepaid expenses and other assets, non-current	4,449,999
Deferred charges, net	2,685,922
Due to Related Parties	(3,001,865)
Accounts payable	(2,432,095)
Accrued liabilities	(3,041,530)
Long-term debt, net	(12,413,056)
Net assets of Toro	155,141,567
Less: Investment in Preferred Shares of Toro issued as part of Spin-Off (refer Note 4(c))	(117,222,135)
Distribution of net assets of Toro to the Company’s shareholders	\$ 37,919,432

With effect from July 1, 2022, Castor Ships S.A., a corporation incorporated under the laws of the Republic of the Marshall Islands (“Castor Ships”), a related party controlled by the Company’s Chairman, Chief Executive Officer and Chief Financial Officer, Petros Panagiotidis, manages the Company’s business overall. Prior to this date, Castor Ships provided only commercial ship management and administrative services to the Company (see also Note 4).

Pavimar S.A. (“Pavimar”), a related party controlled by Ismini Panagiotidis, the sister of the Company’s Chairman, Chief Executive Officer, Chief Financial Officer and controlling shareholder, Petros Panagiotidis, provided technical, crew and operational management services to the Company through the first half of 2022. With effect from July 1, 2022, Pavimar co-manages with Castor Ships the technical management of the Company’s dry bulk vessels, except for the *M/V Magic Celeste*, *M/V Magic Ariel* and *M/V Magic Starlight*, for which Castor Ships has provided the technical management since August 16, 2024, October 9, 2024 and December 18, 2024, respectively.

As of December 31, 2024, the Company owned a diversified fleet of 13 vessels, with a combined carrying capacity of 0.9 million dwt, consisting of four Kamsarmax, five Panamax and one Ultramax dry bulk vessels, as well as two 2,700 TEU and one 1,850 TEU containerships.

On December 12, 2024, Castor Maritime Inc., through a wholly owned subsidiary, entered into a share purchase agreement, pursuant to which Castor agreed to acquire from MPC Münchmeyer Petersen & Co. GmbH (“MPC Holding”), subject to certain terms and conditions, 26,116,378 shares of common stock of MPC Münchmeyer Petersen Capital AG (“MPC Capital”), representing 74.09% of MPC Capital’s outstanding common stock, for a cash price of €7.00 per share, equivalent to aggregate consideration of €182.8 million (approximately \$192.0 million at the time of the transaction), excluding transaction related costs. On December 16, 2024, the acquisition of the 26,116,378 shares of common stock of MPC Capital was completed. MPC Capital is an investment and asset manager specializing in infrastructure projects in the maritime and energy sectors. Partnering and co-investing with institutional investors, MPC Capital provides tailor-made investment solutions, project access, and integrated asset management expertise, including technical and commercial ship management. The transaction was financed with cash on hand and the proceeds of (i) a \$100 million senior term loan facility between Toro and Castor and (ii) the issuance of an additional 50,000 of Castor’s 5.00% Series D cumulative perpetual convertible preferred shares, par value \$0.001 per share (the “Series D Preferred Shares”) to Toro for an aggregate consideration of \$50,000,000, each of which are discussed in greater detail below.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

1. Basis of Presentation and General information (continued):

The Company accounted for the control obtained in MPC Capital on December 16, 2024 “as a business combination”, which resulted in the application of the “acquisition method”, as defined under ASC 805, Business Combinations, with the Company to be considered the accounting acquirer of MPC Capital. The assets acquired and liabilities assumed on the date of control were recorded at fair value (Note 8).

Details of the Company’s wholly-owned and majority-owned subsidiaries as of December 31, 2024, are listed below.

(a) Consolidated vessel owning subsidiaries:

Company	Country of incorporation	Vessel Name	DWT	Year Built	Delivery date to Castor
1 Spetses Shipping Co. (“Spetses”)	Marshall Islands	<i>M/V Magic P</i>	76,453	2004	February 2017
2 Liono Shipping Co. (“Liono”)	Marshall Islands	<i>M/V Magic Thunder</i>	83,375	2011	April 2021
3 Mulan Shipping Co. (“Mulan”)	Marshall Islands	<i>M/V Magic Starlight</i>	81,048	2015	May 2021
4 Cinderella Shipping Co. (“Cinderella”)	Marshall Islands	<i>M/V Magic Eclipse</i>	74,940	2011	June 2021
5 Mickey Shipping Co. (“Mickey”)	Marshall Islands	<i>M/V Magic Callisto</i>	74,930	2012	January 2022
6 Songoku Shipping Co. (“Songoku”)	Marshall Islands	<i>M/V Magic Pluto</i>	74,940	2013	August 2021
7 Asterix Shipping Co. (“Asterix”)	Marshall Islands	<i>M/V Magic Perseus</i>	82,158	2013	August 2021
8 Johnny Bravo Shipping Co. (“Johnny Bravo”)	Marshall Islands	<i>M/V Magic Mars</i>	76,822	2014	September 2021
9 Jerry Shipping Co. (“Jerry S”)	Marshall Islands	<i>M/V Ariana A</i>	38,117	2005	November 2022
10 Tom Shipping Co. (“Tom S”)	Marshall Islands	<i>M/V Gabriela A</i>	38,121	2005	November 2022
11 Aladdin Shipping Co. (“Aladdin”)	Marshall Islands	<i>M/V Magic Celeste</i>	63,310	2015	August 2024
12 Ariel Shipping Co. (“Ariel”)	Marshall Islands	<i>M/V Magic Ariel</i>	81,845	2020	October 2024
13 Yogi Bear Shipping Co. (Yogi”)	Marshall Islands	<i>M/V Raphaela</i>	26,811	2008	October 2024

(b) Consolidated subsidiaries formed to acquire vessels:

Company	Country of incorporation
1 Containco Shipping Inc.	Marshall Islands

(c) Consolidated holding subsidiary:

Company	Country of incorporation
1 Thalvora Holdings GmbH	Germany

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

1. Basis of Presentation and General information (continued):

(d) Consolidated non-vessel owning subsidiaries:

Company	Country of incorporation
1 Castor Maritime SCR Corp. (“Castor SCR”) ⁽¹⁾	Marshall Islands
2 Bagheera Shipping Co. (“Bagheera”) ⁽²⁾	Marshall Islands
3 Luffy Shipping Co. (“Luffy”) ⁽³⁾	Marshall Islands
4 Kabamaru Shipping Co. (“Kabamaru”) ⁽⁴⁾	Marshall Islands
5 Bistro Maritime Co. (“Bistro”) ⁽⁵⁾	Marshall Islands
6 Garfield Shipping Co. (“Garfield”) ⁽⁶⁾	Marshall Islands
7 Pikachu Shipping Co. (“Pikachu”) ⁽⁷⁾	Marshall Islands
8 Jumaru Shipping Co. (“Jumaru”) ⁽⁸⁾	Marshall Islands
9 Pumba Shipping Co. (“Pumba”) ⁽⁹⁾	Marshall Islands
10 Snoopy Shipping Co. (“Snoopy”) ⁽¹⁰⁾	Marshall Islands
11 Super Mario Shipping Co. (“Super Mario”) ⁽¹¹⁾	Marshall Islands
12 Stewie Shipping Co. (“Stewie”) ⁽¹²⁾	Marshall Islands
13 Pocahontas Shipping Co. (“Pocahontas”) ⁽¹³⁾	Marshall Islands
14 Indigo Global Corp.	Marshall Islands

- ⁽¹⁾ Incorporated under the laws of the Marshall Islands on September 16, 2021, this entity serves as the Company’s subsidiaries’ cash manager with effect from November 1, 2021.
- ⁽²⁾ Bagheera Shipping Co. no longer owns any vessel following the sale of the *M/V Magic Rainbow* on March 13, 2023, and delivery of such vessel to an unaffiliated third-party on April 18, 2023.
- ⁽³⁾ Luffy Shipping Co. no longer owns any vessel following the sale of the *M/V Magic Twilight* on June 2, 2023, and delivery of such vessel to an unaffiliated third-party on July 20, 2023.
- ⁽⁴⁾ Kabamaru Shipping Co. no longer owns any vessel following the sale of the *M/V Magic Argo* on September 22, 2023, and delivery of such vessel to an unaffiliated third-party on December 14, 2023.
- ⁽⁵⁾ Bistro Maritime Co. no longer owns any vessel following the sale of the *M/V Magic Sun* on October 6, 2023, and delivery of such vessel to an unaffiliated third-party on November 14, 2023.
- ⁽⁶⁾ Garfield Shipping Co. no longer owns any vessel following the sale of the *M/V Magic Phoenix* on October 16, 2023, and delivery of such vessel to an unaffiliated third-party on November 27, 2023.
- ⁽⁷⁾ Pikachu Shipping Co. no longer owns any vessel following the sale of the *M/V Magic Moon* on November 10, 2023, and delivery of such vessel to an unaffiliated third-party on January 16, 2024 (see also Note 7).
- ⁽⁸⁾ Jumaru Shipping Co. no longer owns any vessel following the sale of the *M/V Magic Nova* on January 19, 2024, and delivery of such vessel to an entity beneficially owned by a family member of the Company’s Chairman, Chief Executive Officer and Chief Financial Officer on March 11, 2024 (see also Note 7).
- ⁽⁹⁾ Pumba Shipping Co. no longer owns any vessel following the sale of the *M/V Magic Orion* on December 7, 2023, and delivery of such vessel to an unaffiliated third-party on March 22, 2024 (see also Note 7).
- ⁽¹⁰⁾ Snoopy Shipping Co. no longer owns any vessel following the sale of the *M/V Magic Nebula* on February 15, 2024, and delivery of such vessel to an entity affiliated with a family member of the Company’s Chairman, Chief Executive Officer and Chief Financial Officer on April 18, 2024 (see also Note 7).
- ⁽¹¹⁾ Super Mario Shipping Co. no longer owns any vessel following the sale of the *M/V Magic Venus* on December 21, 2023, and delivery of such vessel to an entity affiliated with a family member of the Company’s Chairman, Chief Executive Officer and Chief Financial Officer on May 10, 2024 (see also Note 7).
- ⁽¹²⁾ Stewie Shipping Co. no longer owns any vessel following the sale of the *M/V Magic Vela* on May 1, 2024, and delivery of such vessel to an unaffiliated third-party on May 23, 2024 (see also Note 7).
- ⁽¹³⁾ Pocahontas Shipping Co. no longer owns any vessel following the sale of the *M/V Magic Horizon* on January 19, 2024, and delivery of such vessel to an entity beneficially owned by a family member of the Company’s Chairman, Chief Executive Officer and Chief Financial Officer on May 28, 2024 (see also Note 7).

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

1. Basis of Presentation and General information (continued):

(e) Consolidated majority-owned subsidiaries:

Company	Country of incorporation	Shares held in percent	Shareholder
MPC Münchmeyer Petersen Capital AG	Germany	74.09%	Thalvora Holdings GmbH

The consolidated subsidiaries in the table below are held by the MPC Münchmeyer Petersen Capital AG:

Company	Country of incorporation	Shares held in percent	Shareholder
Curamus Managementgesellschaft mbH, Hamburg (formerly: Verwaltung ZLG Abwicklungsgesellschaft mbH, Hamburg)	Germany	100%	MPC Capital Dritte Beteiligungsgesellschaft mbH, Hamburg
Deepsea Oil Explorer Plus GmbH & Co. KG, Hamburg	Germany	100%	MPC Capital Beteiligungsgesellschaft mbH & Co. KG, Hamburg MPC Capital AG, Hamburg 99.90%
Duisburg Invest Beteiligungsgesellschaft mbH & Co. KG, Hamburg	Germany	100%	MPC Capital Beteiligungsgesellschaft mbH & Co. KG, Hamburg 0.10%
Energiepark Heringen-Philippsthal WP HP GmbH & Co. KG, Hamburg	Germany	100%	MPC Capital Beteiligungsgesellschaft mbH & Co. KG, Hamburg
ELG Erste Liquidationsmanagement GmbH, Hamburg	Germany	100%	MPC Capital GmbH, Hamburg
First Fleet Philipp Beteiligungs GmbH, Delmenhorst	Germany	100%	MPC Capital Investments GmbH, Hamburg
Harper Petersen Albis GmbH & Co. KG, Hamburg (formerly: Albis Shipping & Transport GmbH & Co. KG, Hamburg)	Germany	100%	Harper Petersen & Co. GmbH & Co. KG, Hamburg
Harper Petersen & Co. Asia Ltd., Hongkong / China	China	100%	Harper Petersen & Co. GmbH & Co. KG, Hamburg
Harper Petersen & Co. B.V., Amsterdam / Netherlands	Netherlands	100%	Harper Petersen & Co. GmbH & Co. KG, Hamburg
Harper Petersen & Co. GmbH & Co. KG, Hamburg	Germany	100%	MPC Maritime Holding GmbH, Hamburg
Harper Petersen & Co. Pte Ltd., Singapur	Singapore	100%	Harper Petersen & Co. GmbH & Co. KG, Hamburg
HLD Vermögensverwaltungsgesellschaft UG (haftungsbeschränkt) i.L., Hamburg	Germany	100%	MPC Capital Beteiligungsgesellschaft mbH & Co. KG, Hamburg
Immobilienmanagement MPC Student Housing Venture GmbH, Hamburg	Germany	100%	MPC Capital AG, Hamburg
Immobilienmanagement Sachwert Rendite-Fonds GmbH, Hamburg	Germany	100%	MPC Capital GmbH, Hamburg
Management Sachwert Rendite-Fonds Immobilien GmbH, Hamburg	Germany	100%	MPC Capital GmbH, Hamburg
Managementgesellschaft Harper Petersen mbH, Hamburg	Germany	100%	Harper Petersen & Co. GmbH & Co. KG, Hamburg
Managementgesellschaft MPC Global Maritime Opportunity Private Placement GmbH, Hamburg	Germany	100%	MPC Maritime Holding GmbH, Hamburg

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

1. Basis of Presentation and General information (continued):

Managementgesellschaft MPC Solarpark mbH, Hamburg	Germany	100%	MPC Münchmeyer Petersen Real Estate Consulting GmbH, Hamburg
Managementgesellschaft Oil Rig Plus mbH, Hamburg	Germany	100%	MPC Maritime Holding GmbH, Hamburg
MPC Achte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	Germany	100%	MPC Investment Services GmbH, Hamburg
MPC Best Select Company Plan Managementgesellschaft mbH, Quickborn	Germany	100%	MPC Investment Services GmbH, Hamburg
MPC Capital Advisory GmbH, Hamburg	Germany	100%	MPC Capital GmbH, Hamburg
MPC Capital Beteiligungsgesellschaft mbH & Co. KG, Hamburg	Germany	100%	MPC Capital AG, Hamburg
MPC Capital Dritte Beteiligungsgesellschaft mbH, Hamburg (formerly: MPC Micro Living Development GmbH, Hamburg)	Germany	100%	MPC Capital AG, Hamburg
MPC Capital GmbH, Hamburg	Germany	100%	MPC Capital AG, Hamburg
MPC Capital Investments GmbH, Hamburg	Germany	100%	MPC Capital AG, Hamburg
MPC Capital Zweite Beteiligungsgesellschaft mbH, Hamburg	Germany	100%	MPC Capital Beteiligungsgesellschaft mbH & Co. KG, Hamburg
MPC Dritte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	Germany	100%	MPC Investment Services GmbH, Hamburg
MPC ECOBOX OPCO 1 Beteiligungs GmbH & Co. KG, Hamburg	Germany	51.1%	MPC Capital Zweite Beteiligungsgesellschaft mbH, Hamburg
MPC ECOBOX OPCO 2 Beteiligungs GmbH & Co. KG, Hamburg	Germany	77.6%	MPC Capital Zweite Beteiligungsgesellschaft mbH, Hamburg
MPC ECOBOX OPCO 4 GmbH & Co. KG i.L., Hamburg	Germany	81.7%	MPC Capital Zweite Beteiligungsgesellschaft mbH, Hamburg
MPC Energías Renovables Colombia S.A.S., Bogotá / Colombia	Colombia	100%	MPC Capital GmbH, Hamburg
MPC Elfte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	Germany	100%	MPC Investment Services GmbH, Hamburg
MPC Fünfte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	Germany	100%	MPC Investment Services GmbH, Hamburg
MPC Investment Partners GmbH, Hamburg	Germany	100%	MPC Capital AG, Hamburg
MPC Investment Services GmbH, Hamburg	Germany	100%	MPC Capital AG
MPC Maritime Beteiligungsgesellschaft mbH & Co. KG, Hamburg	Germany	100%	MPC Maritime Holding GmbH, Hamburg
MPC Maritime Beteiligungsverwaltungsgesellschaft mbH, Hamburg	Germany	100%	MPC Maritime Holding GmbH, Hamburg
MPC Maritime Holding GmbH, Hamburg	Germany	100%	MPC Capital AG, Hamburg
MPC Maritime Investments GmbH i.L., Hamburg	Germany	100%	MPC Maritime Holding GmbH, Hamburg
MPC Multi Asset Verwaltungsgesellschaft mbH, Hamburg	Germany	100%	MPC Maritime Holding GmbH, Hamburg

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

1. Basis of Presentation and General information (continued):

MPC Münchmeyer Petersen Real Estate Consulting GmbH, Hamburg	Germany	100%	MPC Capital AG, Hamburg
MPC Neunte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	Germany	100%	MPC Investment Services GmbH, Hamburg
MPC Real Value Fund Verwaltungsgesellschaft mbH, Quickborn	Germany	100%	MPC Investment Services GmbH, Hamburg
MPC Renewable Panama S.A., Panama	Panama	100%	MPC Capital GmbH, Hamburg
MPC Schiffsbeteiligung Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Nielbühl	Germany	100%	MPC Maritime Holding GmbH, Hamburg
MPC Sechste Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	Germany	100%	MPC Investment Services GmbH, Hamburg
MPC Siebte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	Germany	100%	MPC Investment Services GmbH, Hamburg
MPC Silica Invest GmbH, Hamburg	Germany	100%	MPC Capital AG, Hamburg
MPC Venture Invest AG, Wien / Austria	Austria	100%	MPC Capital AG, Hamburg
MPC Vierte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	Germany	100%	MPC Investment Services GmbH, Hamburg
MPC Zehnte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	Germany	100%	MPC Investment Services GmbH, Hamburg
MPC Zweite Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	Germany	100%	MPC Investment Services GmbH, Hamburg
MS STADT RAVENSBURG ERSTE T + H Verwaltungs GmbH, Hamburg	Germany	100%	MPC Maritime Holding GmbH, Hamburg
Panda Invest GmbH, Hamburg	Germany	100%	MPC Capital Beteiligungsgesellschaft mbH & Co. KG, Hamburg
Palmaille Ship Invest GmbH, Hamburg	Germany	31.0%	MPC Capital Beteiligungsgesellschaft mbH & Co. KG, Hamburg
PB BS GMO Verwaltungs GmbH, Hamburg	Germany	100%	MPC Capital Investments GmbH, Hamburg
PBH Maritime Verwaltungsgesellschaft mbH, Hamburg	Germany	100%	MPC Capital Beteiligungsgesellschaft mbH & Co. KG, Hamburg
RES Maxis B.V., Amsterdam / Netherlands	Netherlands	71.5%	MPC Capital Beteiligungsgesellschaft mbH & Co. KG, Hamburg
TVP Treuhand- und Verwaltungsgesellschaft für Publikumsfonds mbH & Co. KG, Hamburg			
Verwaltung “Rio Blackwater” Schifffahrtsgesellschaft mbH, Hamburg	Germany	100%	MPC Investment Services GmbH, Hamburg
Verwaltung Achte Sachwert Rendite-Fonds Deutschland GmbH, Hamburg	Germany	100%	MPC Capital GmbH, Hamburg
Verwaltung Asien Opportunity Real Estate GmbH, Hamburg	Germany	100%	MPC Capital GmbH, Hamburg
Verwaltung Bluewater Investments GmbH, Hamburg	Germany	100%	MPC Capital Beteiligungsgesellschaft mbH & Co. KG, Hamburg

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

1. Basis of Presentation and General information (continued):

Verwaltung Dreiundvierzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	Germany	100%	MPC Capital GmbH, Hamburg
Verwaltung Dritte MPC Sachwert Rendite-Fonds Opportunity Amerika GmbH, Quickborn	Germany	100%	MPC Capital GmbH, Hamburg
Verwaltung Einundsiebzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	Germany	100%	MPC Capital GmbH, Hamburg
Verwaltung Elfte Sachwert Rendite-Fonds Deutschland GmbH, Hamburg	Germany	100%	MPC Capital GmbH, Hamburg
Verwaltung Fünfte Sachwert Rendite-Fonds Deutschland GmbH, Hamburg	Germany	100%	MPC Capital GmbH, Hamburg
Verwaltung MPC Capital Beteiligungsgesellschaft mbH, Hamburg	Germany	100%	MPC Capital AG, Hamburg
Verwaltung MPC Global Maritime Opportunity Private Placement GmbH, Hamburg	Germany	100%	MPC Capital Investments GmbH, Hamburg
Verwaltung MPC Real Estate Opportunity Private Placement Amerika GmbH, Quickborn	Germany	100%	MPC Capital GmbH, Hamburg
Verwaltung MPC Sachwert Rendite-Fonds Opportunity Amerika GmbH, Quickborn	Germany	100%	MPC Capital GmbH, Hamburg
Verwaltung MPC Sachwert Rendite-Fonds Opportunity Asien GmbH, Hamburg	Germany	100%	MPC Capital GmbH, Hamburg
Verwaltung MPC Solarpark GmbH, Hamburg	Germany	100%	MPC Investment Services GmbH, Hamburg
Verwaltung MPC Student Housing Beteiligung UG, Quickborn	Germany	100%	MPC Capital AG, Hamburg
Verwaltung MPC Student Housing Venture GmbH, Quickborn	Germany	100%	MPC Capital AG, Hamburg
Verwaltung Neunte Sachwert Rendite-Fonds Deutschland GmbH, Hamburg	Germany	100%	MPC Capital GmbH, Hamburg
Verwaltung Neunundfünfzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	Germany	100%	MPC Capital GmbH, Hamburg
Verwaltung Sachwert Rendite-Fonds Japan GmbH, Quickborn	Germany	100%	MPC Capital GmbH, Hamburg
Verwaltung Sechste Sachwert Rendite-Fonds Deutschland (Private Placement) GmbH, Hamburg	Germany	100%	MPC Capital GmbH, Hamburg
Verwaltung Sechsendvierzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	Germany	100%	MPC Capital GmbH, Hamburg
Verwaltung SHV Management Participation GmbH, Quickborn	Germany	100%	MPC Capital AG, Hamburg
Verwaltung Siebenundfünfzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	Germany	100%	MPC Capital GmbH, Hamburg
Verwaltung Siebenundvierzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	Germany	100%	MPC Capital GmbH, Hamburg
Verwaltung Siebte Sachwert Rendite-Fonds Deutschland GmbH, Hamburg	Germany	100%	MPC Capital GmbH, Hamburg
Verwaltung Siebzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	Germany	100%	MPC Capital GmbH, Hamburg
Verwaltung TVP Treuhand GmbH, Hamburg	Germany	100%	MPC Capital AG, Hamburg

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

1. Basis of Presentation and General information (continued):

Verwaltung Vierundfünfzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	Germany	100%	MPC Capital GmbH, Hamburg
Verwaltung Zehnte Sachwert Rendite-Fonds Deutschland GmbH, Hamburg	Germany	100%	MPC Capital GmbH, Hamburg
Verwaltung Zweite MPC Real Estate Opportunity Private Placement Amerika GmbH, Quickborn	Germany	100%	MPC Capital GmbH, Hamburg
Verwaltung Zweite MPC Sachwert Rendite-Fonds Opportunity Amerika GmbH, Quickborn	Germany	100%	MPC Capital GmbH, Hamburg
Verwaltung Zweite Reefer-Flottenfonds GmbH, Hamburg	Germany	100%	MPC Maritime Holding GmbH, Hamburg
Verwaltung Zweite Sachwert Rendite-Fonds Deutschland GmbH, Hamburg	Germany	100%	MPC Capital GmbH, Hamburg
Verwaltung Zweiundsiebzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	Germany	100%	MPC Capital GmbH, Hamburg
Verwaltungsgesellschaft Achte MPC Global Equity mbH, Hamburg	Germany	100%	MPC Investment Services GmbH, Hamburg
Verwaltungsgesellschaft Duisburg Invest mbH, Hamburg	Germany	100%	MPC Capital Beteiligungsgesellschaft mbH & Co. KG, Hamburg
Verwaltungsgesellschaft Elfte Private Equity GmbH, Hamburg	Germany	100%	MPC Investment Services GmbH, Hamburg
Verwaltungsgesellschaft MPC Global Equity Step by Step II mbH, Hamburg	Germany	100%	MPC Investment Services GmbH, Hamburg
Verwaltungsgesellschaft MPC Global Equity Step by Step III mbH, Hamburg	Germany	100%	MPC Investment Services GmbH, Hamburg
Verwaltungsgesellschaft MPC Global Equity Step by Step IV mbH, Hamburg	Germany	100%	MPC Investment Services GmbH, Hamburg
Verwaltungsgesellschaft MPC Global Equity Step by Step mbH, Hamburg	Germany	100%	MPC Investment Services GmbH, Hamburg
Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus VI mbH, Quickborn	Germany	100%	MPC Investment Services GmbH, Hamburg
Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus VII mbH, Quickborn	Germany	100%	MPC Investment Services GmbH, Hamburg
Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus spezial IV mbH, Quickborn	Germany	100%	MPC Investment Services GmbH, Hamburg
Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus spezial V mbH, Quickborn	Germany	100%	MPC Investment Services GmbH, Hamburg
Verwaltungsgesellschaft Neunte Global Equity mbH, Hamburg	Germany	100%	MPC Investment Services GmbH, Hamburg
Verwaltungsgesellschaft Oil Rig Plus mbH, Hamburg	Germany	100%	MPC Maritime Holding GmbH, Hamburg
Verwaltungsgesellschaft Siebte MPC Global Equity mbH, Hamburg	Germany	100%	MPC Investment Services GmbH, Hamburg
Zweite MPC Best Select Company Plan Managementgesellschaft mbH, Quickborn	Germany	100%	MPC Investment Services GmbH, Hamburg

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

1. Basis of Presentation and General information (continued):

Charterer concentration:

During the years ended December 31, 2022, 2023 and 2024, charterers that individually accounted for more than 10% of the Company’s total vessel revenues (as percentages of total vessel revenues), all derived from the Company’s dry bulk and containers segments, were as follows:

Charterer	Year Ended December 31, 2022	Year Ended December 31, 2023	Year Ended December 31, 2024
A	31%	42%	41%
B	18%	28%	30%
C	—%	—%	10%
D	—%	10%	—%
E	26%	—%	—%
Total	75%	80%	81%

2. Significant Accounting Policies and Recent Accounting Pronouncements:

Principles of consolidation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”) and applicable rules and regulations of the U.S. Securities and Exchange Commission (the “SEC”). The consolidated financial statements include the accounts of Castor and its wholly owned and majority-owned subsidiaries. All intercompany balances and transactions have been eliminated upon consolidation. Castor, as the holding company, determines whether it has a controlling financial interest in an entity by first evaluating whether the entity is a voting interest entity or a variable interest entity. Under Financial Accounting Standards Board (“FASB”) Accounting Standard Codification (“ASC”) 810 “Consolidation”, a voting interest entity is an entity in which the total equity investment at risk is deemed sufficient to absorb the expected losses of the entity, the equity holders have all the characteristics of a controlling financial interest and the legal entity is structured with substantive voting rights. The holding company consolidates voting interest entities in which it owns all, or at least a majority (generally, greater than 50%) of the voting interest. Variable interest entities (“VIE”) are entities, as defined under ASC 810, that in general either have equity investors with non-substantive voting rights or that have equity investors that do not provide sufficient financial resources for the entity to support its activities. The holding company has a controlling financial interest in a VIE and is, therefore, the primary beneficiary of a VIE if it has the power to direct the activities of a VIE that most significantly impact the VIE’s economic performance and the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE. A VIE should have only one primary beneficiary which is required to consolidate the VIE. A VIE may not have a primary beneficiary if no party meets the criteria described above. The Company evaluates all arrangements that may include a variable interest in an entity to determine if it is the primary beneficiary, and would therefore be required to include assets, liabilities and operations of a VIE in its consolidated financial statements. The Company has identified it has variable interests in Toro Corp., but is not the primary beneficiary. The Company’s maximum exposure to loss as a result of its involvement with this VIE is the Company’s carrying value in this investment. The Company reconsiders the initial determination of whether an entity is a VIE if certain types of events (“reconsideration events”) occur. If the Company holds a variable interest in an entity that previously was not a VIE, it reconsiders whether the entity has become a VIE.

Non-controlling interests (NCIs) are measured initially at fair value at the date of acquisition. The NCIs’ share of the subsidiary’s net income or loss is recognized in the consolidated income statement and directly affects the carrying amount of NCI in the equity section of the consolidated balance sheet.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

2. Significant Accounting Policies and Recent Accounting Pronouncements (continued):

Use of estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include vessel valuations, the valuation of amounts due from charterers, residual value of the vessels, the useful life of the vessels and other long-lived assets, the fair values of investments and measurement of other financial instruments (including the measurement of credit or impairment losses), fair value of acquired intangible assets and related impairment assessments, the fair value of assets acquired and liabilities assumed in acquisitions, impairment of goodwill, share-based compensation, current and deferred income taxes, and other contingent liabilities. Actual results may differ from these estimates.

Segment Reporting

A segment is a distinguishable component of the business that is engaged in business activities from which the Company earns revenues and incurs expenses and whose operating results are regularly reviewed by the chief operating decision maker (“CODM”). The Company determined that, as of December 31, 2024, it operated under three reportable segments: as a provider of dry bulk commodities transportation services (referred to as the “dry bulk segment”), as a provider of containership cargoes transportation services (referred to as the “containership segment”) and as a provider of asset management services (referred to as the “asset management segment”). The accounting policies applied to the reportable segments are the same as those used in the preparation of the Company’s consolidated financial statements. When the Company charters a vessel to a charterer, the charterer is free to trade the vessel worldwide and, as a result, for the dry bulk and containership segments the disclosure of geographic information is impracticable. For the asset management segment, the Company discloses geographic information of revenue earned.

Other comprehensive income

The Company follows the accounting guidance relating to comprehensive income, which requires separate presentation of certain transactions that are recorded directly as components of shareholders’ equity. The Company follows the provisions of ASC 220 “Comprehensive Income”, and presents items of net income, items of other comprehensive income (“OCI”) and total comprehensive income in a single continuous statement. Reclassification adjustments between OCI and net income are required to be presented separately on the statement of comprehensive income.

Foreign currency translation

The Company’s reporting and functional currency is the U.S. Dollar (“USD”). Transactions incurred in other currencies are translated into USD using the exchange rates in effect at the time of the transactions. At the balance sheet date, monetary assets and liabilities that are denominated in other currencies are translated into USD to reflect the end-of-period exchange rates and any gains or losses are included in the consolidated statements of comprehensive income.

The accounts of foreign subsidiaries with non-USD functional currencies (such as MPC Capital) are translated, and the resulting cumulative translation adjustments are recorded in Other Comprehensive Income (OCI) in the consolidated statements of comprehensive income and accumulated in Accumulated Other Comprehensive Income (AOCI) within equity. More specifically, assets and liabilities are translated into the reporting currency at the closing rate. Income and expense items are translated at the average exchange rate for the period. For the acquisition of the MPC Capital, the following EUR/USD exchange rates have been used.

December 16, 2024 <i>(for the net assets acquired)</i>	1.05012
December 31, 2024	1.04156
Average rate December 16 - December 31, 2024	1.04235

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

2. Significant Accounting Policies and Recent Accounting Pronouncements (continued):

Cash and cash equivalents

The Company considers highly liquid investments such as time deposits and certificates of deposit with an original maturity of three months or less to be cash equivalents.

Restricted Cash

Restricted cash may comprise of (i) minimum liquidity collateral requirements or minimum required cash deposits that are required to be maintained under the Company’s financing arrangements, (ii) cash deposits in so-called “retention accounts” which may only be used as per the Company’s borrowing arrangements for the purpose of serving the loan installments coming due or, (iii) other cash deposits required to be retained until other specified conditions prescribed in the Company’s debt agreements are met. In the event that the obligation to maintain such deposits is expected to elapse within the next operating cycle, these deposits are classified as current assets. Otherwise, they are classified as non-current assets.

Accounts receivable trade, net

The amount shown as trade receivables, net, at each balance sheet date, includes receivables from charterers for hire, freight, and other potential sources of income (such as demurrage, ballast bonus compensation and/or holds cleaning compensation, etc.) under the Company’s charter contracts and receivables from ship management services and transaction services, net of any provision for doubtful accounts. At each balance sheet date, all potentially uncollectible accounts are either assessed on a portfolio basis or individually for purposes of determining the appropriate provision for doubtful accounts. Provision for doubtful accounts recorded as of December 31, 2023 and 2024 amounted to \$0 and \$4,823, respectively.

Business Combinations

Business combinations are accounted for under the acquisition method of accounting. Under this method, the assets acquired and liabilities assumed are recognized at their respective fair values as of the date of acquisition. The excess, if any, of the acquisition price over the fair values of the assets acquired and liabilities assumed is recorded as goodwill if the definition of a business is met. The Company records any acquisition related costs as expenses when incurred.

Adjustments to the fair values of assets acquired and liabilities assumed are made until the Company obtains all relevant information regarding the facts and circumstances that existed as of the acquisition date (the “measurement period”), not to exceed one year from the date of the acquisition. The Company recognizes measurement-period adjustments in the period in which it determines the amounts, including the effect on earnings of any amounts it would have recorded in previous periods if the accounting had been completed at the acquisition date.

The estimation of the fair values of assets and liabilities acquired in business combinations requires significant judgment. The fair value estimation requires the Company to use significant observable and unobservable inputs. The estimates of fair value are also subject to significant variability, are sensitive to changes in market conditions, and are reasonably likely to change in the future. A significant change in the observable and unobservable inputs and determination of fair value of the assets and liabilities acquired could significantly impact the Company’s consolidated financial statements.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

2. Significant Accounting Policies and Recent Accounting Pronouncements (continued):

Goodwill

Goodwill represents the excess of the acquisition price over the fair value of net assets acquired in a business combination. The determination of the value of goodwill, net tangible and intangible assets arising from acquisitions requires extensive use of accounting estimates and judgments to allocate the purchase price to the fair value of net tangible and intangible assets acquired, and liabilities assumed and the excess purchase price over net assets acquired to goodwill. Goodwill is not amortized, rather, goodwill is evaluated for impairment annually and whenever events or changes in circumstances indicate that the value of the asset may be impaired.

Goodwill and other indefinite-lived acquired intangible assets are evaluated for impairment using either a qualitative or quantitative approach. Generally, a qualitative assessment is first performed to determine whether a quantitative goodwill impairment test is necessary. If management determines, after performing an assessment based on the qualitative factors, that the fair value of the reporting unit is more likely than not less than the carrying amount, or that a fair value of the reporting unit substantially in excess of the carrying amount cannot be assured, then a quantitative goodwill impairment test would be required. The quantitative test for goodwill impairment is performed by determining the fair value of the related reporting units. Fair value is measured based on the discounted cash flow method and relative market-based approaches.

Intangible assets

Intangible assets include intangibles resulting from the pushdown accounting (see Note 8) and other intangibles acquired by the Company. They have finite useful lives and are carried at cost and amortized on a straight-line basis over their estimated useful lives. The useful lives of intangible assets are periodically re-assessed to ensure they reflect current conditions and expectations.

	Estimated useful lives in years
Concessions	10 - 15
Licenses, Software	5
Brands	13
Customer relationship	25
Order backlog	6 - 8
Favorable contracts	5

Intangible Assets/Liabilities Related to Time Charters Acquired

When the Company identifies any intangible assets or liabilities associated with the acquisition of a vessel, the Company records such identified intangible assets or liabilities at fair value. Fair value is determined by reference to market data obtained from independent broker’s valuations. The valuations reflect the fair value of the vessel with and without the attached time charter and the cost of the acquisition is then allocated to the vessel and the intangible asset or liability on the basis of their relative fair values. The intangible asset or liability is amortized as an adjustment to revenues over the assumed remaining term of the acquired time charter and is classified as non-current asset or liability, as applicable, in the accompanying consolidated balance sheets.

Inventories

Inventories consist of bunkers, lubricants and provisions on board each vessel. Inventories are stated at the lower of cost or net realizable value. Net realizable value is the estimated selling price less reasonably predictable costs of disposal and transportation. Cost is determined by the first in, first out method. Inventories consist of bunkers during periods when vessels are unemployed, undergoing dry-docking or special survey or under voyage charters.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

2. Significant Accounting Policies and Recent Accounting Pronouncements (continued):

Insurance Claims

The Company records insurance claim recoveries for insured losses incurred on damage to fixed assets, loss of hire and for insured crew medical expenses. Insurance claim recoveries are recorded, net of any deductible amounts, at the time when (i) the Company’s vessels suffer insured damages or at the time when crew medical expenses are incurred, (ii) recovery is probable under the related insurance policies, (iii) the Company can estimate the amount of such recovery and (iv) provided that the claim is not subject to litigation. No provision for credit losses was recorded as of December 31, 2023 and 2024 pursuant to the provisions of ASC 326.

Investment in equity securities

The Company measures equity securities with readily determinable fair values (including other ownership interests, such as partnerships, unincorporated joint ventures, and limited liability companies, but excluding equity investments that are accounted for under the equity method of accounting or result in consolidation of an investee) at fair value with changes in the fair value recognized through net income, in accordance with ASC 321 “Investments–Equity Securities” and the provisions enumerated under ASC 825 “Financial Instruments”. The Company recognizes purchased securities on the settlement date. Any dividends subsequently distributed by the investee to the Company are recognized as income when received.

Equity investments

The Company has elected to apply the practical expedient in ASC 820 Fair Value Measurement to measure equity securities without a readily determinable fair value at the net asset value (“NAV”). If equity securities do not qualify for the practical expedient in ASC 820 Fair Value Measurement they are measured at its cost minus impairment, if any. At each reporting period, the Company also evaluates indicators such as the investee’s performance and its ability to continue as a going concern and market conditions, to determine whether an investment is impaired, in which case the Company will estimate the fair value of the investment to determine the amount of the impairment loss. Equity investments without readily determinable fair values are non-marketable equity securities, which are investments in privately held companies for which the Company does not exercise significant influence.

Equity Method Investments

Investments in common stock or in-substance common stock of entities that provide the Company with the ability to exercise significant influence, but not a controlling financial interest, over operating and financial policies, as defined by ASC 323, accounted for under the equity method of accounting, unless the fair value option is elected. Under this method, the investment in such entities is initially recorded at cost and is adjusted to recognize the Company’s share of the earnings or losses, net of tax of the investee after the acquisition date and is adjusted for impairment whenever facts and circumstances indicate that a decline in fair value below the cost basis is other than temporary. This evaluation considers qualitative and quantitative factors such as the investee’s recent financial results, operating trends, implied values from recent transactions, and other publicly available information. The amount of the adjustment is included in the determination of net income / (loss). Dividends received from an investee reduce the carrying amount of the investment. When the Company’s share of losses in an investee equals or exceeds its interest in the investee, the Company does not recognize further losses unless the Company has incurred obligations or made payments on behalf of the investee. The Company has adopted a “cumulative earnings” approach which presumes that the dividends are returns on investment and therefore are classified as operating cash flows.

The Company elected to apply the fair value option to its listed investments in MPC Container Ships ASA and MPC Energy Solutions N.V. Gains and losses from remeasuring the investments at fair value are recorded through net income(ASC 825-10). The Company classified the dividends as operating cash flows by applying the “nature-of-the-distribution” method in ASC 230 as the dividends represented the distribution of net profits with the objective to maximize shareholder returns.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

2. Significant Accounting Policies and Recent Accounting Pronouncements (continued):

Assets and liabilities held for sale

Non-current assets and groups of assets and liabilities which comprise disposal groups are classified as ‘held for sale’ when all of the following criteria are met: a decision has been made to sell; the assets are available for sale immediately; the assets are being actively marketed; and a sale has been agreed or is expected to be concluded within 12 months of the balance sheet date. Assets and liabilities held for sale are measured at fair value, less costs to sell. Any subsequent changes in fair value less cost to sell are recognized, with losses recorded for write-downs and gains recognized for increases, but not exceeding previously recognized losses. Assets held for sale are neither depreciated nor amortised. Non-current assets and liabilities held for sale are recognized as current on the balance sheet.

Vessels, net

Vessels, net are stated at cost net of accumulated depreciation and impairment, if any. The cost of a vessel consists of the contract price plus any direct expenses incurred upon acquisition, including improvements, delivery expenses and other expenditures to prepare the vessel for its intended use which is to provide worldwide integrated transportation services. Subsequent expenditures for conversions and major improvements are also capitalized when they appreciably extend the life, increase the earning capacity or improve the efficiency or safety of a vessel; otherwise these amounts are charged to expense as incurred.

Vessels held for sale

The Company classifies a vessel as being held for sale when all of the following criteria, enumerated under ASC 360 “Property, Plant, and Equipment”, are met: (i) management has committed to a plan to sell the vessel; (ii) the vessel is available for immediate sale in its present condition; (iii) an active program to locate a buyer and other actions required to complete the plan to sell the vessel have been initiated; (iv) the sale of the vessel is probable, and transfer of the asset is expected to qualify for recognition as a completed sale within one year; (v) the vessel is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and (vi) actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Vessels classified as held for sale are measured at the lower of their carrying amount or fair value less cost to sell. The resulting difference, if any, is recorded under ‘Loss on vessels held for sale’ in the consolidated statement of comprehensive income. A vessel ceases being depreciated once it meets the held for sale classification criteria.

Vessels' depreciation

Depreciation is computed using the straight-line method over the estimated useful life of a vessel, after considering the estimated salvage value. Each vessel’s salvage value is equal to the product of its lightweight tonnage and estimated scrap rate. Salvage values are periodically reviewed and revised, if needed, to recognize changes in conditions, new regulations or for other reasons. Revisions of salvage value affect the depreciable amount of the vessels and affect depreciation expense in the period of the revision and future periods. Management estimates the useful life of its vessels to be 25 years from the date of their initial delivery from the shipyard.

Impairment of Vessels

The Company reviews its vessels for impairment whenever events or changes in circumstances indicate that the carrying amount of a vessel may not be recoverable. When the estimate of future undiscounted cash flows expected to be generated by the use of a vessel is less than its carrying amount, the Company evaluates the vessel for an impairment loss. Measurement of the impairment loss is based on the fair value of the vessel in comparison to its carrying value, including any related intangible assets and liabilities. In this respect, management regularly reviews the carrying amount of its vessels in connection with their estimated recoverable amount. As at December 31, 2023, the Company identified impairment indicators for certain of its vessels and, accordingly, estimated the vessels’ recoverable amount by projecting their undiscounted future operating cash flows. In developing estimates of future undiscounted operating cash flows, the Company made assumptions about future charter rates, utilization rates, vessel operating expenses, future dry-docking and/or special survey costs, the estimated remaining useful life of the vessels and their estimated residual value. Based on the results of the undiscounted cash flow tests performed, the Company determined that the vessels for which impairment indicators were present, were not impaired as of December 31, 2023. As of December 31, 2024, no impairment indicators were present.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

2. Significant Accounting Policies and Recent Accounting Pronouncements (continued):

Dry-docking and special survey costs

Dry-docking and special survey costs are accounted under the deferral method whereby the actual costs incurred are deferred and are amortized on a straight-line basis over the period through the date the next survey is scheduled to become due. Costs deferred are limited to actual costs incurred at the yard and parts used in the dry-docking or special survey. Costs deferred include expenditures incurred relating to shipyard costs, hull preparation and painting, inspection of hull structure and mechanical components, steelworks, machinery works, and electrical works as well as lodging and subsistence of personnel sent to the yard site to supervise. If a dry-dock and/or a special survey is performed prior to its scheduled date, the remaining unamortized balance is immediately expensed. Unamortized balances of vessels that are sold are written-off and included in the calculation of the resulting gain or loss in the period of a vessel’s sale. The amortization charge related to dry-docking costs and special survey costs is presented within Depreciation and amortization in the accompanying consolidated statements of comprehensive income.

Office furniture and equipment, net

Property and equipment are stated at cost less accumulated depreciation, which is generally provided by using the straight-line method over the estimated useful lives of the individual assets. Gains or losses on disposition are recognized as earned or incurred. Costs of major improvements are capitalized, while costs of normal repairs and maintenance are expensed as incurred. Leasehold improvements are depreciated or amortized over the shorter of the estimated useful life of the asset or the remaining expected lease term.

The following table summarizes the estimated useful lives that are generally used to depreciate the assets on a straight-line basis:

	Estimated Useful Lives in years
Office Furniture & Equipment	
Installations	5 – 13
Office Furniture	7 - 13
Other fixtures and fittings, office equipment	
Office Equipment	3 – 5

Impairment of long-lived assets

The Company evaluates property, and equipment, operating lease right-of-use assets, and definite-lived intangible assets for impairment when events or changes in circumstances indicate that the carrying value of a long-lived asset may not be recoverable. Recoverability is assessed based on the undiscounted future cash flows generated by the asset or asset group. If the carrying amount of an asset or asset group is not recoverable, the Company recognizes an impairment loss equal to the amount by which the carrying amount exceeds fair value. The Company estimates fair value based on the income, market, or cost valuation techniques.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

2. Significant Accounting Policies and Recent Accounting Pronouncements (continued):

Revenues and voyage expenses recognition

The Company generates its revenues from time charter contracts. Under a time charter agreement, a contract is entered into for the use of a vessel for a specific period of time and a specified daily fixed or index-linked charter hire rate. An index-linked rate usually refers to freight rate indices issued by the Baltic Exchange, such as the Baltic Panamax Index.

Revenues related to time charter contracts

The Company accounts for its time charter contracts as operating leases pursuant to ASC 842 “Leases”. The Company has determined that the non-lease component in its time charter contracts relates to services for the operation of the vessel, which comprise of crew, technical and safety services, among others. The Company further elected to adopt a practical expedient that provides it with the discretion to recognize lease revenue as a combined single lease component for all time charter contracts (operating leases) since it determined that the related lease component and non-lease component have the same timing and pattern of transfer and the predominant component is the lease. The Company qualitatively assessed that more value is ascribed to the use of the asset (i.e., the vessel) rather than to the services provided under the time charter agreements.

Lease revenues are recognized on a straight-line basis over the non-cancellable rental periods of such charter agreements, as rental service is provided, beginning when a vessel is delivered to the charterer until it is redelivered back to the Company, and is recorded as part of vessel revenues in the Company’s consolidated statements of comprehensive income/(loss). Revenues generated from variable lease payments are recognized in the period when changes in facts and circumstances on which the variable lease payments are based occur. Deferred revenue includes (i) cash received prior to the balance sheet date for which all criteria to recognize as lease revenue have not yet been met as at the balance sheet date and, accordingly, is related to revenue earned after such date and (ii) deferred contract revenue such as deferred ballast compensation earned as part of a lease contract. Lease revenue is shown net of commissions payable directly to charterers under the relevant time charter agreements. Charterers’ commissions represent discount on services rendered by the Company and no identifiable benefit is received in exchange for the consideration provided to the charterer. Apart from the agreed hire rate, the owner may be entitled to additional income, such as ballast bonus, which is considered as reimbursement of owner’s expenses and is recognized together with the lease component over the duration of the charter. The Company made an accounting policy election to recognize the related ballast costs, which mainly consist of bunkers, incurred over the period between the charter party date or the prior redelivery date (whichever is latest) and the delivery date to the charterer, provided they meet certain criteria, as contract fulfillment costs in accordance with ASC 340-40 and amortize these over the period of the charter.

Voyage Expenses

Voyage expenses, consist of: (a) port, canal and bunker expenses unique to a particular charter that the Company incurs during repositioning periods, (b) costs of European Union Allowance (“EUAs”) and (c) brokerage commissions. All voyage expenses are expensed as incurred, except for contract fulfilment costs which are capitalized to the extent the Company, in its reasonable judgement, determines that they (i) are directly related to a contract, (ii) will be recoverable and (iii) enhance the Company’s resources by putting the Company’s vessel in a location to satisfy its performance obligation under a contract pursuant to the provisions of ASC 340-40 “Other assets and deferred costs”. These capitalized contract costs are amortized on a straight-line basis as the related performance obligations are satisfied. Costs to fulfill the contract prior to arriving at the load port primarily consist of bunkers which are deferred and amortized during the voyage period. These capitalized contract fulfilment costs are recorded under “Deferred charges, net” in the accompanying consolidated balance sheets. At the inception of a time charter, the Company records the difference between the cost of bunker fuel delivered by the terminating charterer and the bunker fuel sold to the new charterer as a bunker gain or loss within voyage expenses.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

2. Significant Accounting Policies and Recent Accounting Pronouncements (continued):

Revenue related to services

The Company recognizes revenue in accordance with ASC 606 Revenue from Contracts with Customers. The Company generates service revenue through the following streams: (i) transaction services, (ii) ongoing management services for investment structures and assets, and (iii) ship management services.

The Company provides transaction-related services in connection with the acquisition, sale or development of assets such as vessels or renewable energy projects. These services are typically success-based and remunerated through transaction fees that are contingent upon the successful closing of the underlying transaction. As there is no enforceable right to payment before the transaction is completed and the customer may withdraw at any time without penalty, revenue is recognized at a point in time, when the defined success event or contractual milestone is achieved. Transaction prices may contain fixed and variable components, which are allocated to performance obligations in line with the respective contractual arrangements. The transaction service is generally treated as a single integrated performance obligation.

Additionally, the Company provides management services for assets companies (and associated assets) that the Company manages. These include asset management, fund administration, and oversight services for investment vehicles, including legacy fund platforms. Revenue from these performance obligations is recognized over the service periods, as the customer simultaneously receives and consumes the benefits of the services as they are performed. Fees are typically structured as recurring, fixed or asset-linked management fees.

The Company provides commercial and technical ship management services. Commercial management includes activities such as chartering, voyage coordination, and related support services, while technical management comprises maintenance, repairs, and regulatory compliance. Each category of service is treated as a distinct performance obligation. Revenue is recognized over time, as the customer simultaneously benefits from the services provided. Commercial management fees are typically calculated as a percentage of charter income, while technical services are charged at fixed monthly rates.

Cost of revenue from services

Cost of revenue from services comprise expenses for purchased services from third party providers and employee expenses which are directly attributable to the operating business activities.

Leases

The Company determines at the inception of the contract whether a contract is or contains a lease and categorizes it as either operating or finance. Finance leases are generally those leases that allow the Company to substantially utilize or pay for the entire asset over its estimated life. As of December 31, 2024, the Company has not entered into any finance lease agreements.

The Company records right-of-use (“ROU”) assets and lease obligations for its operating leases, which are initially recognized based on the discounted future lease payments over the term of the lease. The leases generally have terms that range from one to ten years for property and three years for vehicles. If the rate implicit in the leases is not readily determinable, the applicable incremental borrowing rate is used in calculating the present value of the sum of the lease payments. The lease term is defined as the non-cancelable period of the lease plus any options to extend or terminate the lease when it is reasonably certain that the option will be exercised. The Company elected not to recognize ROU asset and lease obligations for short-term leases, which are defined as leases with an initial term of 12 months or less. Costs associated with operating leases are recognized on a straight-line basis within operating expenses over the term of the lease.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

2. Significant Accounting Policies and Recent Accounting Pronouncements (continued):

Accounting for Financial Instruments

The principal financial assets of the Company consist of cash and cash equivalents, restricted cash, investments in equity securities, loans, amounts due from related parties, trade receivables, net and derivative financial instruments. The principal financial liabilities of the Company consist of trade and other payables, accrued liabilities, long-term debt (including related party amounts), amounts due to related parties and derivative financial instruments.

Derivative Financial Instruments

The Company regularly enters into forward rate agreements and currency options to hedge against currency risks. All derivatives are recognized in the consolidated financial statements at their fair value. On the inception date of the derivative contract, the Company evaluates whether the derivative qualifies as an accounting hedge of a forecasted transaction (“cash flow” hedge). Changes in the fair value of a derivative that is qualified, designated and highly effective as a cash flow hedge are recorded in other comprehensive income (loss) until earnings are affected by the forecasted transaction. Changes in the fair value of undesignated derivative instruments (“economic hedging”) and the ineffective portion of designated derivative instruments are reported in earnings in the period in which those fair value changes occur. Realized gains or losses on early termination of undesignated derivative instruments are also classified in earnings in the period of termination of the respective derivative instrument.

The Company formally documents all relationships between hedging instruments and hedged items, as well as the risk-management objective and strategy for undertaking various hedge transactions. This process includes linking all derivatives that are designated as cash flow hedges of the variable cash flows of a forecasted transaction to a specific forecasted transaction. The Company also formally assesses, both at the hedge’s inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flow of hedged items. When it is determined that a derivative is not highly effective as a hedge or that it has ceased to be a highly effective hedge, the Company discontinues hedge accounting prospectively. In accordance with ASC 815 “Derivatives and Hedging,” the Company may prospectively discontinue the hedge accounting for an existing hedge if the applicable criteria are no longer met, the derivative instrument expires, is sold, terminated or exercised or if the Company removes the designation of the respective cash flow hedge. In those circumstances, the net gain or loss remains in accumulated other comprehensive income (loss) and is reclassified into earnings in the same period or periods during which the hedged forecasted transaction affects earnings, unless the forecasted transaction is no longer probable in which case the net gain or loss is reclassified into earnings immediately.

Fair value measurements

The Company follows the provisions of ASC 820, “Fair Value Measurements and Disclosures” which defines, and provides guidance as to the measurement of fair value. ASC 820 creates a hierarchy of measurement and indicates that, when possible, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value hierarchy gives the highest priority (Level 1) to quoted prices in active markets and the lowest priority (Level 3) to unobservable data, for example, the reporting entity’s own data. Level 2 inputs are those that are observable for the asset or liability, either directly or indirectly, but are not quoted prices for identical assets or liabilities in active markets. Under the standard, fair value measurements are separately disclosed by level within the fair value hierarchy.

Repairs and Maintenance

All repair and maintenance expenses including underwater inspection expenses are expensed in the period incurred. Such costs are included in Vessel operating expenses in the accompanying consolidated statements of comprehensive income.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

2. Significant Accounting Policies and Recent Accounting Pronouncements (continued):

Financing Costs

Costs associated with long-term debt, including but not limited to, fees paid to lenders, fees required to be paid to third parties on the lender’s behalf in connection with debt financing or refinancing, or any unamortized portion thereof, are presented by the Company as a reduction of long-term debt. Such fees are deferred and amortized to interest and finance costs during the life of the related debt instrument using the effective interest method. Any unamortized balance of costs relating to debt repaid or refinanced that meet the criteria for Debt Extinguishment (Subtopic 470-50), is expensed in interest and finance costs in the period in which the repayment is made or refinancing occurs. Any unamortized balance of costs relating to debt refinanced that do not meet the criteria for Debt Extinguishment, are amortized over the term of the refinanced debt.

Offering costs

Expenses directly attributable to an equity offering are deferred and set off against the proceeds of the offering within paid-in capital, unless the offering is aborted, in which case they are written-off and charged to earnings.

Income taxes

Income taxes are accounted for using the asset and liability method. Under this approach, current income taxes represent the amount of income taxes payable or refundable for the current year based on taxable income. Deferred tax assets (DTAs) and deferred tax liabilities (DTLs) are recognized for temporary differences between the financial statement carrying amounts and the tax bases of assets and liabilities. These deferred taxes are measured using enacted tax rates expected to apply in the years when the temporary differences are expected to reverse.

DTAs are evaluated for realizability, and a valuation allowance is recognized if it is more likely than not that some portion of the asset will not be realized. In assessing the need for a valuation allowance, all available positive and negative evidence is considered, including the existence of taxable temporary differences, projected future taxable income, available tax-planning strategies, carryback potential where permitted, and recent operating results. If it is determined that DTAs are realizable in the future in excess of their net recorded amount, an adjustment to the valuation allowance would be made, reducing the provision for income taxes.

Earnings /(losses) per common share

Basic earnings/(losses) per common share are computed by dividing net income available to common shareholders, by the weighted average number of common shares outstanding during the period. Diluted earnings per common share, reflects the potential dilution that could occur if securities were converted or other contracts to issue common stock were exercised at the beginning of the periods presented, or issuance date, if later. The treasury stock method is used to compute the dilutive effect of warrants issued. The if-converted method is used to compute the dilutive effect of shares which could be issued upon conversion of the convertible securities. Potential common shares that have an anti-dilutive effect (i.e., those that increase income per share or decrease loss per share) are excluded from the calculation of diluted earnings per share.

Commitments, contingencies and provisions

Commitments are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle this obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the present value of the expenditure expected to be required to settle the obligation. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.

Investment in related party (Financial Instruments, Recognition and Measurement):

The Company has elected to measure equity securities without a readily determinable fair value, that do not qualify for the practical expedient in ASC 820 Fair Value Measurement to estimate fair value using the NAV per share (or its equivalent), at its cost minus impairment, if any. At each reporting period, the Company also evaluates indicators such as the investee’s performance and its ability to continue as going concern and market conditions, to determine whether an investment is impaired in which case, the Company will estimate the fair value of the investment to determine the amount of the impairment loss.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

2. Significant Accounting Policies and Recent Accounting Pronouncements (continued):

Discontinued Operations

The Company classifies as discontinued operations, a component of an entity or group of components that has been disposed of by sale, disposed of other than by sale or is classified as held for sale and represents a strategic shift that has (or will have) a major effect on the company’s operations and financial results (Note 3).

Warrants repurchases

The Company records the repurchase of its warrants at cost. For warrants repurchased, if the instrument is classified as equity, any cash paid in the settlement is recorded as an offset to additional paid-in capital. The Company’s warrants are all classified as equity. When the Company determines that on the measurement date the repurchase amount exceeds the fair value of the repurchased warrants, then this value represents a deemed dividend to the warrant holders, which should be deducted from the net income from continuing operations to arrive at the net income available to common shareholders from continuing operations.

Share-based payments

The Company’s majority-owned subsidiary, MPC Capital, offers certain members of its key management to participate in the share-based compensation program (the “Program”). It is designed to be settled in shares of MPC Capital and the Company does have the intent to do so. Even though there are contingencies that may result in a required cash settlement of the Program, it is neither considered probable nor controlled by the beneficiaries. Therefore, the Program is classified as equity settled. The Company recognizes share-based compensation expense based on the fair value of the awards at the date of grant.

The Program contains a service, performance, and market condition. At the time of the MPC Capital acquisition all conditions were fulfilled except for the service condition and the corresponding expense is recognized on a straight-line basis over the requisite service period. The Company accounts for forfeitures when incurred.

New Accounting Pronouncements

In November 2023, the FASB issued ASU 2023-07, which requires the disclosure of significant segment expenses that are part of an entity’s segment measure of profit or loss and regularly provided to the chief operating decision maker. In addition, it adds or makes clarifications to other segment-related disclosures, such as clarifying that the disclosure requirements in ASC 280 are required for entities with a single reportable segment and that an entity may disclose multiple measures of segment profit and loss. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023 and interim periods beginning after December 15, 2024. Early adoption is permitted. The amendments should be adopted retrospectively. The Company adopted ASU 2023-07 as of January 1, 2024 and considers that the adoption of ASU 2023-07 did not have a significant impact on its consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures (“ASU 2023-09”). ASU 2023-09 is intended to improve transparency of income tax disclosure by requiring income tax disclosures to contain consistent categories and greater disaggregation of information in the rate reconciliation and income taxes paid disaggregated by jurisdiction. This standard affects the disclosure of income taxes, not the accounting for income taxes. This standard is effective for the annual period beginning after December 15,2025, with early adoption permitted. The Company is currently assessing the impact this standard will have on its consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, “Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses”. The standard is intended to require more detailed disclosure about specified categories of expenses (including employee compensation, depreciation, and amortization) included in certain expense captions presented on the face of the income statement. This ASU is effective for fiscal years beginning after December 15, 2026, and for interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The amendments may be applied either prospectively to financial statements issued for reporting periods after the effective date of this ASU or retrospectively to all prior periods presented in the financial statements. The Company is currently assessing the impact this standard will have on its consolidated financial statements.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

3. Discontinued operations:

The Company’s discontinued operations relate to the operations of Toro, Elektra and the subsidiaries formerly comprising the Company’s Aframax/LR2 and Handysize tanker segments following completion of the Spin-Off on March 7, 2023. The Company has no continuing involvement in the Aframax/LR2 and Handysize tanker business as of and from March 7, 2023 (Note 1).

The components of the income from discontinued operations for the year ended December 31, 2022 and for the period January 1, 2023 through March 7, 2023 in the consolidated statements of comprehensive income consisted of the following:

	Year Ended December 31, 2022	January 1 through March 7, 2023
REVENUES:		
Time charter revenues	\$ 13,656,029	\$ 914,000
Voyage charter revenues	51,805,097	7,930
Pool revenues	46,424,742	22,447,344
Total vessel revenues	111,885,868	23,369,274
EXPENSES:		
Voyage expenses (including \$1,437,276 and \$294,831 to related party for the year ended December 31, 2022 and for the period January 1, 2023 through March 7, 2023)	(29,319,414)	(374,396)
Vessel operating expenses	(21,708,290)	(3,769,132)
Management fees to related parties	(2,833,500)	(507,000)
Depreciation and amortization	(7,294,476)	(1,493,759)
(Provision) / Recovery of provision for doubtful accounts	(266,732)	266,732
Gain on sale of vessel	3,222,631	—
Total expenses	(58,199,781)	(5,877,555)
Operating income	53,686,087	17,491,719
OTHER INCOME/(EXPENSES):		
Interest and finance costs	(902,572)	(220,061)
Interest income	202,612	253,165
Foreign exchange losses	(6,181)	(11,554)
Total other (expenses)/income, net	(706,141)	21,550
Net income and comprehensive income from discontinued operations, before taxes	\$ 52,979,946	\$ 17,513,269
Income taxes	(960,181)	(173,937)
Net income and comprehensive income from discontinued operations, net of taxes	\$ 52,019,765	\$ 17,339,332

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

4. Transactions with Related Parties:

As of December 31, 2023, and December 31, 2024, balances with related parties consisted of the following:

	December 31, 2023	December 31, 2024
Assets:		
Due from Castor Ships (a) – current	\$ 2,283,209	\$ 1,407,506
Due from Castor Ships (a) – non-current	4,504,340	3,504,667
Due from Pavimar (b) – current	3,366,959	1,405,049
Investment in Toro (c) – non-current	117,537,135	117,560,467
Due from related parties (MPC Capital) (g) - current	—	3,581,070
Liabilities:		
Due to Toro (d) – current	541,666	687,500
Current portion of long-term debt, related party, net (Toro) (e)	—	9,970,623
Long-term debt, related party, net (Toro) (e)	—	89,921,162
Accrued interest (e)- current	—	364,205
Due to related parties (MPC Capital) (g) - current	\$ —	\$ 201,521

(a) Castor Ships:

During the period from September 1, 2020 (being the effective date of the initial Castor Ships Management Agreements), and up to June 30, 2022, pursuant to the terms and conditions stipulated in a master management agreement (the “Master Management Agreement”) and separate commercial ship management agreements (the “Ship Management Agreements”) with Castor Ships (together, the “Castor Ships Management Agreements”), Castor Ships managed the Company’s business and provided commercial ship management, chartering and administrative services to the Company and its vessel owning subsidiaries. During the abovementioned period, the Company and its subsidiaries, in exchange for Castor Ship’s services, paid Castor Ships: (i) a flat quarterly management fee in the amount of \$0.3 million for the management and administration of the Company’s business, (ii) a daily fee of \$250 per vessel for the provision of the services under the Ship Management Agreements, (iii) a commission rate of 1.25% on all charter agreements arranged by Castor Ships and (iv) a commission of 1% on each vessel sale and purchase transaction.

Effective July 1, 2022, the Company and each of the Company’s vessel owning subsidiaries entered, by mutual consent, into an amended and restated master management agreement with Castor Ships (the “Amended and Restated Master Management Agreement”), appointing Castor Ships as commercial and technical manager for the Company’s vessels. The Amended and Restated Master Management Agreement along with new ship management agreements signed between each vessel owning subsidiary and Castor Ships (together, the “Amended Castor Ship Management Agreements”) superseded in their entirety the Castor Ships Management Agreements. Pursuant to the Amended and Restated Master Management Agreement, Castor Ships manages the Company’s overall business and provides the Company’s vessel owning subsidiaries with a wide range of shipping services such as crew management, technical management, operational employment management, insurance management, provisioning, bunkering, accounting and audit support services, commercial, chartering and administrative services, including, but not limited to, securing employment for the Company’s fleet, arranging and supervising the vessels’ commercial operations, providing technical assistance where requested in connection with the sale of a vessel, negotiating loan and credit terms for new financing upon request and providing cybersecurity and general corporate and administrative services, among other matters, which it may choose to subcontract to other parties at its discretion. Castor Ships is generally not liable to the Company for any loss, damage, delay or expense incurred during the provision of the foregoing services, except insofar as such events arise from Castor Ships or its employees’ fraud, gross negligence or willful misconduct (for which the Company’s recovery will be limited to two times the Flat Management Fee, as defined below). Notwithstanding the foregoing, Castor Ships will in no circumstances be responsible for the actions of the Company’s crews. The Company has also agreed to indemnify Castor Ships in certain circumstances.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

4. Transactions with Related Parties (continued):

In exchange for the services provided by Castor Ships, the Company and its vessel owning subsidiaries, pay Castor Ships (i) a flat quarterly management fee in the amount of \$0.75 million for the management and administration of their business (the “Flat Management Fee”), (ii) a commission of 1.25% on all gross income received from the operation of their vessels, and (iii) a commission of 1% on each consummated sale and purchase transaction. In addition, each of the Company’s vessel owning subsidiaries pay Castor Ships a daily management fee of \$925 per containership and dry bulk vessel, and, until March 7, 2023, paid a daily management fee of \$975 per tanker vessel (collectively, the “Ship Management Fees”) for the provision of the ship management services provided in the Amended and Restated Master Management Agreements. The Ship Management Fees and Flat Management Fee is adjusted annually for inflation on each anniversary of the Amended and Restated Master Management Agreement’s effective date. As a result of the inflation adjustment and effective July 1, 2023, the Ship Management Fee increased from \$925 per vessel to \$986 per vessel and the Flat Management Fee increased from \$0.75 million to \$0.8 million.

As a result of the inflation adjustment and effective July 1, 2024, the daily Ship Management Fee increased from \$986 per vessel to \$1,017 per vessel and the quarterly Flat Management Fee increased from \$0.80 million to \$0.82 million.

In addition to the Ship Management Fee and Flat Management Fee, effective July 1, 2024, under the addendum of the Amended and Restated Master Management Agreement, Castor Ships charges and collects (i) a chartering commission for and on behalf of Castor Ships and/or on behalf of any third-party broker(s) involved in the trading of the Company’s vessels, on all gross income received by the Company’s shipowning subsidiaries arising out of or in connection with the operation of the Company’s vessels for distribution among Castor Ships and any third-party broker(s), which, when calculated together with any address commission that any charterer of any of the Company’s vessels is entitled to receive, will not exceed the aggregate rate of 6.25% on each vessel’s gross income and (ii) a sale and purchase brokerage commission at the rate of 1% on each consummated transaction applicable to the total consideration of acquiring or selling: (a) a vessel or (b) the shares of a ship owning entity owning vessel(s) or (c) shares and/or other securities with an aggregate purchase or sale value, as the case may be, of an amount equal to, or in excess of, \$10,000,000 issued by an entity engaged in the maritime industry.

Pavimar is paid directly by the dry bulk vessel owning subsidiaries its previously agreed proportionate daily management fee of \$600 per vessel and Castor Ships is paid the residual amount of \$325 (before the inflation adjustment) or \$386, effective July 1, 2023, or \$417, effective July 1, 2024. The Company also reimburses Castor Ships for extraordinary fees and costs, such as the costs of extraordinary repairs, maintenance or structural changes to the Company’s vessels.

The Amended and Restated Master Management Agreement has a term of eight years from its effective date and this term automatically renews for a successive eight-year term on each anniversary of the effective date, starting from the first anniversary of the effective date, unless the agreements are terminated earlier in accordance with the provisions contained therein. In the event that the Amended and Restated Master Management Agreement is terminated by the Company or is terminated by Castor Ships due to a material breach of its provisions by the Company or a change of control in the Company (including certain business combinations, such as a merger or the disposal of all or substantially all of the Company’s assets or changes in key personnel such as the Company’s current directors or Chief Executive Officer), Castor Ships shall be entitled to a termination fee equal to seven times the total amount of the Flat Management Fee calculated on an annual basis. This termination fee is in addition to any termination fees provided for under each Amended Castor Ship Management Agreement.

In January 2023, Castor Ships transferred the technical sub-management of the Company’s containerships from Pavimar to a third-party ship management company.

As of December 31, 2023, in accordance with the provisions of the Amended Castor Ship Management Agreements, Castor Ships (i) had subcontracted to a third-party ship management company the technical management of the Company’s containerships and (ii) was co-managing with Pavimar the Company’s dry bulk vessels.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

4. Transactions with Related Parties (continued):

As of December 31, 2024, in accordance with the provisions of the Amended Castor Ship Management Agreements, Castor Ships (i) had subcontracted to a third-party ship management company the technical management of the Company’s containerships, except for *M/V Raphaela* and (ii) was co-managing with Pavimar the Company’s dry bulk vessels except the *M/V Magic Celeste*, *M/V Magic Ariel* and *M/V Magic Starlight*, for which Castor Ships has provided the technical management since August 16, 2024, October 9, 2024 (the date of its delivery to the Company) and December 18, 2024, respectively.

Castor Ships pays, at its own expense, the containership technical management company a fee for the services it has subcontracted to it, without any additional cost to the Company.

During the years ended December 31, 2022, 2023, and 2024, the Company’s subsidiaries were charged the following fees and commissions by Castor Ships: (i) management fees amounting to \$2,182,400, \$2,660,797 and \$2,585,002, respectively, (ii) charter hire commissions amounting to \$1,944,288, \$1,274,384 and \$1,170,615, respectively, (iii) sale and purchase commissions of \$235,500 (due to the acquisition of one Panamax vessel in 2022), sale and purchase commissions of \$664,000 (due to the sale of three Panamax vessels and two Kamsarmax vessels in 2023) and \$1,831,400 (relating to the sale of four Panamax vessels, two Kamsarmax vessels and one Capesize vessel in 2024, which are included in ‘Net gain on sale of vessels’ in the accompanying consolidated statements of comprehensive income and to the acquisitions of the vessels *M/V Magic Celeste*, *M/V Magic Ariel* and *M/V Raphaela* (Note 7) in the year ended December 31, 2024, which are included in ‘Vessels, net’ in the accompanying consolidated balance sheet), respectively, and (iv) sale and purchase brokerage commissions of \$1,919,773 due to the acquisition of the MPC Capital and \$417,623 for other listed equity securities, which are included in the General and Administrative expenses and in the interest and finance costs, respectively, in the accompanying consolidated statements of comprehensive income.

Moreover, during the years ended December 31, 2022, 2023, and 2024, the flat management fees amounted to \$2,100,000, \$3,099,000 and \$3,247,570, respectively, and are included in ‘General and administrative expenses’ in the accompanying consolidated statements of comprehensive income.

The Amended Castor Ship Management Agreements also provide for an advance funding equal to two months of vessel daily operating costs to be placed with Castor Ships as a working capital guarantee, refundable in case a vessel is no longer under Castor Ship’s management. As of December 31, 2023, such advances amounted to \$4,504,340 and \$1,740,931, and are presented in ‘Due from related parties, non-current’ and ‘Due from related parties, current’, in the accompanying consolidated balance sheet, respectively. The amount of \$1,740,931 is in relation to the *M/V Magic Venus*, *M/V Magic Orion* and *M/V Magic Moon* which have been classified as held for sale (Note 7(b)), and the *M/V Magic Sun*, *M/V Magic Phoenix* and *M/V Magic Argo*, that were sold on November 14, 2023, November 27, 2023 and December 14, 2023, respectively. As of December 31, 2024, such advances amounted to \$3,504,667 and \$761,998, and are presented in ‘Due from related parties, non-current’ and ‘Due from related parties, current’, in the accompanying consolidated balance sheet, respectively. The amount of \$761,998 is in relation to the *M/V Ariana A*, *M/V Gabriela A* which have been classified as held for sale (Note 7(b)). In connection with the subcontracting services rendered by the third-party ship-management companies, the Company had, as of December 31, 2023, and December 31, 2024, aggregate working capital guarantee deposits due from Castor Ships of \$605,688 and \$22,958 respectively, which are presented in ‘Due from related parties, current’ in the accompanying consolidated balance sheets.

As of December 31, 2023 and December 31, 2024, net amounts of \$43,689 and \$1,083,025 were due from Castor Ships in relation to advances for operating expenses/drydock payments made by the Company to Castor Ships.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

4. Transactions with Related Parties (continued):

Further, as of December 31, 2023, and December 31, 2024, amounts of \$107,099 and \$460,475, respectively, were due to Castor Ships in connection with the services covered by the Amended Castor Ships Management Agreements. As a result, as of December 31, 2023 and December 31, 2024, net amounts of \$2,283,209 and \$1,407,506 were due from Castor Ships which are presented in ‘Due from related parties, current’, in the accompanying consolidated balance sheets.

(b) Pavimar:

From the Company’s inception and until June 30, 2022, Pavimar, provided, on an exclusive basis, all of the Company’s vessel owning subsidiaries with a wide range of shipping services, including crew management, technical management, operational management, insurance management, provisioning, bunkering, vessel accounting and audit support services, which it could choose to subcontract to other parties at its discretion. As from July 1, 2022, Pavimar has provided all of the Company’s vessel owning subsidiaries with the range of technical, crewing, insurance and operational services stipulated in the previous agreements in exchange for a daily management fee of \$600 per vessel.

Effective July 1, 2022, the technical management agreements entered into between Pavimar and the Company’s tanker vessel owning subsidiaries were terminated by mutual consent. In connection with such termination, Pavimar and the tanker vessel owning subsidiaries agreed to mutually discharge and release each other from any past and future liabilities arising from the respective agreements. Further, with effect from July 1, 2022, pursuant to the terms of the Amended and Restated Master Management Agreement, Pavimar, continues to provide, as co-manager with Castor Ships, the dry-bulk vessel owning subsidiaries (except the subsidiaries that own the *M/V Magic Celeste*, *M/V Magic Ariel* and *M/V Magic Starlight*, for which Castor Ships has provided the technical management since August 16, 2024, October 9, 2024 (the date of their delivery to the Company) and December 18, 2024, respectively) with the same range of technical management services it provided prior to the Company’s entry into the Amended and Restated Management Agreement, in exchange for the previously agreed daily management fee of \$600 per vessel. Pavimar also performed the technical management of containerships as sub-manager for Castor Ships from their date of acquisition up to January 2023. During the years ended December 31, 2022, 2023 and 2024, management fees paid amounted to \$4,380,000, \$4,506,600 and \$2,223,600, respectively.

Pavimar had subcontracted the technical management of three of the Company’s dry bulk vessels to third-party ship-management companies for the year ended December 31, 2023, and none for the year ended December 31, 2024. These third-party management companies provided technical management services to the respective vessels for a fixed annual fee which is paid by Pavimar at its own expense. In addition, Pavimar and its subcontractor third-party managers make payments for operating expenses with funds paid from the Company to Pavimar.

In connection with the subcontracting services rendered by the third-party ship-management companies, the Company had, as of December 31, 2023, and December 31, 2024, aggregate working capital guarantee deposits due from Pavimar of \$258,252 and \$0, respectively, which are presented in ‘Due from related parties, current’ in the accompanying consolidated balance sheets. In addition, Pavimar and its subcontractor third-party managers make payments for operating expenses with funds paid from the Company to Pavimar. As of December 31, 2023, and December 31, 2024, net amounts of \$3,302,157 and \$1,592,049 were due from Pavimar, respectively, in relation to advance payments to Pavimar on behalf of the Company. Further, as of December 31, 2023, and December 31, 2024, amounts of \$193,450 and \$187,000 were due to Pavimar in connection with additional services covered by the technical management agreements. As a result, as of December 31, 2023, and December 31, 2024, net amounts of \$3,366,959 and \$1,405,049 were due from Pavimar, respectively, which are presented in ‘Due from related parties, current’ in the accompanying consolidated balance sheets.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

4. Transactions with Related Parties (continued):

(c) Investment in related party:

As discussed in Note 1, as part of the Spin-Off Castor received 140,000 Series A Preferred Shares, having a stated amount of \$1,000 and a par value of \$0.001 per share. The Company is the holder of all of the issued and outstanding Series A Preferred Shares (Note 1). The Series A Preferred Shares do not have voting rights. The Series A Preferred Shares are convertible into common shares at the Company’s option commencing upon the third anniversary of the issue date until but excluding the seventh anniversary, at a conversion price equal to the lesser of (i) 150% of the VWAP of Toro common shares over the five consecutive trading day period commencing on the Distribution Date, and (ii) the VWAP of Toro common shares over the 10 consecutive trading day period expiring on the trading day immediately prior to the date of delivery of written notice of the conversion; provided, that, in no event shall the conversion price be less than \$2.50.

As there was no observable market for the Series A Preferred Shares, these were recognized at \$117,222,135, being the fair value of the shares determined through Level 3 inputs of the fair value hierarchy by taking into consideration a third-party valuation. The fair value on the initial recognition is deemed to be the cost. The valuation methodology applied comprised the bifurcation of the value of the Series A Preferred Shares in two components namely, the “straight” preferred stock component and the option component. The mean of the sum of the two components was used to estimate the value for the Series A Preferred Shares at \$117,222,135. The valuation methodology and the significant unobservable inputs used for each component are set out below:

	Valuation Technique	Unobservable Input	Values
“Straight” Preferred Stock Component	Discounted cash flow model	• Weighted average cost of capital	12.80%
Option Component	Black Scholes	• Volatility	69.00%
		• Risk-free rate	3.16%
		• Weighted average cost of capital	12.80%
		• Strike price	\$ 5.75
		• Share price (based on the first 5 trading days volume weighted average)	\$ 4.52

As of December 31, 2023 and December 31, 2024, the aggregate value of investments in Toro amounted to \$117,537,135 and \$117,560,467, including \$315,000 and \$338,332 of accrued dividends, respectively, and are separately presented as ‘Investment in related party’ in the accompanying consolidated balance sheets. As of December 31, 2024, the Company did not identify any impairment or any observable prices for identical or similar investments of the same issuer.

Furthermore, Castor is entitled to receive cumulative cash dividends, at the annual rate of 1.00% on the stated amount of \$1,000 per share, of the 140,000 Series A Preferred Shares, receivable quarterly in arrears on the 15th day of January, April, July and October in each year, subject to Toro’s Board of Directors approval. However, for each quarterly dividend period commencing on or after the reset date (the seventh anniversary of the issue date of the Series A Preferred Shares), the dividend rate will be the dividend rate in effect for the prior quarterly dividend period multiplied by a factor of 1.3; provided that the dividend rate will not exceed 20% per annum in respect of any quarterly dividend period. During the years ended December 31, 2022, 2023 and 2024, dividend income derived from the Company’s investment in Toro amounted to \$0, \$1,166,667 and \$1,423,332 respectively and is presented in ‘Dividend income from related party’ in the accompanying consolidated statements of comprehensive income.

During the years ended December 31, 2024 and 2023, the Company received dividends of \$1,400,000 and \$851,667, respectively, from its investment in Toro.

Following the successful completion of the Spin-Off, Toro reimbursed Castor \$2,694,647 for expenses related to the Spin-Off that had been incurred by Castor.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

4. Transactions with Related Parties (continued):

(d) Issuance of Series D Preferred shares to Toro:

On August 7, 2023, the Company issued 50,000 5.00% Series D fixed rate cumulative perpetual convertible preferred shares (the “Series D Preferred Shares”) to Toro in exchange for \$50,000,000 in cash and on December 12, 2024, the Company issued an additional 50,000 Series D Preferred Shares to Toro in exchange for \$50,000,000 in cash, as referenced in Note 14. The amounts of accrued dividend on the Series D Preferred Shares due to Toro as of December 31, 2023, and as of December 31, 2024 were \$541,666 and \$687,500 respectively, and are presented in ‘Due to related parties, current’ in the accompanying consolidated balance sheets.

(e) Long-term debt, related party

On December 11, 2024, Castor entered into a facility agreement with Toro to receive a \$100.0 million senior term loan facility from Toro (the “Term Loan”) which was drawn down on the same date. The Term Loan has a tenor of 5 years, bears interest at the secured overnight financing rate (“SOFR”) plus 1.80% per annum, is guaranteed by ten wholly-owned ship-owning subsidiaries of Castor and is payable in (a) twenty (20) consecutive quarterly installments, each of \$2,500,000, commencing on March 11, 2025, and (b) a balloon installment in the amount of \$50.0 million at its maturity together with the last quarterly installment. The Term Loan is secured by first priority mortgages on and first priority general assignments covering insurance policies and requisition compensation over the ten vessels owned by wholly-owned subsidiaries of Castor. Pursuant to the terms of this facility, Castor is also subject to certain negative covenants customary for facilities of this type, which may be waived in Toro’s sole discretion.

	Year Ended	
	December 31, 2023	December 31, 2024
<u>Loan facilities</u>		
\$100 million senior term loan facility	—	100,000,000
Total long-term debt, related party	\$ —	\$ 100,000,000
Less: Deferred financing costs	—	(108,215)
Total long-term debt, related party, net of deferred finance costs	\$ —	\$ 99,891,785
<u>Presented:</u>		
Current portion of long-term debt, related party	\$ —	\$ 10,000,000
Less: Current portion of deferred finance costs	—	(29,377)
Current portion of long-term debt, related party, net of deferred finance costs	\$ —	\$ 9,970,623
Non-Current portion of long-term debt, related party	\$ —	\$ 90,000,000
Less: Non-Current portion of deferred finance costs	—	(78,838)
Non-Current portion of long-term debt, related party, net of deferred finance costs	\$ —	\$ 89,921,162

As of December 31, 2024, the Company was in compliance with all financial covenants prescribed in this debt agreement.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

4. Transactions with Related Parties (continued):

The annual principal payments for the Company’s outstanding debt arrangement with the related party as of December 31, 2024, required to be made after the balance sheet date, are as follows:

Year ending December 31,	Amount	
2025	\$	10,000,000
2026		10,000,000
2027		10,000,000
2028		10,000,000
2029		60,000,000
Total long-term debt, related party	\$	100,000,000

The weighted average interest rate on the Company’s related party long-term debt for the years ended December 31, 2024 was 6.24%.

Total interest incurred on related party long-term debt for the year ended December 31, 2022, 2023 and 2024, amounted to \$0, \$0 and \$364,205 respectively, and is included in Interest and finance costs (Note 22) in the accompanying consolidated statements of comprehensive income.

The above transaction and its terms were approved by the independent members of the board of directors of each of Castor and Toro at the recommendation of their respective special committees composed of independent and disinterested directors, which negotiated the transaction and its terms.

On March 24, 2025, March 31, 2025 and on April 28, 2025, the Company performed partial prepayments to Toro related to the Term Loan amounting to \$13,500,000, \$34,000,000 and \$14,000,000, respectively. The prepayment of \$13,500,000 was made pursuant to the sale of *M/V Magic Eclipse* on March 24, 2025. The prepayment of \$14,000,000 was made pursuant to the sale of *M/V Magic Callisto* on April 28, 2025. On May 5, 2025, the Company prepaid the amount of \$36,000,000 remaining outstanding at that date. As of the date of this Annual Report, the Term Loan has been fully repaid.

(f) Vessel Acquisitions/Disposals:

On January 4, 2022, the Company’s wholly owned subsidiary, Mickey, pursuant to a purchase agreement entered into on December 17, 2021, took delivery of the *M/V Magic Callisto*, a Japanese-built Panamax dry bulk carrier acquired from a third-party in which a family member of Petros Panagiotidis had a minority interest. The vessel was purchased for \$23.55 million. The terms of the transaction were negotiated and approved by a special committee of disinterested and independent directors of the Company. The *M/V Magic Callisto* acquisition was financed with cash on hand.

Further, on October 26, 2022, two of the Company’s wholly owned subsidiaries, Tom S and Jerry S, entered into two separate agreements for each to acquire a 2005 German-built 2,700 TEU containership vessel, from two separate entities beneficially owned by family members of Petros Panagiotidis. The purchase price for such vessels was \$25.75 million and \$25.00 million, respectively. The terms of these transactions were negotiated and approved by a special committee of the Company’s disinterested and independent directors. The acquisition of both vessels was financed with cash on hand and by utilizing the net proceeds from the \$22.5 Million Term Loan Facility.

On December 21, 2023, the Company entered into an agreement with an entity affiliated with a family member of the Company’s Chairman, Chief Executive Officer and Chief Financial Officer for the sale of the *M/V Magic Venus* for a gross sale price of \$17.5 million. The vessel was delivered to its new owner on May 10, 2024.

On January 19, 2024, the Company entered into an agreement with an entity beneficially owned by a family member of the Company’s Chairman, Chief Executive Officer and Chief Financial Officer for the sale of the *M/V Magic Nova* for a gross sale price of \$16.1 million. The vessel was delivered to its new owners on March 11, 2024.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

4. Transactions with Related Parties (continued):

On January 19, 2024, the Company entered into an agreement with an entity beneficially owned by a family member of the Company’s Chairman, Chief Executive Officer and Chief Financial Officer for the sale of the *M/V Magic Horizon* for a gross sale price of \$15.8 million. The vessel was delivered to its new owners on May 28, 2024.

On February 15, 2024, the Company entered into an agreement with an entity affiliated with a family member of the Company’s Chairman, Chief Executive Officer and Chief Financial Officer for the sale of the *M/V Magic Nebula* for a gross sale price of \$16.2 million. The vessel was delivered to its new owners on April 18, 2024. During the year ended December 31, 2024, the Company has agreed to pay a brokerage commission of \$324,000 on the sale of *M/V Magic Nebula* to a company related to the buyer of the vessel. Such amount is included in ‘Net gain on sale of vessels’ in the accompanying consolidated statements of comprehensive income.

The terms of all the above acquisitions / sales were each negotiated and approved by a special committee of the Company’s disinterested and independent directors.

(g) MPC Capital related parties

A significant part of the Company’s asset management segment revenues, including management fees, transaction fees and other revenues, are earned from entities that the Company manages or holds equity investments in and that meet the definition of a related party in accordance with ASC 850-10-20. These entities are related parties of the Company.

	December 16 to	
Revenues from services with related parties	December 31, 2024	
MPC Container Ships ASA	\$	273,785
MPC Energy Solutions NV		68,765
MPC Caribbean Clean Energy Limited		39,228
Total	\$	381,778

Further, for the year ended December 31, 2024, a one-time compensation of \$2.6 million, which is included in the General and Administrative expenses in the accompanying consolidated statements of comprehensive income, is payable to certain officers of a subsidiary related to a business combination. This amount was paid in February 2025.

During the year ended December 31, 2024, material related party relationships, include the following:

MPC Container Ships ASA

MPC Capital holds around 13.7% of the shares in MPC Container Ships ASA, indirectly through MPC CSI GmbH, Hamburg. MPC Container Ships ASA is an equity method investment of the Company and – together with its subsidiaries – is considered a related party of the Company. The Company provides corporate management and commercial ship management services to MPC Container Ships ASA and its subsidiaries.

The outstanding amounts from service performed for MPC Container Ships ASA and its subsidiaries, included in accounts receivable due from related parties in the accompanying consolidated balance sheet, amount to \$202,274 as of December 31, 2024.

MPC Energy Solutions NV

MPC Capital holds around 20.5% of the shares in MPC Energy Solutions NV as of December 31, 2024. MPC Energy Solutions NV is an equity method investment of the Company and – together with its subsidiaries – is considered a related party of the Company. The Company provides corporate management and asset management services to MPC Energy Solutions NV and its subsidiaries.

The outstanding amounts from service performed for MPC Energy Solutions NV and its subsidiaries, included in accounts receivable due from related parties in the accompanying consolidated balance sheet, amount to \$777,997 as of December 31, 2024.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

4. Transactions with Related Parties (continued):

MPC Caribbean Clean Energy Limited

MPC Capital holds around 22.2% of the shares in MPC Caribbean Clean Energy Limited as of December 31, 2024. MPC Caribbean Clean Energy Limited is an equity method investment of the Company and – together with its subsidiaries – is considered a related party of the Company. The Company acts as a fund manager to MPC Caribbean Clean Energy Limited and its subsidiaries.

The outstanding amounts from services performed for MPC Caribbean Clean Energy Limited and its subsidiaries, included in accounts receivable due from related parties in the accompanying consolidated balance sheet, amount to \$523,304 as of December 31, 2024.

5. Deferred Charges, net:

The movement in deferred dry-docking costs, net in the accompanying consolidated balance sheets is as follows:

	Dry-docking costs	
Balance December 31, 2022	\$	5,357,816
Additions		1,117,797
Amortization		(2,174,428)
Transfer to Assets held for sale (Note 7(b))		(405,048)
Disposals		(664,676)
Balance December 31, 2023	\$	3,231,461
Additions		1,556,902
Amortization		(1,363,517)
Transfer to Assets held for sale (Note 7(b))		(460,930)
Disposals		(758,372)
Balance December 31, 2024	\$	2,205,544

During the years ended December 31, 2023 and 2024, one of the Company’s container vessels (*the M/V Ariana A*) and one of the Company’s dry bulk carrier vessels (*the M/V Magic Mars*) concluded scheduled dry-docking repairs, respectively.

6. Fair Value of Acquired Time Charters:

In connection with the acquisitions in October 2022 of the *M/V Ariana A* and the *M/V Gabriela A* with time charters attached, the Company recognized intangible assets of \$897,436 and \$2,019,608, respectively, representing the fair values of the favorable time charters attached to the vessels. The *M/V Ariana A* and *M/V Gabriela A* attached charters commenced upon the vessels’ deliveries, on November 23, 2022, and November 30, 2022, respectively. The *M/V Ariana A* attached charter was concluded within the first quarter of 2023 and the respective intangible asset was fully amortized during that period. The aggregate unamortized portion of the *M/V Gabriela A* intangible asset as of December 31, 2023, amounted to \$265,173. The charter attached to the *M/V Gabriela A* was concluded within the first quarter of 2024 and the respective intangible asset was fully amortized during that period.

In connection with the acquisition in October 2024 of the *M/V Raphaela* with time charter attached, the Company recognized intangible assets of \$477,101 representing the fair value of the favorable time charter attached to the vessel. The *M/V Raphaela* attached charters commenced upon the vessel’s delivery, on October 3, 2024.

For the years ended December 31, 2022, 2023, and 2024, the amortization of the acquired time charters related to the above acquisitions amounted to \$409,538, \$2,242,333 and \$622,541, respectively, and is included in ‘Time Charter Revenues’ in the accompanying consolidated statements of comprehensive income. The aggregate unamortized portion of the *M/V Raphaela* intangible asset as of December 31, 2024, amounted to \$119,733 and will be fully amortized to vessel revenues within the first quarter of 2025, in accordance with the anticipated expiration date of the respective charter contract.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

7. Vessels, net/Assets held for sale:

(a) Vessels, net: The amounts in the accompanying consolidated balance sheets are analyzed as follows:

	<u>Vessel Cost</u>	<u>Accumulated depreciation</u>	<u>Net Book Value</u>
Balance December 31, 2022	\$ 372,382,480	\$ (28,974,014)	\$ 343,408,466
— Acquisitions, improvements, and other vessel costs	418,520	—	418,520
— Transfer to Assets held for sale (b)	(45,205,666)	7,376,974	(37,828,692)
— Vessel disposals	(65,528,981)	8,970,086	(56,558,895)
— Period depreciation	—	(19,902,403)	(19,902,403)
Balance December 31, 2023	262,066,353	(32,529,357)	229,536,996
— Acquisitions, improvements, and other vessel costs	71,838,073	—	71,838,073
— Transfer to Assets held for sale (b)	(48,027,623)	10,233,199	(37,794,424)
— Vessel disposals	(57,997,284)	8,420,635	(49,576,649)
— Period depreciation	—	(13,560,803)	(13,560,803)
Balance December 31, 2024	\$ 227,879,519	\$ (27,436,326)	\$ 200,443,193

Vessel Acquisitions and other Capital Expenditures:

On July 16, 2024, the Company entered into an agreement with an unaffiliated third party to acquire a secondhand 2015 Chinese-built Ultramax dry bulk carrier, the *M/V Magic Celeste*, for a purchase price of \$25.5 million. The *M/V Magic Celeste* was delivered to the Company on August 16, 2024. The acquisition was financed in its entirety with cash on hand.

On September 6, 2024, the Company entered into an agreement with an unaffiliated third party to acquire a secondhand 2008-built 1,850 TEU containership, the *M/V Raphaela*, for a purchase price of \$16.49 million. The vessel was delivered to the Company on October 3, 2024. The acquisition was financed in its entirety with cash on hand.

On September 19, 2024, the Company entered into an agreement with an unaffiliated third party to acquire a secondhand 2020-built Kamsarmax dry bulk carrier, the *M/V Magic Ariel*, for a purchase price of \$29.95 million. The vessel was delivered to the Company on October 9, 2024. The acquisition was financed in its entirety with cash on hand.

During the years ended December 31, 2023 and 2024, the Company incurred aggregate vessel improvement costs of \$0.4 million and \$0.05 mainly relating to the installation of new equipment pursuant to environmental regulations.

(b) Disposal of vessels / Assets held for sale

On March 13, 2023, the Company entered into an agreement with an unaffiliated third party for the sale of the *M/V Magic Rainbow* for a gross sale price of \$12.6 million. The *M/V Magic Rainbow* was delivered to its new owners on April 18, 2023. In connection with this sale, the Company recognized during the second quarter of 2023 a net gain of \$3.2 million which is separately presented in ‘Net gain on sale of vessels’ in the accompanying consolidated statements of comprehensive income.

On June 2, 2023, the Company entered into an agreement with an unaffiliated third party for the sale of the *M/V Magic Twilight* for a gross sale price of \$17.5 million. The *M/V Magic Twilight* was delivered to its new owners on July 20, 2023. In connection with this sale, the Company recognized during the third quarter of 2023 a net gain of \$3.2 million which is separately presented in ‘Net gain on sale of vessels’ in the accompanying consolidated statements of comprehensive income.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

7. Vessels, net/Assets held for sale (continued):

On September 22, 2023, the Company entered into an agreement with an unaffiliated third party for the sale of the *M/V Magic Argo* for a gross sale price of \$15.75 million. The *M/V Magic Argo* was delivered to its new owners on December 14, 2023. In connection with this sale, the Company recognized during the fourth quarter of 2023 a net gain of \$2.6 million which is separately presented in ‘Net gain on sale of vessels’ in the accompanying consolidated statements of comprehensive income.

On October 6, 2023, the Company entered into an agreement with an unaffiliated third party for the sale of the *M/V Magic Sun* for a gross sale price of \$6.55 million. The *M/V Magic Sun* was delivered to its new owners on November 14, 2023. In connection with this sale, the Company recognized during the fourth quarter of 2023 a net gain of \$0.7 million which is separately presented in ‘Net gain on sale of vessels’ in the accompanying consolidated statements of comprehensive income.

On October 16, 2023, the Company entered into an agreement with an unaffiliated third party for the sale of the *M/V Magic Phoenix* for a gross sale price of \$14 million. The *M/V Magic Phoenix* was delivered to its new owners on November 27, 2023. In connection with this sale, the Company recognized during the fourth quarter of 2023 a net loss of \$3.3 million which is included in ‘Net gain on sale of vessels’ in the accompanying consolidated statements of comprehensive income.

On March 23, 2023, the Company entered into an agreement with an unaffiliated third party for the sale of the *M/V Magic Moon* for a gross sale price of \$13.95 million. On September 26, 2023, the Company announced that the previously announced sale of the *M/V Magic Moon* was terminated following the buyers’ failure to take delivery of the vessel.

On November 10, 2023, the Company entered into an agreement with an unaffiliated third party for the sale of the *M/V Magic Moon* for a gross sale price of \$11.8 million. The M/V Magic Moon was delivered to its new owner on January 16, 2024. In connection with this sale, the Company recognized during the first quarter of 2024 a net gain of \$2.4 million which is separately presented in ‘Net gain on sale of vessels’ in the accompanying consolidated statements of comprehensive income.

On December 7, 2023, the Company entered into an agreement with an unaffiliated third party for the sale of the *M/V Magic Orion* for a gross sale price of \$17.4 million. The *M/V Magic Orion* was delivered to its new owner on March 22, 2024. In connection with this sale, the Company recognized during the first quarter of 2024 a net gain of \$1.4 million which is separately presented in ‘Net gain on sale of vessels’ in the accompanying consolidated statements of comprehensive income.

On December 21, 2023, the Company entered into an agreement with an entity affiliated with a family member of the Company’s Chairman, Chief Executive Officer and Chief Financial Officer for the sale of the *M/V Magic Venus* (Note 4), for a gross sale price of \$17.5 million. The *M/V Magic Venus* was delivered to its new owner on May 10, 2024. In connection with this sale, the Company recognized during the second quarter of 2024 a net gain of \$3.2 million which is separately presented in ‘Net gain on sale of vessels’ in the accompanying consolidated statements of comprehensive income.

On January 19, 2024, the Company entered into an agreement with an entity beneficially owned by a family member of the Company’s Chairman, Chief Executive Officer and Chief Financial Officer for the sale of the *M/V Magic Nova* for a gross sale price of \$16.1 million. The *M/V Magic Nova* was delivered to its new owner on March 11, 2024. In connection with this sale, the Company recognized during the first quarter of 2024 a net gain of \$4.1 million which is separately presented in ‘Net gain on sale of vessels’ in the accompanying consolidated statements of comprehensive income.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

7. Vessels, net/Assets held for sale (continued):

On January 19, 2024, the Company entered into an agreement with an entity beneficially owned by a family member of the Company’s Chairman, Chief Executive Officer and Chief Financial Officer, for the sale of the *M/V Magic Horizon* for a gross sale price of \$15.8 million. The *M/V Magic Horizon* was delivered to its new owner on May 28, 2024. In connection with this sale, the Company recognized during the second quarter of 2024 a net gain of \$4.3 million which is separately presented in ‘Net gain on sale of vessels’ in the accompanying consolidated statements of comprehensive income.

On February 15, 2024, the Company entered into an agreement with an entity affiliated with a family member of the Company’s Chairman, Chief Executive Officer and Chief Financial Officer, for the sale of the *M/V Magic Nebula* for a gross sale price of \$16.2 million. The *M/V Magic Nebula* was delivered to its new owner on April 18, 2024. In connection with this sale, the Company recognized during the second quarter of 2024 a net gain of \$1.9 million which is separately presented in ‘Net gain on sale of vessels’ in the accompanying consolidated statements of comprehensive income.

On May 1, 2024, the Company entered into an agreement with an unaffiliated third party for the sale of the *M/V Magic Vela* for a gross sale price of \$16.4 million. The *M/V Magic Vela* was delivered to its new owner on May 23, 2024. In connection with this sale, the Company recognized during the second quarter of 2024 a net gain of \$2.0 million which is separately presented in ‘Net gain on sale of vessels’ in the accompanying consolidated statements of comprehensive income.

The respective sales of the above vessels took place due to favorable offers in each case. The terms of each of the transactions on December 21, 2023, January 19, 2024 and February 15, 2024 were negotiated and approved by a special committee of the Company’s disinterested and independent directors.

As of December 31, 2023, the Company followed the provisions of ASC360 and, as all criteria required for classification as “Assets held for sale” were met at the date the relevant agreements were entered into (for the vessels *M/V Magic Moon*, *M/V Magic Orion* and *M/V Magic Venus*), it classified the carrying value of the vessels amounting to \$38,233,740 and such vessel’s inventory onboard, amounting to \$422,308, as “Assets held for sale” measured at the lower of carrying value and fair value (sale price) less costs to sell. No impairment charges have been recorded as of December 31, 2023, in connection with the anticipated sale of the vessels since their carrying amounts as at the balance sheet date were lower than their fair value less cost to sell.

On November 13, 2024, the Company entered into an agreement with an unaffiliated third party for the sale of the *M/V Ariana A* for a gross sale price of \$16.5 million. In addition, on December 4, 2024, the Company entered into an agreement with an unaffiliated third party for the sale of the *M/V Gabriela A* for a gross sale price of \$19.3 million. The Company followed the provisions of ASC360 and, as all criteria required for its classification as such were met at the date the relevant agreements were entered into, as of December 31, 2024, classified the carrying value of the vessels amounting to \$34,625,833 and such vessel’s inventory onboard, amounting to \$107,570, as “Assets held for sale” measured at the lower of carrying value and fair value (sale price) less costs to sell. As of December 31, 2024 for the *M/V Ariana A*, the difference between the estimated fair value less cost to sell of the vessel and the vessel’s carrying value, amounting to \$3,629,521, was recorded, and is separately reflected as Loss on vessels held for sale in the accompanying consolidated statements of income. The *M/V Ariana A* was delivered to its new owner on January 22, 2025. No impairment charges have been recorded as of December 31, 2024, in connection with the anticipated sale of the *M/V Gabriela A* since its carrying amount as at the balance sheet date was lower than its fair value less cost to sell. The vessel was delivered to its new owner on May 7, 2025 and the Company expects to recognize during the first half of 2025 a gain on the sale of the *M/V Gabriela A* of approximately \$0.8 million excluding any transaction related costs. In each case, the respective sales of the above vessels took place due to favorable offers.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

7. Vessels, net/Assets held for sale (continued):

	Assets held for sale	
Balance December 31, 2022	\$	—
Assets held for sale		38,656,048
Balance December 31, 2023	\$	38,656,048
Asset’s disposal		(38,656,048)
Assets held for sale		69,430,788
Balance December 31, 2024	\$	69,430,788

Apart from the above, as of December 31, 2024, the Assets held for sale includes the Company’s subsidiary Energiepark Heringen-Philippsthal WP HP GmbH & Co, KG as follows:

The Company’s subsidiary Energiepark Heringen-Philippsthal WP HP GmbH & Co, KG, which operates a windfarm in Germany, met the held for sale criteria as of December 31, 2024. The Company intends to sell this subsidiary to an investment fund to which the Company will provide investment advisory services, when investors have committed to provide a sufficient amount of equity to the fund. Management expects this to be the case in 2025. As a result, the disposal group was measured at fair value.

	December 31, 2024	
Goodwill	\$	3,239
Property and equipment		29,883
Intangible assets		567
Accounts receivable trade, net and other current assets		288
Cash and cash equivalents		720
Assets held for sale	\$	34,697
Long-term debt, net	\$	15,685
Deferred tax liabilities		1,228
Accounts payable and other current liabilities		743
Liabilities directly associated with assets held for sale	\$	17,656

During the reporting period, no gain or loss relating to the disposal group held for sale has been recognized in the consolidated statement of comprehensive income.

As a result, as of December 31, 2023, and December 31, 2024, net amounts of \$38,656,048 and \$69,430,788, respectively, are presented in ‘Assets held for sale’, in the accompanying consolidated balance sheets.

As of December 31, 2024, 10 of the 13 vessels in the Company’s fleet, having an aggregate carrying value of \$194.7 million, were first priority mortgaged as collateral to the Company’s loan facility with Toro (Note 4).

Consistent with prior practices, the Company reviewed all its vessels for impairment, and none were found to be impaired at December 31, 2023 and December 31, 2024.

8. Acquisition of MPC Capital

On December 16, 2024, Castor Maritime Inc., through Thalvora Holdings GmbH, completed the acquisition of 26,116,378 shares of common stock of MPC Capital, representing 74.09% of MPC Capital’s outstanding common stock, for a cash price of €7.00 per share, equivalent to aggregate consideration of \$191,977,316, excluding transaction related costs. MPC Capital is a public limited liability company incorporated and domiciled in Germany and is listed on the Scale Segment of the German Stock Exchange in Frankfurt/Main since 2000. Acquisition related costs amounted to \$7,017,535 and are included in the general and administrative expenses in the accompanying consolidated statement of comprehensive income.

The Company has elected to apply pushdown accounting to the MPC Capital subsidiary. The new basis of accounting was established by the Company for the individual assets and liabilities of the subsidiary that were acquired using the acquisition method of accounting.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

8. Acquisition of MPC Capital (continued):

The following table summarizes the preliminary allocation of the fair value of MPC Capital’s assets, liabilities and noncontrolling interest as at December 16, 2024:

Assets acquired		
Cash and cash equivalents	\$	28,026,596
Account receivable trade, net		3,365,268
Due from related parties		9,779,850
Prepaid expenses and other assets		912,152
Income tax receivable		11,941,846
Assets held for sale		35,246,768
Derivative Assets		1,297,985
Property and equipment, net		2,075,104
Operating lease right-of-use assets		7,882,948
Intangible assets, net		19,574,760
Goodwill		18,079,618
Equity method investments		50,920,542
Equity method investments measured at fair value		113,694,883
Equity investments		5,228,041
Prepaid expenses and other assets		205,824
Deferred tax assets		1,841,537
Total assets acquired		310,073,722
Liabilities assumed		
Current portion of long-term debt, net		1,061,812
Accounts payable		616,988
Accrued liabilities		15,123,454
Due to related parties		203,177
Liabilities directly associated with assets held for sale		18,065,703
Derivative liabilities		1,520,984
Income tax payable		7,062,263
Operating lease liabilities		1,064,277
Long-term debt, net		2,625,300
Accrued liabilities		167,522
Operating lease liabilities		6,818,672
Deferred tax liabilities		8,142,701
Total liabilities assumed		62,472,853
Noncontrolling interests		
		55,623,553
Assets acquired less liabilities assumed and noncontrolling interests	\$	191,977,316

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

8. Acquisition of MPC Capital (continued):

The fair value of the non-controlling interest on the acquisition date was based on the MPC Capital common stock price reported on the Scale Segment of the German Stock Exchange in Frankfurt/Main at the date of the acquisition and amounted to \$54.7 million, which represented Level 1 inputs, and the fair value of the non-controlling shareholders at the level of the MPC Capital, amounted to \$1.0 million.

Goodwill is calculated as the excess of the acquisition price of MPC Capital over the identifiable net assets acquired and represents the future economic benefits expected to arise from other intangible assets acquired that do not qualify for separate recognition, including assembled workforce, knowledge base, continued innovation, and non-contractual relationships. Goodwill included in the MPC Capital segment constitutes a premium paid by the Company over the fair value of the net assets of MPC Capital, which is attributable to anticipated benefits from MPC Capital’s unique position as an asset management company. The goodwill is not tax deductible. Amortizable intangible assets comprise the brand with an estimated useful life of approximately 13 years, customer relationships with a weighted average useful life of approximately 25 years, order backlog with a weighted average useful life of approximately 6 years and a favorable contract with a weighted average useful life of approximately 5 years (see further information about intangible assets in Note 10).

The changes in the carrying amount of goodwill for the year ended December 31, 2024, are as follows.

	Asset management segment
Balance as of December 31, 2023	\$ —
Goodwill acquired during year	18,079,618
Net exchange differences during year	(147,375)
Balance as of December 31, 2024	\$ 17,932,243

As of December 31, 2024, the valuation related to the acquisition of MPC Capital is not final, and the acquisition price allocation is preliminary and subject to revision. The primary areas of the acquisition price allocation that are not yet finalized are related to certain property and equipment, intangible assets, liabilities and tax balances.

The determination of the fair values of the acquired assets and liabilities (and the determination of estimated lives of depreciable tangible and identifiable intangible assets) requires significant judgment. The contingent liabilities recognized as a result of the pushdown accounting were measured using the probability -weighted settlement amount in accordance with ASC 450 (see Note 17). The fair value of the trade receivables and trade receivables due from related parties include provision for doubtful accounts amounted to \$449,556 and \$8,984,028, respectively. No credit loss expenses were recognized during the reporting period. There are no purchased financial assets with credit deterioration. The most significant portion of the investments measured at fair value are equity methods investments for which the fair value option was elected (see Note 11). These investments were measured using quoted prices (Level 1). Equity investments were measured at net asset value (“NAV”) as a practical expedient (see Note 15).

Intangible assets comprise primarily order backlog and non-contractual customer relationships relating to commercial ship management and maritime infrastructure. The valuation of these intangible assets is based on the Multi-Period Excess Earnings Method. The key assumptions underlying the valuation are the duration of existing contracts, useful lives of commercial ships underlying the management contracts, contractually agreed fee rates and expected conditions for future contracts, expected profit margins and present value factors based on capital market data. The discount rate was estimated at 6.6% reflecting the weighted average cost of capital (“WACC”).

Also intangible assets comprise the fair value of the brand ‘Harper Petersen’ as well as a favorable contract regarding the temporary usage of the brand ‘MPC’ which were determined via the relief from royalty method. The key assumptions underlying the valuation are the expected future brand-specific revenues, at arm’s length royalty rate based on benchmark data and present value factors derived on capital market data. The discount rate was estimated at 6.5% reflecting the WACC.

The amounts of revenue and net income of the MPC Capital since the acquisition date (December 16, 2024) and up to December 31, 2024 included in the consolidated income statement for the reporting period is as follows:

	Period December 16, 2024 to December 31, 2024
Revenue from services	\$ 1,174,376
Net income	\$ 2,473,733

Pro forma results of operations (unaudited) – The following unaudited pro forma financial data for the years ended December 31, 2023 and 2024, give effect to the acquisition of MPC Capital, as though the business combination had been completed at the beginning of each period:

	Year ended December 31, 2023	Year ended December 31, 2024
Pro forma:		
Revenue from services	\$ 29,369,293	\$ 33,271,100
Net income	\$ 11,389,624	\$ 72,013,106

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

8. Acquisition of MPC Capital (continued):

The unaudited pro forma financial information is illustrative only and is not intended to represent or be indicative of the consolidated results of operations or financial position that would have been reported had the acquisition been completed as of the dates presented, and should not be taken as representative of future consolidated result of operations or financial position following the acquisition. The pro forma information does not give effect to any potential revenue enhancement cost synergies or other operational efficiencies that could result from the acquisitions. The actual financial position and results of operations of the Company following the acquisition may differ from the unaudited pro forma financial information due to a variety of factors. The unaudited pro forma financial information is based upon available information and certain assumptions that management believes are reasonable. The actual results of the operations of MPC Capital are included in the consolidated financial statements of the Company only from the date of the acquisition.

At December 31, 2024, the Company performed its annual impairment testing for Goodwill and found that no impairment charge should be recorded.

9. Property and Equipment, net

The following table shows the Company’s office furniture and equipment by major asset classes as of December 31, 2024.

	Year Ended	
	December 31, 2023	December 31, 2024
Installations	\$ —	\$ 1,809,400
Office Furniture	—	116,613
Other fixtures and fittings, office equipment	—	68,178
Property and equipment, net	\$ —	\$ 1,994,191

The line item “Installations” mainly comprise leasehold improvements at MPC Capital’s Hamburg office. For the period December 16, 2024 to December 31, 2024, total depreciation of \$34,350 was recorded.

10. Intangible Assets, net

The following table shows the Company’s intangible assets by major asset classes as of December 31, 2024:

	Year Ended	
	December 31, 2023	December 31, 2024
Brand	\$ —	\$ 279,173
Customer relationship	—	10,304,898
Order backlog	—	8,409,416
Favorable contract	—	270,467
Licenses, software	—	41,791
Concessions	—	17,858
Intangible assets, net	\$ —	\$ 19,323,603

The following table reflects the gross carrying amount and accumulated amortization as of December 31, 2024:

	Gross carrying amount	Accumulated amortization	Net carrying amount
Brand	\$ 280,071	\$ 898	\$ 279,173
Customer relationship	10,322,102	17,204	10,304,898
Order backlog	8,467,319	57,903	8,409,416
Favorable contract	272,740	2,273	270,467
Licenses, software	41,791	—	41,791
Concessions	17,858	—	17,858
Total intangible assets	\$ 19,401,881	\$ 78,278	\$ 19,323,603

For the period December 16, 2024 to December 31, 2024, a total amortization of \$78,336 was recorded. The net exchange difference was (\$159,493). The estimated aggregate annual amortization expense for the five succeeding fiscal years is \$1.9 million. The weighted-average amortization period in total is 16 years. The weighted-average amortization periods for major classes of the intangible assets are presented in Note 8.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

11. Equity method investments

The Company holds investments in certain companies that are accounted for pursuant to the equity method. As of December 31, 2024, the Company held the following ownership interests in the outstanding common stock of entities which are significant from the Company’s perspective:

Equity method investments <i>(in thousands)</i>	Ownership interest	Carrying amount
MPC Caribbean Clean Energy Limited, Barbados	22.2%	\$ 5,033
BB Amstel B.V.	41.5%	7,443
Wilhelmsen Ahrenkiel Ship Management GmbH & Co. KG (joint venture)	50.0%	17,808
Barber Ship Management Germany GmbH & Co. KG (joint venture)	50.0%	3,923
Other	-	16,297
Total	-	\$ 50,504

Equity method investments measured at fair value <i>(in thousands)</i>	Ownership interest	Carrying amount
MPC Energy Solutions NV	20.5%	\$ 3,869
MPC Container Ships ASA	13.7%	111,586
Total	-	\$ 115,455

MPC Capital has significant influence over MPC Container Ships ASA despite holding less than 20% of the outstanding voting stock due to its representation on the board of directors and its participation in policy-making processes.

As part of the pushdown accounting, the fair value option was elected for MPC Container Ships ASA and MPC Energy Solutions N.V.. The entire net gain from equity method investments during the reporting period is attributable to the fair value changes (Level 1) of these two entities.

For those equity method investments that are considered significant from the Company’s perspective, summarized consolidated financial information is provided below (earnings of these entities were immaterial in the reporting period).

MPC Caribbean Clean Energy Limited, Barbados <i>(in thousands)</i>	December 31, 2024
Current assets	\$ 1,077
Non-current assets	32,348
Current liabilities	660
Non-current liabilities	\$ 10,000

BB Amstel B.V. <i>(in thousands)</i>	December 31, 2024
Current assets	\$ 951
Non-current assets	17,113
Current liabilities	124
Non-current liabilities	\$ -

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

11. Equity method investments (continued):

Wilhelmsen Ahrenkiel Ship Management GmbH & Co. KG <i>(in thousands)</i>	December 31, 2024	
Current assets	\$	5,405
Non-current assets		11,740
Current liabilities		3,861
Non-current liabilities	\$	-
Barber Ship Management Germany GmbH & Co. KG <i>(in thousands)</i>	December 31, 2024	
Current assets	\$	293
Non-current assets		2,183
Current liabilities		160
Non-current liabilities	\$	208
MPC Energy Solution N.V. <i>(in thousands)</i>	December 31, 2024	
Current assets	\$	24,977
Non-current assets		98,614
Current liabilities		6,674
Non-current liabilities		66,677
Market value (December 31, 2024)	\$	18,853
MPC Container Ships ASA <i>(in thousands)</i>	December 31, 2024	
Current assets	\$	178,061
Non-current assets		1,053,313
Current liabilities		114,438
Non-current liabilities		299,316
Market value	\$	813,367

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

12. Long-Term Debt:

The amount of long-term debt shown in the accompanying consolidated balance sheets of December 31, 2024 and 2023, is analyzed as follows:

		Year Ended	
		December 31, 2023	December 31, 2024
<u>Loan facilities</u>	<u>Borrowers</u>		
\$11.0 Million Term Loan Facility (a)	Spetses- Pikachu	\$ 4,600,000	\$ —
\$15.29 Million Term Loan Facility (b)	Pocahontas- Jumaru	10,109,000	—
\$40.75 Million Term Loan Facility (c)	Liono-Snoopy-Cinderella	23,055,000	—
\$55.00 Million Term Loan Facility (d)	Mulan- Johnny Bravo-Songoku-Asterix-Stewie	32,040,000	—
\$22.5 Million Term Loan Facility (e)	Tom-Jerry	16,800,000	—
5.0 Million Euro Term Loan (f)	MPC Maritime Holding GmbH	—	3,657,056
Total long-term debt		\$ 86,604,000	\$ 3,657,056
Less: Deferred financing costs		(808,215)	—
Total long-term debt, net of deferred finance costs		\$ 85,795,785	\$ 3,657,056
<u>Presented:</u>			
Current portion of long-term debt		\$ 18,089,000	\$ 1,053,156
Less: Current portion of deferred finance costs		(409,705)	—
Current portion of long-term debt, net of deferred finance costs		\$ 17,679,295	\$ 1,053,156
Debt related to assets held for sale		\$ 2,415,000	\$ —
Less: Current portion of deferred finance costs		(8,352)	—
Debt related to assets held for sale, net of deferred finance costs		\$ 2,406,648	\$ —
Non-Current portion of long-term debt		66,100,000	2,603,900
Less: Non-Current portion of deferred finance costs		(390,158)	—
Non-Current portion of long-term debt, net of deferred finance costs		\$ 65,709,842	\$ 2,603,900

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

12. Long-Term Debt (continued):

a. \$11.0 Million Term Loan Facility

On November 22, 2019, two of the Company’s wholly owned dry bulk vessel ship-owning subsidiaries, Spetses and Pikachu owning the *M/V Magic P* and the *M/V Magic Moon*, respectively, entered into the Company’s first senior secured term loan facility in the amount of \$11.0 million with Alpha Bank S.A (“Alpha Bank”). The facility was drawn down in two tranches on December 2, 2019. This facility has a term of five years from the drawdown date, bears interest at a margin over LIBOR per annum and is repayable in twenty (20) equal quarterly installments of \$400,000 each, plus a balloon installment of \$3.0 million payable simultaneously with the last installment at maturity, on December 2, 2024. On February 14, 2024, the Company entered into a first supplemental agreement with Alpha Bank pursuant to which, with effect from April 3, 2023, SOFR replaced LIBOR as the reference rate under the Company’s \$11.0 million term loan facility and the margin was increased by a percentage of 0.045%, which is the equivalent of the positive difference as of April 3, 2023 between USD LIBOR and SOFR for the first rollover period commencing April 3, 2023 selected upon application of SOFR methodology. Such percentage will apply over the tenor of the loan going forward regardless of future rollover periods.

The above facility is secured by, including but not limited to, a first preferred mortgage and first priority general assignment covering earnings, insurances and requisition compensation over the vessels owned by the borrowers, an earnings account pledge, shares security deed relating to the shares of the vessels’ owning subsidiaries, manager’s undertakings and is guaranteed by the Company. The respective facility also contains certain customary minimum liquidity restrictions and financial covenants that require the borrowers to (i) maintain a certain level of minimum free liquidity per collateralized vessel, and (ii) meet a specified minimum security requirement ratio, which is the ratio of the aggregate market value of the mortgaged vessels plus the value of any additional security and the value of the minimum free liquidity requirement referred to above to the aggregate principal amounts due under the facility. This facility’s net proceeds were partly used by the Company to repay a \$7.5 million bridge loan on December 6, 2019, whereas the remainder of the proceeds was used for general corporate purposes including financing vessel acquisitions.

As of December 31, 2023, the loan tranche relating to *M/V Magic Moon*, amounting to \$2.4 million has been classified as Debt related to assets held for sale under current liabilities. On January 16, 2024, Alpha Bank entered into a deed of partial release, with respect to the *M/V Magic Moon*, releasing and discharging the underlying borrower and all security created over the *M/V Magic Moon* in full after the settlement of the outstanding balance of \$2.4 million pertaining to *M/V Magic Moon*’s tranche. The facility’s repayment schedule was adjusted accordingly.

On December 3, 2024, the Company fully repaid the outstanding amount of \$1.6 million, thus as of December 31, 2024, this loan facility has been fully repaid.

b. \$15.29 Million Term Loan Facility

On January 22, 2021, pursuant to the terms of a credit agreement, two of the Company’s wholly owned dry bulk vessel ship-owning subsidiaries, Pocahontas and Jumarú, entered into a \$15.29 million senior secured term loan facility with Hamburg Commercial Bank AG. The loan was drawn down in two tranches on January 27, 2021, is repayable in sixteen (16) equal quarterly installments of \$471,000 each, plus a balloon installment in the amount of \$7.8 million payable at maturity and bears interest at a margin over LIBOR per annum. On July 3, 2023, the Company entered into an amendment agreement to this facility providing that, with effect from July 3, 2023, the LIBOR-based interest rate was replaced by a replacement interest rate, i.e. Term SOFR, and the margin.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

12. Long-Term Debt (continued):

The above facility contains a standard security package including first preferred mortgages on the vessels owned by the borrowers (the *M/V Magic Horizon* and the *M/V Magic Nova*), pledge of bank accounts, charter assignments and a general assignment over the vessels’ earnings, insurances and any requisition compensation in relation to the vessels owned by the borrowers, and is guaranteed by the Company. Pursuant to this facility, the Company is also subject to a certain minimum liquidity restriction requiring the borrowers to maintain a certain restricted cash balance with the lender, to maintain and gradually fund certain dry-dock reserve accounts in order to ensure the payment of any costs incurred in relation to the next dry-docking of each mortgaged vessel, as well as to certain negative covenants customary, for facilities of this type. The credit agreement governing this facility also requires maintenance of a minimum security cover ratio being the aggregate amount of (i) the aggregate market value of the collateral vessels, (ii) the value of the minimum liquidity deposits referred to above, (iii) the value of the dry-dock reserve accounts referred to above and (iv) any additional security provided, over the aggregate principal amount of the loan outstanding.

On March 8, 2024, Hamburg Commercial Bank AG entered into a deed of partial release, with respect to the *M/V Magic Nova*, releasing and discharging the underlying borrower and all security created over the *M/V Magic Nova* in full after the settlement of the outstanding balance of \$4.9 million pertaining to *M/V Magic Nova*’s tranche. The facility’s repayment schedule was adjusted accordingly.

On May 28, 2024, Hamburg Commercial Bank AG entered into a deed of total release with respect to the *M/V Magic Horizon*, releasing and discharging the underlying borrower and all security created over the *M/V Magic Horizon* in full after the settlement of the outstanding balance of \$4.5 million pertaining to *M/V Magic Horizon*’s tranche.

As of December 31, 2024, this loan facility has been fully repaid.

c. \$40.75 Million Term Loan Facility

On July 23, 2021, pursuant to the terms of a credit agreement, four of the Company’s wholly owned dry bulk vessel ship-owning subsidiaries, Liono, Snoopy, Cinderella and Luffy, entered into a \$40.75 million senior secured term loan facility with Hamburg Commercial Bank AG. The loan was drawn down in four tranches on July 27, 2021, is repayable in twenty (20) equal quarterly installments of \$1,154,000 each, plus a balloon installment in the amount of \$17.7 million payable at maturity simultaneously with the last installment and bears interest at a margin over LIBOR per annum. On July 3, 2023, the Company entered into an amendment agreement to its \$40.75 million senior secured term loan facility with Hamburg Commercial Bank AG. With effect from July 3, 2023, the interest rate was replaced by a replacement interest rate, i.e. Term SOFR, and the margin.

The above facility contains a standard security package including first preferred mortgages on the vessels owned by the borrowers, pledge of bank accounts, charter assignments, and a general assignment over the vessels’ earnings, insurances and any requisition compensation in relation to the vessels owned by the borrowers (the *M/V Magic Thunder*, *M/V Magic Nebula* and the *M/V Magic Eclipse*), and is guaranteed by the Company. The Company is also subject to a certain minimum liquidity restriction requiring the borrowers to maintain a certain minimum restricted cash balance with the lender (a specified portion of which shall be released to the borrowers following the repayment of the fourth installment with respect to all four tranches), to maintain and gradually fund certain dry-dock reserve accounts to ensure the payment of any costs incurred in relation to the next dry-docking of each mortgaged vessel, as well as to certain negative covenants customary for facilities of this type. The credit agreement governing this facility also requires maintenance of a minimum security cover ratio being the aggregate amount of (i) the aggregate market value of the collateral vessels, (ii) the value of the dry-dock reserve accounts referred to above and, (iii) any additional security provided, over the aggregate principal amount outstanding of the loan. This facility’s net proceeds were used to fund vessel acquisitions in 2021 and for general corporate purposes.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

12. Long-Term Debt (continued):

On July 20, 2023, Hamburg Commercial Bank AG entered into a deed of partial release, with respect to the *M/V Magic Twilight*, releasing and discharging the underlying borrower and all securities created over the *M/V Magic Twilight* in full after the settlement of the outstanding balance of \$7.91 million pertaining to *M/V Magic Twilight*’s tranche. The facility’s repayment schedule was adjusted accordingly.

On April 18, 2024, Hamburg Commercial Bank AG entered into a deed of partial release with respect to the *M/V Magic Nebula*, releasing and discharging the underlying borrower and all securities created over the *M/V Magic Nebula* in full, after the settlement of the outstanding balance of \$7.0 million pertaining to *M/V Magic Nebula*’s tranche. The facility’s repayment schedule was adjusted accordingly.

On September 17, 2024, Hamburg Commercial Bank AG entered into a deed of total release with respect to the *M/V Magic Thunder* and *M/V Magic Eclipse*, releasing and discharging the underlying borrowers and all securities created over those vessels in full after the voluntary settlement of the outstanding balance of \$13.8 million pertaining to *M/V Magic Thunder*’s and *M/V Magic Eclipse*’s tranches.

As of December 31, 2024, this loan facility has been fully repaid.

d. \$55.0 Million Term Loan Facility

On January 12, 2022, the Company entered into a \$55.0 million senior secured term loan facility with Deutsche Bank AG (the “\$55.0 Million Term Loan Facility”), through and secured by five of the Company’s dry bulk vessel owning subsidiaries, those owning the *M/V Magic Starlight*, *M/V Magic Mars*, *M/V Magic Pluto*, *M/V Magic Perseus* and the *M/V Magic Vela*, and guaranteed by the Company. The loan was drawn down in full in five tranches on January 13, 2022. This facility has a tenor of five years from the drawdown date, bears interest at a 3.15% margin over adjusted SOFR per annum and is repayable in (a) twenty (20) quarterly installments (installments 1 to 6 in the amount of \$3,535,000, installments 7 to 12 in the amount of \$1,750,000 and installments 13 to 20 in the amount of \$1,340,000) and (b) a balloon installment in the amount of \$12.57 million, such balloon installment payable at maturity together with the last repayment installment. This facility contains a standard security package including a first preferred cross-collateralized mortgage on the vessels owned by the borrowers, pledge of bank accounts, charter assignments, shares pledge, a general assignment over the vessel’s earnings, insurances, and any requisition compensation in relation to the vessel owned by the borrower, and managers’ undertakings and is guaranteed by the Company. Pursuant to the terms of this facility, the borrowers are subject to (i) a specified minimum security cover requirement, which is the maximum ratio of the aggregate principal amounts due under the facility to the aggregate market value of the mortgaged vessels plus the value of the dry-dock reserve accounts referred to below and any additional security, and (ii) to certain minimum liquidity restrictions requiring the Company to maintain certain blocked and free liquidity cash balances with the lender, to maintain and gradually fund certain dry-dock reserve accounts in order to ensure the payment of any costs incurred in relation to the next dry-docking of each mortgaged vessel, as well as to certain customary, for this type of facilities, negative covenants. Moreover, the facility contains certain financial covenants requiring the Company as guarantor to maintain (i) a ratio of net debt to assets adjusted for the market value of the Company’s fleet of vessels, to net interest expense ratio above a certain level, (ii) an amount of unencumbered cash above a certain level and, (iii) the Company’s trailing 12 months EBITDA to net interest expense ratio not to fall below a certain level. This facility’s net proceeds are for acquisitions and for general corporate purposes.

On May 23, 2024, Deutsche Bank AG entered into a deed of partial release, with respect to the *M/V Magic Vela*, releasing and discharging the underlying borrower and all security created over the *M/V Magic Vela* in full, after the settlement of the outstanding balance of \$4.3 million pertaining to *M/V Magic Vela*’s tranche. On the same date, the Company voluntarily prepaid \$12.2 million in aggregate with respect to the remaining tranches under this facility from the proceeds of the sale of *M/V Magic Vela*. Following the prepayments, the facility was repayable in 10 quarterly installments (installments 1 to 3 in the amount of \$1,487,500, installments 4 to 9 in the amount of \$1,139,000 and installment 10 in the amount of \$802,500).

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

12. Long-Term Debt (continued):

On September 3, 2024, Deutsche Bank AG entered into a deed of release with respect to the *M/V Magic Starlight*, *M/V Magic Mars*, *M/V Magic Pluto* and *M/V Magic Perseus*, releasing and discharging the underlying borrowers and all security created over those vessels in full, after the voluntary settlement of the outstanding balance of \$10.6 million pertaining to *M/V Magic Starlight*’s, *M/V Magic Mars*’s, *M/V Magic Pluto*’s and *M/V Magic Perseus*’s tranches.

As of December 31, 2024, this loan facility has been fully repaid.

e. \$22.5 Million Term Loan Facility

On November 22, 2022, the Company entered into a \$22.5 million senior secured term loan facility with Chailease Singapore (the “\$22.5 Million Term Loan Facility”), through and secured by two of the Company’s wholly owned containership owning subsidiaries, those owning the *M/V Ariana A* and the *M/V Gabriela A*. The facility was drawn down in two tranches of \$11.25 million each on November 28, 2022, and December 7, 2022, respectively. This facility has a term of five years from the drawdown date of each tranche, bears interest at a 3.875% margin over SOFR per annum and each tranche is repayable in sixty (60) consecutive monthly installments (installments 1 to 9 in the amount of \$250,000, installments 10 to 12 in the amount of \$175,000, installments 13 to 59 in the amount of \$150,000 and a balloon installment in the amount of \$1,425,000 payable at maturity). The above facility is secured by first preferred mortgage and first priority general and charter assignment covering earnings, insurances, requisition compensation and any charter and charter guarantee over the vessels owned by the borrowers, shares security deed relating to the shares of the vessels’ owning subsidiaries, managers’ undertakings and is guaranteed by the Company. Pursuant to the terms of this facility, the Company is also subject to certain negative covenants customary for this type of facility and a certain minimum liquidity restriction requiring the borrowers to maintain a certain cash collateral deposit in an account held by the lender. This facility’s net proceeds were used to fund the acquisitions of the *M/V Ariana A* and the *M/V Gabriela A* (Note 7(a)) and for general corporate purposes.

On August 7, 2024, the Company prepaid in full the amount of \$14.6 million remaining outstanding at that date. On August 14, 2024, Chailease International Financial Services (Singapore) Pte., Ltd entered into a deed of release with respect to the *M/V Ariana A* and *M/V Gabriela A*, releasing and discharging the underlying borrowers and all security created over those vessels in full after the settlement of the outstanding balance of \$14.6 million.

As of December 31, 2024, this loan facility has been fully repaid.

f. 5 Million Euro Term Loan

On November 20, 2024, MPC Maritime Holding GmbH entered into a term loan in the amount of up to 5.0 million Euro (\$5.2 million) with Ostfriesische Volksbank eG. The term loan was drawn down in a tranche of 3.5 million Euro (\$3.7 million) on December 9, 2024. This term loan has a term of five years from the first date of the first installment payment (March 31, 2025), bears interest at a margin of 2.1% - 1.8% over EURIBOR (for drawings in Euro) and over SOFR (for drawings in US Dollar). It is repayable in twenty equal quarterly installments of 250,000 Euro (\$ 260,390) starting at March 31, 2025. The term loan is unsecured and is not subject to any covenants. As of December 31, 2024, the outstanding balance of the loan is \$3,657,056, including \$12,056 accrued interest.

On November 17, 2023, MPC Capital entered into a revolving credit facility in the amount of 5.0 million Euro (USD 5.0 million) with VR Bank in Holstein eG until further notice. It bears interest at a margin of 1.5% over EURIBOR and is unsecured and is not subject to any covenants. As of December 31, 2024, the facility is not drawn.

As of December 31, 2023, the Company was in compliance with all financial covenants prescribed in its debt agreements.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

12. Long-Term Debt (continued):

Restricted cash as of December 31, 2023, current and non-current, represent minimum liquidity deposits, retention deposits and cash balances in dry-dock reserve accounts required under certain of our loan facilities.

The annual principal payments for the Company’s outstanding debt arrangements as of December 31, 2024, required to be made after the balance sheet date, are as follows:

Twelve-month period ending December 31,	Amount
2025	\$ 1,041,560
2026	1,041,560
2027	1,041,560
2028	520,780
Total long-term debt	\$ 3,645,460

The weighted average interest rate on the Company’s long-term debt for the years ended December 31, 2022, 2023 and 2024 was 5.1%, 8.5% and 8.7% respectively.

Total interest incurred on long-term debt for the years ended December 31, 2022, 2023 and 2024, amounted to \$6.8 million, \$9.8 million and \$3.7 million respectively, and is included in Interest and finance costs (Note 22) in the accompanying consolidated statements of comprehensive income.

13. Investment in equity securities

A summary of the movement in listed equity securities for the years ended December 31, 2023 and 2024 is presented in the table below:

	Equity securities
Balance December 31, 2022	\$ —
Equity securities acquired	72,211,450
Proceeds from sale of equity securities	(258,999)
Gain on sale of equity securities	2,636
Unrealized gain on equity securities revalued at fair value at end of the period	5,134,013
Balance December 31, 2023	\$ 77,089,100
Equity securities acquired	59,903,362
Proceeds from sale of equity securities	(52,940,067)
Net loss on sale of equity securities	(99,238)
Realized foreign exchange loss	(169,881)
Unrealized loss on equity securities revalued at fair value at end of the period	(14,639,422)
Unrealized foreign exchange loss	(24,844)
Balance December 31, 2024	\$ 69,119,010

On June 30, 2023, the Company filed a Schedule 13G, reporting that it held 1,391,500 shares of common stock of Eagle Bulk Shipping Inc. (“Eagle”), representing 14.99% of the issued and outstanding shares of common stock of Eagle as of June 23, 2023. On December 11, 2023, Star Bulk Carriers Corp. (“Star Bulk”) and Eagle announced that they had entered into a definitive agreement to combine in an all-stock merger. On April 5, 2024 the merger terms were approved by the shareholders of Eagle and on April 9, 2024 the merger was completed. Under the terms of the merger agreement, each Eagle shareholder received 2.6211 shares of Star Bulk common stock for each share of Eagle common stock owned.

In the years ended December 31, 2022, 2023 and 2024, the Company received dividends of \$24,528, \$1,312,222 and \$6,692,418, respectively, from its investments in listed equity securities.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

14. Equity Capital Structure:

Under the Company’s Articles of Incorporation, as amended, the Company’s authorized capital stock consists of 2,000,000,000 shares, par value \$0.001 per share, of which 1,950,000,000 shares are designated as common shares and 50,000,000 shares are designated as preferred shares.

Reverse Stock Split

On March 27, 2024, the Company effected a 1-for-10 reverse stock split of its common shares without any change in the number of authorized common shares. All share and per share amounts, as well as the number of warrant shares eligible for purchase under the Company’s effective warrant schemes, in the accompanying consolidated financial statements have been retroactively adjusted to reflect the reverse stock split. As a result of the reverse stock split, the number of outstanding shares as of March 27, 2024, was decreased to 9,662,354 while the par value of the Company’s common shares remained unchanged to \$0.001 per share.

(a) Common Shares:

Each outstanding common share entitles the holder to one vote on all matters submitted to a vote of shareholders. Subject to preferences that may be applicable to any outstanding preferred shares, common shareholders are entitled to receive ratably all dividends, if any, declared by the Company’s board of directors out of funds legally available for dividends. Upon the Company’s dissolution or liquidation or the sale of all or substantially all of its assets, the common shareholders are entitled to receive pro rata the remaining assets available for distribution. Common shareholders do not have conversion, redemption or preemptive rights to subscribe to any of the Company’s securities. The rights, preferences and privileges of common shareholders are subject to the rights of the holders of any preferred shares, which the Company has or may issue in the future.

June 2020 underwritten common stock follow-on offering (the “2020 June Equity Offering”)

The warrants issued under the June 2020 underwritten common stock follow-on offering (the “Class A Warrants”), which closed on June 26, 2020, have a term of five years and are exercisable immediately and throughout their term for \$35.00 per common share (American style option). The exercise price of the Class A Warrants is subject to appropriate adjustment in the event of certain stock dividends and distributions, stock splits, stock combinations, reclassifications or similar events affecting the Company’s common shares and also upon any distributions of assets, including cash, stock or other property to existing shareholders. On March 7, 2023, in connection with the Spin-Off and in accordance with the terms of the Class A Warrants, the exercise price of the Class A Warrants was reduced to \$25.30.

During the years ended December 31, 2023, and 2024, no exercises of Class A Warrants took place. As a result, as of December 31, 2023 and 2024, Class A warrants were exercisable in the aggregate into 623 of our common shares.

2020 registered direct equity offering (the “2020 July Equity Offering”)

The warrants issued under the 2020 registered direct equity offering (the “Private Placement Warrants”), which closed on July 15, 2020, have a term of five years and are exercisable immediately and throughout their term for \$35.00 per common share (American style option). The exercise price of the Private Placement Warrants is subject to appropriate adjustment in the event of certain stock dividends and distributions, stock splits, stock combinations, reclassifications or similar events affecting the Company’s common shares and also upon any distributions of assets, including cash, stock or other property to existing shareholders. On March 7, 2023, in connection with the Spin-Off and in accordance with the terms of the Private Placement Warrants, the exercise price of the Private Placement Warrants was reduced to \$25.30.

On October 6, 2023, the Company repurchased, in privately negotiated transactions with certain of these unaffiliated third-party warrant holders, 67,864 Private Placement Warrants for \$0.105 per repurchased warrant, or an aggregate purchase price of \$7,126. Following the repurchase, as of December 31, 2023, no Private Placement Warrants remain outstanding.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

14. Equity Capital Structure (continued):

2021 Third Registered Direct Equity Offering

The warrants issued under the 2021 Third Registered Direct Equity Offering (the “April 7 Warrants”), which closed on April 7, 2021, have a term of five years and are exercisable immediately and throughout their term for \$65.00 per common share (American style option). The exercise price of the April 7 Warrants is subject to appropriate adjustment in the event of certain stock dividends and distributions, stock splits, stock combinations, reclassifications or similar events affecting the Company’s common shares and also upon any distributions of assets, including cash, stock or other property to existing shareholders. On March 7, 2023, in connection with the Spin-Off and in accordance with the terms of the April 7 Warrants, the exercise price of the April 7 Warrants was reduced to \$55.30.

On October 6, 2023, the Company repurchased, in privately negotiated transactions with unaffiliated third-party warrantholders, 8,900,000 April 7 Warrants for \$0.105 per repurchased warrant, for an aggregate purchase price of \$0.9 million. Following the repurchase, the April 7 Warrants were exercisable in the aggregate into 1,033,077 of the Company’s common shares with an exercise price of \$55.30.

As of October 6, 2023, the fair value of the warrants repurchased were estimated by the Company using the Black Scholes method using the following Level 3 inputs by applying the same methodology as per initial fair value measurement for the April 7 Warrants and the Private Placement Warrants. For this assessment the Company updated the Level 3 inputs considering expected volatility of 100% for the valuation of the instrument based on an exercise price of \$55.30 and \$22.30 respectively. The Company considered the guidance under FASB ASC Topic 505-30 for the warrants repurchase and, as a result, as of October 6, 2023, the difference between the carrying value and the fair value of the April 7 Warrants and Private Placement Warrants, amounting to \$0.4 million, was recognized in retained earnings as a deemed dividend, and has been considered in the 2023 earnings per share calculations (Note 18).

Warrants repurchase

On April 22, 2024, the Company commenced a series of private transactions to purchase all of its outstanding April 7 Warrants at a price of \$0.105 per warrant. The April 7 Warrants were exercisable in the aggregate into 1,033,077 of the Company’s common shares, par value \$0.001 per share (the “Warrant Shares”), at an exercise price per warrant share of \$55.30. The number of Warrant Shares and the exercise price reflected adjustments as a result of the 1-for-10 reverse stock split discussed above.

On May 31, 2024, the Company repurchased in a tender offer 10,080,770 Warrants, exercisable in the aggregate into 1,008,077 Common Shares for an aggregate cost of \$1,058,481 excluding fees relating to the tender offer. Following the retirement and cancellation by the Company of the April 7 Warrants purchased pursuant to the tender offer, as of December 31, 2024, the April 7 Warrants that remain outstanding are exercisable in the aggregate into 25,000 Common Shares.

The Company accounted for the Class A Warrants, the Private Placement Warrants and April 7 Warrants as equity in accordance with the accounting guidance under ASC 815-40. The accounting guidance provides a scope exception from classifying and measuring as a financial liability a contract that would otherwise meet the definition of a derivative if the contract is both (i) indexed to the entity’s own stock and (ii) meets the equity classifications conditions. The Company concluded these warrants were equity-classified since they contained no provisions which would require the Company to account for the warrants as a derivative liability, and therefore were initially measured at fair value in permanent equity with subsequent changes in fair value not measured.

In connection with the Spin-Off, the exercise price of each of the Class A Warrants, April 7 Warrants and Private Placement Warrants was decreased in accordance with their terms by the fair market value (as determined by our Board of Directors, in good faith) of the Toro common shares upon completion of the Spin-Off.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

14. Equity Capital Structure (continued):

May 2023 at-the-market common shares offering program (the “ATM Program”)

On May 23, 2023, the Company, entered into an equity distribution agreement for the ATM Program, with Maxim, under which the Company may sell an aggregate offering price of up to \$30.0 million of its common shares with Maxim acting as a sales agent over a minimum period of 12 months. No warrants, derivatives, or other share classes were associated with this transaction. As of December 31, 2023, the Company had received gross proceeds of \$0.9 million under the New ATM Program by issuing 201,378 common shares. The net proceeds under the ATM Program, after deducting sales commissions and other transaction fees and expenses (advisory and legal fees), amounted to \$0.6 million.

Nasdaq Minimum Bid Price Requirement

On April 20, 2023, the Company received a notification from the Nasdaq Stock Market (“Nasdaq”) that it was not in compliance with the minimum \$1.00 per share bid price requirement for continued listing (the “Minimum Bid Price Requirement”) on the Nasdaq Capital Market and was provided with 180 calendar days to regain compliance with the Minimum Bid Price Requirement. On October 18, 2023, the Company received a notification letter from Nasdaq granting the Company an additional 180-day extension, until April 15, 2024 to regain compliance with the Minimum Bid Price Requirement (the “Second Compliance Period”).

On March 27, 2024, the Company effected a 1-for-10 reverse stock split of its common shares without any change in the number of authorized common shares. All share and per share amounts, as well as the number of warrant shares eligible for purchase under the Company’s effective warrant schemes in the accompanying consolidated financial statements have been retroactively adjusted to reflect the reverse stock split. As a result of the reverse stock split, the number of outstanding shares as of March 27, 2024, was decreased to 9,662,354 while the par value of the Company’s common shares remained unchanged to \$0.001 per share.

On April 11, 2024, the Company received a written confirmation from Nasdaq that it had regained compliance with the Minimum Bid Price Requirement.

(b) Preferred Shares:

Description of Series B Preferred Shares:

The Series B Preferred Shares have the following characteristics: (i) the Series B Preferred Shares are not convertible into common shares, (ii) each Series B Preferred Share has the voting power of 100,000 common shares and shall count for 100,000 votes for purposes of determining quorum at a meeting of shareholders, (iii) the Series B Preferred Shares have no dividend or distribution rights and (iv) upon any liquidation, dissolution or winding up of the Company, the Series B Preferred Shares shall have the same liquidation rights as the common shares.

Series B Preferred Shares amendment:

On November 15, 2022, the Company approved an amendment to the terms of its Series B Preferred Shares to entitle the holder thereof to (i) receive preferred shares with at least substantially identical rights and preferences in the event of a future spin-off of a controlled company, (ii) participate in a liquidation, dissolution or winding up of Castor pari passu with Castor’s common shares up to the Series B Preferred Shares’ nominal value and (iii) have their voting power adjusted to maintain a substantially identical voting interest upon the occurrence of certain corporate events.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

14. Equity Capital Structure (continued):

(c) Mezzanine equity:

5.00% SERIES D CUMULATIVE PERPETUAL CONVERTIBLE PREFERRED SHARES

On August 7, 2023, the Company agreed to issue 50,000 Series D Preferred Shares, having a stated value of \$1,000 and par value of \$0.001 per share, to Toro for aggregate consideration of \$50.0 million in cash. This transaction and its terms were approved by the independent members of the board of directors of each of Castor and Toro at the recommendation of their respective special committees comprised of independent and disinterested directors, which negotiated the transaction and its terms. The Series D Preferred Shares were measured at fair value, being \$49.5 million, and a deemed capital contribution from Toro of \$0.5 million, being the difference between the fair value and the transaction price, was recognized.

On December 12, 2024, the Company agreed to issue an additional 50,000 Series D Preferred Shares for an aggregate consideration of \$50.0 million in cash. This transaction and its terms were approved by the independent members of the board of directors of each of Castor and Toro at the recommendation of their respective special committees comprised of independent and disinterested directors, which negotiated the transaction and its terms. The 100,000 Series D Preferred Shares were measured at fair value, being \$77.6 million, and a deemed capital contribution from Toro of \$22.4 million, being the difference between the fair value and the transaction price, was recognized.

In connection with the latest transaction, Castor amended the terms of the Castor Series D Preferred Shares to, among other things: (i) reset the date from which holders of the Castor Series D Preferred Shares may convert their Series D Preferred Shares into common shares of Castor to January 1, 2026 from August 7, 2024, (ii) require that any holder of the Castor Series D Preferred Shares electing to exercise its optional conversion rights convert not less than 500 Castor Series D Preferred Shares into common shares of Castor, and (iii) introduce an additional redemption feature whereby Castor may, at its option, redeem for cash all remaining outstanding Castor Series D Preferred Shares if the number of Series D Preferred Shares outstanding is 30,000 or less. Toro may not dispose of any of the Castor Series D Preferred Shares for a period of 180 days after the closing date of the transaction.

The Series D Preferred Shares have the following characteristics:

- Dividends.** Holders of Series D Preferred Shares are entitled to receive, when, as and if declared by the Company’s board of directors, cumulative dividends at 5.00% per annum of the stated amount, in cash or shares of this Series, payable quarterly in arrears on the 15th day of each January, April, July and October, respectively, in each year, beginning on October 15, 2023. For each dividend period commencing on and from the seventh anniversary of August 7, 2023, the rate shall be the annual dividend rate in effect for the prior dividend period multiplied by a factor of 1.3; provided that such dividend rate cannot exceed 20% per annum.
- Restrictions on Dividends, Redemption and Repurchases.** So long as any Series D Preferred Share remains outstanding, unless full Accrued Dividends on all outstanding Series D Preferred Shares through and including the most recently completed Dividend Period have been paid or declared and a sum sufficient for the payment thereof has been set aside for payment, no dividend may be declared or paid or set aside for payment, and no distribution may be made, on any Junior Stock, other than a dividend payable solely in stock that ranks junior to the Series D Preferred Shares in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Company. “Accrued Dividends” means, with respect to Series D Preferred Shares, an amount computed at the Annual Rate from, as to each share, the date of issuance of such share to and including the date to which such dividends are to be accrued (whether or not such dividends have been declared), less the aggregate amount of all dividends previously paid on such share.

So long as any Series D Preferred Share remains outstanding, unless full Accrued Dividends on all outstanding Series D Preferred Shares through and including the most recently completed Dividend Period have been paid or declared and a sum sufficient for the payment thereof has been set aside for payment, no monies may be paid or made available for a sinking fund for the redemption or retirement of Junior Stock, nor shall any shares of Junior Stock be purchased, redeemed or otherwise acquired for consideration by us, directly or indirectly, other than (i) as a result of (x) a reclassification of Junior Stock, or (y) the exchange or conversion of one share of Junior Stock for or into another share of stock that ranks junior to the Series D Preferred Shares in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Company; or (ii) through the use of the proceeds of a substantially contemporaneous sale of other shares of stock that rank junior to the Series D Preferred Shares in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Company.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

14. Equity Capital Structure (continued):

- Redemption.** The Company may, at its option, redeem the Series D Preferred Shares (i) in whole or in part, at any time and from time to time on or after the fifth anniversary of August 7, 2023 (the Series D Preferred Shares issue date), at a cash redemption price equal to 105% of the stated amount and (ii) in whole but not in part, if at any time the number of shares of the Series outstanding is 30,000 shares or less, at a cash redemption price equal to 100% of the stated amount, together with an amount equal to all accrued dividends to, but excluding, the redemption date.
- Conversion Rights.** The Series D Preferred Shares are convertible, at their holder’s option, to common shares after January 1, 2026 and at any time thereafter. The conversion price for any conversion of the Series D Preferred Shares shall be the lower of (i) \$7.00 per common share and (ii) the 5-day value weighted average price immediately preceding the conversion date. The conversion price of the Series D Preferred Shares is subject to adjustment upon the occurrence of certain events, including the occurrence of splits and combinations (including a reverse stock split) of the common shares and was adjusted to \$7.00 per common share on March 27, 2024 from \$0.70 per common share following effectiveness of the 1-for-10 reverse stock split discussed herein. The minimum conversion price of the Series D Preferred Shares is \$0.30 per common share.
- Voting Rights.** Except as indicated below or otherwise required by law, the holders of the Series D Preferred Shares do not have any voting rights, except for (a) the right to elect, together with parity stock, up to two preferred directors, in certain circumstances upon nonpayment of dividends and (b) together with any other series of preferred shares that would be adversely affected in substantially the same manner and entitled to vote as a single class in proportion to their respective stated amounts (to the exclusion of all other series of preferred shares), given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, will be necessary for effecting or validating: (i) any amendment, alteration or repeal of any provision of our Articles of Incorporation or Bylaws that would alter or change the voting powers, preferences or special rights of the Series D Preferred Shares so as to affect them adversely; (ii) the issuance of Dividend Parity Stock if the Accrued Dividends on all outstanding Series D Preferred Shares through and including the most recently completed Dividend Period have not been paid or declared and a sum sufficient for the payment thereof has been set aside for payment; (iii) any amendment or alteration of the Articles of Incorporation to authorize or create, or increase the authorized amount of, any shares of any class or series or any securities convertible into shares of any class or series of our capital stock ranking prior to Series A in the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding up of the Company; or (iv) any consummation of (x) a binding share exchange or reclassification involving the Series D Preferred Shares, (y) a merger or consolidation of the Company with another entity (whether or not a corporation), or (z) a conversion, transfer, domestication or continuance of the Company into another entity or an entity organized under the laws of another jurisdiction, unless in each case (A) the Series D Preferred Shares remain outstanding or, in the case of any such merger or consolidation with respect to which we are not the surviving or resulting entity, or any such conversion, transfer, domestication or continuance, the Series D Preferred Shares are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (B) such shares remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, and limitations and restrictions, and limitations and restrictions thereof, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers, and restrictions and limitations thereof, of the Series D Preferred Shares immediately prior to such consummation, taken as a whole. The foregoing voting rights do not apply in connection with the issuance of Series C Participating Preferred Shares of the Company.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

14. Equity Capital Structure (continued):

- Liquidation Rights.** In the event of any liquidation, dissolution or winding up of the affairs of the Company, whether voluntary or involuntary, before any distribution or payment out of the Company’s assets may be made to or set aside for the holders of any Junior Stock, holders of Series D Preferred Shares will be entitled to receive out of our assets legally available for distribution to our shareholders an amount equal to the stated amount per share (\$1,000), together with an amount equal to all accrued dividends to the date of payment whether or not earned or declared.
- No Preemptive Rights; No Sinking Fund.** Holders of the Series D Preferred Shares do not have any preemptive rights. The Series D Preferred Shares will not be subject to any sinking fund or any other obligation of us for their repurchase or retirement.

The Series D Preferred Shares have been classified in Mezzanine equity as per ASC 480-10-S99 “Distinguishing liabilities from Equity – SEC Materials” as they are in essence redeemable at the option of the holder as Mr. Panagiotidis, the Chief Executive Officer and controlling shareholder of Castor and Toro, can effectively determine the timing of the redemption of the Series D Preferred Shares.

Following the issuance of the additional shares and the amendments to the terms of the Series D Preferred Shares, the Company followed the provisions of ASC 470-50 “Modifications and Extinguishments” to determine whether the amendment to the preferred stock should be accounted for as a modification or extinguishment. For extinguishments, the Company follows the accounting as per ASC 260-10-S99-2. The Company treated that issuance of the Series D Preferred Shares, and the amendments to it, as extinguishment, and recognized the difference of \$22.4 million (between (1) the fair value of the consideration transferred to the holders of the preferred shares (i.e., the cash or the fair value of new instruments issued) and (2) the carrying amount of the preferred shares) as a deemed capital contribution from Toro due to extinguishment. This difference is added to net income to arrive at income available to common stockholders in the calculation of earnings per share.

Thus, the Company uses a revised effective interest rate of 10.24% over the expected life of the Series D Preferred Shares being nine years, which is the expected earliest redemption date. This is consistent with the interest method, taking into account the discount between the issuance price and liquidation preference and the stated dividends, including “step-up” amounts.

As of December 31, 2023, the net value of Mezzanine Equity amounted to \$49,549,489, comprising (i) the fair value measurement of the Series D Preferred Shares on initial recognition based on a third party valuation of \$49,500,000, less issuance costs of \$146,807 and (ii) \$196,296 of deemed dividend on the Series D Preferred Shares for the period August 7, 2023 through December 31, 2023, and is separately presented as ‘Mezzanine Equity’ in the accompanying consolidated balance sheet. As of December 31, 2023, the accrued dividend for the period from October 15, 2023 to December 31, 2023 (included in the dividend period ended January 14, 2024) amounted to \$541,666 (Note 4(d)).

As of December 31, 2024, the net value of Mezzanine Equity amounted to \$77,708,258, including the amount of \$606,444 of deemed dividend on the Series D Preferred Shares in the year ended December 31, 2024. During the years ended December 31, 2024, the Company paid to Toro a dividend amounting to \$2,500,000 on the Series D Preferred Shares, and the accrued amount for the period from October 15, 2024 to December 31, 2024 (included in the dividend period ended January 14, 2025) amounted to \$687,500.

(d) Accumulated other comprehensive income

Accumulated Other Comprehensive Income (AOCI) consists of foreign currency translation amounts that relate to accumulated foreign currency losses as a result of translation the financial statements into US Dollars as the presentation currency. In addition, the AOCI includes the effective portion of the gain or loss on the hedging instrument which will be reclassified into earnings when the hedged transaction affects earnings.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

15. Financial Instruments and Fair Value Disclosures:

The principal financial assets of the Company consist of cash at banks, restricted cash, trade accounts receivable, accrued charter revenue, investments in equity securities, equity investments, an investment in related party, derivative assets and amounts due from related party/(ies). The principal financial liabilities of the Company consist of trade accounts payable, accrued liabilities, amounts due to related party/(ies), derivative liabilities and long-term debt.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

Cash and cash equivalents, restricted cash, accounts receivable trade, net, amounts due from/to related party/(ies), accrued charter revenue and accounts payable: The carrying values reported in the accompanying consolidated balance sheets for those financial instruments are reasonable estimates of their fair values due to their short-term maturity nature. Cash and cash equivalents and restricted cash, current are considered Level 1 items as they represent liquid assets with short term maturities.

Investment in equity securities: The carrying value reported in the accompanying consolidated balance sheets for this financial instrument represents its fair value and is considered Level 1 item of the fair value hierarchy as it is determined through quoted prices in an active market.

Equity investments: The Company, through its majority owned subsidiary MPC Capital, holds minority interests in entities that invest in vessels and renewable energy assets. If a quoted market price in active market is not available, generally, net asset value (“NAV”) is applied if applicable as permitted under ASC 820. The NAV is determined based on third-party valuations of the underlying assets. These valuations typically employ income-based and market-based approaches, depending on the asset type. These investments are generally illiquid and the Company has no redemption rights. A sale of the investments is considered unlikely. While there is no active market for the Company’s ownership interests and NAV may not be immediately realizable through sale of the shares, it is expected that the proceeds from the eventual sale of the underlying assets held by the investee entities will approximate the NAV attributed to the Company’s ownership interest. Given the short period between the acquisition date and the reporting date, and in the absence of changes in market conditions or other relevant factors, the fair value of the investment as of December 31, 2024, is considered to be equal to its carrying amount. No gains or losses were recognized during the period.

Long-term debt (including related party long term debt): The credit facilities discussed in Note 12 and in Note 4, have a recorded value which is a reasonable estimate of their fair value due to their variable interest rate and are thus considered Level 2 items in accordance with the fair value hierarchy as EURIBOR and SOFR rates are observable at commonly quoted intervals for the full terms of the loans.

Investment in related party: Investments in related party is initially measured at fair value which is deemed to be the cost and subsequently assessed for the existence of any observable market for the Series A Preferred Shares and any observable price changes for identical or similar investments and the existence of any indications for impairment. As per the Company’s assessment no such case was identified as at December 31, 2024 and 2023.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

15. Financial Instruments and Fair Value Disclosures (continued):

Derivative contracts – recurring measurements

The company enters in forward and options agreement to hedge against foreign currency risks. As of December 31, 2024, foreign currency derivatives can be analyzed as follows:

<i>In thousands</i>	Derivatives assets (current)		Derivatives liabilities (current)	
	Fair Value	Nominal Value	Fair Value	Nominal Value
Hedge accounting	\$ 0	\$ 0	\$ 246	\$ 5,213
Economic hedging	1,108	23,106	1,144	26,979
Total	<u>\$ 1,108</u>	<u>\$ 23,106</u>	<u>\$ 1,390</u>	<u>\$ 32,192</u>

All of the derivative assets and liabilities are measured at fair value classified in Level 2 within the fair value hierarchy. Economic hedging refers to the use of derivatives to mitigate risk without applying hedge accounting. The amount reported in accumulated other comprehensive income at the reporting date will be reclassified into earnings within the next 12 months.

Assets measured at fair value on a non-recurring basis:

As of December 31, 2024, the estimated fair value of the Company’s vessels measured at fair value on a non-recurring basis is based on the memorandum of agreement price and is categorized based upon the fair value hierarchy as follows: In November 2024, the vessel *M/V Ariana A* having a carrying value of \$19,799,521 (including unamortized deferred charges), was recorded at a fair value less cost to sell of \$ 16,170,000, resulting in loss of \$ 3,629,521 (Note 7).

	December 31, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Non-Recurring measurements:				
Vessels	\$ 16,500,000	-	\$ 16,500,000	-
Total	<u>\$ 16,500,000</u>	<u>-</u>	<u>\$ 16,500,000</u>	<u>-</u>

Concentration of credit risk: Financial instruments, which potentially subject the Company to significant concentrations of credit risk, consist principally of cash and cash equivalents and trade accounts receivable. The Company places its cash and cash equivalents, consisting mostly of deposits, with high credit qualified financial institutions. The Company performs periodic evaluations of the relative credit standing of the financial institutions in which it places its deposits. The Company limits its credit risk with accounts receivable by performing ongoing credit evaluations of its customers’ financial condition.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

16. Leases

The Company has entered into non-cancellable operating leases for offices and vehicles. Lease cost recognized in the Company’s consolidated statements of income is summarized as follows:

		Period ended December 31, 2024
Operating lease costs in the period from December 16th to December 31st	\$	54,914
Total lease cost:	\$	54,914

There were no cash payments during the reporting period.

Other information about lease amounts recognized in the consolidated financial statements, as of December 31, 2024) is as follows:

Weighted-average remaining lease term – 6.44 years
Weighted-average discount rate – 2.15%

The following table depicts the undiscounted cashflow on an annual basis of each of the next five years and the sum for all the years thereafter:

		Year ended December 31, 2024
1 year	\$	1,208,417
1-2 years		1,201,290
2-3 years		1,193,803
3-4 years		1,193,803
4-5 years		1,193,803
5+ years		2,387,606
Total undiscounted cashflow		8,378,722
Interest		(607,743)
Lease Liability as of December 31, 2024	\$	7,770,979

17. Commitments and Contingencies:

Various claims, lawsuits, and complaints, including those involving government regulations and product liability, arise in the ordinary course of the shipping business. In addition, losses may arise from disputes with charterers, agents, insurance and other claims with suppliers relating to the operations of the Company’s vessels. Currently, management is not aware of any such claims or contingent liabilities, which should be disclosed (except as disclosed under Note 17(b) and Note 17(c)), or for which a provision should be established in the accompanying consolidated financial statements.

The Company accrues for the cost of environmental liabilities when management becomes aware that a liability is probable and is able to reasonably estimate the probable exposure. Currently, management is not aware of any such claims or contingent liabilities, which should be disclosed, or for which a provision should be established in the accompanying consolidated financial statements. The Company is covered for liabilities associated with the vessels’ operations up to the customary limits as provided by Protection and Indemnity (P&I) Clubs, members of the International Group of P&I Clubs.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

17. Commitments and Contingencies (continued):

(a) Commitments under long-term lease contracts

The following table sets forth the future minimum contracted lease payments to the Company (gross of charterers’ commissions), based on the Company’s vessels’ commitments to non-cancelable time charter contracts as of December 31, 2024. Non-cancelable time charter contracts include both fixed-rate time charters or charters linked to the Baltic Dry Index (“BDI”). For index linked contracts, contracted lease payments have been calculated using the BDI-linked rate as measured at the commencement date.

In addition, certain of the variable-rate contracts have the option at the Company’s option to convert to a fixed rate for a predetermined period, in such cases where lease payments have been converted to a fixed rate, the minimum contracted lease payments for this period are calculated using the agreed converted fixed rate. The calculation does not include any assumed off-hire days.

Twelve-month period ending December 31,	Amount	
2025	\$	20,231,359
Total	\$	20,231,359

For the Lease commitments refer to Note 16.

In addition, the Company has payment commitments of \$2.5 million related to the disposal group held for sale for the use of land.

(b) Claims

Following the buyers’ failure to take delivery of *M/V Magic Moon*, Pikachu Shipping Co. (the “sellers” or the “owners”), a wholly owned subsidiary of the Company, terminated the sale of the vessel under the Memorandum of Agreement, dated March 23, 2023, between the sellers and the buyers (the “MoA”). Notably, the MoA required that the buyers deposit 10% of the purchase price into an escrow account administered by the escrow agent as security for completion of the transaction according to the terms and conditions set forth in the MoA and the buyers deposited \$1,395,000 into such account prior to their breach of the MoA (the “Deposit”). The owners accordingly initiated arbitration proceedings during September 2023 for the release of and remittance to the Company of the \$1,395,000 deposit held in escrow based on the owner’s position that the buyers’ failure to take delivery of the *M/V Magic Moon* constituted a default under the MoA. While the Company is unable to provide any assurances as to the ultimate outcome of the case, it believes it will prevail at arbitration. All the submissions on behalf of the Company were prepared, reviewed and filed with the London arbitrator, who on April 28, 2024 issued and on May 1, 2024 delivered an arbitration award in favor of the owners, awarding them the return of the Deposit subject to no appeal being filed by the buyers within 28 days from the day of the issuance of the award. On May 28, 2024, the Company collected the amount of \$1,411,356 (including the deposit amount of \$1,395,000 and gross interest earned on the deposit), and following the provisions of ASC 450-30-25-1, has recorded this gain in the “Gain from a claim” in the Company’s consolidated statements of comprehensive income for the year ended December 31, 2024.

In addition, the Company included in the claim both the damages that it has suffered due to the unlawful breach of MoA by the buyers as well as all the related expenses it has incurred due to the buyers’ default under the MoA. As of December 31, 2023 and 2024, the Company has included the amount of \$115,000 in ‘Prepaid expenses and other assets’ in the accompanying consolidated balance sheets.

In addition, the *M/V Magic Moon* was arrested on August 17, 2023 by the buyers to secure a claim before the Korean courts for the amount of \$1,395,000, equal to the amount of the Deposit, and the owners paid a counter-security of \$1,395,000 for the purpose of lifting the arrest of the vessel. The owners have applied to the Korean courts to decide the issue of the return of the counter-security to them. The Company has included the \$1,395,000 in ‘Prepaid expenses and other assets’ in the accompanying consolidated balance sheets for the year ended December 31, 2023 incurred in connection with the cash deposit made in 2023 by the owners for the purpose of lifting the arrest of the *M/V Magic Moon*. On October 4, 2024, the Company collected the amount of \$1,401,740 (including the counter-security amount of \$1,395,000 and gross interest earned on the deposit).

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

17. Commitments and Contingencies (continued):

It is possible that from time to time in the ordinary course of business the Company may be involved in legal proceedings or investigations, which could have an adverse impact on its reputation, business and financial condition and divert the attention of management from the operation of the business. However, the Company believes that the current legal proceedings are not expected to have a material adverse effect on its business, financial position or results of operations.

(c) Contingencies

The Company recognized further provisions in the amount of approximately \$3.8 million for various circumstances involving uncertainty if it was probable that an outflow of resources will be required to settle the obligations and the amount of the losses was reasonably estimable.

A provision of approximately \$1.1 million and contingent liabilities of approximately \$2.4 million were recognized for possible losses with respect to disputes including legal proceedings concerning potential prospectus errors for closed-end funds placed by the Company in the past that could have causal effect on the individual investor’s decision. Contingencies are included in accrued liabilities in the accompanying consolidated balance sheets.

18. Earnings Per Common Share:

Diluted earnings per common share, if applicable, reflects the potential dilution that could occur if potentially dilutive instruments were exercised, resulting in the issuance of additional shares that would then share in the Company’s net income. For the years ended December 31, 2022, 2023 and 2024, the effect of the warrants outstanding during each such period and as of each such date, would be antidilutive, hence they were excluded from the computation of diluted earnings per share. For the purpose of calculating diluted earnings per common share for the years ended December 31, 2023 and 2024, the weighted average number of diluted shares outstanding includes the conversion of outstanding Series D Preferred Shares (Note 14) calculated with the “if converted” method by using the average closing market price over the reporting period from August 7, 2023 (the date of their issuance) to December 31, 2023 and by using the average closing market price over the reporting period from January 1, 2024 to December 31, 2024 and the average closing market price over the reporting period from December 12, 2024 (the date of the additional Series D issuance) to December 31, 2024, respectively.

The components of the calculation of basic and diluted earnings per common share are as follows:

	Year ended December 31, 2022	Year ended December 31, 2023	Year ended December 31, 2024
Net income from continuing operations, net of taxes	66,540,925	21,303,156	15,304,934
Net income from discontinued operations, net of taxes	52,019,765	17,339,332	—
Less: Net income attributable to non-controlling interest in subsidiaries	—	—	(685,938)
Net income attributable to Castor Maritime Inc.	\$ 118,560,690	\$ 38,642,488	\$ 14,618,996
Less: Dividend on Series D Preferred Shares	—	(1,020,833)	(2,645,833)
Less: Deemed dividend on Series D Preferred Shares	—	(196,296)	(606,444)
Less: Deemed dividend on warrants repurchased	—	(444,885)	—
Add: Deemed contribution from Series D preferred shareholders	—	—	22,437,675
Net income available to common shareholders, basic	118,560,690	36,980,474	33,804,394
Dividend on Series D Preferred Shares	—	1,020,833	2,645,833
Deemed dividend on Series D Preferred Shares	—	196,296	606,444
Deemed contribution from Series D preferred shareholders	—	—	(22,437,675)
Net income attributable to common shareholders, diluted	118,560,690	38,197,603	14,618,996
Weighted average number of common shares outstanding, basic	9,460,976	9,571,045	9,662,354
Effect of dilutive shares	—	12,382,788	29,082,896
Weighted average number of common shares outstanding, diluted	9,460,976	21,953,833	38,745,250
Earnings per common share, basic, continuing operations	\$ 7.03	\$ 2.05	\$ 3.50
Earnings per common share, diluted, continuing operations	\$ 7.03	\$ 0.95	\$ 0.38
Earnings per common share, basic, discontinued operations	\$ 5.50	\$ 1.81	\$ —
Earnings per common share, diluted, discontinued operations	\$ 5.50	\$ 0.79	\$ —
Earnings per common share, basic, Total	\$ 12.53	\$ 3.86	\$ 3.50
Earnings per common share, diluted, Total	\$ 12.53	\$ 1.74	\$ 0.38

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

19. Revenues

(a) Vessel Revenues:

The following table includes the vessel revenues earned by the Company in each of the years ended December 31, 2022, 2023 and 2024, as presented in the accompanying consolidated statements of comprehensive income:

	Year ended December 31, 2022	Year ended December 31, 2023	Year ended December 31, 2024
Time charter revenues	150,216,130	97,515,511	65,069,003
Total Vessel revenues	\$ 150,216,130	\$ 97,515,511	\$ 65,069,003

During each of the years ended December 31, 2022, 2023 and 2024, the Company generated its revenues from time charters.

The Company typically enters into fixed rate or index-linked rate charters with an option to convert to fixed rate time charters ranging from one month to twelve months and in isolated cases on longer terms depending on market conditions. The charterer has the full discretion over the ports visited, shipping routes and vessel speed, subject to the owner protective restrictions discussed below. Time charter agreements may have extension options ranging from months, to sometimes, years. The time charter party generally provides, among others, typical warranties regarding the speed and the performance of the vessel as well as owner protective restrictions such that the vessel is sent only to safe ports by the charterer, subject always to compliance with applicable sanction laws and war risks, and carries only lawful and non-hazardous cargo.

From time to time, the Company’s dry bulk vessels are fixed on period charter contracts with the rate of daily hire linked to the average of the time charter routes comprising the respective indices for dry bulk vessels of the Baltic Exchange. Such contracts also carry an option for the Company to convert the index-linked rate to a fixed rate for a minimum period of three months and up to the maximum remaining duration of the charter contract, according to the average of the forward freight agreement curve of the respective Baltic index for the desired period, at the time of conversion. The index-linked contracts with conversion clause provide flexibility and allow the Company to either enjoy exposure in the spot market, when the rate is floating, or to secure foreseeable cash flow when the rate has been converted to fixed over a certain period.

(b) Revenue from services

The following table represents a disaggregation of revenue from contracts with customers by type of service:

	December 16 to December 31, 2024
Ship Management	\$ 838,809
Management Services	309,259
Transaction Services	212
Other Revenue	26,096
Total	\$ 1,174,376

The following table represents a geographical disaggregation of revenue:

	December 16 to December 31, 2024
Germany	\$ 850,942
The Netherlands	102,799
China (Hong Kong)	112,528
Singapore	39,121
Panama	67,174
Colombia	1,812
Total revenue from services	\$ 1,174,376

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

20. Vessel Operating Expenses and Voyage Expenses:

The amounts in the accompanying consolidated statements of comprehensive income are analyzed as follows:

	Year ended December 31,	Year ended December 31,	Year ended December 31,
	2022	2023	2024
Vessel Operating Expenses			
Crew & crew related costs	21,567,463	21,790,625	13,628,346
Repairs & maintenance, spares, stores, classification, chemicals & gases, paints, victualling	11,289,623	10,387,925	6,483,757
Lubricants	2,476,027	2,748,208	1,526,632
Insurances	3,286,750	3,503,257	2,193,393
Tonnage taxes	885,881	872,702	583,738
Other	1,753,810	2,610,911	1,772,907
Total Vessel operating expenses	\$ 41,259,554	\$ 41,913,628	\$ 26,188,773
	Year ended December 31,	Year ended December 31,	Year ended December 31,
	2022	2023	2024
Voyage expenses			
Brokerage commissions	1,842,495	1,900,940	1,323,613
Brokerage commissions- related party	1,944,288	1,274,384	1,170,615
Port & other expenses	858,827	615,838	1,561,112
Bunkers consumption	2,713,216	1,114,356	319,231
(Gain) / loss on bunkers	(3,637,549)	146,710	(125,715)
Total Voyage expenses	\$ 3,721,277	\$ 5,052,228	\$ 4,248,856

21. General and Administrative Expenses:

General and administrative expenses are analyzed as follows:

	Year ended December 31,	Year ended December 31,	Year ended December 31,
	2022	2023	2024
Non-executive directors' compensation	\$ 72,000	\$ 72,000	\$ 126,000
Audit fees	503,187	249,217	243,618
Professional fees and other expenses	4,368,750	2,261,154	2,709,155
MPC Capital acquisition-related costs (including \$4,471,595 to related parties for the year ended December 31, 2024, Note 4(a))	—	—	7,017,535
Administration fees-related party (Note 4(a))	2,100,000	3,099,000	3,247,570
Total	\$ 7,043,937	\$ 5,681,371	\$ 13,343,878

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

22. Interest and Finance Costs:

The amounts in the accompanying consolidated statements of comprehensive income are analyzed as follows:

	Year ended December 31, 2022	Year ended December 31, 2023	Year ended December 31, 2024
Interest on long-term debt	\$ 6,816,153	\$ 9,826,795	\$ 3,685,040
Interest on long-term debt – related party (Note 4 (c))	—	—	364,205
Amortization and write-off of deferred finance charges	730,513	888,523	810,000
Other finance charges (including \$0, \$0 and \$417,623 to related parties for the year ended December 31, 2022, 2023 and 2024, respectively, Note 4(a))	134,816	544,325	1,227,110
Total	\$ 7,681,482	\$ 11,259,643	\$ 6,086,355

23. Income Taxes:

Castor and certain of its subsidiaries are incorporated under the laws of the Republic of the Marshall Islands but are not subject to income taxes in the Republic of the Marshall Islands. Castor’s ship-owning subsidiaries are subject to registration and tonnage taxes, which have been included in Vessel operating expenses in the accompanying consolidated statements of comprehensive income.

Pursuant to §883 of the Internal Revenue Code of the United States (the “Code”), U.S. source income from the international operation of ships is generally exempt from U.S. Federal income tax on such income if the company meets the following requirements: (a) the company is organized in a foreign country that grants an equivalent exception to corporations organized in the U. S. and (b) either (i) more than 50 percent of the value of the company’s stock is owned, directly or indirectly, by individuals who are “residents” of the company’s country of organization or of another foreign country that grants an “equivalent exemption” to corporations organized in the U.S. (the “50% Ownership Test”) or (ii) the company’s stock is “primarily and regularly traded on an established securities market” in its country of organization, in another country that grants an “equivalent exemption” to U.S. corporations, or in the U.S. (the “Publicly Traded Test”). Marshall Islands, the jurisdiction where the Company and its ship-owning subsidiaries are incorporated, grants an equivalent exemption to United States corporations. Therefore, the Company is exempt from United States federal income taxation with respect to U.S.-source shipping income if either the 50% Ownership Test or the Publicly Traded Test is met.

In the Company’s case, it would have satisfied the Publicly-Traded Test if its common shares represented more than 50% of the voting power of its stock, and it can establish that nonqualified shareholders cannot exercise voting control over the corporation because a qualified shareholder controls the non-traded voting stock. To that respect, the Company believes its stock structure, when considered by the U.S. Treasury in light of the Publicly-Traded Test enunciated in the regulations, satisfies the intent and purpose of the exemption. This position is uncertain and was disclosed to the Internal Revenue Service when the Company filed its U.S. tax returns for 2023. It will be disclosed again when the Company files its U.S. tax returns for 2024.

Because the position stated above is uncertain, the Company has recorded provisions of \$388,669, \$177,794 and \$113,915 for U.S. source gross transportation income tax in the accompanying consolidated statements of comprehensive income for the years ended December 31, 2022, 2023 and December 31, 2024, respectively.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

23. Income Taxes (continued):

Income Taxes relating to MPC Capital

During the reporting period the income before taxes for the asset management segment of the Company is mostly generated in Germany. A summary of the provision for income taxes is as follows:

<i>Amounts stated in thousands</i>		December 31, 2024
Corporate Income tax	\$	3,951
Trade tax		2,475
Other		217
Total provision for income taxes	\$	6,643

The income tax receivable on the face of the consolidated balance sheet is due to refundable withholding taxes on profit distributions in the amount of \$11,018 thousands.

Effective Income Tax Rate Reconciliation

A reconciliation of the German statutory income tax rate to the actual effective income tax rate is provided below:

	2024
German statutory income tax rate	32.28%
Tax rate differentials	(30.55%)
Other	(0.93%)
Effective income tax rate	0.80%

Deferred Taxes

The significant components of the Company’s deferred tax account balances are as follows:

<i>Amounts stated in thousands</i>	Year ended December 31, 2024
Deferred tax assets	
Receivables due from related parties	\$ 2,600
Right of Use Assets	2,508
Intangible assets	1,779
Provisions	1,481
Prepaid expenses and other assets	1,058
Other	480
Total deferred tax assets	9,906
Valuation allowances	(2,242)
Deferred tax assets, net of valuation allowances	7,664
Offsetting	(5,824)
Deferred tax assets, net of valuation allowances per balance sheet	1,840
Deferred tax liabilities	
Equity instrument investments	5,757
Intangible assets	5,278
Lease liabilities	2,508
Other	377
Total deferred tax liabilities	13,920
Offsetting	(5,824)
Deferred tax liabilities per balance sheet	8,096
Net deferred tax liabilities	\$ 6,256

Uncertain Tax Positions

The benefits of uncertain tax positions are recorded in the Company’s consolidated financial statements only after determining a more-likely-than-not probability that the uncertain tax positions will withstand challenge from the tax authorities.

The Company files income tax returns in Germany, the Netherlands and Norway and is subject to examinations by tax authorities. The Company believes that its income tax reserves are adequately maintained. However, the final determination of the Company tax returns, if audited, is uncertain and therefore there is a possibility for a change of the Company’s estimate in the future. There were no unrecognized tax benefits as of December 31, 2024, and there were no changes in the reporting period. The Company accrues interest and penalties related to underpayment of income taxes within the provision for income taxes.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

24. Share-based compensation

The options were granted to management and key employees of MPC Capital in 2024. The remaining term of the options granted is derived from the contractual terms and the grant date of the options. The risk-free rate for periods within the contractual life of the option is based on zero-coupon bond risk-free rates generated using the Svensson model and yield curve data provided by the German Central Bank in effect at the time of grant. The grant-date fair value was \$2.25 per option.

Long-term incentive program	
Expected volatility	43.21%
Expected dividend yield	6.6%
Expected term (in years)	4.5
Risk-free rate	2.5%

	Number of options (in thousands)	Weighted average exercise price (Euro)	Weighted average remaining contractual term (Years)	Aggregate intrinsic value (USD, in thousands)
Options				
Outstanding at December 16, 2024	450	1		
Granted	—	1		
Exercised	—	1		
Forfeited or expired	—	1		
Outstanding at December 31, 2024	450	1	4.5	\$ 2,015
Exercisable at December 31, 2024	—	—	—	—

As of December 31, 2024, there was \$815 thousand of total unrecognized compensation cost related to nonvested share-based compensation arrangements granted under the employee share option agreements of MPC Capital. That cost is expected to be recognized over a weighted-average period of 3.5 years.

25. Segment Information:

Following the acquisition of the MPC Capital on December 16, 2024, the Company determined that it operated in three reportable segments, from two segments that operated as of December 31, 2023: (i) the dry bulk segment (ii) the containership segment and (iii) the asset management segment. These reportable segments reflect the Company’s internal organization and the way its chief operating decision maker (“CODM”), who is the Chief Executive Officer of the Company, reviews and analyzes the operating results and allocates capital within the Company. The CODM assesses segment performance using key financial measures, including revenues, operating expenses, segment operating income and net income. These metrics help the CODM assess segment profitability, optimize fleet deployment, control costs and determine capital allocation. Based on these segment performance trends, the CODM makes resource allocation decisions such as adjusting asset acquisition strategies, adjusting chartering strategies, prioritizing fleet expansion or disposals, and optimizing cost efficiencies to enhance profitability and overall segment performance. Further, the transport of dry bulk cargoes and containerized cargoes has different characteristics and the nature of trade, trading routes, charterers and cargo handling of differ in important respects. MPC Capital provides asset management services and it does not have similar economic characteristics to the other two segments. We do not disclose geographic information relating to our dry bulk and container ship segments because when we charter a vessel to a charterer, the charterer is free, subject to certain exemptions, to trade the vessel worldwide and, as a result, the disclosure of geographic information is impracticable. For the asset management disclosure of geographic information refer to Note 19.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

25. Segment Information (continued):

The table below presents information about the Company’s reportable segments as of and for the years ended December 31, 2022, 2023 and 2024. The accounting policies followed in the preparation of the reportable segments are the same as those followed in the preparation of the Company’s consolidated financial statements. Segment results are evaluated based on income from operations.

	Year ended December 31, 2022			Year ended December 31, 2023			Year ended December 31, 2024			
	Dry bulk segment	Container ship segment	Total	Dry bulk segment	Container ship segment	Total	Dry bulk segment	Container ship segment	Asset management segment	Total
- Time charter revenues	\$ 148,930,997	\$ 1,285,133	\$ 150,216,130	\$ 82,996,018	\$ 14,519,493	\$ 97,515,511	49,704,809	15,364,194	—	65,069,003
- Revenue from services	—	—	—	—	—	—	—	—	1,174,376	1,174,376
Total revenues	\$ 148,930,997	\$ 1,285,133	\$ 150,216,130	\$ 82,996,018	\$ 14,519,493	\$ 97,515,511	49,704,809	15,364,194	1,174,376	66,243,379
Voyage expenses (including charges from related party)	(3,649,944)	(71,333)	(3,721,277)	(4,425,879)	(626,349)	(5,052,228)	(3,142,501)	(1,106,355)	—	(4,248,856)
Vessel operating expenses	(40,697,898)	(561,656)	(41,259,554)	(36,876,772)	(5,036,856)	(41,913,628)	(21,531,189)	(4,657,584)	—	(26,188,773)
Cost of revenue from services (exclusive of depreciation and amortization shown separately below)	—	—	—	—	—	—	—	—	(1,117,476)	(1,117,476)
Management fees to related parties	(6,481,000)	(81,400)	(6,562,400)	(6,469,699)	(697,698)	(7,167,397)	(3,956,453)	(852,149)	—	(4,808,602)
Depreciation and amortization	(18,039,966)	(495,271)	(18,535,237)	(16,689,989)	(5,386,842)	(22,076,831)	(9,593,639)	(5,330,681)	(112,686)	(15,037,006)
Provision for doubtful accounts	—	—	—	—	—	—	(4,823)	—	—	(4,823)
Net gain on sale of vessels	—	—	—	6,383,858	—	6,383,858	19,298,394	—	—	19,298,394
Loss on vessels held for sale	—	—	—	—	—	—	—	(3,629,521)	—	(3,629,521)
Gain from a claim	—	—	—	—	—	—	1,418,096	—	—	1,418,096
Net gain on disposal	—	—	—	—	—	—	—	—	158,440	158,440
Net gain from equity method investments measured at fair value	—	—	—	—	—	—	—	—	2,687,236	2,687,236
Segments operating income/(loss)	\$ 80,062,189	\$ 75,473	\$ 80,137,662	\$ 24,917,537	\$ 2,771,748	\$ 27,689,285	32,192,694	(212,096)	2,789,890	34,770,488
Interest and finance costs	—	—	(7,642,577)	—	—	(10,883,521)	—	—	—	(4,636,880)
Interest income	—	—	1,282,756	—	—	2,631,798	—	—	—	4,098,120
Foreign exchange (losses)/gains	—	—	105,314	—	—	(84,127)	—	—	—	9,131
Less: Unallocated corporate general and administrative expenses	—	—	(7,043,937)	—	—	(5,681,371)	—	—	—	(13,343,878)
Less: Corporate Interest and finance costs	—	—	(38,905)	—	—	(376,122)	—	—	—	(1,449,475)
Less: Corporate Interest income	—	—	72,735	—	—	578,088	—	—	—	2,784,599
Less: Corporate exchange (losses)/ gains	—	—	4,568	—	—	(8,618)	—	—	—	(170,273)
Dividend income on equity securities	—	—	24,528	—	—	1,312,222	—	—	—	6,692,418
Dividend income from related party	—	—	—	—	—	1,166,667	—	—	—	1,423,332
Gains / (losses) on equity securities	—	—	27,450	—	—	5,136,649	—	—	—	(14,738,660)
Net income from continuing operations, before taxes	—	—	\$ 66,929,594	—	—	\$ 21,480,950	—	—	—	15,438,922
Net income from discontinued operations, before taxes	—	—	52,979,946	—	—	17,513,269	—	—	—	—
Net income, before taxes	—	—	119,909,540	—	—	38,994,219	—	—	—	15,438,922

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

25. Segment Information (continued):

A reconciliation of total segment assets to total assets presented in the accompanying consolidated balance sheets of December 31, 2023 and 2024, is as follows:

	As of December 31, 2023	As of December 31, 2024
Dry bulk segment	\$ 259,759,770	\$ 194,561,173
Containership segment	46,202,603	54,030,862
Asset management segment	—	308,393,047
Cash and cash equivalents ⁽¹⁾	103,822,505	53,677,612
Prepaid expenses and other assets ⁽¹⁾	195,257,101	186,714,227
Total consolidated assets	\$ 605,041,979	\$ 797,376,921

⁽¹⁾ Refers to assets of other, non-vessel owning, entities included in the consolidated financial statements.

26. Subsequent Events:

- (a) **Dividend on Series D Preferred Shares:** On January 15, 2025, the Company paid to Toro a dividend (declared on December 27, 2024) amounting to \$847,222 on the Series D Preferred Shares for the dividend period from October 15, 2024 to January 14, 2025. On April 15, 2025, the Company paid to Toro a dividend (declared on March 26, 2025) amounting to \$1,250,000 on the Series D Preferred Shares for the dividend period from January 15, 2025 to April 14, 2025.
- (b) **Sales of the *M/V Ariana A* and *M/V Gabriela A*:** On January 22, 2025 and May 7, 2025, the Company completed the previously announced sales of the *M/V Ariana A* and the *M/V Gabriela A*, respectively, by delivering the vessels to their new owners. Please refer to Note 7.
- (c) **Sale of the *M/V Magic Eclipse*:** On March 6, 2025, the Company entered into an agreement with an entity beneficially owned by a family member of the Company’s Chairman, Chief Executive Officer and Chief Financial Officer for the sale of the *M/V Magic Eclipse* for a gross sale price of \$13.5 million. On March 12, 2025, the Company received deposit from the vessel’s buyer amounting to \$1.35 million, or 10% of the purchase price of the vessel. The vessel was delivered to its new owners on March 24, 2025. The Company expects to record during the first quarter of 2025 a net loss of approximately \$1.6 million, excluding any transaction-related costs.
- (d) **Sale of the *M/V Magic Callisto*:** On March 11, 2025, the Company entered into an agreement with an entity beneficially owned by a family member of the Company’s Chairman, Chief Executive Officer and Chief Financial Officer for the sale of the *M/V Magic Callisto* for a gross sale price of \$14.5 million. On March 12, 2025, the Company received deposit from the vessel’s buyer amounting to \$1.45 million, or 10% of the purchase price of the vessel. The vessel was delivered to its new owners on April 28, 2025. The Company expects to record during the second quarter of 2025 a net loss of approximately \$5.3 million, excluding any transaction-related costs.
- (e) **Loan prepayments:** On March 24, 2025, March 31, 2025, and on April 28, 2025 the Company performed partial prepayments to Toro related to the Term Loan amounting to \$13,500,000, \$34,000,000, and \$14,000,000, respectively. The prepayment of \$13,500,000 was made pursuant to the sale of *M/V Magic Eclipse* on March 24, 2025. The prepayment of \$14,000,000 was made pursuant to the sale of *M/V Magic Callisto* on April 28, 2025. On May 5, 2025, the Company prepaid the amount of \$36,000,000 remaining outstanding at that date. As of the date of this Annual Report, the Term Loan has been fully repaid.
- (f) As of May 2025, all ship management agreements between the Company and Pavimar have been terminated. Castor Ships now exclusively provides the commercial and technical management of the Company’s entire fleet, while certain aspects of the management of a number of the Company’s vessels are subcontracted to related or third-party managers.
- (g) MPC Capital acquired a 50% share in BestShip GmbH & Cie, KG from the Norwegian Wilhelmsen Group at the start of January 2025. BestShip provides IT-based assessments of vessels for improving energy efficiency and reducing emissions, and advises on how to realize improvements. BestShip currently provides services for around 450 vessels.
- (h) On January 13, 2025, the Company drew an additional €1.5 million out of the loan facility from Ostfriesische Volksbank eG.

DESCRIPTION OF THE REGISTRANT’S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

As of the date of the annual report to which this exhibit is being filed, Castor Maritime Inc. (the “Company”) had two classes of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended:

- (1) Common shares, par value \$0.001 per share (the “common shares”); and
- (2) Preferred Share Purchase Rights under the Rights Agreement, as defined below (a “Right” or the “Rights”).

The following description sets forth certain material provisions of these securities. The following summary does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the applicable provisions of (i) the Company’s Articles of Incorporation, as amended (the “Articles of Incorporation”), (ii) the Company’s Bylaws (the “Bylaws”), and (iii) the Stockholders Rights Agreement dated as of November 20, 2017, by and between the Company and American Stock Transfer & Trust Company, LLC, as rights agent (the “Rights Agreement”), each of which is an exhibit to the annual report on Form 20-F for the fiscal year ended December 31, 2024 (“Annual Report”) of which this Exhibit is a part. We encourage you to refer to our Articles of Incorporation, Bylaws and the Rights Agreement for additional information.

Capitalized terms used but not defined herein have the meanings given to them in our Annual Report.

OUR SHARE CAPITAL

Under our Articles of Incorporation our authorized capital stock consists of 2,000,000,000 registered shares, of which 1,950,000,000 are designated as common shares, par value \$0.001 per share, and 50,000,000 are designated as preferred shares, par value \$0.001 per share. As of December 31, 2024, we had issued and outstanding 9,662,354 common shares, 12,000 Series B Preferred Shares, par value \$0.001 per share (the “Series B Preferred Shares”) and 100,000 5.00% Series D Cumulative Perpetual Convertible Preferred Shares, having a stated value of \$1,000 and par value of \$0.001 per share (the “Series D Preferred Shares”). As of the same date, we also had 1,000,000 authorized (but not outstanding) Series C Participating Preferred Shares. Our common shares are listed on the NASDAQ under the symbol “CTRM” and on the Norwegian OTC under the symbol “CASTOR”.

Any amendment to our Articles of Incorporation to alter our capital structure requires approval by an affirmative majority of the voting power of the total number of shares issued and outstanding and entitled to vote thereon. Shareholders of any series or class of shares are entitled to vote upon any proposed amendment, whether or not entitled to vote thereon by the Articles of Incorporation, if such amendment would (i) increase or decrease the par value of the shares of such series or class, or, (ii) alter or change the powers, preferences or special rights of the shares of such series or class so as to adversely affect them. Such class vote would be conducted in addition to the vote of all shares entitled to vote upon the amendment and requires approval by an affirmative majority of the voting power of the affected series or class.

DESCRIPTION OF COMMON SHARES

Holders of common shares do not have conversion, sinking fund, redemption or pre-emptive rights to subscribe to any of our securities. There are no restrictions under Marshall Islands law on the transferability of our common shares. The rights, preferences and privileges of holders of our common shares are subject to the rights of the holders of any preferred shares, which we have issued in the past or which we may issue in the future.

Voting Rights

Each outstanding common share entitles the holder to one (1) vote on all matters submitted to a vote of shareholders. Our directors are elected by a plurality of the votes cast by shareholders entitled to vote and serve for three-year terms. There is no provision for cumulative voting. Our common shares and Series B Preferred Shares vote together as a class on most matters submitted to a vote of shareholders of the Company, though our Articles of Incorporation provide for a separate vote of the Series B Preferred Shares for certain matters adversely impacting such shares rights and preferences. Series B Preferred Shares have one hundred thousand (100,000) votes per share and currently have a controlling vote over the various matters put to a vote of the Company’s shareholders. The voting power of the Series B Preferred Shares is subject to adjustment to maintain a substantially identical voting interest in the Company following the (i) creation or issuance of a new series of shares of the Company carrying more than one vote per share to be issued to any person other than holders of the Series B Preferred Shares, except for the creation (but not the issuance) of Series C Participating Preferred Shares, without the prior affirmative vote of a majority of votes cast by the holders of the Series B Preferred Shares or (ii) issuance or approval of common shares pursuant to and in accordance with the Rights Agreement.

All of our 12,000 Series B Preferred Shares were issued to Thalassa Investment Co. (“Thalassa”). Thalassa is a company affiliated with Petros Panagiotidis, our Chairman, Chief Executive Officer and Chief Financial Officer. The shares of Thalassa are held by several shareholders, including Petros Panagiotidis. See “*Item 7. Major Shareholders and Related Party Transactions —A. Major Shareholders*” of our Annual Report for further information.

Dividend Rights

Subject to preferences that may be applicable to any outstanding preferred shares, including the Series D Preferred Shares, holders of common shares are entitled to receive ratably all dividends, if any, declared by our Board of Directors (the “Board”) out of funds legally available for dividends.

Our Series D Preferred Shares provide that holders of Series D Preferred Shares are entitled to receive, when, as and if declared by the Board, cumulative dividends at 5.00% per annum of the stated amount, in cash or Series D Preferred Shares, payable quarterly in arrears on the 15th day of each January, April, July and October, respectively, in each year, beginning on October 15, 2023 (each, a “Dividend Payment Date”). For each Dividend Period commencing on and from the seventh anniversary of August 7, 2023, the rate shall be the annual dividend rate in effect for the prior Dividend Period multiplied by a factor of 1.3; provided that such dividend rate cannot exceed 20% per annum. So long as any Series D Preferred Share remains outstanding, unless full Accrued Dividends on all outstanding Series D Preferred Shares through and including the most recently completed Dividend Period have been paid or declared and a sum sufficient for the payment thereof has been set aside for payment, no dividend may be declared or paid or set aside for payment, and no distribution may be made, on any Junior Stock, other than a dividend payable solely in stock that ranks junior to the Series D Preferred Shares in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Company.

For purposes of the Series D Preferred Shares:

(i) “Accrued Dividends” means, with respect to Series D Preferred Shares, an amount computed at the Annual Rate from, as to each share, the date of issuance of such share to and including the date to which such dividends are to be accrued (whether or not such dividends have been declared), less the aggregate amount of all dividends previously paid on such share.

(ii) “Dividend Period” means each period commencing on (and including) a Dividend Payment Date and continuing to (but not including) the next succeeding Dividend Payment Date.

(iii) “Junior Stock” means any class or series of stock of the Company (including the Common Shares) that ranks junior to this Series in the payment of dividends or in the distribution of assets on liquidation, dissolution or winding up of the Company.

So long as any Series D Preferred Share remains outstanding, unless full Accrued Dividends on all outstanding Series D Preferred Shares through and including the most recently completed Dividend Period have been paid or declared and a sum sufficient for the payment thereof has been set aside for payment, no monies may be paid or made available for a sinking fund for the redemption or retirement of Junior Stock, nor shall any shares of Junior Stock be purchased, redeemed or otherwise acquired for consideration by us, directly or indirectly, other than (i) as a result of (x) a reclassification of Junior Stock, or (y) the exchange or conversion of one share of Junior Stock for or into another share of stock that ranks junior to the Series D Preferred Shares in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Company; or (ii) through the use of the proceeds of a substantially contemporaneous sale of other shares of stock that rank junior to the Series D Preferred Shares in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Company.

Liquidation Rights

Upon our dissolution or liquidation or the sale of all or substantially all of our assets, after payment in full of all amounts required to be paid to creditors and to the holders of preferred shares having liquidation preferences, including the Series D Preferred Shares, the holders of our common shares are entitled to receive pro rata our remaining assets available for distribution.

Our Series D Preferred Shares provide that in the event of any liquidation, dissolution or winding up of the affairs of the Company, whether voluntary or involuntary, before any distribution or payment out of the Company’s assets may be made to or set aside for the holders of any Junior Stock, holders of Series D Preferred Shares will be entitled to receive out of our assets legally available for distribution to our shareholders an amount equal to the stated amount per share (\$1,000), together with an amount equal to all Accrued Dividends to the date of payment whether or not earned or declared (the “Liquidation Preference”). If the Liquidation Preference has been paid in full to all holders of Series D Preferred Shares and all holders of any class or series of our stock that ranks on a parity with Series D Preferred Shares in the distribution of assets on liquidation, dissolution or winding up of the Company, the holders of Junior Stock will be entitled to receive all of our remaining assets according to their respective rights and preferences.

Limitations on Ownership

Under Marshall Islands law generally and our Articles of Incorporation, there are no limitations on the right of persons who are not citizens or residents of the Marshall Islands to hold or vote our common shares.

DESCRIPTION OF THE RIGHTS UNDER THE STOCKHOLDERS RIGHTS AGREEMENT

Preferred Shares and the Rights

Our Articles of Incorporation, as amended from time to time, authorize our Board to establish one or more series of preferred shares and to determine, with respect to any series of preferred shares, the terms and rights of that series, including:

- the designation of the series;
- the number of shares of the series;
- the preferences and relative, participating, option or other special rights, if any, and any qualifications, limitations or restrictions of such series; and
- the voting rights, if any, of the holders of the series.

On November 20, 2017, we entered into the Rights Agreement and our Board declared a dividend of one Right for each outstanding common share outstanding on November 21, 2017.

The Rights. The Rights trade with, and are inseparable from, our common shares. The Rights are evidenced by the certificates that represent our common shares registered in the names of the holders thereof or, in the case of uncertificated shares of our common shares registered in book-entry form. New Rights will accompany any new common shares of the Company issued after November 21, 2017 until the Distribution Date described below. As of December 31, 2024, we had 9,662,354 Rights issued and outstanding in connection with our outstanding common shares.

Exercise Price. Each Right allows its holder to purchase from the Company one one-thousandth (1/1,000) of a share of Series C Participating Preferred Stock (a “Series C Preferred Share”), for \$1,500.00 (the “Exercise Price”), once the Rights become exercisable. This portion of a Series C Preferred Share will give the shareholder approximately the same dividend, voting and liquidation rights as would one common share. Prior to exercise, the Right does not give its holder any dividend, voting, or liquidation rights.

Exercisability. The Rights are not exercisable until 10 days after the public announcement by the Company or an Acquiring Person that a person or group has become an “Acquiring Person” by obtaining beneficial ownership of 15% or more of our outstanding common shares, except that our Chairman, Chief Executive Officer and Chief Financial Officer, Petros Panagiotidis and Thalassa Investment Co. S.A. are exempt from being an “Acquiring Person”.

Certain synthetic interests in securities created by derivative positions, whether or not such interests are considered to be ownership of the underlying common shares or are reportable for purposes of Regulation 13D of the Securities Exchange Act of 1934, as amended, are treated as beneficial ownership of the number of our common shares equivalent to the economic exposure created by the derivative position, to the extent our actual common shares are directly or indirectly held by counterparties to the derivatives contracts. Swaps dealers unassociated with any control intent or intent to evade the purposes of the Rights Agreement are excepted from such imputed beneficial ownership.

The Rights Agreement “grandfathers” the current level of ownership of persons who, prior to the date of the Rights Agreement, beneficially owned 15% or more of our outstanding common shares, so long as they do not purchase additional shares in excess of certain limitations.

The date when the Rights become exercisable is the “Distribution Date”. Until that date, our common share certificates (or, in the case of uncertificated shares, by notations in the book-entry account system) will also evidence the Rights, and any transfer of our common shares will constitute a transfer of Rights. After that date, the Rights will separate from our common shares and will be evidenced by book-entry credits or by Rights certificates that the Company will mail to all eligible holders of our common shares. Any Rights held by an Acquiring Person are null and void and may not be exercised. Please see “*Consequences of a Person or Group Becoming an Acquiring Person*” below for further information.

- The Rights entitle their holder to acquire Series C Preferred Shares on the terms described above. Each one one-thousandth (1/1000) of a Series C Preferred Share, if issued, will, among other things:
- not be redeemable;
 - entitle holders to quarterly dividend payments in an amount per share equal to the aggregate per share amount of all cash dividends, and the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions other than a dividend payable in our common shares or a subdivision of our outstanding common shares (by reclassification or otherwise), declared on our common shares since the immediately preceding quarterly dividend payment date; and
 - entitle holders to one vote on all matters submitted to a vote of the shareholders of the Company.
- The value of one one-thousandth (1/1000) interest in a Series C Preferred Share should approximate the value of one common share.

The Board adopted the Rights Agreement to protect shareholders from coercive or otherwise unfair takeover tactics. In general terms, it works by imposing a significant penalty upon any person or group that acquires beneficial ownership of 15% or more of our outstanding common shares without the approval of our Board. The potential effects of the Rights on a shareholder owning a substantial number of shares are discussed below.

Consequences of a Person or Group Becoming an Acquiring Person.

The Rights may have anti-takeover effects. The Rights will cause substantial dilution to any person or group that attempts to acquire us without the approval of our Board. As a result, the overall effect of the Rights may be to render more difficult or discourage any attempt to acquire us. Because our Board can approve a redemption of the Rights for a permitted offer, the Rights should not interfere with a merger or other business combination approved by our Board.

Notional Shares. Shares held by affiliates and associates of an Acquiring Person, including certain entities in which the Acquiring Person beneficially owns a majority of the equity securities, and Notional Common Shares (as defined in the Rights Agreement) held by counterparties to a Derivatives Contract (as defined in the Rights Agreement) with an Acquiring Person, will be deemed to be beneficially owned by the Acquiring Person.

Flip In. If an Acquiring Person obtains beneficial ownership of 15% or more of our common shares, then each Right will entitle the holder thereof to purchase, for the Exercise Price, a number of our common shares (or, in certain circumstances, cash, property or other securities of the Company) having a then-current market value of twice the Exercise Price. However, the Rights are not exercisable following the occurrence of the foregoing event until such time as the Rights are no longer redeemable by the Company, as further described below.

Following the occurrence of an event set forth in preceding paragraph, all Rights that are or, under certain circumstances specified in the Rights Agreement, were beneficially owned by an Acquiring Person or certain of its transferees will be null and void.

Flip Over. If, after an Acquiring Person obtains 15% or more of our common shares, (i) the Company merges into another entity; (ii) an acquiring entity merges into the Company; or (iii) the Company sells or transfers 50% or more of its assets, cash flow or earning power, then each Right (except for Rights that have previously been voided as set forth above) will entitle the holder thereof to purchase, for the Exercise Price, a number of our common shares of the person engaging in the transaction having a then-current market value of twice the Exercise Price.

Redemption. The Company may, at its option and with the approval of the Board, redeem the Rights for \$0.001 per Right at any time before any person or group becomes an Acquiring Person. If the Board redeems any Rights, it must redeem all of the Rights. Once the Rights are redeemed, the only right of the holders of the Rights will be to receive the redemption price of \$0.01 per Right. The redemption price will be adjusted if the Company has a stock dividend, a stock split or similar transaction.

Exchange. After a person or group becomes an Acquiring Person, but before an Acquiring Person owns 50% or more of our outstanding common shares, the Board may extinguish the Rights by exchanging one common share or an equivalent security for each Right, other than Rights held by the Acquiring Person. In certain circumstances, the Company may elect to exchange the Rights for cash or other securities of the Company having a value approximately equal to one common share.

Expiration. The Rights expire on the earliest of (i) November 20, 2027, or (ii) the redemption or exchange of the Rights as described above.

Anti-Dilution Provisions. The Board may adjust the purchase price of the Series C Preferred Shares, the number of Series C Preferred Shares issuable and the number of outstanding Rights to prevent dilution that may occur from a stock dividend, a stock split, or a reclassification of the Series C Preferred Shares or our common shares. No adjustments to the Exercise Price of less than 1% will be made.

Amendments. The terms of the Rights and the Rights Agreement may be amended in any respect without the consent of the holders of the Rights on or prior to the Distribution Date. Thereafter, the terms of the Rights and the Rights Agreement may be amended without the consent of the holders of Rights, with certain exceptions, in order to (i) cure any ambiguities; (ii) correct or supplement any provision contained in the Rights Agreement that may be defective or inconsistent with any other provision therein; (iii) shorten or lengthen any time period pursuant to the Rights Agreement; or (iv) make changes that do not adversely affect the interests of holders of the Rights (other than an Acquiring Person or an affiliate or associate of an Acquiring Person).

Taxes. The distribution of Rights should not be taxable for federal income tax purposes. However, following an event that renders the Rights exercisable or upon redemption of the Rights, shareholders may recognize taxable income.

Anti-Takeover Provisions in our Articles of Incorporation and Bylaws

Several provisions of the Articles of Incorporation and Bylaws could make it difficult for shareholders to change the composition of our Board in any one year, preventing them from changing the composition of management. In addition, the same provisions may discourage, delay or prevent a merger or acquisition that shareholders may consider favorable. These provisions are:

- authorizing our Board to issue “blank check” preferred shares without shareholder approval;
- providing for a classified Board with staggered, three-year terms for three classes of directors;
- establishing certain advance notice requirements for nominations for election to our Board or for proposing matters that can be acted on by shareholders at shareholder meetings;
- prohibiting cumulative voting in the election of directors;
- limiting the persons who may call special meetings of shareholders; and
- establishing supermajority voting provisions with respect to amendments to certain provisions of our Articles of Incorporation and Bylaws.

The Articles of Incorporation also prohibit any Interested Shareholder from engaging in a Business Combination (as defined in the Articles of Incorporation) with us within three years after the owner acquired such ownership, except where:

- the Board approved either the Business Combination or the transaction which resulted in the shareholder becoming an Interested Shareholder;
- upon consummation of the transaction which resulted in the shareholder becoming an Interested Shareholder, the Interested Shareholder owned at least 85% of the voting stock of the Company outstanding at the time the transaction commenced, excluding for purposes of determining the number of voting stock outstanding those shares owned (i) by persons who are directors and also officers and (ii) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer;
- at or subsequent to such time, the Business Combination is approved by the Board and authorized at an annual or special meeting of shareholders, and not by written consent, by the affirmative vote of the holders of at least two-thirds of the outstanding voting stock that is not owned by the Interested Shareholder; or
- the shareholder became an Interested Shareholder prior to September 11, 2017.

The foregoing restrictions do not apply if:

- A shareholder becomes an Interested Shareholder inadvertently and (i) as soon as practicable divests itself of ownership of sufficient shares so that the shareholder ceases to be an Interested Shareholder; and (ii) would not, at any time within the three-year period immediately prior to a Business Combination between the Company and such shareholder, have been an Interested Shareholder but for the inadvertent acquisition of ownership; or
 - The Business Combination is proposed prior to the consummation or abandonment of and subsequent to the earlier of the public announcement or the notice required hereunder of a proposed transaction which (i) constitutes one of the transactions described in the following sentence; (ii) is with or by a person who either was not an Interested Shareholder during the previous three years or who became an Interested Shareholder with the approval of the Board; and (iii) is approved or not opposed by a majority of the members of the Board then in office (but not less than one) who were directors prior to any person becoming an Interested Shareholder during the previous three years or were recommended for election or elected to succeed such directors by a majority of such directors. The proposed transactions referred to in the preceding sentence are limited to:
-

- o a merger or consolidation of the Company (except for a merger in respect of which, pursuant to the BCA, no vote of the shareholders of the Company is required);
- o a sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), whether as part of a dissolution or otherwise, of assets of the Company or of any direct or indirect majority-owned subsidiary of the Company (other than to any direct or indirect wholly-owned subsidiary or to the Company) having an aggregate market value equal to 50% or more of either the aggregate market value of all of the assets of the Company determined on a consolidated basis or the aggregate market value of all the outstanding shares of the Company; or
- o a proposed tender or exchange offer for 50% or more of the outstanding voting shares of the Company.

For the purposes of the foregoing, "Interested Shareholder" means any person (other than the Company and any direct or indirect majority-owned subsidiary of the Company) that (i) is the owner of 15% or more of the outstanding voting shares of the Company, or (ii) is an affiliate or associate of the Company and was the owner of 15% or more of the outstanding voting stock of the Company at any time within the three-year period immediately prior to the date on which it is sought to be determined whether such person is an Interested Shareholder; and the affiliates and associates of such person; provided, however, that the term "Interested Shareholder" shall not include any person whose ownership of shares in excess of the 15% limitation set forth herein is the result of action taken solely by the Company; provided that such person shall be an Interested Shareholder if thereafter such person acquires additional shares of voting shares of the Company, except as a result of further Company action not caused, directly or indirectly, by such person. For the purpose of determining whether a person is an Interested Shareholder, the voting shares of the Company deemed to be outstanding shall include voting shares deemed to be owned by the person, but shall not include any other unissued shares which may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise.

Marshall Islands Company Considerations

Our corporate affairs are governed by our Articles of Incorporation and Bylaws and by the BCA. The provisions of the BCA resemble provisions of the corporation laws of a number of states in the United States. While the BCA provides that its provisions shall be applied and construed in a manner to make them uniform with the laws of the State of Delaware and other states of the United States of America with substantially similar legislative provisions, there have been few, if any, court cases interpreting the BCA in the Marshall Islands and we cannot predict whether Marshall Islands courts would reach the same conclusions as courts in the United States. As a result, you may have more difficulty protecting your interests in the face of actions by our management, directors or controlling shareholders than would shareholders of a corporation incorporated in a U.S. jurisdiction which has developed a substantial body of case law. The following table outlines significant differences between the statutory provisions of the BCA and the General Corporation Law of the State of Delaware relating to shareholders’ rights.

Marshall Islands	Delaware
Shareholders' Voting Rights	
<p>Unless otherwise provided in the articles of incorporation, any action required to be taken at a meeting of shareholders may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, is signed by all the shareholders entitled to vote with respect to the subject matter thereof, or if the articles of incorporation so provide, by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.</p> <p>Any person authorized to vote may authorize another person or persons to act for him by proxy.</p> <p>Unless otherwise provided in the articles of incorporation or bylaws, a majority of shares entitled to vote constitutes a quorum. In no event shall a quorum consist of fewer than one-third of the shares entitled to vote at a meeting.</p> <p>When a quorum is once present to organize a meeting, it is not broken by the subsequent withdrawal of any shareholders.</p> <p>The articles of incorporation may provide for cumulative voting in the election of directors.</p>	<p>Any action required to be taken at a meeting of shareholders may be taken without a meeting if a consent for such action is in writing and is signed by shareholders having not fewer than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.</p> <p>Any person authorized to vote may authorize another person or persons to act for him by proxy.</p> <p>For stock corporations, the certificate of incorporation or bylaws may specify the number of shares required to constitute a quorum but in no event shall a quorum consist of less than one-third of shares entitled to vote at a meeting. In the absence of such specifications, a majority of shares entitled to vote shall constitute a quorum.</p> <p>When a quorum is once present to organize a meeting, it is not broken by the subsequent withdrawal of any shareholders.</p> <p>The certificate of incorporation may provide for cumulative voting in the election of directors.</p>
Merger or Consolidation	
<p>Any two or more domestic corporations may merge or consolidate into a single corporation if approved by the board of each constituent corporation and if authorized by a majority vote at a shareholder meeting of each such corporation by the holders of outstanding shares.</p>	<p>Any two or more corporations existing under the laws of the state may merge into a single corporation pursuant to a board resolution and upon the majority vote by shareholders of each constituent corporation at an annual or special meeting.</p>

Marshall Islands	Delaware
Any sale, lease, exchange or other disposition of all or substantially all the assets of a corporation, if not made in the corporation’s usual or regular course of business, once approved by the board of directors (and notice of the meeting shall be given to each shareholder of record, whether or not entitled to vote), shall be authorized by the affirmative vote of two-thirds of the shares of those entitled to vote at a shareholder meeting, unless any class of shares is entitled to vote thereon as a class, in which event such authorization shall require the affirmative vote of the holders of a majority of the shares of each class of shares entitled to vote as a class thereon and of the total shares entitled to vote thereon.	Every corporation may at any meeting of the board sell, lease or exchange all or substantially all of its property and assets as its board deems expedient and for the best interests of the corporation when so authorized by a resolution adopted by the holders of a majority of the outstanding stock of the corporation entitled to vote.
Upon approval by the board, any domestic corporation owning at least 90% of the outstanding shares of each class of another domestic corporation may merge such other corporation into itself without the authorization of the shareholders of any such corporation.	Any corporation owning at least 90% of the outstanding shares of each class of another corporation may merge the other corporation into itself and assume all of its obligations without the vote or consent of shareholders; however, in case the parent corporation is not the surviving corporation, the proposed merger shall be approved by a majority of the outstanding stock of the parent corporation entitled to vote at a duly called shareholder meeting.
Any mortgage, pledge of or creation of a security interest in all or any part of the corporate property may be authorized without the vote or consent of the shareholders, unless otherwise provided for in the articles of incorporation.	Any mortgage or pledge of a corporation’s property and assets may be authorized without the vote or consent of shareholders, except to the extent that the certificate of incorporation otherwise provides.
Director	

Marshall Islands	Delaware
<p>The board of directors must consist of at least one member.</p> <p>The number of directors may be fixed by the bylaws, by the shareholders, or by action of the board under the specific provisions of a bylaw. The number of board members may be changed by an amendment to the bylaws, by the shareholders, or by action of the board under the specific provisions of a bylaw.</p> <p>If the board is authorized to change the number of directors, it can only do so by a majority of the entire board and so long as no decrease in the number shall shorten the term of any incumbent director.</p>	<p>The board of directors must consist of at least one member.</p> <p>The number of board members shall be fixed by, or in a manner provided by, the bylaws and amended by an amendment to the bylaws, unless the certificate of incorporation fixes the number of directors, in which case a change in the number shall be made only by an amendment to the certificate of incorporation.</p> <p>If the number of directors is fixed by the certificate of incorporation, a change in the number shall be made only by an amendment of the certificate.</p>
Removal:	Removal:
<p>Any or all of the directors may be removed for cause by vote of the shareholders. The articles of incorporation or the bylaws may provide for such removal by board action, except in the case of any director elected by cumulative voting, or by shareholders of any class or series when entitled by the provisions of the articles of incorporation.</p> <p>If the articles of incorporation or bylaws provide any or all of the directors may be removed without cause by vote of the shareholders.</p>	<p>Any or all of the directors may be removed, with or without cause, by the holders of a majority of the shares entitled to vote unless the certificate of incorporation otherwise provides.</p> <p>In the case of a classified board, shareholders may effect removal of any or all directors only for cause unless the certificate of incorporation provides otherwise.</p>
Dissenters' Rights of Appraisal	
<p>Shareholders have a right to dissent from any plan of merger, consolidation or sale of all or substantially all assets not made in the usual course of business, and receive payment of the fair value of their shares. However, the right of a dissenting shareholder under the BCA to receive payment of the appraised fair value of his shares shall not be available for the shares of any class or series of stock, which shares or depository receipts in respect thereof, at the record date fixed to determine the shareholders entitled to receive notice of and to vote at the meeting of the shareholders to act upon the agreement of merger or consolidation, were either (i) listed on a securities exchange or admitted for trading on an interdealer quotation system or (ii) held of record by more than 2,000 holders. The right of a dissenting shareholder to receive payment of the fair value of his or her shares shall not be available for any shares of stock of the constituent corporation surviving a merger if the merger did not require for its approval the vote of the shareholders of the surviving corporation.</p>	<p>Appraisal rights shall be available for the shares of any class or series of stock of a corporation in a merger or consolidation, subject to limited exceptions, such as a merger or consolidation of corporations listed on a national securities exchange in which listed stock is offered for consideration which is (i) listed on a national securities exchange or (ii) held of record by more than 2,000 holders. Notwithstanding those limited exceptions, appraisal rights will be available if shareholders are required by the terms of an agreement of merger or consolidation to accept certain forms of uncommon consideration.</p>

Marshall Islands	Delaware
<p>A holder of any adversely affected shares who does not vote on or consent in writing to an amendment to the articles of incorporation has the right to dissent and to receive payment for such shares if the amendment:</p> <ul style="list-style-type: none">• alters or abolishes any preferential right of any outstanding shares having preference; or• creates, alters, or abolishes any provision or right in respect to the redemption of any outstanding shares; or• alters or abolishes any preemptive right granted by law and not disseated by the articles of incorporation of such holder to acquire shares or other securities; or• excludes or limits the right of such holder to vote on any matter, except as such right may be limited by the voting rights given to new shares then being authorized of any existing or new class.	
Shareholder’s Derivative Actions	
<p>An action may be brought in the right of a corporation to procure a judgment in its favor, by a holder of shares or of voting trust certificates or of a beneficial interest in such shares or certificates. It shall be made to appear that the plaintiff is such a holder at the time of bringing the action and that he was such a holder at the time of the transaction of which he complains, or that his shares or his interest therein devolved upon him by operation of law.</p>	<p>In any derivative suit instituted by a shareholder of a corporation, it shall be averred in the complaint that the plaintiff was a shareholder of the corporation at the time of the transaction of which he complains or that such shareholder’s stock thereafter devolved upon such shareholder by operation of law.</p>

Marshall Islands	Delaware
<p>A complaint shall set forth with particularity the efforts of the plaintiff to secure the initiation of such action by the board or the reasons for not making such effort.</p> <p>Such action shall not be discontinued, compromised or settled, without the approval of the High Court of the Republic of the Marshall Islands.</p> <p>Reasonable expenses including attorney’s fees may be awarded if the action is successful.</p> <p>A corporation may require a plaintiff bringing a derivative suit to give security for reasonable expenses if the plaintiff owns less than 5% of any class of outstanding shares or holds voting trust certificates or a beneficial interest in shares representing less than 5% of any class of such shares and the shares, voting trust certificates or beneficial interest of such plaintiff has a fair value of \$50,000 or less.</p>	<p>Other requirements regarding derivative suits have been created by judicial decision, including that a shareholder may not bring a derivative suit unless he or she first demands that the corporation sue on its own behalf and that demand is refused (unless it is shown that such demand would have been futile).</p>



AMENDED AND RESTATED
STATEMENT OF DESIGNATIONS
OF
CASTOR MARITIME INC.
Reg. No. 92609

REPUBLIC OF THE MARSHALL ISLANDS
REGISTRAR OF CORPORATIONS

DUPLICATE COPY

The original of this Document was

FILED ON

NON-RESIDENT

December 12, 2024



A handwritten signature in blue ink, appearing to read "Dyaan Malik".

Dyaan Malik
Deputy Registrar

AMENDED AND RESTATED STATEMENT OF DESIGNATION OF RIGHTS, PREFERENCES AND PRIVILEGES OF 5.00% SERIES D CUMULATIVE PERPETUAL CONVERTIBLE PREFERRED SHARES OF CASTOR MARITIME INC.

CASTOR MARITIME INC., a corporation organized and existing under the Business Corporations Act (the “BCA”) of the Republic of the Marshall Islands (the “Company”), in accordance with the provisions of Section 35 thereof and the Articles of Incorporation of the Company, as amended (the “Articles”), does hereby certify:

The Board of Directors of the Company has previously adopted resolutions fixing the designation and certain terms, powers, preferences and other rights of the series of preferred shares of the Company, designated as “5.00% Series D Cumulative Perpetual Convertible Preferred Shares”, and certain qualifications, limitations and restrictions thereon. Capitalized terms shall have the same meaning as in the Articles, unless otherwise specified in this Amended and Restated Statement of Designation or unless the context otherwise requires.

All of the holders of the 5.00% Series D Cumulative Perpetual Convertible Preferred Shares have agreed to and the Board of Directors of the Company has adopted the following resolution amending and restating the Statement of Designations of the 5.00% Series D Cumulative Perpetual Convertible Preferred Shares series of preferred shares of the Company.

RESOLVED, that the Statement of Designation of the 5.00% Series D Cumulative Perpetual Convertible Preferred Shares be and hereby is amended and restated, and that the designation and number of shares of such series, and the voting and other powers, preferences and relative, participating, optional or special rights and qualifications, limitations and restrictions of the shares of such series, are as follows:

Section 1. Designation and Amount. The shares of this series shall be designated as “5.00% Series D Cumulative Perpetual Convertible Preferred Shares” (hereinafter, called “this Series”). Shares of this Series shall have a par value of \$0.001 per share and each share of this Series shall be identical in all respects to every other share of this Series. On the date hereof, the number of shares constituting this Series shall be 100,000, which number the Board of Directors may from time to time increase (but not in excess of the total number of designated preferred shares of the Company, excluding any other series of preferred shares authorized at the time of such increase) or decrease (but not below the number of shares of this Series then outstanding).

Section 2. Definitions. As used herein with respect to this Series:

- (a) “Accrued Dividends” means, with respect to shares of this Series, an amount computed at the applicable Annual Rate for this Series from, as to each share, the date of issuance of such share to and including the date to which such dividends are to be accrued (whether or not such dividends have been declared), less the aggregate amount of all dividends previously paid on such share.
- (b) “Annual Rate” means:
 - (i) for each Dividend Period commencing on, and including, August 7, 2023 (the “Original Issue Date”) until (but excluding) the seventh anniversary of the Original Issue Date, 5.00% per annum of the Stated Amount; and

(ii) for each Dividend Period commencing on and from the seventh anniversary of the Original Issue Date and at all times thereafter, at a rate which is equal to the Annual Rate in effect for the last Dividend Period prior to the adjustment multiplied on each anniversary of the Original Issue Date (with the first adjustment occurring on such seventh anniversary) by a factor of 1.30 **provided however that** the Annual Rate cannot exceed the rate of 20% per annum.

(c) **“Board of Directors”** means the Board of Directors of the Company or a committee of the Board of Directors duly authorized by the Board of Directors to declare dividends on this Series or take other action relating to this Series.

(d) **“Business Day”** means each Monday, Tuesday, Wednesday, Thursday or Friday on which banking institutions in The City of New York are not authorized or obligated by law, regulation or executive order to close.

(e) **“Company”** has the meaning set forth in the Preamble.

(f) **“Conversion Notice”** has the meaning set forth in Section 6(e).

(g) **“Conversion Price”** has the meaning set forth in Section 6(e).

(h) **“Dividend Parity Stock”** means any class or series of stock of the Company that ranks on a parity with this Series in the payment of dividends.

(i) **“Dividend Payment Date”** has the meaning set forth in Section 3(a).

(j) **“Dividend Period”** means each period commencing on (and including) a Dividend Payment Date and continuing to (but not including) the next succeeding Dividend Payment Date, except that the first Dividend Period for the initial issuance of shares of this Series shall commence on (and include) the Original Issue Date.

(k) **“DTC”** means The Depository Trust Company.

(l) **“Exchange Act”** means the Securities Exchange Act of 1934, as amended.

(m) **“Five-Day VWAP”** means as applicable: (i) the volume weighted average price per Common Share as reported by Bloomberg and calculated during regular trading hours over the five consecutive Trading Day period expiring on the Trading Day immediately prior to the date of delivery of a Conversion Notice in accordance with Section 6(e); or (ii) if the Common Shares are not then listed or traded on a United States securities exchange or trading market and if prices for the Common Shares are then reported on the Pink Open Market (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per Common Share so reported.

(n) **“Junior Stock”** means any class or series of stock of the Company (including the Common Shares) that ranks junior to this Series in the payment of dividends or in the distribution of assets on liquidation, dissolution or winding up of the Company.

(o) **“Liquidation Preference”** has the meaning set forth in Section 4.

- (p) “**Liquidation Preference Parity Stock**” means any class or series of stock of the Company that ranks on a parity with this Series in the distribution of assets on liquidation, dissolution or winding up of the Company.
- (q) “**Nonpayment Event**” has the meaning set forth in [Section 7\(b\)](#).
- (r) “**Original Issue Date**” has the meaning set forth in [Section 1](#).
- (s) “**Preferred Share Director**” has the meaning set forth in [Section 7\(b\)](#).
- (t) “**Stated Amount**” means, in respect of this Series, \$1,000 per share, and, in respect of any other series of capital stock, the stated amount per share specified in the Articles or applicable statement of designations.
- (u) “**Trading Day**” means any day on which the principal United States securities exchange or trading market where the Common Shares is then listed or traded is open for business.
- (v) “**this Series**” has the meaning set forth in [Section 1](#).
- (w) “**Voting Parity Stock**” has the meaning set forth in [Section 7\(b\)](#).

Section 3. [Dividends](#).

- (a) [Rate](#). Holders of this Series shall be entitled to receive, when, as and if declared by the Board of Directors, but only out of funds legally available therefor cumulative dividends at the applicable Annual Rate per share in either (as the Board of Directors resolves at its discretion) (i) cash or (ii) shares of this Series equal to the quotient of (A) the Accrued Dividends divided by (B) the Stated Amount per share of this Series, and no more, payable quarterly in arrears on the 15th day of each January, April, July and October, respectively, in each year, beginning on October 15, 2023 (each, a “**Dividend Payment Date**”) with respect to the Dividend Period ending on the day preceding such respective Dividend Payment Date, to holders of record on the 15th calendar day before such Dividend Payment Date or such other record date not more than 30 days preceding such Dividend Payment Date fixed for that purpose by the Board of Directors in advance of payment of each particular dividend. The amount of the dividend per share of this Series for each Dividend Period will be calculated on the basis of a 360-day year consisting of twelve 30-day months. If a Dividend Payment Date is not a Business Day, the applicable dividend shall be paid on the first Business Day following that day without adjustment. The Company shall not pay interest or any sum of money instead of interest on any dividend payment that may be in arrears on this Series. For the avoidance of doubt, if declared by the Board of Directors, the aggregate dividend payable to holders of this Series in respect of the Dividend Period from October 15, 2024 to January 14, 2025 shall be \$847,222.22.
- (b) [Priority of Dividends](#). So long as any share of this Series remains outstanding, unless full Accrued Dividends on all outstanding shares of this Series through and including the most recently completed Dividend Period have been paid or declared and a sum sufficient for the payment thereof has been set aside for payment, no dividend may be declared or paid or set aside for payment, and no distribution may be made, on any Junior Stock, other than a dividend payable solely in stock that ranks junior to this Series in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Company.

If the Board of Directors elects to declare only partial instead of full dividends for a dividend payment date and related dividend period (which terms include, in the case of this Series, the Dividend Payment Dates and Dividend Periods provided for herein) on the shares of this Series or any Dividend Parity Stock, then to the extent permitted by the terms of this Series and each outstanding series of Dividend Parity Stock such partial dividends shall be declared on shares of this Series and Dividend Parity Stock, and dividends so declared shall be paid, as to any such dividend payment date and related dividend period in amounts such that the ratio of the partial dividends declared and paid on each such series to full dividends on each such series is the same. As used in this paragraph, “**full dividends**” means, as to this Series and any Dividend Parity Stock that bears dividends on a cumulative basis, the amount of dividends that would need to be declared and paid to bring this Series and such Dividend Parity Stock current in dividends, including undeclared dividends for past dividend periods (that is, for this Series, full Accrued Dividends). To the extent a dividend period with respect to this Series or any series of Dividend Parity Stock (in either case, the “**first series**”) coincides with more than one dividend period with respect to another series as applicable (in either case, a “**second series**”), for purposes of this paragraph the Board of Directors may, to the extent permitted by the terms of each affected series, treat such dividend period for the first series as two or more consecutive dividend periods, none of which coincides with more than one dividend period with respect to the second series, or may treat such dividend period(s) with respect to any Dividend Parity Stock and Dividend Period(s) with respect to this Series for purposes of this paragraph in any other manner that it deems to be fair and equitable in order to achieve ratable payments of dividends on such Dividend Parity Stock and this Series.

Subject to the foregoing, and not otherwise, such dividends (payable in cash, stock or otherwise) as may be determined by the Board of Directors may be declared and paid on any Common Shares or Junior Stock from time to time out of any funds legally available therefor, and the shares of this Series shall not be entitled to participate in any such dividend.

(c) Redemption and Repurchase of Junior Stock. So long as any share of this Series remains outstanding, unless full Accrued Dividends on all outstanding shares of this Series through and including the most recently completed Dividend Period have been paid or declared and a sum sufficient for the payment thereof has been set aside for payment, no monies may be paid or made available for a sinking fund for the redemption or retirement of Junior Stock, nor shall any shares of Junior Stock be purchased, redeemed or otherwise acquired for consideration by the Company, directly or indirectly, other than:

- (i) as a result of (x) a reclassification of Junior Stock, or (y) the exchange or conversion of one share of Junior Stock for or into another share of stock that ranks junior to this Series in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Company, or
- (ii) through the use of the proceeds of a substantially contemporaneous sale of other shares of stock that ranks junior to this Series in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Company.

Section 4. Liquidation, Dissolution or Winding Up.

(a) Voluntary or Involuntary Liquidation. In the event of any liquidation, dissolution or winding up of the affairs of the Company, whether voluntary or involuntary, before any distribution or payment out of the assets of the Company may be made to or set aside for the holders of any Junior Stock, holders of this Series will be entitled to receive out of the assets of the Company legally available for distribution to its shareholders an amount equal to the Stated Amount per share, together with an amount equal to all Accrued Dividends to the date of payment whether or not earned or declared (the “**Liquidation Preference**”).

(b) Partial Payment. If the assets of the Company are not sufficient to pay the Liquidation Preference in full to all holders of this Series and all holders of any Liquidation Preference Parity Stock, the amounts paid to the holders of this Series and to the holders of all Liquidation Preference Parity Stock shall be *pro rata* in accordance with the respective aggregate Liquidation Preferences of this Series and all such Liquidation Preference Parity Stock. In any such distribution, the “**Liquidation Preference**” of any holder of stock of the Company other than this Series means the amount otherwise payable to such holder in such distribution (assuming no limitation on the assets of the Company available for such distribution), including an amount equal to any declared but unpaid dividends in the case of any holder or stock on which dividends accrue on a noncumulative basis and, in the case of any holder of stock on which dividends accrue on a cumulative basis, an amount equal to any unpaid, accrued, cumulative dividends, whether or not earned or declared, as applicable.

(c) Residual Distributions. If the Liquidation Preference has been paid in full to all holders of this Series and all holders of any Liquidation Preference Parity Stock, the holders of Junior Stock will be entitled to receive all remaining assets of the Company according to their respective rights and preferences.

(d) Merger, Consolidation and Sale of Assets Not Liquidation. For purposes of this Section 4, the merger, consolidation or other business combination of the Company with or into any other corporation, including a transaction in which the holders of this Series receive cash or property for their shares, or the sale, conveyance, lease, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the assets of the Company, shall not constitute a liquidation, dissolution or winding up of the Company.

Section 5. Redemption.

(a) Optional Redemption. This Series is perpetual and has no maturity date. The Company may, at its option, redeem the shares of this Series (i) in whole or in part, at any time and from time to time on or after the fifth anniversary of the Original Issue Date, at a cash redemption price equal to 105% of the Stated Amount and (ii) in whole but not in part, if at any time the number of shares of this Series outstanding is 30,000 shares or less, at a cash redemption price equal to 100% of the Stated Amount, in each case together (except as otherwise provided herein) with an amount equal to all Accrued Dividends to, but excluding, the redemption date. The redemption price for any shares of this Series shall be payable on the redemption date to the holder of such shares against surrender of the certificate(s) evidencing such shares to the Company or its agent, if the shares of this Series are issued in certificated form. Any declared but unpaid dividends payable on a redemption date that occurs subsequent to the record date for a Dividend Period shall not be paid to the holder entitled to receive the redemption price on the redemption date, but rather shall be paid to the holder of record of the redeemed shares on such record date relating to the Dividend Payment Date as provided in Section 3 above.

(b) No Sinking Fund. This Series will not be subject to any mandatory redemption, sinking fund or other similar provisions. Holders of this Series will have no right to require redemption of any shares of this Series.

(c) Notice of Redemption. Notice of every redemption of shares of this Series shall be given by first class mail, postage prepaid, addressed to the holders of record of the shares to be redeemed at their respective last addresses appearing on the books of the Company. Such mailing shall be at least 15 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this Subsection shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any holder of shares of this Series designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of this Series. Notwithstanding the foregoing, if the shares of this Series are issued in book-entry form through DTC or any other similar facility, notice of redemption may be given to the holders of this Series at such time and in any manner permitted by such facility. Each such notice given to a holder shall state: (1) the redemption date; (2) the number of shares of this Series to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (3) the redemption price; (4) the place or places where certificates for such shares are to be surrendered for payment of the redemption price; and (5) that dividends will cease to accrue on the redemption date.

(d) Partial Redemption. In case of any redemption of only part of the shares of this Series at the time outstanding, the shares to be redeemed shall be selected either *pro rata* from the holders of record of this Series in proportion to the number of shares of this Series held by such holders or by lot or in such other manner as the Board of Directors may determine to be fair and equitable. Subject to the provisions hereof, the Board of Directors shall have full power and authority to prescribe the terms and conditions on which shares of this Series shall be redeemed from time to time. If the Company shall have issued certificates for this Series and fewer than all shares represented by any certificates are redeemed, new certificates shall be issued representing the unredeemed shares without charge to the holders thereof.

(e) Effectiveness of Redemption. If notice of redemption has been duly given, and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by the Company, separate and apart from its other funds, in trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation in the case that the shares of this Series are issued in certificated form, on and after the redemption date dividends shall cease to accrue on all shares so called for redemption, all shares so called for redemption shall no longer be deemed outstanding and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption, without interest. Any funds unclaimed at the end of two years from the redemption date, to the extent permitted by law, shall be released from the trust so established and may be commingled with the Company’s other funds, and thereafter the holders of the shares so called for redemption shall look only to the Company for payment of the redemption price of such shares.

Section 6. Conversion Rights.

(a) General. The shares of this Series shall not be convertible into Common Shares or other of the Company’s securities and shall not have exchange rights, except as set forth below.

(b) **Optional Conversion Rights of the Holders.** Subject to the terms and conditions of this [Section 6](#) (including the conversion procedures set forth below), from and including January 1, 2026 and at any time thereafter, each holder of this Series may elect to convert, in whole or in part, without the payment of additional consideration by such holder, not less than 500 of its shares of this Series into, subject to [Section 6\(d\)](#) below, a number of validly issued, fully paid and non-assessable Common Shares equal to the quotient of (i) the aggregate Stated Amount of the shares of this Series converted plus Accrued Dividends (but excluding any dividends declared but not yet paid) thereon on the date on which the Conversion Notice is delivered divided by (ii) the Conversion Price, as defined in the following sentence. The “**Conversion Price**” for any conversion hereunder shall be the *lower* of (I) the amount of \$7.00 per Common Share, which amount may be adjusted pursuant to [Section 6\(c\)](#) or (II) the Five-Day VWAP of the Company immediately preceding the conversion date; provided, that, notwithstanding anything to the contrary herein, the Conversion Price shall not be less than \$0.30 per share.

(c) **Adjustment to Conversion Price upon Stock Dividend, Subdivision, Split or Combination.** If the Company shall, at any time or from time to time, pay a stock dividend or otherwise makes a distribution or distributions on its shares of Common Shares or any other equity or equity equivalent securities payable in shares of Common Shares, or effect a subdivision or split of the outstanding Common Shares, the Conversion Price in effect immediately before such stock dividend or distribution, subdivision or split shall be proportionately decreased and, conversely, if the Company shall, at any time or from time to time, effect a combination (including by means of a reverse stock split) of the outstanding Common Shares, the Conversion Price in effect immediately before such combination shall be proportionately increased. Any adjustment under this [Section 6\(c\)](#) shall become effective at the close of business on the effective date of the applicable stock dividend or distribution, subdivision, split or combination.

(d) **Fractional Shares upon Conversion.** No fractional Common Shares shall be issued upon conversion of the shares of this Series. In lieu of any fractional shares to which the converting holder would otherwise be entitled, the Company shall pay cash equal to such fraction multiplied by the Conversion Price of such fractional shares.

(e) **Notice of Conversion.** Before any holder of this Series shall be entitled to convert the same into full Common Shares, such holder shall give written notice to the Company or the transfer agent for this Series of the election to convert shares of this Series, the number of shares of this Series to be converted, the number of shares of this Series that such holder will beneficially own subsequent to such conversion and the person to whom the Common Shares are to be issued and the name (with address) of the holder or its nominees in which such holder desires the Common Shares to be issued, subject to any restrictions on transfer relating to the shares of this Series or the Common Shares upon conversion thereof (such written notice, the “**Conversion Notice**”) and deliver to the Company or the transfer agent, as applicable, all tax forms, transfer forms or other relevant documentation required and specified by the Company or the transfer agent to effect the conversion. The calculations and entries set forth in the Conversion Notice shall control in the absence of manifest or mathematical error. No ink-original Conversion Notice shall be required.

(f) **Mechanics of Conversion.** The Company shall, as soon as practicable after receipt of the Conversion Notice (or, if applicable, notice from the transfer agent of this Series of receipt thereof) and all tax forms, transfer forms or other relevant documentation required and specified by it or the transfer agent to effect the conversion, and in any event within three Business Days thereafter, issue and deliver to the applicable holder, the number of Common Shares to which such holder is entitled for such conversion by crediting, or instructing the transfer agent for the Series to credit, a book-entry account of the holder or its nominees with such Common Shares, and a check payable to the holder in the amount of any cash amounts payable as the result of a conversion into fractional Common Shares, plus any cash dividends on the converted shares of this Series that were declared but unpaid on the date on which the Conversion Notice was delivered.

(g) Effective Time of Conversion. Conversion pursuant to this Section 6 shall be deemed to have been made immediately prior to the close of business, New York time, on the date on which the Conversion Notice is delivered or caused to be delivered by the relevant holder. The person or persons entitled to receive the Common Shares issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Common Shares as of such date.

(h) Effect of Conversion. Shares of this Series converted into Common Shares in accordance with this Section 6 shall be canceled, shall resume the status of authorized but unissued shares of preferred shares of the Company and shall no longer be designated as shares of this Series. To the extent the converted shares of this Series are represented by certificates, no holder shall be required to physically surrender any certificate(s) representing such converted shares to the Company until all shares of this Series represented by such certificate(s) have been converted in full, in which case the applicable holder shall surrender such certificate(s) to the Company for cancellation on the date the final Conversion Notice is delivered to the Company or the transfer agent for the Series. To the extent the shares of this Series are represented by certificates, delivery of a Conversion Notice with respect to a partial conversion shall have the same effect as cancellation of the original certificate(s) representing such shares and issuance of a certificate representing the remaining shares of this Series held by the applicable holder.

(i) Reservation of Stock Issuable Upon Conversion. The Company shall at all times after the Original Issue Date, reserve and keep available out of its authorized but unissued Common Shares solely for the purpose of effecting the conversion of the shares of this Series, such number of its Common Shares as shall from time to time be sufficient to effect the conversion of all then outstanding shares of this Series; and if at any time the number of authorized but unissued Common Shares shall not be sufficient to effect the conversion of all then outstanding shares of this Series, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued Common Shares to such number of shares as shall be sufficient for such purpose, including engaging in best efforts to obtain the requisite approvals of any necessary amendment to this Amended and Restated Statement of Designation or the Articles.

(j) Taxes. The Company shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of Common Shares upon conversion of shares of this Series pursuant to this Section 6. The Company shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of Common Shares in a name other than that in which the shares of this Series so converted were registered, and no such issuance or delivery shall be made unless and until the person requesting such issuance has paid to the Company the amount of any such tax or has established, to the satisfaction of the Company, that such tax has been paid.

Section 7. Voting Rights.

(a) General. The holders of this Series will have no voting rights except as set forth below or as otherwise from to time required by law.

(b) Right to Elect Directors on Nonpayment Events. If and whenever dividends payable on this Series or any class or series of Dividend Parity Stock having voting rights equivalent to those described in this Section 7 (any such class or series being herein referred to as “**Voting Parity Stock**”) have not been declared and paid (or, in the case of this Series and Voting Parity Stock bearing dividends on a cumulative basis, shall be in arrears) in an aggregate amount equal to full dividends for at least six quarterly Dividend Periods or three semi-annual dividend periods or their equivalent (whether or not consecutive) (a “**Nonpayment Event**”), the number of directors then constituting the Board of Directors shall be automatically increased by (i) one, if at such time the Board of Directors consists of eight or fewer directors or (ii) two, if at such time the Board of Directors consists of nine or more directors, and the holders of this Series, together with the holders of any outstanding Voting Parity Stock then entitled to vote for additional directors, voting together as a single class in proportion to their respective stated amounts, shall be entitled to elect the additional director or two directors, as the case may be (the “**Preferred Share Directors**”); *provided* that the Board of Directors shall at no time include more than two Preferred Share Directors (including, for purposes of this limitation, all directors that the holders of any series of voting preferred shares are entitled to elect pursuant to like voting rights).

In the event that the holders of this Series and such other holders of Voting Parity Stock shall be entitled to vote for the election of the Preferred Share Directors following a Nonpayment Event, such directors shall be initially elected following such Nonpayment Event only at a special meeting called at the request of the holders of record of at least 20% of the Stated Amount of this Series and each other series of Voting Parity Stock then outstanding (unless such request for a special meeting is received less than 90 days before the date fixed for the next annual or special meeting of the shareholders of the Company, in which event such election shall be held only at such next annual or special meeting of shareholders), and at each subsequent annual meeting of shareholders of the Company. Such request to call a special meeting for the initial election of the Preferred Shares Directors after a Nonpayment Event shall be made by written notice, signed by the requisite holders of this Series or Voting Parity Stock, and delivered to the Secretary of the Company in such manner as provided for in Section 13 below, or as may otherwise be required or permitted by applicable law. If the Secretary of the Company fails to call a special meeting for the election of the Preferred Share Directors within 20 days of receiving proper notice, any holder of this Series may call such a meeting at the Company’s expense solely for the election of the Preferred Share Directors, and for this purpose and no other (unless provided otherwise by applicable law) such this Series holder shall have access to the Company’s stock ledger.

When (i) Accrued Dividends have been paid (or declared and a sum sufficient for payment thereof set aside) in full on this Series after a Nonpayment Event, and (ii) the rights of holders of any Voting Parity Stock to participate in electing the Preferred Share Directors shall have ceased, the right of holders of this Series to participate in the election of Preferred Share Directors shall cease (but subject always to the revesting of such voting rights in the case of any future Nonpayment Event), the terms of office of all the Preferred Share Directors shall forthwith terminate, and the number of directors constituting the Board of Directors shall automatically be reduced accordingly.

Any Preferred Share Director may be removed at any time without cause by the holders of record of a majority of the outstanding shares of this Series and Voting Parity Stock, when they have the voting rights described above (voting together as a single class in proportion to their respective Stated Amounts). The Preferred Share Directors elected at any such special meeting shall hold office until the next annual meeting of the shareholders if such office shall not have previously terminated as above provided. In case any vacancy shall occur among the Preferred Share Directors, a successor shall be elected by the Board of Directors to serve until the next annual meeting of the shareholders on the nomination of the then remaining Preferred Share Director or, if no Preferred Share Director remains in office, by the vote of the holders of record of a majority of the outstanding shares of this Series and such Voting Parity Stock for which dividends have not been paid, voting as a single class in proportion to their respective Stated Amounts. The Preferred Share Directors shall each be entitled to one vote per director on any matter that shall come before the Board of Directors for a vote.

(c) Other Voting Rights. So long as any shares of this Series are outstanding, in addition to any other vote or consent of shareholders required by law or by the Articles, the vote or consent of the holders of at least 66 2/3% of the shares of this Series at the time outstanding, voting together with any other series of preferred shares that would be adversely affected in substantially the same manner and entitled to vote as a single class in proportion to their respective Stated Amounts (to the exclusion of all other series of preferred shares), given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, will be necessary for effecting or validating:

(i) Amendment of Articles. Any amendment, alteration or repeal of any provision of the Articles or Bylaws of the Company that would alter or change the voting powers, preferences or special rights of this Series so as to affect them adversely;

(ii) Authorization of Dividend Parity Stock. The issuance of Dividend Parity Stock if the Accrued Dividends on all outstanding this Series Preferred Shares through and including the most recently completed Dividend Period have not been paid or declared and a sum sufficient for the payment thereof has been set aside for payment;

(iii) Authorization of Senior Stock. Any amendment or alteration of the Articles to authorize or create, or increase the authorized amount of, any shares of any class or series or any securities convertible into shares of any class or series of capital stock of the Company ranking prior to this Series in the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding up of the Company; or

(iv) Share Exchanges, Reclassifications, Mergers and Consolidations and Other Transactions. Any consummation of (x) a binding share exchange or reclassification involving this Series, (y) a merger or consolidation of the Company with another entity (whether or not a corporation), or (z) a conversion, transfer, domestication or continuance of the Company into another entity or an entity organized under the laws of another jurisdiction, unless in each case (A) the shares of this Series remain outstanding or, in the case of any such merger or consolidation with respect to which the Company is not the surviving or resulting entity, or any such conversion, transfer, domestication or continuance, the shares of this Series are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (B) such shares remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, and limitations and restrictions, and limitations and restrictions thereof, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers, and restrictions and limitations thereof, of this Series immediately prior to such consummation, taken as a whole except, in each case, in connection with the issuance of Series C Participating Preferred Shares of the Company.

(d) Changes after Provision for Redemption. No vote or consent of the holders of this Series will be required pursuant to Section 7(b) or Section 7(c) above if, at or prior to the time when any such vote or consent would otherwise be required pursuant to such Section, all outstanding shares of this Series shall have been redeemed, or shall have been called for redemption on proper notice and sufficient funds shall have been set aside for such redemption, in each case pursuant to Section 5 above.

Section 8. Record Holders. To the fullest extent permitted by applicable law, the Company and the transfer agent for this Series may deem and treat the record holder of any share of this Series as the true and lawful owner thereof for all purposes, and neither the Company nor such transfer agent shall be affected by any notice to the contrary.

Section 9. Other Rights. The shares of this Series will not have any voting powers, preferences or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or in the Articles of the Company. The holders of this Series shall not have any preemptive rights.

Section 10. Certificates. The Company may at its option issue shares of this Series without certificates. As long as DTC or its nominee is the registered owner of the shares of this Series, DTC or its nominee, as the case may be, will be considered the sole owner and holder of all shares of this Series for all purposes under the instruments governing the rights and obligations of holders of shares of this Series. If DTC discontinues providing its services as securities depository with respect to the shares of this Series, or if DTC ceases to be registered as a clearing agency under the Exchange Act, in the event that a successor securities depository is not obtained within 90 days, the Company will either print and deliver certificates for the shares of this Series or provide for the direct registration of the shares of this Series with the transfer agent for the shares of this Series. If the Company decides to discontinue the use of the system of book-entry-only transfers through DTC (or a successor securities depository), certificates for the shares of this Series will be printed and delivered to DTC or the Company will provide for the direct registration of the shares of this Series with the transfer agent for the shares of this Series. Except in the limited circumstances referred to above, owners of beneficial interests in the shares of this Series: (a) will not be entitled to have such shares of this Series registered in their names; (b) will not receive or be entitled to receive physical delivery of securities certificates in exchange for beneficial interests in the shares of this Series; and (c) will not be considered to be owners or holders of the shares of this Series for any purpose under the instruments governing the rights and obligations of holders of shares of this Series.

Section 11. Reacquired Shares. Any shares of this Series that are redeemed, purchased or otherwise acquired by the Company shall be cancelled and shall revert to authorized but unissued preferred shares undesignated as to series and may be reissued as part of a new series of preferred shares to be created by resolution or resolutions of the Board of Directors, subject to the conditions set forth in the Articles.

Section 12. Fractional Shares. The Company shall have the authority to issue fractional shares of this Series.

Section 13. Notices . All notices or communications in respect of this Series will be sufficiently given if given in writing and delivered via overnight courier, facsimile or email to each holder at its last address as it shall appear on the books and records of the Company, or if given in such other manner as may be permitted in this Amended and Restated Statement of Designations, in the Articles or Bylaws or by applicable law.

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IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, does hereby affirm that this certificate is the act and deed of the Company and that the facts herein stated are true, and accordingly has hereunto set his hand this 12th day of December, 2024.

By: /s/ Dionysios Makris
Name: Dionysios Makris

Pursuant to Item 601(b)(10)(iv) of Regulation S-K, certain identified information marked with [***] has been excluded from this exhibit because it is both (i) not material and (ii) the registrant customarily and actually treats such information as private or confidential.

SHARE PURCHASE AGREEMENT FOR THE MAJORITY OF THE SHARES IN
MPC MÜNCHMEYER PETERSEN CAPITAL AG

12 December 2024

TABLE OF CONTENT

§ 1	General Definitions / Interpretation	4
§ 2	Sale, Purchase and Transfer	5
§ 3	Purchase Price	6
§ 4	Completion	6
§ 5	Seller's Warranties	8
§ 6	Remedies	10
§ 7	Limitation of Seller's Liability	11
§ 8	Authorisations / Approvals	12
§ 9	Due Diligence Information / Deposit of VDR	13
§ 10	Negative Covenant	13
§ 11	Other Obligations	14
§ 12	Purchaser's Guarantor	15
§ 13	Costs and Expenses	15
§ 14	Confidentiality, Announcements	15
§ 15	Notices and Communications	16
§ 16	Miscellaneous	17
§ 1	Share Transfer	20
§ 2	Miscellaneous	21

DEFINITIONS

Affiliate	4	Parties	3
Agreement	3	Party	3
Business Day	4	Permitted Leakage	8
Civil Code	4	Purchase Price	6
Claim	4	Purchaser	3
Clearstream	3	Purchaser's Custodian Bank	4
Competent Authority	4	Purchaser's Guarantor	3
Completion	6	Related Person	5
Completion Date	6	Representatives	5
Cut-Off-Time	13	*** Family	3
Due Diligence Information	13	*** Family Group	5
Leakage	8	Seller	3
Losses and Expenses	4	Seller's Custodian Bank	5
Minimum Stake	14	Seller's Knowledge	9
MPC Affiliate	4	Seller's Warranties	8
MPC AG	3	Signing Date	5
MPC AG Share	7	Transaction	7
MPC AG Shares	7	Transfer Deed	5
MPC AG's ASA Shares	9	Trustee	6
MPC ASA	3	VDR	13
Notices	16	VDR Copy	13

SHARE PURCHASE AGREEMENT FOR THE MAJORITY OF SHARES IN
MPC MÜNCHMEYER PETERSEN CAPITAL AG
("Agreement")

between

- (1) **MPC Münchmeyer Petersen & Co. GmbH**, a company incorporated under the laws of Germany with its registered seat Palmaille 67, 22767 Hamburg, Germany, registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Hamburg under HRB 149498 ("**Seller**");
- (2) **THALVORA HOLDINGS GMBH**, (currently named Alistadtsee 658. V V GmbH) a company incorporated under the laws of Germany with its registered seat Kurt- Schumacher-Straße 18-20, 53113 Bonn, Germany, registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Cologne under HRB 120890 ("**Purchaser**"); and
- (3) **Castor Maritime Inc.**, a company incorporated under the laws of the Marshall Islands, with its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro MH96960, Marshall Islands with corporation number 92609 ("**Purchaser's Guarantor**")

(Seller, Purchaser and the Purchaser's Guarantor each a "**Party**" and jointly the "**Parties**").

Recitals

- (A) [***], [***] and [***] (together the "[***] **Family**") are – through their respective holding companies – the sole shareholders of the Seller. The Seller is a shareholder of MPC Münchmeyer Petersen Capital AG, a company incorporated under the laws of Germany with its registered seat Palmaille 67, 22767 Hamburg, Germany, registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Hamburg under HRB 72691 ("**MPC AG**") and – through MPC AG – indirectly of MPC Container Ships ASA, a company incorporated under the laws of Norway with its registered seat at Ruselokkveien 34, 0251 Oslo, Norway, registered with enterprise no. 918 494 316 (ISIN NO0010791353, "**MPC ASA**"). MPC AG directly and indirectly owns 60,814,077 shares in MPC ASA ("**MPC AG's ASA Shares**").
- (B) MPC AG is a global investment manager, specializing in maritime and energy infrastructure. MPC AG has a registered and fully-paid in capital of EUR 35,248,484.00 divided into 35,248,484 ordinary bearer-shares with no par value. The shares are admitted to trading in the SCALE segment of the Frankfurt Stock Exchange (FWB) and via the Xetra electronic trading platform and in over-the-counter trading in Berlin-Bremen, Düsseldorf, Hannover, Munich and Stuttgart and are listed under ISIN DE000A1TNWJ4/WKN A1TNWJ. The right of the shareholders to request a securitization of their shares is excluded in accordance with Section 6.2 of the Articles of Association of MPC AG. The shares are securitized in several global certificates (*Globalurkunden*), which are endorsed in blank and deposited with Clearstream Banking AG, Frankfurt am Main ("**Clearstream**") in collective securities depository (*Girosammelverwahrung*); the Seller holds co-ownership (*Miteigentum*) of these global certificates in proportion to the number of shares it holds.

- (C) The Purchaser is a wholly owned subsidiary of the Purchaser's Guarantor.
- (D) The Purchaser has expressed an interest in acquiring the entire shareholdings of the [***] Family in MPC AG which is comprised of 26,116,378 shares in MPC AG (the "**MPC AG Shares**", and each one a "**MPC AG Share**") which represent 74.09 % of all issued shares in MPC AG.
- (E) The Seller intends to sell the MPC AG Shares to the Purchaser subject to the terms and conditions of this Agreement ("**Transaction**") and thus indirectly the MPC AG's ASA Shares.

On the basis of the foregoing, the Parties agree as follows:

§ 1

General Definitions / Interpretation

1.1 General Definitions:

"**Affiliate**" in relation to a person means any person who is (a) directly or indirectly controlling such person or (b) who is directly or indirectly controlled by such person or (c) who is directly or indirectly under joint control with such person, whereby "**control**" in each case means the power, directly or indirectly, without the participation of one or more third parties, to exert decisive influence on the activities of a person in particular through a majority of capital, a majority of voting rights, by contract or otherwise and "**person**" in each case means any individual, firm, company, corporation, association, trust, joint venture, consortium or partnership (whether or not having separate legal personality).

"**Business Day**" means a day (other than a Saturday, Sunday or public holiday in Hamburg, Germany, Athens, Greece and/or New York City, USA) on which banks are open for general business in Hamburg, Germany, Athens, Greece and New York City, USA.

"**Civil Code**" means the German Civil Code (*Bürgerliches Gesetzbuch*).

"**Claim**" means any claims under and/or in connection with this Agreement.

"**Competent Authority**" means (a) any person (whether autonomous or not) having legal and/or regulatory authority; (b) any court of law or tribunal in any jurisdiction; and (c) any authority competent to impose any taxation.

"**Losses and Expenses**" means losses, damages, liabilities, costs and expenses including fines, penalties, losses and expenses suffered in connection with proceedings, actions, claims or demands, and legal and other professional fees (plus any VAT, if applicable, payable in relation to any such matter) in each case whether direct or indirect.

"**MPC Affiliate**" means any person where MPC AG directly or indirectly holds a stake of at least 20 %.

"**Purchaser's Custodian Bank**" means [***].

"**Related Person**" means each of the spouses of the members of the [***] Family and each of the children of the members of the [***] Family.

"**Representatives**" means, in relation to any person, its directors, supervisory board members, officers, authorised persons, employees, agents, consultants and professional advisers. With regard to the Purchaser, any Representatives of the Purchaser's Guarantor, [***] shall also be regarded as Representatives of the Purchaser for the purposes of this Agreement.

"[***] **Family Group**" means (a) the Seller, (b) the [***] Family, (c) any Related Person and (d) any Affiliate of any person described in (a), (b) or (c), it being understood that neither MPC AG nor any of the MPC Affiliates are members of the [***] Family Group for the purposes of this Agreement.

"**Seller's Custodian Bank**" means [***]. "**Signing Date**" means the date of this Agreement.

- 1.2 In this Agreement, unless the context otherwise requires:
- 1.2.1 headings shall not affect the interpretation of this Agreement; the singular shall include the plural and vice versa;

1.2.2 the words "include", "including" and "in particular" do not connote limitation in any way;

1.2.3 where a German term has been inserted after an English term, the German term alone shall be authoritative for the purpose of interpreting such English term, without regard to any other interpretation of the English term.

1.2.4 references to a date or time are references to Central European Time (CET).

§ 2

Sale, Purchase and Transfer

- 2.1 The Seller hereby sells and the Purchaser hereby purchases the MPC AG Shares subject to the terms and conditions of this Agreement.
- 2.2 The sale of the MPC AG Shares shall include any and all rights associated with the MPC AG Shares, including the claim to undistributed profits of the current financial year and previous financial years.
- 2.3 The Parties are in agreement that title to the MPC AG Shares shall pass not pursuant to this Agreement, but rather by way of a separate transfer agreement ("**Transfer Deed**") to be executed by the Parties on the Completion Date in accordance with § 4.3.1. In the event that the transfer process regarding the MPC AG Shares foreseen in the Transfer Deed should not work (or should prove to be ineffective), the Parties shall agree on an alternative transfer procedure (e.g. by way of an escrow agent, the cost to be evenly split between the Parties), it being understood that the transfer of the MPC AG Shares from the Seller to the Purchaser shall in any case occur concurrently (*Zug-um-Zug*) with the payment of the Purchase Price from the Purchaser to the Seller.

§ 3
Purchase Price

- 3.1
- The purchase price for each MPC AG Share is EUR 7.00. Accordingly, the aggregate purchase price for the MPC AG Shares amounts to EUR 182,814,646.00 (in words: one hundred eighty-two million eight hundred fourteen thousand six hundred forty-six Euro) ("**Purchase Price**"). For clarification, no separate or additional purchase price shall be paid for the MPC AG's ASA Shares as their value is already reflected in the Purchase Price.
- 3.2
- The Purchase Price is due on the Completion Date in accordance with the Transfer Deed.
- 3.3
- Subject to the Seller having executed the Transfer Deed on the Completion Date, the Purchase Price shall bear interest at a rate of [***]% p.a. from (but excluding) the Completion Date until it is completely paid.
- 3.4
- The Purchase Price is a net amount that does not include VAT. The Parties assume that the sale and transfer of the MPC AG Shares is either not subject to VAT or exempted from VAT.

§ 4
Completion

- 4.1
- In order to effect the transfer of the MPC AG Shares from the Seller to the Purchaser concurrently (*Zug-um-Zug*) with the payment of the Purchase Price (these acts jointly: "**Completion**") the Parties shall meet at the offices of [***] in Hamburg, Germany, or at any other time and place on which the Parties mutually agree in writing.
- 4.2
- The "**Completion Date**" shall be the earlier of (i) 19 December 2024, 09:00 a.m. CET and (ii) the date on which the Transfer Deed is executed if such date occurs earlier than 19 December 2024, 09:00 a.m. CET.
- 4.3
- On the Completion Date, the Parties shall take the following actions in the following order:

4.3.1

The Seller and the Purchaser shall execute the Transfer Deed pursuant to **Annex 4.3.1** and without undue delay (*unverzüglich*) thereafter issue the instructions as per § 1.2 of the Transfer Deed (Seller) and § 1.3 of the Transfer Deed (Purchaser); and

4.3.2

the Seller shall deliver to [***]
Rechtsanwälte, Hamburg acting as trustee for both the Seller and the Purchaser ("**Trustee**"), the original duly executed, undated letters of resignation of [***] (as chairman of MPC AG's supervisory board), of [***] (as vice-chairman of MPC AG's supervisory board) and of any person appointed as substitutes of the aforementioned, all such resignations to be effective as from Completion. The Trustee shall be instructed to fill in the date of Completion (which is – for the avoidance of doubt – not necessarily the Completion Date) and to submit these originals to MPC AG to effectuate the resignations as soon as Completion has occurred and notify the Parties thereof, accordingly.
- 4.4
- The Purchaser may rescind (*zurücktreten*) this Agreement by written notice to the Seller

4.4.1

if the Seller fails to execute the Transfer Deed until the Completion Date;

- 4.4.2

if the Seller fails to instruct the Seller's Custodian Bank as per § 1.2 of the Transfer Deed without undue delay (*unverzüglich*) after execution of the Transfer Deed; or
- 4.4.3

if the transfer of the MPC AG Shares to the Purchaser is not effected by the Long Stop Date because all of the MPC AG Shares were not available to the Seller's Custodian Bank on the Completion Date to fulfill the "payment and delivery transaction in securities" (*Zahlungs-/Lieferungsgeschäft*) as per § 1.2 of the Transfer Deed, unless the whole Purchase Price was not available to the Purchaser's Custodian Bank on the Completion Date to fulfill the "payment and delivery transaction in securities" (*Zahlungs-/Lieferungsgeschäft*) as per § 1.3 of the Transfer Deed.
- 4.5

The Seller may rescind (*zurücktreten*) this Agreement by written notice to the Purchaser
- 4.5.1

if the Purchaser fails to execute the Transfer Deed until the Completion Date;
- 4.5.2

if the Purchaser fails to instruct the Purchaser's Custodian Bank as per § 1.3 of the Transfer Deed without undue delay (*unverzüglich*) after execution of the Transfer Deed; or
- 4.5.3

if the transfer of the Purchase Price to the Seller is not effected by the Long Stop Date because the whole Purchase Price was not available to the Purchaser's Custodian Bank on the Completion Date to fulfill the "payment and delivery transaction in securities" (*Zahlungs-/Lieferungsgeschäft*) as per § 1.3 of the Transfer Deed, unless all of the MPC AG Shares were not available to the Seller's Custodian Bank on the Completion Date to fulfill the "payment and delivery transaction in securities" (*Zahlungs-/Lieferungsgeschäft*) as per § 1.2 of the Transfer Deed.
- 4.6

The "**Long Stop Date**" shall be the 19 December 2024, 18:00 hrs. CET. In the event of a Technical Default, the Long Stop Date shall be prolonged for the time period the Technical Default persisted plus an additional grace period of six (6) hours. A "**Technical Default**" is irrefutably deemed to have occurred in the event that the "payment and delivery transaction in securities" (*Zahlungs-/Lieferungsgeschäft*) is not fulfilled despite the Parties having duly fulfilled their respective obligations as per this Agreement and the Transfer Deed (in particular, making available to the custodian bank on the Completion Date all of the MPC AG Share (Seller) and the whole Purchase Price (Purchaser) and issuing the respective instructions as per § 1.2 and § 1.3 of the Transfer Deed).
- 4.7

For the avoidance of doubt, no Party is entitled to rescind (*zurücktreten*) this Agreement as soon as Completion has occurred.
- 4.8

In the event of a rescission of this Agreement pursuant to § 4.4 the Seller shall be obliged to pay to the Purchaser to the bank account designated by the Purchaser in writing a one-off amount of [***]% of the Purchase Price as contractual penalty, which the Parties consider fair and reasonable. The contractual penalty shall be in addition and without prejudice to any and all rights the Purchaser may have under the Agreement or under applicable law.
- 4.9

In the event of a rescission of this Agreement pursuant to § 4.5, no Party shall have any liability or responsibility to the other except as specified in § 4.10 which shall continue in full force and effect.

- 4.10A rescission of this Agreement pursuant to § 4.4 or § 4.5 shall be without prejudice to any claim a Party has in respect of Losses and Expenses resulting from a breach of this Agreement and/or the Transfer Deed by the other Party prior to the date of rescission.
- 4.11§ 13 through § 16 shall survive any rescission.

§ 5
Seller's Warranties

5.1 Subject to Completion having occurred and subject to any limitations contained in this Agreement, in particular its § 6 and § 7, the Seller warrants to the Purchaser by way of an independent warranty (*selbständiges Garantieversprechen*) under Sec. 311 para. 1 of the Civil Code that each of the following statements of the Seller ("**Seller's Warranties**") is true and accurate as at the Signing Date (with regard to § 5.1.4) respectively as at the Completion Date (with regard to § 5.1.1 through § 5.1.3 and § 5.1.5).

5.1.1 Fundamental Warranties

- (a)This Agreement constitutes a legal, valid and binding obligation for the Seller. No offer of the MPC AG Shares to the other shareholders of MPC AG is required.
- (b)MPC AG is duly incorporated and validly existing.
- (c)The MPC AG Shares are validly issued and existing, fully paid in, either in cash or in kind, and have not been repaid.
- (d)The MPC AG Shares are free from any mortgage, charge, pledge, lien, option or other encumbrance or third party right of any kind, any mandate given to any person with a view to the creation of the same or any other agreement, undertaking or arrangement having a similar effect.
- (e)As of the Completion Date, the Seller is the full legal owner of the MPC AG Shares and is entitled to sell and transfer the full legal and beneficial ownership in the MPC AG Shares to the Purchaser on the terms set out in this Agreement.
- (f)No insolvency proceedings (*Insolvenzverfahren*) or threat of such proceedings concerning MPC AG are contingent or pending (*eröffnet*) and to the Seller's Knowledge, no circumstances exist or could reasonably be expected to exist, which would require the application for insolvency proceedings concerning MPC AG.

5.1.2 Related Party Transactions

There are no contracts between MPC AG and the MPC Affiliates on the one hand and members of the [***] Family Group on the other hand which are not on arm's- length-terms. For the avoidance of doubt, any contracts disclosed in the Due Diligence Information shall in no event constitute a breach of this § 5.1.2.

5.1.3 No Leakage

No Leakage other than Permitted Leakage has occurred between 19 June 2024 and the Signing Date. "**Leakage**" shall mean (i) any payment or declaration of any dividend or similar distribution by MPC AG or by MPC Affiliates to members of the [***] Family Group as well as any reduction of the paid-up registered share capital of MPC AG, or (ii) any transactions by MPC AG or by MPC Affiliates with, or payments to, members of the [***] Family Group, if the transaction or the payment has not been made on arm's-length terms. "**Permitted Leakage**" shall mean (i) the supervisory board compensation for [***], and (ii) any payment or commitment to pay as set forth in the Due Diligence Information.

5.1.4 **No material Information withheld**

Subject to Seller's Knowledge, no material information with regard to MPC AG and the MPC Affiliates has been withheld from the Purchaser; it being understood that only information pertaining to (i) a risk (other than general risks pertaining not exclusively to MPC AG) in excess of EUR [***] in the individual case or (ii) a liability in excess of EUR [***] in the individual case shall constitute a "material information".

5.1.5 **MPC AG's ASA Shares**

MPC AG is directly or indirectly the owner of the MPC AG's ASA Shares.

5.2 **Seller's Knowledge**

"**Seller's Knowledge**" means the actual knowledge (*positive Kenntnis*) of [***] as of the Signing Date after due enquiry of MPC AG's [***], [***] and MPC AG's [***]. No other knowledge shall be referred to or attributed.

5.3 **No other Warranty**

The Purchaser acknowledges that the Seller does not give any other warranties than those given in § 5.1 and that the Purchaser was given access to detailed information about MPC AG and MPC Affiliates and their respective business by way of the Due Diligence Information. The scope and limits of the Seller's Warranties given in § 5.1 shall be determined by § 6 and § 7 which form an integral part of that warranty (*Bestandteil der Garantieerklärung*). The Parties agree that none of the Seller's Warranties or statements of the Seller contained in this Agreement constitutes a warranty of the condition of the goods sold (*Garantie für die Beschaffenheit einer Sache*) as defined in Sec. 443 of the Civil Code or Sec. 444 of the Civil Code or an agreement as to the condition of the goods sold (*Beschaffensvereinbarung*) as defined in Sec. 434 para. 2 of the Civil Code with regard to any of the assets or rights sold and transferred in accordance with this Agreement and the agreements referred to in this Agreement and none of such warranties or statements shall be interpreted as such. On this basis, the Parties agree that Sec. 444 of the Civil Code does not apply to any warranty contained in this Agreement including any warranty that refers to the quality or condition of any items sold pursuant to this Agreement.

5.4 **Disclaimers**

The Purchaser acknowledges and agrees that:

- 5.4.1 the Seller makes no warranty as to the accuracy of any forecasts, estimates, projections, statements of intent or statements of opinion (including the reasonableness of the assumptions underlying the same) contained in the Due Diligence Information or otherwise provided to the Purchaser or its Representatives;
- 5.4.2 the Purchaser has made its own evaluation of the adequacy and accuracy of such forecasts, estimates, projections, statements of intent or statements of opinion (including the reasonableness of the assumptions underlying the same); and

- 5.4.3

neither the Purchaser nor any of the Representatives is aware of any fact or circumstance which could give rise to a Claim by the Purchaser against the Seller in respect of any of the Seller's Warranties or otherwise under this Agreement.
- 5.4.4

no Representative of MPC AG is or was at any time authorised to act on behalf of or as agent for the Seller in the performance of its duties as Seller or under this Agreement (*Erfüllungsgehilfe*);
- 5.4.5

the Seller shall have no liability to the Purchaser whatsoever in the event any vicarious agent (*Erfüllungsgehilfe*) of the Seller carelessly, negligently or intentionally (*Vorsatz oder Fahrlässigkeit*) failed or fails to disclose information in full to the Purchaser before the Signing Date concerning the MPC AG Shares, MPC AG, the MPC Affiliates and their respective business or the assets, liabilities, business or affairs of the aforementioned; and
- 5.4.6

in agreeing to enter into this Agreement, it has not relied on any representation, warranty, collateral contract or other assurance (except those explicitly set out in this Agreement) made by or on behalf of any other party before the date of this Agreement.

§ 6
Remedies

- 6.1

In the event that any of the Seller's Warranties is untrue or inaccurate or that the Seller is in breach with obligations pursuant to this Agreement (in each case a "**Breach**"), the Seller shall be obliged to put the Purchaser into the same position that it would have been in if the Seller's Warranty had been true and accurate or the terms of this Agreement had been performed (*Naturalrestitution*) or, at the sole discretion of the Purchaser, to pay actual monetary damages on a Euro-per-Euro basis for non-performance (*kleiner Schadensersatz*) to the Purchaser, it being understood that such Claim shall be limited to 74.09 % of the actual monetary damages; in the event of Claims based on § 5.1.1 such Claims shall be limited to 100 % of the actual monetary damages (§ 7 remains unaffected). The Seller shall not be liable for any potential or actual reduction in the value of MPC AG. The Seller shall in no event be liable for any direct or indirect loss of profits (*entgangener Gewinn*) of MPC AG and/or the MPC Affiliates and/or the Purchaser and/or its Affiliates (in each case whether foreseeable or not), or special punitive damages, indirect or any consequential damages (*Folgeschäden*), loss of opportunity, frustrated expenses, loss of reputation, loss of future earnings or any internal or external costs incurred by the Purchaser, its Affiliates, MPC AG or MPC Affiliates. The Seller shall not be liable for internal administration or overhead costs of the Purchaser, its Affiliates, MPC AG and the MPC Affiliates. The Purchaser shall not have the right to base a Claim on the argument that the Purchase Price was calculated upon incorrect assumptions.
- 6.2

If the Purchaser becomes aware of a Breach or any circumstances which are reasonably likely to result in a Breach after Completion, the Purchaser shall notify the Seller within twenty (20) Business Days of becoming so aware. Such notification shall state the nature of the Breach and, to the extent reasonably possible at that point in time, a good faith estimate of the amount of the losses which are likely to be suffered by the Purchaser or MPC AG as a result of such Breach. The failure of the Purchaser to comply with its obligations under this § 6.2 shall release the Seller from its liability regarding the Breach in question unless the Purchaser can prove that the failure has not caused or increased the Claim.

- 6.3

In the event of a breach of §5.1.3 or § 11.1 any Leakage shall be compensated by the Seller to the Purchaser on a EUR for EUR basis.
- 6.4

All other legal remedies, other than those specified in § 6.1 and § 6.3 above, in relation to a Breach are hereby excluded except in the case of fraud (*Arglist*) or wilful misconduct (*Vorsatz*). In particular, claims for or based on a reduction of the Purchase Price (*Minderung*), rescission (*Rücktritt*), other claims for defects according to Sec. 437 of the Civil Code, *culpa in contrahendo* (Sec. 311 of the Civil Code), positive breach of contract (Sec. 280 of the Civil Code) (*Schadenersatz wegen Pflichtverletzung*) or frustration of contract (Sec. 313 of the Civil Code) (*Störung der Geschäftsgrundlage*) shall be excluded except in the case of fraud (*Arglist*) or wilful misconduct (*Vorsatz*). The Purchaser shall not be entitled to rescind or terminate this Agreement under any circumstances whatsoever (except if based on fraud (*Arglist*) or wilful misconduct (*Vorsatz*)); § 4.4 remains unaffected.

§ 7
Limitation of Seller's Liability

- 7.1

The aggregate liability of the Seller for any and all Claims shall be limited to an amount equal to the Purchase Price.
- 7.2

Claims against the Seller in relation to this Agreement shall be time-barred (*verjährt*) as follows:

7.2.1

Claims arising as a result of wilful or intentional (*Vorsatz*) breaches of Seller's obligations under this Agreement or based on fraud (*Arglist*) shall be time-barred in accordance with the statutory rules in Sec. 195, 199 Civil Code; and

7.2.2

all other Claims shall be time-barred on the third anniversary of the Completion Date.
- 7.3

The statutory provisions for the suspension of the statute of limitations (*Hemmung der Verjährung*) shall apply except for Sec. 203 of the Civil Code which shall be excluded.
- 7.4

No liability shall attach to the Seller in respect of any Claim to the extent that:

7.4.1

the facts or circumstances forming the basis of the Claim:

(a)

have been Disclosed; "Disclosed" means disclosed to the Purchaser or any of its Representatives in the Due Diligence Information as per the VDR Copy (as defined below) in a manner in which the information was apparent to a prudent business person and/or professional adviser acting with due care; and

(b)

are referred to in the financial statements of MPC AG or the MPC Affiliates provided in the Due Diligence Information, in particular by way of a provision (*Rückstellung*), liability (*Verbindlichkeit*), exceptional depreciation (*außerplanmäßige Abschreibung*) or depreciation to reflect lower market values (*Abschreibung auf den niedrigeren beizulegenden Wert*), in each case reasonably associated with the matter in question.

7.4.2

the amount of the Claim is recovered or could be recovered by MPC AG, a MPC Affiliate or by the Purchaser from a third party (including insurance) or could have been recovered under insurance existing as of the Signing Date;

- 7.4.3

the payment or settlement of any item giving rise to a Claim results in any benefits by refund, set-off or reduction of taxes, including (without limitation) benefits resulting from the lengthening of any amortization or depreciation periods, higher depreciation allowances, a step-up in the tax basis of assets or the non-recognition of liabilities or provisions (*Phasenverschiebung*) to MPC AG and/or the respective MPC Affiliate; or
- 7.4.4

the Claim either results from or is increased by the passing of, or any change in any law, statute, ordinance, rule, regulation or administrative practice of any Competent Authority or interpretation of laws by courts in each case after the Signing Date, including but not limited to any increase in the rates of tax or any imposition of tax or any withdrawal or relief from tax after the Signing Date.
- 7.5

The application of Sec. 442 para. 1 of the Civil Code is excluded; § 7.4.1 remains unaffected.
- 7.6

When calculating the amount of the liability of the Seller under or in connection with this Agreement, all advantages directly related to the relevant matter shall be taken into account (*Vorteilsausgleich*) and the Seller shall not be liable under or in connection with this Agreement in respect of any Claim for any losses suffered by the Purchaser or the MPC AG and/or the respective MPC Affiliate to the extent of any corresponding savings by, or net benefit to, MPC AG and/or the respective MPC Affiliate, the Purchaser and/or any Affiliate of the Purchaser arising therefrom.
- 7.7

Mitigation obligation of the Purchaser

Nothing in this Agreement shall – to the extent legally possible – limit or restrict the general obligation of the Purchaser according to section 254 para. 2 of the Civil Code to mitigate any loss or damage which it or MPC AG and/or the respective MPC Affiliate may incur in consequence of any matter giving rise to a potential Claim under this Agreement.
- 7.8

Payments made by the Seller

Any payment made by the Seller to the Purchaser in respect of a Claim shall constitute a reduction of the Purchase Price.
- 7.9

Fraud, willful misconduct

Nothing in this Agreement shall limit a Party's claims based on fraud (*Arglist*) or willful misconduct (*Vorsatz*).

§ 8
Authorisations / Approvals

- 8.1

The Purchaser confirms and warrants to the Seller that it has obtained all corporate authorisations and any other governmental, statutory, regulatory or other consents, licences or authorisations required to empower it to enter into and perform its obligations under this Agreement.
- 8.2

The Seller confirms and warrants to the Purchaser that it has obtained all corporate authorisations and – subject to the Purchaser's confirmation as per § 8.3 being correct – any other governmental, statutory, regulatory or other consents, licences or authorisations required to empower it to enter into and perform its obligations under this Agreement.

8.3 The Purchaser confirms to the Seller that – based on the information regarding the turnover figures of MPC AG received from the Seller on or before [***]–the Transaction does not trigger any merger-filing obligations in any jurisdiction. In the event that a competition authority of any jurisdiction claims that the Transaction should have been notified, the Purchaser shall compensate the Seller for any Losses and Expenses directly arising out of such claim by the competition authority. In addition, the Parties shall submit the necessary filing(s) without undue delay. The costs of such proceedings shall be borne by the Purchaser.

§ 9
Due Diligence Information / Deposit of VDR

- 9.1 Prior to the Signing Date, the Purchaser and its Representatives have received information about MPC AG and MPC Affiliates and their respective businesses ("**Due Diligence Information**") consisting of or contained in the documents and information included in an online data room at Datasite for Project [***] starting from [***] ("**VDR**"). After the Signing Date the Seller will procure that each of the Parties receives from Datasite, the service provider of the VDR, two encrypted USB sticks each containing a full, true and accurate copy of the VDR as per the Cut-Off-Time (as defined below) ("**VDR Copy**"), which they shall each hold in custody (*Verwahrung*) for at least five (5) years from the Completion Date and which shall serve as evidence in case of disputes regarding the content of the VDR.
- 9.2 The "**Cut-Off-Time**" shall be no later than 18:00 hrs. CET of the last calendar day prior to the Signing Date. For example, if the Signing Date is 13 December 2024, the Cut-Off- Time shall be 12 December 2024, 18:00 hrs. CET, at the latest.

§ 10
Negative Covenant

- 10.1 Subject to Completion having occurred, no member of the [***]Family Group shall as from the Completion Date without the prior written approval (email being sufficient) of the Purchaser
- 10.1.1 acquire, agree to acquire, make any proposal or offer to acquire in any manner, directly or indirectly, any shares or other securities or property (or beneficial ownership thereof) of (i) [***], (ii) [***], (iii) any [***], (iv) [***] and/or (v) any Affiliate of a person described in (i) – (iv);
- 10.1.2 directly or indirectly effect or seek, offer or propose to effect, or participate in any tender or exchange offer, merger or other business combination with respect to (i) [***], (ii) [***], (iii) any [***], (iv) [***], and/or (v) any Affiliate of a person described in (i) – (iv); or
- 10.1.3 advise, assist or encourage any third party to engage in any of the foregoing transactions.
- 10.2 An 'indirect' violation by a member of the [***] Family Group of the obligations and undertakings under this § 10 shall require that the acting person (as defined in § 1.1) either acts on behalf of the relevant member of the [***] Family Group or the relevant member of the [***] Family Group (alone or together with other member(s) of the [***] Family Group) controls (as defined in § 1.1) such person as per such point in time.

- 10.3
- However, the acquisition by any members of the [***] Family Group (together or alone), other than any member(s) of the [***] Family (whether directly or indirectly), of a total of up to [***] % during the first year after the Completion Date and [***] % thereafter, in the share capital in any of the aforementioned persons (and Affiliates thereof) which are publicly listed shall not be covered by this § 10.
- 10.4
- For [***] violation of the obligation set forth in § 10.1.1 or § 10.1.2. by any member(s) of the [***] Family (whether directly or indirectly), the Purchaser may claim from the Seller the payment of a contractual penalty in the amount of [***] % of the Purchase Price. In the event of one or more violations being continued, a contractual penalty in the amount of [***] % of the Purchase Price shall be due for each [***] during which such violation continues. Participating in the equity of a person described in § 10.1.1 or § 10.1.2. after having acquired such participation in violation of § 10.1.1 or § 10.1.2., shall be deemed to be such a continued violation. By the payment of the contractual penalty becoming due for one or more continuing violation/s, all other single violations which occurred during the period of such continuing violation/s shall be regarded as compensated. The Purchaser's claim for a contractual penalty as per this § 10.4 is subject to (i) a written notice by the Purchaser sent by courier (with a copy via email in advance) to the Seller, specifying the violation and requesting that the relevant member(s) of the [***] Family remedies/remedy such violation and (ii) the relevant member(s) of the [***] Family failing to remedy such violation within [***] Business Days after receipt by the Seller of Purchaser's notice sent by courier as per above.
- 10.5
- The obligations and undertakings of the [***] Family Group under this § 10 shall lapse upon the earlier of: (i) the expiry of [***] after the Completion Date and (ii) such moment in time where the aggregate percentage of the capital and/or the voting rights in MPC AG held by the Purchaser and/or any Affiliate of the Purchaser and/or any Affiliate of [***] is less than [***]% ("**Minimum Stake**"). Any claims of the Purchaser which have become due by such moment in time shall remain unaffected. In the event that the Minimum Stake is no longer held by the Purchaser, the Purchaser shall – upon request of the Seller – provide evidence on a regular basis that the Purchaser and/or any Affiliate of the Purchaser and/or any Affiliate of [***] still hold the Minimum Stake.

§ 11
Other Obligations

- 11.1
- The Seller undertakes to procure that no Leakage, other than Permitted Leakage, shall occur during the period from the Signing Date up to (and including) the Completion Date.
- 11.2
- The Seller undertakes to procure that none of the MPC AG's ASA Shares shall be sold by MPC AG during the period from the Signing Date up to (and including) the Completion Date.
- 11.3
- The Seller undertakes to procure that after Completion has occurred, no member of the [***] Family Group shall own any shares in MPC AG, MPC ASA or any MPC Affiliate; the right of [***] who currently holds – directly and indirectly – a total of [***] shares in MPC Energy Solutions N.V. to keep those shares and to dispose of them at his discretion remains unaffected. For the avoidance of doubt, § 10.3 remains unaffected.

- 11.4 [***]
- 11.5 The Seller shall and shall procure that [***] – to the extent legally permitted – use its and his best endeavors to facilitate the Purchaser's intentions regarding the composition of the board of directors of MPC ASA.

§ 12
Purchaser's Guarantor

The Purchaser's Guarantor warrants to the Seller by way of an independent warranty (*selbständiges Garantieversprechen*) under Sec. 311 para. 1 of the Civil Code that the Purchaser will duly fulfill all of its obligations out of or in connection with this Agreement and the Transfer Deed. Purchaser and Purchaser's Guarantor shall be jointly liable (*gesamtschuldnerische Haftung*) for any obligations out of or in connection with this Agreement and the Transfer Deed.

§ 13
Costs and Expenses

- 13.1 Each Party shall pay its own costs and expenses in relation to the negotiation, preparation, execution and performance of this Agreement.
- 13.2 The Purchaser shall pay all costs and expenses associated with the execution and completion of the transfer of the MPC AG Shares.

§ 14
Confidentiality, Announcements

- 14.1 The Parties shall (i) keep strictly confidential any information obtained by them in connection with the negotiation and execution of this Agreement, with respect to this Agreement (in particular, the price per MPC AG Share and the Purchase Price), the transactions contemplated herein and the other Parties and their Affiliates, (ii) effectively prevent any access by third parties to such information and (iii) shall not use such confidential information for itself or for any third party except to the extent that the relevant facts or circumstances are publicly known, become publicly known without any violation of this covenant.
- 14.2 If and to the extent a Party is obliged by law, by the order of a court or a Competent Authority binding on it or by the binding rules of a stock exchange to disclose or publish Confidential Information, the confidentiality obligation pursuant to the foregoing paragraph shall not apply. However, the relevant Party is obliged to inform the respective other Party in due time before passing on or disclosing Confidential Information so that the form and scope of the passing on or disclosure can be discussed and agreed in order to be in a position to take appropriate measures to minimize any resulting damage.

- 14.3 The Parties shall have the right to submit any information protected by this § 14 to any of its Affiliates, its direct or indirect shareholders or any third party for the purposes of the execution and consummation of this Agreement and the transactions contemplated (including their respective Representatives and financing partners and insurers of the Parties).
- 14.4 The Parties may jointly agree on a press release regarding the Transaction.

§ 15
Notices and Communications

- 15.1 All declarations, notices or other communications in connection with this Agreement ("**Notices**") shall be made in writing (submission of a scan-copy by email shall be sufficient) in the English language, except as otherwise set forth in this Agreement, and shall be delivered to (i) the Seller either by hand or by courier or by scan copy by email (such email to be sent to all email addressees) to all of the persons at the addresses set forth below, and/or such other persons or addresses as may be designated by Seller to the other Parties in the same manner and (ii) the Purchaser and the Purchaser's Guarantor only by scan copy by email (such email to be sent to all email addressees) to all of the persons at the addresses set forth below, and/or such other persons or addresses as may be designated by Purchaser / Purchaser's Guarantor to the Seller in the same manner:

Notices to the Seller:

MPC Münchmeyer Petersen & Co. GmbH
[***]
[***]
Palmaille 67
D-22767 Hamburg / Germany

Email: [***]
Email: [***]
Email: [***]
Email: [***]

Notices to the Purchaser and the Purchaser's Guarantor:

THALVORA HOLDINGS GMBH
Castor Maritime Inc.
[***]

Email: [***]
Email: [***]
Email: [***]

- 15.2 Any Notice shall be deemed received
- 15.2.1 on the date of (electronic) submission if delivered via email; or
- 15.2.2 on the date of delivery if delivered personally or sent by courier.

15.3 Each Party shall inform the other Party about any change of its email address as soon as possible. Until a Party has been informed about a change of address in accordance with the provisions of this § 15.3, the addresses set forth in § 15.1 or the last address communicated in accordance with this § 15.3 shall be relevant.

§ 16
Miscellaneous

- 16.1 Unless expressly provided otherwise, this Agreement and the documents referred to in it are made solely for the benefit of the Parties to them and their successors and permitted assigns, and are not intended to benefit, or be enforceable by, any other person.
- 16.2 No Party may assign or transfer any of their rights under or interest in this Agreement without the prior written consent of the other Parties. This Agreement shall be binding on and endure for the successors in title of the Parties and references to the Parties shall be construed accordingly.
- 16.3 Any amendment or variation of this Agreement shall only be valid if made in writing (or any stricter form required by mandatory law) and signed by or on behalf of all Parties. This shall also apply to any amendment or variation of the preceding sentence.
- 16.4 A waiver of any right under this Agreement is only effective if it is in writing and it applies only to the person to which the waiver is addressed and the circumstances for which it is given. This shall also apply to any waiver of the provisions of the preceding sentence.
- 16.5 The failure or delay by a Party in exercising any right or remedy under or in connection with this Agreement will not constitute a waiver of such right or remedy.
- 16.6 This Agreement constitutes the entire and only agreement and understanding between the Parties in relation to its subject matter. Any previous drafts, agreements, understandings, undertakings, representations, warranties, promises and arrangements of any nature whatsoever between the Parties with any bearing on the subject matter of this Agreement, in particular, the Term Sheet dated [***], are deemed terminated, superseded and replaced by this Agreement.
- 16.7 The Annex to this Agreement shall form an integral part of this Agreement. In case of a conflict between the Annex and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- 16.8 This Agreement shall be governed by and construed in accordance with German law, excluding the United Nations Convention for the International Sale of Goods (CISG) and the conflict of laws rules.
- 16.9 Exclusive venue of jurisdiction for all disputes arising under or in connection with this Agreement (including any disputes in connection with its validity) shall be Hamburg, Germany.

- 16.10
- The Purchaser and the Purchaser's Guarantor shall at all times each maintain an agent for service (*Zustellungsbevollmächtigter*) of process and documents required to be served in pending proceedings in connection with this Agreement in Germany. As agent for service, the Purchaser and the Purchaser's Guarantor each hereby appoints [***], ARNECKE SIBETH DABELSTEIN Rechtsanwälte Steuerberater Partnerschaftsgesellschaft mbB, Große Elbstraße 36, D-22767 Hamburg, Germany. Any written pleading, statement of claim, claim form, judgment or other notice of legal proceedings and any other document required to be served in pending proceedings and in connection with this Agreement shall be sufficiently served on the Purchaser respectively the Purchaser's Guarantor if served on the agent at its current address. If the Seller requests the Purchaser and/or the Purchaser's Guarantor to replace the appointed agent for any reason, the Purchaser / the Purchaser's Guarantor shall promptly appoint a new agent, provided that such new authorised representative is an attorney admitted in Germany (*in Deutschland zugelassener Rechtsanwalt*) with an address in Germany and notify the Seller accordingly. In the event that the Purchaser / the Purchaser's Guarantor fails to appoint a new agent for service after such request, the Purchaser and the Purchaser's Guarantor each hereby irrevocably authorises the Seller to appoint such agent for service on behalf and at the expense of the Purchaser / the Purchaser's Guarantor.
- 16.11
- Should one or more provisions of this Agreement be or become invalid or unenforceable, this shall not affect the validity and enforceability of the remaining provisions of this Agreement. The same shall apply if the Agreement does not contain an essential provision. In place of the invalid or unenforceable provision, or to fill a contractual gap, such valid and enforceable provision shall apply which reflects as closely as possible the commercial intention of the Parties as regards the invalid, unenforceable or missing provision. The legal principle contained in Sec. 139 of the Civil Code, including in the sense of a reversal of the burden of proof, shall not apply.

[Signature Page to follow]

Hamburg, 12 December 2024

MPC Münchmeyer Petersen & Co. GmbH

by: [***]

[***]

THALVORA HOLDINGS GMBH
(currently named Altstadtsee 658. V V GmbH)

by: [***]

by virtue of PoA

Castor Maritime Inc.

by: [***]

SUBSIDIARY LIST

Subsidiary	Jurisdiction of Incorporation
Aladdin Shipping Co.	Marshall Islands
Ariel Shipping Co.	Marshall Islands
Asterix Shipping Co.	Marshall Islands
Bagheera Shipping Co.	Marshall Islands
Bistro Maritime Co.	Marshall Islands
Castor Maritime SCR Corp.	Marshall Islands
Cinderella Shipping Co.	Marshall Islands
Containco Shipping Inc.	Marshall Islands
Garfield Shipping Co.	Marshall Islands
Jerry Shipping Co.	Marshall Islands
Johnny Bravo Shipping Co.	Marshall Islands
Jumaru Shipping Co.	Marshall Islands
Kabamaru Shipping Co.	Marshall Islands
Liono Shipping Co.	Marshall Islands
Luffy Shipping Co.	Marshall Islands
Mickey Shipping Co.	Marshall Islands
Mulan Shipping Co.	Marshall Islands
Pikachu Shipping Co.	Marshall Islands
Pocahontas Shipping Co.	Marshall Islands
Pumba Shipping Co.	Marshall Islands
Snoopy Shipping Co.	Marshall Islands
Songoku Shipping Co.	Marshall Islands
Spetses Shipping Co.	Marshall Islands
Stewie Shipping Co.	Marshall Islands
Super Mario Shipping Co.	Marshall Islands
Tom Shipping Co.	Marshall Islands
Yogi Bear Shipping Co.	Marshall Islands
Indigo Global Corp.	Marshall Islands
Thalvora Holdings GmbH	Germany
Curamus Managementgesellschaft mbH, Hamburg (formerly: Verwaltung ZLG Abwicklungsgesellschaft mbH, Hamburg)	Germany
Deepsea Oil Explorer Plus GmbH & Co. KG, Hamburg	Germany
Duisburg Invest Beteiligungsgesellschaft mbH & Co. KG, Hamburg	Germany
Energiepark Heringen-Philippsthal WP HP GmbH & Co. KG, Hamburg	Germany
ELG Erste Liquidationsmanagement GmbH, Hamburg	Germany
First Fleet Philipp Beteiligungs GmbH, Delmenhorst	Germany
Harper Petersen Albis GmbH & Co. KG, Hamburg (formerly: Albis Shipping & Transport GmbH & Co. KG, Hamburg)	Germany
Harper Petersen & Co. Asia Ltd., Hongkong / China	China
Harper Petersen & Co. B.V., Amsterdam / Netherlands	Netherlands
Harper Petersen & Co. GmbH & Co. KG, Hamburg	Germany
Harper Petersen & Co. Pte Ltd., Singapur	Singapore

HLD Vermögensverwaltungsgesellschaft UG (haftungsbeschränkt) i.L., Hamburg	Germany
Immobilienmanagement MPC Student Housing Venture GmbH, Hamburg	Germany
Immobilienmanagement Sachwert Rendite-Fonds GmbH, Hamburg	Germany
Management Sachwert Rendite-Fonds Immobilien GmbH, Hamburg	Germany
Managementgesellschaft Harper Petersen mbH, Hamburg	Germany
Managementgesellschaft MPC Global Maritime Opportunity Private Placement GmbH, Hamburg	Germany
Managementgesellschaft MPC Solarpark mbH, Hamburg	Germany
Managementgesellschaft Oil Rig Plus mbH, Hamburg	Germany
MPC Achte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	Germany
MPC Best Select Company Plan Managementgesellschaft mbH, Quickborn	Germany
MPC Capital Advisory GmbH, Hamburg	Germany
MPC Capital Beteiligungsgesellschaft mbH & Co. KG, Hamburg	Germany
MPC Capital Dritte Beteiligungsgesellschaft mbH, Hamburg (formerly: MPC Micro Living Development GmbH, Hamburg)	Germany
MPC Capital GmbH, Hamburg	Germany
MPC Capital Investments GmbH, Hamburg	Germany
MPC Capital Zweite Beteiligungsgesellschaft mbH, Hamburg	Germany
MPC Dritte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	Germany
MPC ECOBOX OPCO 1 Beteiligungs GmbH & Co. KG, Hamburg	Germany
MPC ECOBOX OPCO 2 Beteiligungs GmbH & Co. KG, Hamburg	Germany
MPC ECOBOX OPCO 4 GmbH & Co. KG i.L., Hamburg	Germany
MPC Energías Renovables Colombia S.A.S., Bogotá / Colombia	Colombia
MPC Elfte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	Germany
MPC Fünfte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	Germany
MPC Investment Partners GmbH, Hamburg	Germany
MPC Investment Services GmbH, Hamburg	Germany
MPC Maritime Beteiligungsgesellschaft mbH & Co. KG, Hamburg	Germany
MPC Maritime Beteiligungsverwaltungsgesellschaft mbH, Hamburg	Germany
MPC Maritime Holding GmbH, Hamburg	Germany
MPC Maritime Investments GmbH i.L., Hamburg	Germany
MPC Multi Asset Verwaltungsgesellschaft mbH, Hamburg	Germany
MPC Münchmeyer Petersen Real Estate Consulting GmbH, Hamburg	Germany
MPC Neunte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	Germany

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MPC Real Value Fund Verwaltungsgesellschaft mbH, Quickborn	Germany
MPC Renewable Panama S.A., Panama	Panama
MPC Schiffsbeteiligung Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Nielbühl	Germany
MPC Sechste Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	Germany
MPC Siebte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	Germany
MPC Silica Invest GmbH, Hamburg	Germany
MPC Venture Invest AG, Wien / Austria	Austria
MPC Vierte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	Germany
MPC Zehnte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	Germany
MPC Zweite Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	Germany
MS STADT RAVENSBURG ERSTE T + H Verwaltungs GmbH, Hamburg	Germany
Panda Invest GmbH, Hamburg	Germany
Palmaille Ship Invest GmbH, Hamburg	Germany
PB BS GMO Verwaltungs GmbH, Hamburg	Germany
PBH Maritime Verwaltungsgesellschaft mbH, Hamburg	Germany
RES Maxis B.V., Amsterdam / Netherlands	Netherlands
TVP Treuhand- und Verwaltungsgesellschaft für Publikumsfonds mbH & Co. KG, Hamburg	Germany
Verwaltung "Rio Blackwater" Schifffahrtsgesellschaft mbH, Hamburg	Germany
Verwaltung Achte Sachwert Rendite-Fonds Deutschland GmbH, Hamburg	Germany
Verwaltung Asien Opportunity Real Estate GmbH, Hamburg	Germany
Verwaltung Bluewater Investments GmbH, Hamburg	Germany
Verwaltung Dreiundvierzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	Germany
Verwaltung Dritte MPC Sachwert Rendite-Fonds Opportunity Amerika GmbH, Quickborn	Germany
Verwaltung Einundsiebzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	Germany
Verwaltung Elfte Sachwert Rendite-Fonds Deutschland GmbH, Hamburg	Germany
Verwaltung Fünfte Sachwert Rendite-Fonds Deutschland GmbH, Hamburg	Germany
Verwaltung MPC Capital Beteiligungsgesellschaft mbH, Hamburg	Germany
Verwaltung MPC Global Maritime Opportunity Private Placement GmbH, Hamburg	Germany
Verwaltung MPC Real Estate Opportunity Private Placement Amerika GmbH, Quickborn	Germany
Verwaltung MPC Sachwert Rendite-Fonds Opportunity Amerika GmbH, Quickborn	Germany
Verwaltung MPC Sachwert Rendite-Fonds Opportunity Asien GmbH, Hamburg	Germany
Verwaltung MPC Solarpark GmbH, Hamburg	Germany
Verwaltung MPC Student Housing Beteiligung UG, Quickborn	Germany

Verwaltung MPC Student Housing Venture GmbH, Quickborn	Germany
Verwaltung Neunte Sachwert Rendite-Fonds Deutschland GmbH, Hamburg	Germany
Verwaltung Neunundfünfzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	Germany
Verwaltung Sachwert Rendite-Fonds Japan GmbH, Quickborn	Germany
Verwaltung Sechste Sachwert Rendite-Fonds Deutschland (Private Placement) GmbH, Hamburg	Germany
Verwaltung Sechsundiverzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	Germany
Verwaltung SHV Management Participation GmbH, Quickborn	Germany
Verwaltung Siebenundfünfzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	Germany
Verwaltung Siebenundvierzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	Germany
Verwaltung Siebte Sachwert Rendite-Fonds Deutschland GmbH, Hamburg	Germany
Verwaltung Siebzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	Germany
Verwaltung TVP Treuhand GmbH, Hamburg	Germany
Verwaltung Vierundfünfzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	Germany
Verwaltung Zehnte Sachwert Rendite-Fonds Deutschland GmbH, Hamburg	Germany
Verwaltung Zweite MPC Real Estate Opportunity Private Placement Amerika GmbH, Quickborn	Germany
Verwaltung Zweite MPC Sachwert Rendite-Fonds Opportunity Amerika GmbH, Quickborn	Germany
Verwaltung Zweite Reefer-Flottenfonds GmbH, Hamburg	Germany
Verwaltung Zweite Sachwert Rendite-Fonds Deutschland GmbH, Hamburg	Germany
Verwaltung Zweiundsiebzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	Germany
Verwaltungsgesellschaft Achte MPC Global Equity mbH, Hamburg	Germany
Verwaltungsgesellschaft Duisburg Invest mbH, Hamburg	Germany
Verwaltungsgesellschaft Elfte Private Equity GmbH, Hamburg	Germany
Verwaltungsgesellschaft MPC Global Equity Step by Step II mbH, Hamburg	Germany
Verwaltungsgesellschaft MPC Global Equity Step by Step III mbH, Hamburg	Germany
Verwaltungsgesellschaft MPC Global Equity Step by Step IV mbH, Hamburg	Germany
Verwaltungsgesellschaft MPC Global Equity Step by Step mbH, Hamburg	Germany
Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus VI mbH, Quickborn	Germany
Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus VII mbH, Quickborn	Germany
Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus spezial IV mbH, Quickborn	Germany

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Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus spezial V mbH, Quickborn	Germany
Verwaltungsgesellschaft Neunte Global Equity mbH, Hamburg	Germany
Verwaltungsgesellschaft Oil Rig Plus mbH, Hamburg	Germany
Verwaltungsgesellschaft Siebte MPC Global Equity mbH, Hamburg	Germany
Zweite MPC Best Select Company Plan Managementgesellschaft mbH, Quickborn	Germany



INSIDER TRADING POLICY

As adopted by Castor Maritime Inc., on May 9, 2025

Version 1

A. INSIDER TRADING POLICY

1. General

Castor Maritime Inc. (the “Company”) is a public company, whose common shares are listed on the Nasdaq Capital Market and registered under the Securities and Exchange Act of 1934, as amended (the “Exchange Act”). Pursuant to the Exchange Act, the Company files annual and other reports with the US Securities and Exchange Commission (the “SEC”).

The Exchange Act prohibits the misuse of material, non-public information. In order to avoid even the appearance of impropriety the Company has instituted procedures to prevent the misuse of non-public information.

This policy (the “Policy”) will be administered and supervised by the Head of the Legal Department of Castor Ships S.A., (the “HoL”) or, in any case in which the HoL (or any of the persons or entities described in Sections 2(b) and 2(c) of this Policy with respect to the HoL) propose to trade in securities covered by this Policy, by the Company’s Chief Financial Officer. Please pay special attention to the “Blackout” and “Trading Window” policies discussed in this memorandum.

In addition to any other consequences under applicable law, failure to comply with the Policy may result in severe consequences, including employee termination and disciplinary action. See “6. Penalties for insider trading” below.

2. Whom does the policy cover?

The Policy covers the persons listed below (collectively, the “Insiders”):

- (a) all of the Company’s and its subsidiaries’ officers, directors and employees, and persons performing similar functions, including for the avoidance of doubt any employees, officers or directors of the Company’s manager, Castor Ships S.A.;
- (b) relatives who are members of the same household, the spouse, partner equivalent to a spouse under national law and anyone else who resides with any of the individuals identified in (a) above, as well as family members who do not reside with the individuals identified in (a) but whose transactions in Securities (as defined in Section 5 below) are directed by, or are subject to the influence or control of, the foregoing (such as parents or children who consult with an insider before they trade in Securities); and
- (c) any other natural or legal person, trust or partnership (i) whose managerial responsibilities are discharged by, (ii) which is directly or indirectly controlled by, or (iii) whose economic interests are substantially equivalent to, an insider referred to under (a) or (b).

In addition, from time to time a person can become a “temporary insider” and be subject to this Policy if he or she is given access to material non-public information or receives material non-public information from an Insider. A temporary insider can include, among others, third-parties, the Company’s attorneys, accountants, consultants, bank lending officers, and the employees of those organizations. The Company will seek to notify these persons when they become Insiders, but all persons nonetheless have a duty not to trade in the Securities if they are in possession of material non-public information.

For the avoidance of doubt, the Company shall not be deemed an Insider for purposes of this Policy.

The Company forbids any Insider from trading, either for his or her personal account or on behalf of others, while in possession of material non-public information, or communicating material non-public information to others in violation of the law. This prohibited conduct is often referred to as “insider trading.”

The Policy extends to each Insider’s activities within and/or outside his/her duties at the Company. Each Insider must read and retain this statement.

3. What is insider trading?

Although “insider trading” is not defined in the securities laws, the term “insider trading” is generally used to refer to trading while in possession of material non-public information (whether or not one is an insider) and/or to communications of material non-public information to others. The law in this area is generally understood to prohibit, among other things:

- trading by an Insider while in possession of material non-public information;
- trading by a non-Insider while in possession of material non-public information, where the information either was disclosed to the non-Insider in violation of an Insider’s duty to keep it confidential or the information was misappropriated;
- wrongfully communicating, or “tipping”, material non-public information to other persons who may use such information to trade in Securities;
- recommending or inducing third parties to trade in Securities while in possession of material non-public information; and

For purposes of insider trading, trading includes placing Securities in margin accounts or pledging Securities.

Gifts of Securities (as defined below) will be treated as sales of such Securities.

4. Elements of insider trading

As a general guide, certain components of what amounts to “insider trading” are described below.

The term “material non-public information” refers to information about the Company, its subsidiaries or the Securities that is not known to persons outside the Company or is otherwise non-public and that could be considered material to an investor in making an investment decision relating to the Securities (including a decision to buy or sell Securities).

What information is material?

Trading on information that is “material” is prohibited. Information generally is considered “material” if:

- there is a substantial likelihood that an investor would reasonably consider the information important in making an investment decision, or
- the information is reasonably certain to have a substantial effect on the price of the Securities.

Information whether negative or positive may be material. Information should be considered material, unless it is trivial or of no interest to the public. It is not possible to identify every type of information that could be material, or every context in which otherwise ordinary information might become material. For that reason, if you have any concern that information within your possession may be material, it is your responsibility to seek appropriate advice from the HoL (or, in the case of advice sought by the HoL (or any of the persons or entities described in Sections 2(b) and 2(c) of this Policy with respect to the HoL), from the Chief Financial Officer) before trading in the Securities.

Examples of material information typically include, but are not limited to:

- the Company’s financial results, earnings estimates not previously disseminated, material changes in previously-released earnings estimates or forecasts, vessel acquisition or disposition, other significant asset purchases or sales, dividend policy changes, tender offers, merger, business combination or acquisition proposals or agreements, major litigation, status of covenants compliance, significant regulatory actions, communications with lenders and investment banks, material changes in liquidity including both challenges and improvements, extraordinary management developments, material amendments to the constitutional documents of the Company, and Share buyback.

What information is non-public?

Information is non-public if it has not been disseminated in a manner reasonably designed to make it available to the investing public generally. Information becomes public when it is disseminated to the public and there has been adequate time for the public to digest that information. The amount of time since the information was first disseminated ordinarily is a factor regarding whether the information is considered “public”.

The belief that material information was public at the time an Insider trades does not relieve that Insider from liability.

5. What securities are covered by this Policy?

This Policy applies not only to the Company’s common shares, but also any other securities issued by the Company, including any preferred shares, bonds and notes and the shares, bonds and notes of any of the Company’s subsidiaries and derivative securities of such securities (such as options, puts, calls or warrants or any other financial instrument by which the above securities can be acquired or subscribed) whether or not issued by the Company (and whether or not settled in such securities or in cash) (collectively, the “Securities”).

In addition, this Policy applies to securities of a third party to the extent that an Insider acquires material non-public information in relation to that third party or the securities of that third party as a result of the Insider’s employment with, or service to, the Company.

6. Penalties for insider trading

Penalties for insider trading are severe both for the individuals involved as well as for their employers. The Company requires all Insiders to comply with the law and with this Policy. A person can be subject to some or all of the penalties listed below, even if he or she does not personally benefit from the violation. Penalties may include:

- Jail sentences;
- Civil injunctions;
- Civil treble (3x) damages;
- Disgorgement of profits;
- Criminal fines of up to three times the profit gained or loss avoided, whether or not the person actually benefited; and
- Fines for the employers or other controlling person of up to the greater of \$1 million or three times the amount of the profit gained or loss avoided.

In addition, under some circumstances, people who trade on inside information may be subjected to civil liability in private lawsuits.

Importantly, in the event of violation of this Policy, employees may also be subject to disciplinary action, including termination of employment for cause.

It is in the Company’s and its Insiders’ best interests to implement robust procedures to prevent unlawful or improper trading and to ensure adherence to applicable laws and regulations.

7. Procedures to prevent insider trading

The following procedures have been established to aid in the prevention of insider trading. Every Insider must follow these procedures or risk sanctions, including: dismissal, substantial personal liability and criminal penalties.

8. Questions to Ask

Prior to trading in Securities, and if you think you may have material non-public information, ask yourself the following questions:

- Is the information material? Is this information that an investor would consider important in making an investment decision? Would you take it into account in deciding whether to buy or sell? Is this information that would affect the market price of the Securities, if generally disclosed?
- Is the information non-public? To whom has this information been provided? Has it been effectively communicated to the marketplace? Has enough time gone by?

9. Action Required

If you are at all uncertain as to whether any information you have is “inside information,” you must:

- immediately report the matter to the HoL (or, in case of the HoL reporting, to the Chief Financial Officer);
- refrain from purchasing or selling the Securities; and
- not communicate the information inside or outside the Company.

After the Insider and the HoL (or the Chief Financial Officer, as applicable) have reviewed the issue and consulted with in-house or outside counsel to the extent appropriate, the Insider will be instructed as to whether he/she may trade and/or communicate that information.

10. Blackout Policy and Trading Window

To assure compliance with the Policy and applicable securities laws, the Company requires that all Insiders refrain from conducting transactions involving the purchase or sale of Securities during the period commencing fifteen (15) calendar days prior to the release of quarterly, semi-annual or annual results, as applicable, and ending at 12pm EST on the first trading day following such public disclosure. In addition, from time-to-time material non-public information regarding the Company may be pending. While such information is pending, the Company may impose a special “blackout” period during which the same prohibitions and recommendations shall apply.

Remember: Even during any period of time wherein trading is permissible (the “Trading Window”), any person possessing material non-public information should not engage in any transactions in the Securities until the information has been made public and absorbed by the market.

11. Pre-Clearance of Trades

All insiders must refrain from trading in Securities, even during the Trading Window, without first complying with the Company’s “pre-clearance” process. Each such person should contact the HoL (or, in the case of the HoL (or any of the persons or entities described in Sections 2(b) and 2(c) of this Policy with respect to the HoL), the Chief Financial Officer, as may be applicable) prior to commencing any trade and cannot proceed without his or her written confirmation.

12. Questions or concerns

Any questions or concerns regarding the Company’s Policy to detect and prevent insider trading should be directed to the HoL (or, in the case of the HoL (or any of the persons or entities described in Sections 2(b) and 2(c) of this Policy with respect to the HoL), to the Chief Financial Officer, as may be applicable).

INSIDER TRADING POLICY
CERTIFICATION FORM

I acknowledge that I have read and understood the policy to detect and prevent insider trading of Castor Maritime Inc. in its entirety and agree to abide by it.

CERTIFIED BY:

NAME: _____ (PRINT)

SIGNATURE: _____

DATE: _____

CERTIFICATIONS

I, Petros Panagiotidis, certify that:

- (1) I have reviewed this annual report on Form 20-F of Castor Maritime Inc.;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
- (4) The company’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company’s internal control over financial reporting; and
- (5) The company’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company’s auditors and the audit committee of the company’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company’s internal control over financial reporting.
- Date: May 14, 2025
- By: /s/ Petros Panagiotidis

Name: Petros Panagiotidis

Title: Chairman, Chief Executive Officer and
Chief Financial Officer
-

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), the undersigned officer of Castor Maritime Inc. (the “Company”), hereby certifies, to such officer’s knowledge, that:

1. the Annual Report on Form 20-F for the year ended December 31, 2024 (the “**Form 20-F**”) of the Company fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934; and
2. the information contained in the Form 20-F fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 14, 2025

By: /s/ Petros Panagiotidis

Name: Petros Panagiotidis

Title: Chairman, Chief Executive Officer and
Chief Financial Officer

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-236331 and 333-240262 on Form F-3 of our report dated May 14, 2025, relating to the consolidated financial statements of Castor Maritime Inc. appearing in this Annual Report on Form 20-F for the year ended December 31, 2024.

/s/ Deloitte Certified Public Accountants S.A.
Athens, Greece
May 14, 2025

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statements on Form F-3 (No. 333-236331 and 333-240262) of Castor Maritime, Inc. of our report dated May 14, 2025, relating to the consolidated financial statements of MPC Münchmeyer Petersen Capital AG, which appears in this Annual Report on Form 20-F.

/s/ BDO AG Wirtschaftsprüfungsgesellschaft

Frankfurt, Germany
May 14, 2025