

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 20-F

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report: Not applicable

Commission file number 001-38802

CASTOR MARITIME INC.

(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant's name into English)

Republic of the Marshall Islands

(Jurisdiction of incorporation or organization)

223 Christodoulou Chatzipavlou Street
Hawaii Royal Gardens
3036 Limassol, Cyprus

(Address of principal executive offices)

Petros Panagiotidis, Chairman, Chief Executive Officer and Chief Financial Officer
223 Christodoulou Chatzipavlou Street, Hawaii Royal Gardens, 3036 Limassol, CY

Phone number: + 357 25 357 767

Fax Number: + 357 25 357 796

(Name, Telephone, E-mail and/or Facsimile number and
Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares, \$0.001 par value, including associated Share Purchase Rights under the Shareholder Protection Rights Agreement	CTRM	Nasdaq Capital Market

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Indicate the number of outstanding shares of each of the issuer's classes of share capital as of the close of the period covered by the annual report:

As of December 31, 2025, there were outstanding 9,662,354 common shares of the Registrant, \$0.001 par value per share.

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

☐ Yes

☒ No

If this report is an annual report or transition report, indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

☐ Yes

☒ No

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

☒ Yes

☐ No

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during this preceding 12 months (or for such shorter period that the registrant was required to submit such files).

☒ Yes

☐ No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer", "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☒

Emerging Growth Company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards[†] provided pursuant to Section 13(a) of the Exchange Act. ☐

[†] The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark which basis of accounting the Registrant has used to prepare the financial statements included in this filing:

☒ U.S. GAAP

☐ International Financial Reporting Standards as issued by the International Accounting Standards Board

☐ Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the Registrant has elected to follow.

☐ Item 17

☐ Item 18

If this is an annual report, indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

☐ Yes

☒ No

(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

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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 Shipping 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;
- “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;
- “MPC Capital” refers to MPC Münchmeyer Petersen Capital AG, a German company listed on the Frankfurt Stock Exchange since 2000;
- “MPC Capital Acquisition” refers to the acquisition, consummated on December 16, 2024 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, 2024 (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; 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:

- 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;
- our business strategy, expected capital spending and other plans and objectives for future operations;
- 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, voyage charters or pool arrangements 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;
- changes in the size and composition of our fleet, our ability to realize the expected benefits from our past or future vessel acquisitions;
- the effects of our acquisition of MPC Capital;
- 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;
- 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, the attacks in the Strait of Hormuz, 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;
- 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;
- inadequacies in our insurance coverage;
- developments in tax laws, treaties or regulations or their interpretation in any country in which we operate and changes in our tax treatment or classification;
- accidents and the impact of climate change, 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 of our Aframax/LR2 and Handysize segments. 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 and asset management. 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 based on the exchange rate at the time of the transaction), excluding transaction-related costs. See “*Information on the Company—A. History of the Company—Business*”. Upon completion of the MPC Capital Acquisition, we established our asset management segment.

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 "*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.
- Geopolitical conditions, such as political instability or conflict, terrorist attacks and international hostilities, including the armed conflict in Iran, as well as trade protectionism, including in relation to tariffs imposed by the U.S. or other countries, can affect the seaborne transportation industry, which could adversely affect our business.
- 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.

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

- 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 a wide range of international and regional environmental laws, regulations and standards, including evolving decarbonization initiatives and greenhouse gas emissions targets under IMO frameworks and the European Union's Fit for 55 and other climate-related regulations. These ongoing developments — which may include more stringent energy efficiency requirements, carbon pricing mechanisms, and emissions reporting obligations — could materially affect our operations, costs and financial condition.
- 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.
- 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.
- Our credit facilities and other financing arrangements contain, and we expect that any new or amended credit facility and financing arrangements 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.
- We have identified a material weakness in our internal control over financial reporting. If we are unable to remediate this material weakness or otherwise fail to maintain an effective system of internal controls, this could result in material misstatements in our consolidated financial statements and a failure to comply with applicable laws and regulations, which may materially adversely affect our business and share price.

- 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.

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 the Houthi seizures and attacks on vessels traveling through the Red Sea and the Gulf of Aden, the attacks on commercial vessels and effective shutdown of the Strait of Hormuz, 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 containerhips 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 2025, in part stemming from the conflict in the Middle East, including recent maritime incidents in and around the Red Sea and effective shutdown of the Strait of Hormuz, the conflict in Ukraine and related sanctions against Russia and Belarus and the imposition of tariffs by the United States. 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. Further, investor perception of the value of our common shares may 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.

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, including the armed conflict in Iran (such as recent maritime incidents in and around the Red Sea and up to 600 nautical miles off the East African coast) 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 in 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 designated by insurers as “war risk” zones, or listed by the Joint War Committee (“JWC”) as areas of heightened risk for war, strikes, terrorism, or related perils (“JWC Listed Areas”), the premiums payable for such coverage could increase significantly. In some cases, such insurance coverage may become more difficult to obtain, or unavailable altogether. However, our vessels are currently not trading through these high-risk areas, as we have expressly excluded such regions within the trading area clause incorporated in all of our time charter party agreements.

As of March 3, 2026, the JWC Listed Areas included parts of the Southern Red Sea, Gulf of Aden, and Black Sea, as well as the coastal waters of Yemen, Israel, Iran, Somalia, Nigeria, Libya, Bahrain, Djibouti, Kuwait, Oman and Qatar 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 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 Syria and Iran and relating to 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, the outbreak of armed conflict in Iran has and may continue to affect the shipping industry, including restrictions on the ability of ships to transit the Strait of Hormuz, which was effectively shut down, and attacks on vessels in the Persian Gulf and throughout 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.”

Geopolitical conditions in the shipping industry have also been significantly impacted by GPS jamming and spoofing. These practices pose serious risks to navigation systems, particularly in high-risk areas such as the Strait of Hormuz, Black Sea, Eastern Mediterranean, Red Sea and other regional hotspots. As new jamming hubs emerged in 2025 in Sudan, Djibouti, and the Black Sea–Gulf of Guinea corridor and 13 European coastal nations and Iceland issued a joint warning in January 2026 over growing GNSS interference in the Baltic and North Sea. The scale has also grown dramatically over 10,000 vessels were affected in Q2 2025 alone, an eightfold increase over the prior quarter. This particular issue may impose additional costs, as it might be considered necessary to provide vessels with additional navigational equipment to countermeasure jamming and spoofing.

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 containership 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.

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 and continues to be 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.

In April 2025, the United States 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. In July 2025, the United States announced country-specific “reciprocal” tariff rates on more than 90 countries. In response to a ruling from the Supreme Court of the United States that the tariffs imposed in April 2025 overstepped President Trump’s powers, President Trump announced a new tariff rate of 10% (then 15%) on imports of goods from all countries in February 2026. Although the United States has suspended or delayed the implementation of certain 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 have imposed substantially increased port fees for Chinese-built, -operated, or -owned ships and for foreign-built vehicle carriers (not limited to China). In response, China increased port fees for United States-linked ships. In October 2025, the United States and China announced that they agreed to a one-year suspension of increased fees but, once the fees are no longer suspended, three of our vessels were built in China and therefore will be subject to such fees in U.S. ports if they discharge cargo at U.S. ports. Nonetheless, certain of our Chinese-built vessels may qualify for an exemption from such fees by virtue of holding multiple load line certificates, which under the applicable regulations may render them exempt from the imposed charges. In addition, the United States has implemented and/or is considering other trade measures that apply to goods and equipment originating in Asia.

Our asset management segment’s operations have exposure to China through vessels managed by MPC Capital or its group companies that operate in China and call at Chinese ports, as well as through our commercial ship management activities conducted via a subsidiary which is based in China. As a result, our business may be directly affected by regulatory developments, trade restrictions, port access limitations, sanctions, tariffs, or other measures imposed by the United States, China, the European Union or other jurisdictions that impact trade with or within China.

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 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.

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 dry bulk fleet grew by about 3.0% during each of 2024 and 2025. This growth reflects the delivery of a number of newbuilding orders placed in recent years. By the end of 2025, newbuilding orders have been placed for an aggregate of about 12.53% of the existing global dry bulk fleet, calculated in terms of DWT, with deliveries expected predominantly over the next two years.

There has been some further activity in the container newbuilding market during 2024 and 2025 and as a result new contracting has reached high levels vis-à-vis the active fleet. By the end of 2025, newbuilding orders accounted for approximately 34.02% of the existing global containership fleet, calculated in terms of TEU, with deliveries equally spread over the next three years. During 2024, the total container fleet grew by 10.1%, and during 2025 the total container fleet grew by 7.0%.

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 or pools;
- 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.

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. 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 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 moderately fragmented nature of the containership market, existing or additional competitors with greater resources may enter or grow their positions in the containership sector 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. In December 2025, the Council of the European Union placed restrictive measures on additional vessels, bringing the total of designated vessels to almost 600. 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. Any violation could result in substantial fines, sanctions, civil and/or criminal penalties and curtailment of operations in certain jurisdictions.

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.

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.

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. With the exception of one of our vessels, the *M/V Magic P*, which is over 15 years old and is therefore required to be dry-docked for inspection of underwater parts every two to three years, the rest of our vessels are required to be dry-docked, every five years and inspected by divers, every two to three years for inspection of underwater parts.

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.

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. In certain instances, we may be required by our pooling agreements to arrange for additional loss of hire coverage.

Despite the above policies, we may not be insured in amounts sufficient to address all risks and we or our pool managers 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.

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

Over the course of 2025, inflationary pressures across many sectors globally continued to weigh on economic activity. The U.S. consumer price index, an inflation gauge that measures costs across dozens of items, rose slightly to 3.0% in September 2025, up from 2.9% in December 2024, before decreasing slightly to 2.7% in December 2025. 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 2026, 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.

We are subject to a wide range of international and regional environmental laws, regulations and standards, including evolving decarbonization initiatives and greenhouse gas emissions targets under IMO frameworks and the European Union’s Fit for 55 and other climate-related regulations. These ongoing developments — which may include more stringent energy efficiency requirements, carbon pricing mechanisms, and emissions reporting obligations — could materially affect our operations, costs, and financial condition.

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.*”

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. Although the emissions of GHG from international shipping are not currently subject to the Paris Agreement or the Kyoto Protocol to the United Nations Framework Convention on Climate Change, which requires adopting countries to implement national programs to reduce emissions of certain gases, 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 MARPOL Annex VI mandating both technical and operational measures to reduce greenhouse gas emissions. These measures include the Energy Efficiency Existing Ship Index (EEXI) and the annual operational Carbon Intensity Indicator (CII). The amendments entered into force on November 1, 2022, and, effective January 1, 2023, all vessels must:

- Calculate and certify their attained EEXI through an International Energy Efficiency Certificate (IEEC), following a one-off technical evaluation during the next scheduled survey.
- Collect and report annual operational fuel and activity data under the IMO Data Collection System (DCS), with the first CII reporting due for the 2023 calendar year and initial ratings issued in 2024.

These ratings range from A to E, with vessels rated D for three consecutive years or E in any year required to submit corrective action plans. Annual required CII targets become more stringent up to 2026, with an expected ~2% annual reduction in carbon intensity. IMO is reviewing the effectiveness of the EEXI and CII frameworks, with a statutory review deadline of January 1, 2026. Phase 1 of the review concluded in 2025, and Phase 2 is scheduled from Spring 2026 to Spring 2028.

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, official calculations have determined that our vessels are in compliance with the EEXI requirements. To achieve this compliance certain vessels needed to reduce power by applying EPL or Shapoli system. However, in order to improve the EEXI of the vessels and the CII of the vessels, special coating antifouling and energy-saving devices have already been applied during special survey dry-docking (“SS/DD”) and the same is planned to be applied for the remaining vessels 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, President Biden signed Executive Order 14008, halting new oil and gas leases on public lands and waters pending review—affecting federal offshore leasing in the Gulf of Mexico and elsewhere. In September 2023, the Interior Department released its 2024–2029 five-year leasing plan, scheduling only three offshore lease sales (in 2025, 2027, and 2029), marking a historic low in new U.S. offshore auctions. On January 6, 2025, President Biden issued Presidential Memoranda withdrawing more than 625 million acres of Atlantic, Pacific, Gulf of Mexico, and Bering Sea waters from future oil and gas leasing under Section 12(a) of the Outer Continental Shelf Lands Act. President-elect Trump immediately stated intentions to reverse the withdrawal, though under Section 12(a) such revocations may require Congressional approval and face legal uncertainty.

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 green shipping corridors between ports. 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 and a tripling global renewable energy capacity and doubling energy efficiency by 2030. The 2024 United Nations Climate Change Conference (“COP29”) in Baku, Azerbaijan 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. COP30 held in Belém, Brazil focused on “implementation,” resulting in the “Global Mutirão” decision, which reinforced Paris Agreement goals, launched the Baku-to-Belém Climate Finance Roadmap (aiming for \$1.3T/yr by 2035), adopted a new Gender Action Plan, and advanced Paris Agreement Article 6 carbon markets; however, a consensus on phasing out fossil fuels was not reached in the final text, though Brazil launched a separate initiative to push this forward.

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.

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 a ship.

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, 2024 and 2025, 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. The price of VLSFO in Singapore reached a high of \$604 per metric ton in January 2025 which decreased to \$424 per metric ton in December 2025. As of March 25, 2026, the price of VLSFO in Singapore was approximately \$895 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, and the armed conflict between the United States, Israel and Iran, and the effective shutdown of the Strait of Hormuz, could cause disruptions to the production and supply of oil, and therefore fuel, with adverse impacts on the price of VLSFO in 2026 and 2027. 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.

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.

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, salvors 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. Even where the underlying claim is disputed or without merit, the release of an arrested vessel typically requires the posting of security, such as a bank guarantee or a letter of undertaking from the vessel’s protection and indemnity club, which may tie up capital or credit facility headroom pending resolution of the dispute. The arrest or attachment of our vessels, if not timely discharged, could have significant ramifications for the Company, including off-hire periods and potential cancellations of charters, high costs incurred in discharging the maritime lien, expenses to the extent such arrest or attachment is not covered under our insurance, breach of covenant

In addition, in certain jurisdictions, a claimant may arrest not only the vessel that is subject to the claimant’s maritime lien but also any “sister ship” or “associated ship.” Notably, in jurisdictions such as South Africa, whose Admiralty Jurisdiction Regulation Act adopts a broad “associated ship” concept, the right of arrest extends to any vessel owned or controlled by a company that is itself controlled by the same person or entity that controls the company owning the vessel against which the original claim lies. This doctrine is specifically designed to look through single-purpose corporate structures of the kind commonly used in the shipping industry, including by us. Accordingly, a claim against one of our vessel-owning subsidiaries could give rise to the arrest of a vessel owned by a different subsidiary within our corporate group, compounding the operational and financial impact of any such proceedings.

Any of the foregoing occurrences could negatively affect the market for our shares and have a material adverse effect on our business, financial condition, results of operations, cash flows and our ability to service or refinance our debt.

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.

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 may use artificial intelligence (“AI”) to grow and manage our shipping business. This technology and the rapid advancement of AI present both opportunities and significant risks to our operations.

We may deploy AI-enabled tools to optimize operations and performance monitoring, including vessel deployment, fuel efficiency, routing, and overall utilization, with the objective of supporting better decision-making and targeting an improvement in our operations. However, there can be no assurance that we will be successful in leveraging AI to support our business. AI-related challenges include compliance with emerging laws and regulations, ethical and legal issues, reputational harm from potential system failures, and risks associated with third-party vendors employing AI. The complexity and rapid evolution of AI technologies further amplify these risks, potentially exposing the organization to regulatory penalties, reputational damage, or operational disruptions.

While we are committed to using AI responsibly, as well as ensuring compliance with applicable laws and ethical standards, the inherent complexity and pace of change may result in unforeseen challenges. Key areas of concern include data privacy, data protection, ethical AI use, and intellectual property. Additionally, failure to adapt to technological advancements may negatively impact our competitive position.

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 the past, 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.

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 to which we also provide management services 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 the volume of which 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 and the assets that MPC Capital manages 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 April 15, 2026 we owned nine vessels. See "*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, 2025 and 2024, we derived 74% and 81%, respectively, of our consolidated operating revenues from three charterers. In particular, for the years ended December 31, 2025 and 2024, we derived 90% and 92%, respectively, of our dry bulk segment operating revenues from three and two charterers, respectively. Also, in the year ended December 31, 2025, 10% of our dry bulk segment operating revenues were earned on a pool arrangement entered into with one pool manager. Further, for the years ended December 31, 2025 and 2024, we derived 89% and 87% of our containership segment operating revenues from three 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;
- enlarge our customer base and continue 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 December 31, 2025, the average age of our current fleet is 13.02 years. The average age of our dry bulk vessels was 12.46 years, compared to an industry average of 12.82 years and the average age of our containership was 17.46 years, compared to an industry average of 14.16 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 in 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.

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 third-party or related party ship management companies. 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 Ships’ 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.

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.

Our financial results are materially dependent on dividends received from a limited number of investees, and

any reduction or suspension of such dividends would have a material adverse effect on our revenues, operating cash flows, and profitability. In recent periods, dividends received from our investees — principally MPC Container Ships ASA (“MPCC”), have constituted a substantial portion of our consolidated revenues and net income, as well as a significant component of our operating cash flows. These investees are not obligated to pay dividends, and their dividend policies are determined at their own discretion based on their own financial performance, capital requirements, strategic priorities, and prevailing market conditions, all of which are outside our control. A reduction, suspension, or elimination of dividends by any key investee could materially reduce our revenues, operating income, and cash flows from operations. Given the current concentration of dividend income in a small number of investees, such an event could render us unable to sustain current levels of profitability or operating liquidity without alternative sources of income or financing.

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, which may also affect the value of our investment portfolio and our ability to realize gains thereon.

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.

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

We rely extensively on information technology systems and networks across our vessels and administrative operations. Despite implementing industry-standard security measures, these systems remain vulnerable to cyber threats such as hacking, ransomware, data theft, or service denial. As cyberattacks become increasingly sophisticated, and as tools and resources become more readily available to malicious third parties, including the risk associated with the use of emerging technologies, such as AI and quantum computing for nefarious purposes, there can be no guarantee that our actions, security measures and controls designed to prevent, detect or respond to intrusion, to limit access to data, to prevent destruction or alteration of data or to limit the negative impact from such attacks, can provide absolute security against compromise of our systems and data. A successful cyber incident could significantly disrupt our operations, compromise safety, or result in unauthorized data exposure, leading to material financial losses and reputational harm.

Under IMO Resolution MSC.428(98), adopted in 2017, all vessel operators were required to integrate cyber risk management into their Safety Management Systems (SMS) by the first annual verification of their Document of Compliance after January 1, 2021. In addition, the U.S. Coast Guard issued non-binding guidance in February 2021 recommending that cyber risks be addressed within a vessel's SMS and aligned with recognized frameworks such as NIST Cybersecurity Framework and ISO/IEC 27001. While we have implemented measures to comply with these requirements, no system can guarantee complete protection against cyber incidents. Failures by our own systems or those of third-party vendors could undermine stakeholder confidence, harm customer relationships, or damage our brand.

On April 4, 2025, the IMO issued updated guidance under MSC-FAL.1/Circ.3/Rev.3, emphasizing proactive cyber governance, digital asset inventories, and incident recovery planning aligned with international standards such as ISO/IEC 27001, which we successfully obtained in May 2025. Compliance with these evolving standards and U.S. Coast Guard recommendations may require additional procedures, training, and potentially significant capital and operating expenditures. The precise cost and business impact of meeting these requirements remain difficult to predict at this time.

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.

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 to 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 credit facilities and other financing arrangements contain, and we expect that any new or amended credit facility and financing arrangements 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.

The operating and financial restrictions and covenants in our current credit agreements and other financing arrangements, and any new or amended credit facility and financing arrangements 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 current credit facility of Castor’s subsidiaries, where Castor acts as a guarantor, require the consent of the lenders to, among other things:

- incur or guarantee additional indebtedness outside of our ordinary course of business;
- charge, pledge or encumber our vessels;
- change the commercial and technical management of our vessels;
- change the flag, class, management or ownership of our vessels;
- declare or pay any dividends or other distributions when an event of default has occurred or the payment of such distribution would cause the occurrence of 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

- enter into any demise charter contract or any pooling agreement whereby all of the vessel's earnings are pooled or shared with any other person.

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

- (i) maintain a certain minimum level of cash on pledged deposit accounts with the borrowers;
- (ii) maintain a minimum percentage of vessel value to the then outstanding loan amount;
- (iii) not have a ratio of net debt to assets adjusted for the market value of the vessels above a certain level; and
- (iv) maintain a certain level of minimum free cash at Castor;

Our ability to comply with the covenants and restrictions contained in our current or future credit facilities and other financing arrangements 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 and other financing arrangements, or if we trigger a cross-default contained in our current or future credit facilities and other financing arrangements, 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 (including sale and leaseback agreements) 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 0.55% to 2.20% 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. SOFR rates have generally trended high since 2023 and remained high during 2024 and 2025 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.

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.

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 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.

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 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.

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.

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, and (ii) 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.

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 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.

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, 2027 (as amended) 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, 2027 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 to be volatile, which may cause our common shares to trade above or below what we believe to be their fundamental value. 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. During 2025, the market price of our common shares on the Nasdaq Capital Market has fluctuated from an intra-day low of \$1.84 per share on November 7, 2025 to an intra-day high of \$2.96 per share on January 7, 2025. On December 31, 2025, the closing price of our common shares was \$2.07 per share. As of April 1, 2026, the closing bid price of our common shares was \$1.825 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.

We have identified a material weakness in our internal control over financial reporting. If we are unable to remediate this material weakness or otherwise fail to maintain an effective system of internal controls, this could result in material misstatements in our consolidated financial statements and a failure to comply with applicable laws and regulations, which may materially adversely affect our business and share price.

Our management identified a material weakness in internal control over financial reporting related to our recently acquired subsidiary, MPC Capital, as of December 31, 2025. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. For a summary of the material weakness identified as of December 31, 2025, and the steps that we have taken and are taking to remedy our material weakness and control deficiencies, see "Item 15.-Controls and Procedures-Management's Annual Report on Internal Control Over Financial Reporting."

A material weakness in our internal control over financial reporting could result in a misstatement of our accounts or disclosures, which may result in a material misstatement in our annual or interim consolidated financial statements. As a result of the material weakness in our internal controls over financial reporting, our management concluded that as of December 31, 2025, our disclosure controls and procedures and our internal control over financial reporting were not effective. While we have taken and are continuing to take steps to remedy this material weakness and control deficiencies, our remediation plan can only be accomplished over time, and we can provide no assurance that these initiatives will ultimately have the intended effects or as to when we may be able to complete full remediation. We also cannot provide any assurance that we will not identify additional material weaknesses in the future. In addition, the process of assessing the effectiveness of our internal control over financial reporting may require the investment of significant time and resources, including by members of our management. As a result, this process may divert internal resources and take a substantial amount of time and effort to complete.

If we are unable to remediate the material weakness we have identified, or if we identify additional material weaknesses in the future or otherwise fail to develop and maintain an effective system of internal controls, we may not be able to produce timely and accurate consolidated financial statements, or our financial statements may include material misstatements, which may subject us to adverse regulatory consequences and may adversely affect investor confidence in us. As a result, the price of our shares and our ability to access the capital markets and other forms of financing in the future may be materially adversely affected.

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, 2025. Upon the exercise of our outstanding warrants, the Company may issue up to an additional 25,000 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, 2027. 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 incorporated 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 in 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 15, 2026 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 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.

Further, from time to time, we have entered and may in the future enter into agreements, transactions or arrangements with related parties, including Toro and Robin. See "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions. Our directors from time to time may also be directors in such related parties, including Toro or Robin. The interests of the related parties with which we have entered or may enter into such agreements, transactions or arrangements and of their direct or indirect share or equity holders may conflict with the interests of Castor or our common shareholders that are unaffiliated to Mr. Panagiotidis or our directors who are also directors of such related parties.

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 and pool arrangements 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.

In addition, for purposes of the PFIC “asset” test described above, we are relying on the application of certain “look-through” rules, taking into account certain intercompany items (including our interest in Toro and indirect interest in Robin). The application of these rules can be complex and can depend on facts that may change in the future. In particular, our conclusion that we do not expect to be a PFIC for our 2025 taxable year depends, in-part, on our determination each of the Toro Series A Preferred Shares and the 1.00% Series A Fixed Rate Cumulative Perpetual Convertible Preferred Shares of Robin (the “Robin Series A Preferred Shares”), which are held by Toro represent more than 25% of the value of Toro’s and Robin’s stock, respectively. We have made this determination based on an independent valuation analysis.

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 Taxation of U.S. Holders—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 Taxation of U.S. Holders—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. However, as discussed below under “*Taxation—U.S. Federal Income Taxation of U.S. Holders—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 2023, 2024 and 2025 taxable year, we anticipate that U.S. source income taxes of approximately \$177,794, \$113,915 and \$98,890 would be recognized for the years ended December 31, 2023, 2024 and 2025, 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, 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, 2025, our fleet consisted of 8 dry bulk carriers with a combined carrying capacity of 0.6 million dwt, consisting of four Kamsarmax, three Panamax and one Ultramax dry bulk vessels with an average age of 12.5 years, as well as one 1,850 TEU containerships with an aggregate cargo capacity of 0.1 million dwt and an average age of 17.5 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.

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 Shipping 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.

In connection with the Spin-Off, 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 containerships.

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.

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. On September 29, 2025, we agreed to issue 60,000 Series E Cumulative Perpetual Convertible Preferred shares (the “Series E Preferred Shares”) to Toro for an aggregate consideration of \$60.0 million in cash. On October 13, 2025, we and Toro agreed to the full redemption of the Series E Preferred Shares for a cash consideration equal to the stated amount of the Series E Preferred Shares plus 0.523% thereof, including accrued and unpaid distributions. Following their full redemption, such Series E Preferred Shares were cancelled and are no longer outstanding. 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 2024 and 2025, we paid \$2.5 million and \$4.9 million, respectively, in dividends to Toro in connection with the Series D and/or Series E 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.*”

\$50.0 million sustainability-linked senior term loan facility

On October 13, 2025, we entered into a \$50.0 million sustainability-linked senior term loan facility with Alpha Bank. The facility was drawn down in one tranche on October 24, 2025. For a description of this transaction, please see “*Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Our Borrowing Activities*”.

Sale and Leaseback

On July 29, 2025, we successfully completed a sale and leaseback transaction for the *M/V Magic Thunder*, a 2011-built Kamsarmax bulk carrier vessel with a Japanese counterparty. The bareboat financing amounts to \$14.6 million, has a duration of five years, and a purchase option for the Company, beginning at the end of the second year of the bareboat charter period.

On January 22, 2026, we successfully completed a sale and leaseback transaction for the *M/V Magic Perseus*, a 2013-built Kamsarmax bulk carrier vessel with a Japanese counterparty. The bareboat financing amounts to \$15.6 million, has a duration of eleven years, including a put option for the counterparty at the end of year eight, and a purchase option for the Company beginning at the end of the second year of the bareboat charter period.

Loan Facility Agreement from Toro

On December 11, 2024, Castor entered into a facility agreement with Toro to receive a \$100 million senior term loan facility from Toro which was drawn down on the same date. On May 5, 2025 the loan was fully repaid. 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 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 Notes 4 and 12 to the consolidated financial statements included elsewhere in this Annual Report.

Vessel and other Capital Expenditures

As of April 15, 2026, our fleet consisted of 8 dry bulk carriers, and one containership, as during 2025 we sold two dry bulk vessels and two containerships. 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 Note 7 to our consolidated financial statements included in this Annual Report.

During the years ended December 31, 2023, 2024 and 2025, we made capital expenditures of approximately \$0.1 million, \$0.0 million and \$0.6 million, respectively, primarily relating to the installation of ballast water treatment system (“BWTS”) on our vessels and the installation of new equipment pursuant to environmental regulations.

During 2025, MPC Capital acquired a 50% share in BestShip GmbH & Cie., KG for the amount of \$2,595,745 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.

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, 2023, 2024 and 2025, we operated (i) dry bulk vessels that engaged in the worldwide transportation of commodities such as iron ore, coal and soybeans, (ii) from the fourth quarter of 2022, containerships that are engaged in the transportation of containerized cargoes, (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 20 to our consolidated financial statements included elsewhere in this Annual Report.

Our Fleet

During the year ended December 31, 2025, our dry bulk vessels and containerships operated under time charter contracts and pool arrangements. As of December 31, 2025, 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, except for *M/V Magic P*, which is currently participating in an unaffiliated pool specializing in the employment of Panamax/Kamsarmax dry bulk vessels. Our one containership was under a fixed rate period charter contract.

The following tables summarize key information about our fleet in each segment as of April 15, 2026:

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
<i>M/V Magic Thunder</i>	83,375	2011	Japan	TC period	\$15,300 ⁽²⁾⁽³⁾	- ⁽⁴⁾	- ⁽⁴⁾
<i>M/V Magic Perseus</i>	82,158	2013	Japan	TC period	\$15,400 ⁽⁵⁾	- ⁽⁴⁾	- ⁽⁴⁾
<i>M/V Magic Starlight</i>	81,048	2015	China	TC period	\$16,600 ⁽⁶⁾	- ⁽⁴⁾	- ⁽⁴⁾
<i>M/V Magic Mars</i>	76,822	2014	Korea	TC period	\$18,425 ⁽⁷⁾⁽⁸⁾	- ⁽⁴⁾	- ⁽⁴⁾
<i>M/V Magic P</i>	76,453	2004	Japan	Panamax Pool ⁽⁹⁾	N/A	- ⁽¹⁰⁾	- ⁽¹⁰⁾
<i>M/V Magic Pluto</i>	74,940	2013	Japan	TC period	\$15,650 ⁽¹¹⁾	- ⁽⁴⁾	- ⁽⁴⁾
<i>M/V Magic Ariel</i>	81,845	2020	China	TC period	108% of BPI5TC ⁽²⁾	- ⁽⁴⁾	- ⁽⁴⁾

<i>M/V Magic Celeste</i>	63,310	2015	China	TC period	111% of BSI10TC ⁽¹²⁾ .	- ⁽⁴⁾	- ⁽⁴⁾

⁽¹⁾ TC stands for time charter.

- (2) The benchmark vessel used in the calculation of the average Baltic Panamax Index 5TC routes (“BPI5TC”) is a non-scrubber fitted 82,000mt dwt vessel (Kamsarmax) with specific age, speed–consumption, and design characteristics.
- (3) The vessel’s daily gross charter rate is equal to 97% of BPI5TC⁽²⁾. In accordance with the prevailing charter party, on November 17, 2025, we converted the index-linked rate to fixed from April 1, 2026 until June 30, 2026 at a rate of \$15,300 per day. In accordance with the prevailing charter party, on January 26, 2026, we converted the index-linked rate to fixed from July 1, 2026 until September 30, 2026 at a rate of \$15,000 per day. In accordance with the prevailing charter party, on March 1, 2026, we converted the index-linked rate to fixed from October 1, 2026 until December 31, 2026 at a rate of \$16,300 per day. Thereafter, the rate will be converted back to index-linked.
- (4) In accordance with the prevailing charter party, both parties (owners and charterers) have the option to terminate the charter by providing 3 months’ written notice to the other party.
- (5) The vessel’s daily gross charter rate is equal to 100% of BPI5TC⁽²⁾. In accordance with the prevailing charter party, on November 17, 2025, we converted the index-linked rate to fixed from January 1, 2026 until June 30, 2026 at a rate of \$15,400 per day. In accordance with the prevailing charter party, on March 1, 2026, we converted the index-linked rate to fixed from July 1, 2026 until December 31, 2026 at a rate of \$17,550 per day. Thereafter, the rate will be converted back to index-linked.
- (6) The vessel’s daily gross charter rate is equal to 98% of BPI5TC⁽²⁾. In accordance with the prevailing charter party, on January 26, 2026, we converted the index-linked rate to fixed from April 1, 2026 until June 30, 2026 at a rate of \$16,600 per day. Thereafter, the rate will be converted back to index-linked.
- (7) 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.
- (8) The vessel’s daily gross charter rate is equal to 102% of BPI4TC⁽⁷⁾. In accordance with the prevailing charter party, on February 20, 2026, we converted the index-linked rate to fixed from April 1, 2026 until June 30, 2026 at a rate of \$18,425 per day. Thereafter, the rate will be converted back to index-linked.
- (9) The vessel is currently participating in an unaffiliated pool specializing in the employment of Panamax/Kamsarmax dry bulk vessels.
- (10) Under the prevailing pool agreement, owners may terminate the charter by giving three months’ written notice.
- (11) The vessel’s daily gross charter rate is equal to 100% of BPI4TC⁽⁷⁾. In accordance with the prevailing charter party, on January 27, 2025, we converted the index-linked rate to fixed from February 1, 2025 until June 30, 2025 at a rate of \$15,650 per day. Thereafter, the rate will be converted back to index-linked.
- (12) 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.

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							
<i>M/V Raphaela</i>	26,811	2008	Turkey	TC period	\$ 26,250	Nov-26	Jan-27

Fleet Development

Vessel Acquisitions

During the year ended December 31, 2024, we acquired the vessels listed below. There were no vessels acquired during the years ended December 31, 2023 and 2025:

Dry Bulk Carriers						
Vessel Name	Vessel Type	DWT	Year Built	Country of Construction	Purchase Price (in million)	Delivery Date
2024 Acquisitions						
<i>Magic Celeste</i>	Ultramax	63,310	2015	China	\$ 25.50	08/16/2024
<i>Magic Ariel</i>	Kamsarmax	81,845	2020	China	\$ 29.95	10/09/2024

Containerships						
2024 Acquisitions						
<i>Raphaella</i>	1,850 TEU capacity Containership	26,811	2008	Turkey	\$ 16.49	10/03/2024

The acquisitions performed during 2024 were financed in their entirety with cash on hand.

Vessel Disposals

During the years ended December 31, 2023, 2024 and 2025, we sold a number of our older vessels as listed below:

2025 Disposals						
Vessel Name	Vessel Type	DWT	Year Built	Country of Construction	Sale Price (in million)	Delivery Date
<i>Ariana A</i>	2,700 TEU	38,117	2005	Germany	\$ 16.5	01/22/2025
<i>Gabriela A</i>	2,700 TEU	38,121	2005	Germany	\$ 19.3	05/07/2025
<i>Magic Eclipse</i>	Panamax	74,940	2011	Japan	\$ 13.5	03/24/2025
<i>Magic Callisto</i>	Panamax	74,930	2012	Japan	\$ 14.5	04/28/2025
2024 Disposals						
Vessel Name	Vessel Type	DWT	Year Built	Country of Construction	Sale Price (in million)	Delivery Date
<i>Magic Moon</i>	Panamax	76,602	2005	Japan	\$ 11.8	01/16/2024
<i>Magic Orion</i>	Capesize	180,200	2006	Japan	\$ 17.4	03/22/2024
<i>Magic Venus</i>	Kamsarmax	83,416	2010	Japan	\$ 17.5	05/10/2024
<i>Magic Nova</i>	Panamax	78,833	2010	Japan	\$ 16.1	03/11/2024
<i>Magic Horizon</i>	Panamax	76,619	2010	Japan	\$ 15.8	05/28/2024
<i>Magic Vela</i>	Panamax	75,003	2011	China	\$ 16.4	05/23/2024
<i>Magic Nebula</i>	Kamsarmax	80,281	2010	Korea	\$ 16.2	04/18/2024

2023 Disposals						
Vessel Name	Vessel Type	DWT	Year Built	Country of Construction	Sale Price (in million)	Delivery Date
<i>Magic Phoenix</i>	Panamax	76,636	2008	Japan	\$ 14.0	11/27/2023
<i>Magic Argo</i>	Kamsarmax	82,338	2009	Japan	\$ 15.75	12/14/2023
<i>Magic Twilight</i>	Kamsarmax	80,283	2010	S. Korea	\$ 17.5	07/20/2023
<i>Magic Rainbow</i>	Panamax	73,593	2007	China	\$ 12.6	04/18/2023
<i>Magic Sun</i>	Panamax	75,311	2001	S. Korea	\$ 6.55	11/14/2023

Chartering of our Fleet

We actively market our vessels, in the short, medium and long-term period time charter markets and in pool arrangements 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 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, 2025, all of our dry-bulk vessels, except the *M/V Magic P* which is employed under a pool arrangement, 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 one containership is currently employed under period time charter contracts.

A pool consists of a group of vessels of similar types and sizes that are provided by various owners for the purpose of enabling a centralized pool operator to engage those vessels commercially. Pools employ experienced commercial charterers and operators who have close working relationships with customers and brokers, while technical management is separate from pool operations. Their main objective is to enter into arrangements for the employment and operation of the pool vessels, so as to secure for the pool participants the highest commercially

available earnings per vessel on the basis of pooling the net revenues of the pool vessels and dividing it between the pool participants based on the terms of the pool agreement. Pool vessels are marketed as a single group of vessels, primarily in the spot market, and all revenues earned from the operation of the pool vessels are aggregated together and, after deduction of all costs involved in the operation of the pool, shared between the pool participants based on an agreed key. The size and scope of pools enable them to achieve larger economies of scale and to have better negotiating power with all procurement vendors (e.g., bunker suppliers, port agents and towing companies). As a result, they are able to reduce their costs for such items. They also achieve geographic diversification by deploying the pool vessels in both Atlantic and Pacific markets, while arbitraging from spread opportunities. The diversification in revenue streams due to typically broader shipping capabilities of pool fleet vessels and/or more accessible customer base, alongside payments to pool participants on a set schedule, can stabilize revenues for pool participants, though this may be offset by volatility in spot rates. Furthermore, due to their large fleets, pools can make vessels available for prompt cargoes (which are usually priced at higher than market rates) on short notice and thus they are able to capture the premium of such prompt cargoes. Pools also have higher market visibility, which provides them with opportunities not available to smaller tanker market participants. By being able to reduce costs and optimize revenues, pools aim to outperform the industry benchmark indices by utilizing their size and sophistication and improving utilization rates for participating vessels through various methods, including securing backhaul voyages and contracts of affreightment

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, effective July 1, 2024, Castor Ships charges and collects (i) following an inflation-based adjustment effective July 1, 2025, a (A) flat quarterly management fee in the amount of \$0.85 million for the management and administration of our business and (B) daily fee of \$1,044 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 the Company’s vessels, on all gross income received by the Company’s ship-owning 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, (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 (secondhand or newbuilt), (b) the shares of a ship-owning entity owning vessel(s), or (c) shares and/or other securities (including equity, debt and loan instruments), and (iv) a capital raising commission at the rate of 1% on all gross proceeds of each capital raising transaction completed by the Company including, without limitation, any equity, debt or loan transactions, operating leasing transactions, stand-alone derivative and/or swap agreements, other financing arrangements of a similar nature or any refinancing or restructuring thereof.

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 120 employees mainly based in Germany (as of December 31, 2025), 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, renewable power generation and storage, but also sustainable residential real estate developments).

Investment Business

The main activity of the investment business consists in the 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 17.4% of MPCC's outstanding share capital as of December 31, 2025. In 2025, Castor's indirect subsidiary, MPCC CSI LTD., a company affiliated with MPC Capital, acquired 3.44% shares in MPCC. We have significant influence over MPCC 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, 2025 we hold 20.5% 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, 2025 we hold 22.2% of CCEF's 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 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, BestShip GmbH & Cie. KG, and Waterway IT Solutions GmbH & Co. KG. These entities are not controlled by MPC Capital, nor by any other shareholder. With the acquisition of a 50% shareholding in BestShip GmbH & Cie. KG, MPC Capital added performance management services to its maritime services offering.

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) and their financing, and we provide ongoing asset management services.

In 2024, MPC Capital entered the market for offshore service vessels. The first project is the construction of up to six offshore survey and service vessels (OSSV). The total investment in these six 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. As of December 31, 2025, orders for four of the six vessels have been placed. 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, insurance and other authorizations for the operation of our vessels. Failure to maintain necessary permits, certificates, insurance 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 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 are complex, 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 carriers, tankers, 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 six ECAs, including specified portions of the Baltic Sea area, North Sea area, North American area, United States Caribbean area, Mediterranean Sea, Norwegian Sea and Canadian Arctic. Ocean-going vessels in these areas are or will be 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 incur additional capital expenses and/or other compliance costs.

As determined at MEPC 70, Regulation 22A of MARPOL Annex VI became effective on March 1, 2018, requiring vessels of 5,000 GT and above to collect and report annual fuel oil consumption via the IMO Data Collection System (DCS), with the first reporting period beginning on January 1, 2019. The IMO uses this data as the cornerstone of its greenhouse gas strategy for shipping.

In July 2023, the IMO adopted its updated GHG Strategy, targeting a reduction in carbon intensity by at least 40% by 2030 compared to 2008 levels, with net-zero emissions anticipated around 2050. In April 2025, draft amendments to Annex VI introduced mandatory GHG Fuel Intensity (GFI) standards to take effect in 2028. These standards oblige vessels over 5,000 GT to calculate and report annual GFI and comply with increasingly stringent emissions targets, using fuel selection, operational efficiencies, or offset purchases. The proposed framework includes a fuel quality standard, a carbon pricing mechanism (“remedial” and “surplus” units), and the establishment of an IMO Net-Zero Fund to support zero- and near-zero-emission fuels and aid developing countries. These amendments were expected to be adopted at MEPC/ES.2 in October 2025, enter into force in March 2027, and become mandatory as of January 2028.

However, the extraordinary session of MEPC (MEPC/ES.2) held October 14–17, 2025, was adjourned for one year due to lack of consensus on the GFI compliance framework and carbon pricing mechanism. Member States agreed to reconvene in October 2026 to continue discussions and work towards adoption. Discussions will proceed via an Intersessional Working Group meeting in October 2025 to refine guidelines for implementing the framework. As a result, the earliest possible entry into force remains March 2028, assuming adoption at the next session.

At MEPC 82 (September 30–October 4, 2024), the IMO adopted amendments to MARPOL Annex VI (Resolution MEPC.392(82)) designating the Canadian Arctic and the Norwegian Sea as ECAs for NOx, SOx and PM. The Canadian Arctic ECA extends the existing North American ECA to include all Canadian Arctic waters. The Norwegian Sea ECA extends the existing North Sea ECA and covers the Norwegian Exclusive Economic Zone north of 62° latitude, including Norwegian fjords and coastal waters. The amendments entered into force on March 1, 2026, with the following phased implementation:

Canadian Arctic ECA:

- Tier III NOx requirements apply to vessels with keels laid on or after January 1, 2025, although the requirements entered into force on March 1, 2026.
- The 0.10% fuel oil sulphur content limit takes effect from March 1, 2027.

Norwegian Sea ECA:

- Tier III NOx requirements apply to vessels contracted on or after March 1, 2026; or, in the absence of a building contract, with keels laid on or after September 1, 2026; or delivered on or after March 1, 2030.

- The 0.10% fuel oil sulphur content limit takes effect from March 1, 2027.

Further expansion of ECAs is anticipated. At MEPC 83 (April 2025), the IMO approved a proposal to designate the North-East Atlantic as an ECA for NO_x, SO_x and PM. Formal adoption is expected at MEPC 84 in April 2026, with the SO_x limit expected to take effect in 2028.

Energy Efficiency Design Index. MARPOL Annex VI mandates compliance with the Energy Efficiency Design Index (“EEDI”) for new ships, which requires that vessels achieve a minimum level of energy efficiency per capacity tonne-mile. The EEDI requirements have been implemented in phases of increasing stringency:

- Phase 1 (effective January 1, 2015): 10% reduction in carbon intensity below the applicable reference line.
- Phase 2 (effective January 1, 2020): 20% reduction below the applicable reference line.
- Phase 3: 30% reduction below the applicable reference line (with higher reduction rates of up to 50% for larger containerships). Phase 3 was originally scheduled to take effect on January 1, 2025 for all ship types. However, at MEPC 75 (November 2020), the IMO adopted amendments (Resolution MEPC.324(75)) advancing the effective date of Phase 3 to April 1, 2022 for the following vessel types: containerships, gas carriers above 15,000 DWT, general cargo ships, refrigerated cargo carriers, combination carriers, LNG carriers, and cruise passenger ships having non-conventional propulsion. For all other ship types subject to the EEDI, Phase 3 took effect on January 1, 2025.

Energy Efficiency Existing Ship Index. In addition to the EEDI, which applies to new ships, MARPOL Annex VI requires existing ships to comply with the Energy Efficiency Existing Ship Index (“EEXI”), a one-time certification requirement that imposes design efficiency standards equivalent to EEDI Phase 2 or Phase 3 (depending on ship type) on in-service vessels. The EEXI entered into force on January 1, 2023, and applies to all existing cargo and cruise ships above the applicable size thresholds, regardless of year of build.

Carbon Intensity Indicator. From January 1, 2023, all cargo and cruise ships of 5,000 GT and above are required to calculate and report an operational Carbon Intensity Indicator (“CII”) rating on an annual basis. Vessels are rated on a scale from A (best) to E (worst), with the rating thresholds becoming increasingly stringent towards 2030. A vessel that achieves a D rating for three consecutive years, or an E rating in any single year, is required to develop a corrective action plan as part of its Ship Energy Efficiency Management Plan. The CII framework is currently under review by the IMO, with consideration of gaps and challenges expected to inform potential amendments.

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 some 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. As of December 31, 2025, the ratings of (i) *M/V Magic Ariel* and *M/V Magic P* are B, (ii) *M/V Magic Starlight*, *M/V Magic Mars*, *M/V Magic Perseus*, *M/V Magic Pluto*, and *M/V Raphaela* are C and (iii) *M/V Magic Celeste* and *M/T Magic Thunder* are D.

European Union Measures

The EU has introduced additional climate regulations impacting shipping:

- **EU Emissions Trading System (EU ETS):** Effective January 1, 2024, the EU ETS applies to vessels of 5,000 GT or above, covering CO₂, CH₄, and N₂O emissions. Compliance is phased in: 40% of emissions in 2024, 70% in 2025, and 100% from 2026. Operators must purchase and surrender allowances for emissions from intra-EU voyages and 50% of emissions from voyages between EU and non-EU ports.
- **Fuel EU Maritime Regulation:** Effective January 1, 2025, this regulation sets limits on the annual average GHG intensity of energy used by ships calling at EU ports, starting with a 2% reduction in 2025 and

escalating to 80% by 2050. Passenger and container ships must use on-shore power or equivalent zero-emission technologies at berth from January 1, 2030 in TEN-T ports and by January 1, 2035 in all equipped EU ports.

Implications for Our Business

Compliance with these evolving IMO and EU requirements may require significant operational adjustments, investment in new technologies, and additional capital expenditures. These measures could materially impact our cost structure, voyage planning, and fleet strategy. The full financial impact remains uncertain but could be significant.

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 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.

Our operations are subject to extensive international safety standards under the International Convention for the Safety of Life at Sea (SOLAS), the International Maritime Solid Bulk Cargoes (IMSBC) Code, and the International Maritime Dangerous Goods (IMDG) Code, among others. Compliance with these evolving requirements is critical to maintaining safe operations and avoiding penalties or operational disruptions.

SOLAS Amendments Effective January 1, 2026

- Lifesaving Appliances: Updated standards for lifeboat and rescue boat equipment, including improved hook designs, fall prevention measures, and ventilation requirements for totally enclosed lifeboats.
- Fire Safety Enhancements:
- Mandatory installation of fire detection and alarm systems in cargo control stations and control rooms on cargo ships constructed after January 1, 2026.
- Prohibition of perfluorooctane sulfonic acid (PFOS) in firefighting media.
- Oil Fuel Safety: Stricter requirements for oil fuel parameters to reduce fire and explosion risks.

Container Safety Reporting

New SOLAS Chapter V amendments require masters to report lost containers or containers sighted adrift, including details on location, cargo type, and dangerous goods, effective January 1, 2026.

Bulk Cargo Safety – IMSBC Code

Amendments adopted under IMO Resolution MSC.575(110) introduce new cargo schedules and revised handling requirements for certain bulk commodities (e.g., aluminum sulphate, fish meal, iron ore). These amendments are voluntary from January 1, 2026 and become mandatory January 1, 2027.

Dangerous Goods – IMDG Code

Amendment 42-24 to the IMDG Code, effective January 1, 2026, addresses fire risks associated with packaged charcoal containers, requiring enhanced packaging, documentation, and classification under Class 4.2.

Implications for Our Business

Compliance with these safety regulations will require investments in shipboard equipment, crew training, and operational procedures. Failure to comply could result in detention, fines, or reputational damage. We are actively reviewing our fleet and implementing measures to ensure timely compliance with all applicable requirements.

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.

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. Certain U.S. ports, for example, require vessels entering their 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

The International Convention on the Control of Harmful Anti-Fouling Systems on Ships (the “AFS Convention”), adopted by the IMO in 2001 and in force since September 17, 2008, prohibits the application of organotin compounds (such as tributyltin) in anti-fouling paints used on ships’ hulls. Vessels of 400 gross tons and above engaged in international voyages must undergo an initial survey before entering service or before issuance of an International Anti-Fouling System Certificate, and subsequent surveys whenever the anti-fouling system is altered or replaced.

In June 2021, MEPC 76 adopted amendments to the AFS Convention banning the use of the biocide cybutryne in anti-fouling systems. This prohibition applies to ships from January 1, 2023, or, for ships already bearing such systems, at the next scheduled renewal of the coating after that date, but no later than 60 months following the last application. These measures were introduced following scientific evidence that cybutryne poses significant risks to marine organisms.

We have obtained International Anti-Fouling System Certificates for all vessels subject to the AFS Convention and have implemented procedures to ensure compliance with these requirements.

While we are currently in compliance, failure to maintain compliance with the AFS Convention and its amendments could result in port state control detentions, fines, or restrictions on trading in certain jurisdictions. Additionally, regional regulations—such as the EU Biocidal Products Regulation—may impose further restrictions on hull coatings and biocides, requiring us to adopt alternative technologies or incur additional costs. Future amendments to the AFS Convention or regional rules could necessitate further investment in hull maintenance and coating systems, which may increase operating expenses and impact dry-docking schedules.

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 BSEE 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 develop 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) Shore Power Regulation

Effective January 1, 2023, all container, refrigerated cargo (reefer), and cruise vessels calling at regulated California ports must utilize a CARB-Approved Emission Control Strategy (CAECS)—such as shore power or an alternative emissions capture system—while at berth and report each visit within 30 days of departure. Beginning January 1, 2025, this requirement expands to roll-on/roll-off vessels and tanker vessels visiting terminals at the Ports of Los Angeles and Long Beach. From January 1, 2027, tanker vessels calling at any regulated California terminal must comply.

Compliance may require significant capital expenditures for retrofitting vessels with shore power connection systems, including high-voltage cabling, switchboards, and safety interlocks. Estimated retrofit costs for large container vessels can range from \$1 million to \$2.5 million per vessel, depending on vessel age and configuration. Additional costs include crew training, maintenance of electrical systems, and potential operational delays during connection and disconnection. Failure to comply may result in penalties, loss of port access, and reputational harm.

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 has 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.

Turkish Emissions Trading System

In July 2025, Türkiye enacted the Climate Act, establishing the legal framework for a national Emissions Trading System (ETS), which is currently in a pilot phase through 2027, with a possible extension to 2028. The system will include monitoring, reporting, and verification (MRV) obligations, allowance issuance and surrender, and penalties for non-compliance—reduced by 80% during the pilot period. Sector-specific secondary legislation, including for maritime transport, is expected during this transition. Vessels transiting Turkish waters, including the Istanbul Strait under Montreux Convention rights, may be indirectly subject to ETS-related costs such as emissions-based passage dues once the system is fully operational.

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 and up to 600 nautical miles off the East African coast, 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 flag state (country of registry) to act as a recognized organization on its behalf. The classification society certifies that a vessel is safe and seaworthy in accordance with the applicable rules and regulations of the flag state and the International Convention for the Safety of Life at Sea ("SOLAS"). Most insurance underwriters make it a condition

for coverage, and most lenders make it a condition for financing, that a vessel be certified as “in class” by a classification society that is a member of the International Association of Classification Societies (“IACS”).

IACS has adopted harmonized Common Structural Rules (“CSR”), which apply to bulk carriers of 90 metres or more in length contracted for construction on or after July 1, 2015. The CSR establish uniform structural design, construction and maintenance standards across all IACS member societies, with the objective of ensuring the structural integrity and safety of these vessel types. The CSR are the only class rules that comply with the IMO’s Goal-Based Standards (“GBS”) for ship construction, which became compulsory for new building contracts signed on or after July 1, 2016. Our vessels are certified as being “in class” by the applicable IACS member classification societies, including, among others, the American Bureau of Shipping (“ABS”), Lloyd’s Register (“LR”), DNV and Nippon Kaiji Kyokai (“ClassNK”).

A vessel must undergo annual surveys, intermediate surveys, dry-dockings and special surveys in accordance with the requirements of its classification society and flag state. Special surveys, which involve a comprehensive examination of the vessel’s hull structure, machinery and equipment, are conducted at five-year intervals in connection with the renewal of the vessel’s class certificate. A vessel’s machinery may be placed on a continuous survey cycle, under which individual items of machinery are surveyed periodically over the five-year class renewal period.

In accordance with SOLAS (Chapter I, Regulation 10) and the IMO’s Survey Guidelines under the Harmonized System of Survey and Certification (Resolution A.1120(30)), every vessel is required to undergo a minimum of two inspections of the outside of the ship’s bottom during any five-year period, with the maximum interval between any two such inspections not exceeding 36 months. In practice, classification societies typically schedule bottom inspections at intervals of approximately 30 months to comply with this requirement. One such inspection must be conducted in dry dock; an in-water survey (“IWS”) may be permitted in lieu of the second dry-docking, subject to the approval of the flag administration and the classification society, and provided the survey yields all necessary information regarding the condition of the vessel’s underwater hull. A 15+ year-old bulk carrier must dry-dock for both bottom inspections in the five-year cycle — no IWS alternative. A 15+ year-old containership may still have the option of one IWS in lieu of one dry-docking, subject to flag state and class society approval, because it is not subject to the ESP regime. This is a meaningful cost and scheduling difference for fleet management. If any of our vessels does not maintain its class and/or fails any annual survey, intermediate survey, dry-docking or special survey, the vessel will be unable to trade between ports and will be effectively unemployable and uninsurable, which could cause us to be in violation of certain covenants in our credit facilities. Any such inability to trade or be employed, any such failure to maintain insurance, or any such violation of covenants, could have a material adverse effect on our business, financial condition, results of operations and cash flows.

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. In certain instances where our vessel is participating in a pool transit through high-risk areas, the pool operator arranges for kidnap and ransom loss of hire insurance for a specified duration on our behalf.

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 containerships 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 mainly operate out of 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 and, therefore, are 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 and the wind farm located in Germany which is included in property, plant and equipment. This 11.4 MW wind farm consists of two Nordex N-149 wind turbine generators with a hub height of 164 meters and a rotor blade wing span of 149 meters. It was acquired by MPC Capital in 2022 for approximately \$33.2 million. 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, 2024, compared to the year ended December 31, 2023, please see *“—A. Operating Results – Year ended December 31, 2024 as compared to year ended December 31, 2023”* contained in our annual report on Form 20-F for the year ended December 31, 2024, filed with the SEC on

May 14, 2025.

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. 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 and 2025, we operated in three reportable segments: (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 dry bulk and containership 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 20 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. In our asset management segment, challenges in securing funding due to market dynamics, performance history, or competition may limit project execution and growth;
- 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, tensions in the Middle East, including the war involving Iran, the U.S. and Israel, instability in Venezuela 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. In our asset management segment, fluctuations in global or regional economic environments may impact investor sentiment, asset valuations,

and fundraising efforts;

- The employment and operation of our fleet including the utilization rates of our vessels;
- In our asset management segment, underperformance relative to benchmarks or competitors can affect our reputation and track record, impacting investor confidence and hinder future fundraising. Increased competition for capital and investment opportunities may compress margins, break client relationships and impact scalability;
- 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;
- Compliance with evolving regulations across jurisdictions may increase operational complexity and costs;
- Dry-docking and special survey costs and duration, both expected and unexpected;
- Limited access to attractive investment opportunities, delays or deficiencies in projects, or lack of resources may hinder portfolio expansion and revenue growth of our asset management segment;
- 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;
- Our financial results are materially dependent on dividends received from a limited number of investees, and any reduction or suspension of such dividends would have a material adverse effect on our revenues, operating cash flows, and profitability. In recent periods, dividends received from our investees — principally MPCC, have constituted a substantial portion of our consolidated revenues and net income, as well as a significant component of our operating cash flows.
- The level of any distribution on all classes of our shares;
- Our access to debt financing may be constrained by tightening credit, rising interest rates, or lender risk aversion;
- 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;
- The performance of the listed equity securities and debt 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; and

- Fluctuations in foreign currency exchange rates and our ability to manage such exposure, including through hedging arrangements, which may affect our revenues, expenses and financial results (see Note 16 to our consolidated financial statements).

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.

Hire and Pool 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 and the pool rates we earn from pool arrangements. 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 vessel revenues for the year ended December 31, 2025, consisted of hire earned under time charter contracts, where charterers pay a fixed or index-linked daily hire, other compensation costs related to the contracts (such as ballast positioning compensation, holds cleaning compensation, etc.) and pool revenue. For further details on these arrangements, refer to “*Item 4. Information on the Company—A. Business Overview—Chartering of our Fleet.*”

Our future vessel 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 27 to our consolidated financial statements included elsewhere in this Annual Report for further details regarding segment revenues. Year-to-year comparisons of vessel revenues are not necessarily indicative of vessel performance. 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 24, 2024, and December 24, 2025 was 997 points and 1,877 points, respectively, and the BDI recorded an annual high of 2,845 points on December 3, 2025 and a low of 715 points on January 30, 2025. As of March 31, 2026, the BDI stood at 1,995 points. Since 2023, China ending its “zero COVID” policy did not result in increased demand for 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 2025 increased by approximately 3.0%, which is a lower rate of increase relative to the substantial increases observed during the early 2000s and mid-2010s. By the end of 2025, global seaborne trade of dry bulk commodities increased by approximately 1.8% in terms of tonne-miles. 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 strengthened in 2024, reaching their highest levels post COVID period, following the weaker conditions observed in 2023. The improvement in freight and charter rates was driven primarily by increased voyage distances due to the rerouting of vessels away from the Red Sea and Gulf of Aden, with East-West routes largely diverted via the Cape of Good Hope. This resulted in an approximate 11.28% increase in sailing distances in 2024 compared to 2023. In 2025, the containership fleet continued to grow, with the world container fleet increasing by about 7%, following a 10.1% increase in 2024. At the same time, demand growth remained moderate, with seaborne container trade increasing by approximately 3.3% year-on-year to about 10,527 billion tonne-miles. The increase in voyage distances stabilized during 2025, showing a marginal decline of around 0.52% compared to 2024. Looking ahead, a normalization of routing patterns, including a return to Red Sea transits, could exert downward pressure on both freight and charter rates. In addition, potential tariff escalations remain a source of uncertainty, as they may lead to shifts in trade flows and cargo rerouting.

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 maritime 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.

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, 2025 and 2024, we derived 90% and 92%, respectively, of our dry bulk segment operating revenues from three and two charterers, respectively. Also, in the year ended December 31, 2025, 10% of our revenues were earned on pool arrangements entered into with one pool manager. Further, for the years ended December 31, 2025 and 2024, we derived 89% and 87% of our containership segment operating revenues, respectively, from three charterers. 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, administering 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.

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 from time charters and pool arrangements, 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. Total vessel revenues are also affected by our commercial strategy related to the employment mix of our fleet between vessels on time charters and vessels in pool arrangements.

We measure revenues in each segment for two separate activities: (i) time charter revenues, and (ii) pool revenues.

For a breakdown of vessel revenues for the year ended December 31, 2025, please refer to Notes 3 and 20(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 and (ii) management services. Management services may be further subdivided into ongoing management services for investment structures and assets, and ship management services. For a breakdown of revenue from services for the year ended December 31, 2025, please refer to Note 20(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, bunker expenses, port and canal expenses, costs of European Union Allowances (“EUAs”) for emissions. 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. Under pooling arrangements, voyage expenses are borne by the pool operator. 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 (as defined in *Item 7. Major Shareholders and Related Party Transactions*).

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.

Time Charter Equivalent ("TCE") Revenues and Daily TCE Rate. Time Charter Equivalent revenues ("TCE revenues") is a measure of the revenue performance of a vessel and is defined as total vessel revenues (time charter and/or voyage charter revenues, and/or pool revenues, net of charterers' commissions), less voyage expenses. The TCE revenues 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. The Daily Time Charter Equivalent Rate ("Daily TCE Rate") is a measure of the average daily revenue performance of a vessel. These measures are not measures of financial performance under U.S. GAAP (i.e., it is a non-GAAP measure) and should not be considered as alternatives to any measure of financial performance presented in accordance with U.S. GAAP. We calculate Daily TCE Rate by dividing TCE revenues 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 because it compares daily net earnings generated by our vessels irrespective of the mix of charter types (e.g., time charter, voyage charter or other) under which our vessels are employed between the periods while further assist our management in making decisions regarding the deployment and use of our vessels and in evaluating our financial performance. Our calculation

of TCE Revenues and Daily TCE Rate may not be comparable to those reported by other companies. See below for a reconciliation of TCE Revenues and Daily TCE rate to Vessel revenue, net, 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, 2025, 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

	Year Ended December 31,	
	2024	2025
Total vessel revenues	\$65,069,003	\$46,240,892
Voyage expenses - including commissions to related party	(4,248,856)	(4,078,667)
TCE revenues	\$60,820,147	\$42,162,225
Available Days	4,626	3,506
Daily TCE Rate	\$ 13,147	\$ 12,026

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

	Year Ended December 31,	
	2024	2025
Total vessel revenues	\$49,704,809	\$36,159,492
Voyage expenses - including commissions to related party	(3,142,501)	(3,292,629)
TCE revenues	\$46,562,308	\$32,866,863
Available Days	3,804	2,993
Daily TCE Rate	\$ 12,240	\$ 10,981

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

	Year Ended December 31,	
	2024	2025
Total vessel revenues	\$15,364,194	\$10,081,400
Voyage expenses - including commissions to related party	(1,106,355)	(786,038)
TCE revenues	\$14,257,839	\$ 9,295,362
Available Days	822	513
Daily TCE Rate	\$ 17,345	\$ 18,120

Operational Metrics — Consolidated

	Year Ended December 31,	
	2024	2025
Daily vessel operating expenses	\$ 5,609	\$ 5,269
Ownership Days	4,669	3,633
Available Days	4,626	3,506
Operating Days	4,588	3,497
Fleet Utilization	99%	100%
Daily TCE Rate	\$ 13,147	\$ 12,026
EBITDA	\$29,679,564	\$40,227,317

Operational Metrics — Dry Bulk Segment

	Year Ended December 31,	
	2024	2025
Daily vessel operating expenses	\$ 5,597	\$ 5,226
Ownership Days	3,847	3,120
Available Days	3,804	2,993
Operating Days	3,767	2,985
Fleet Utilization	99%	100%
Daily TCE Rate	\$ 12,240	\$ 10,981

Operational Metrics — Containership Segment

	Year Ended December 31,	
	2024	2025
Daily vessel operating expenses	\$ 5,666	\$ 5,526
Ownership Days	822	513
Available Days	822	513
Operating Days	821	512
Fleet Utilization	100%	100%
Daily TCE Rate	\$ 17,345	\$ 18,120

Reconciliation of EBITDA to Net Income — Consolidated

	Year Ended December 31,	
	2024	2025
Net Income	\$15,304,934	\$21,542,163
Depreciation and amortization	15,037,006	14,760,087
Interest and finance costs, net ⁽¹⁾	(796,364)	3,059,198
Income taxes	133,988	865,869
EBITDA ⁽²⁾	\$29,679,564	\$40,227,317

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

(2) The EBITDA contribution from MPC Capital amounted to \$11.3 million in the year ended December 31, 2025.

Consolidated Results of Operations

Year ended December 31, 2025, as compared to the year ended December 31, 2024

*(In U.S. Dollars, except
for number of share
data)*

	Year ended December 31, 2024	Year ended December 31, 2025 ⁽²⁾	Change- amount	Change %
Time charter revenues	\$ 65,069,003	\$ 42,180,126	\$22,888,877	35.2%
Pool revenues	—	4,060,766	4,060,766	100%
Total vessel revenues	65,069,003	46,240,892	18,828,111	28.9%
Revenue from services (including revenue from related parties)	1,174,376	35,573,513	34,399,137	2929.1%
Total revenues	66,243,379	81,814,405	15,571,026	23.5%
Expenses:				
Voyage expenses (including commissions to related party)	(4,248,856)	(4,078,667)	170,189	4.0%
Vessel operating expenses	(26,188,773)	(19,140,916)	7,047,857	26.9%
Cost of revenue from services (exclusive of depreciation and amortization shown separately below)	(1,117,476)	(22,116,441)	20,998,965	1879.1%
Management fees to related parties	(4,808,602)	(4,022,007)	786,595	16.4%
Depreciation and amortization	(15,037,006)	(14,760,087)	276,919	1.8%
Loss on vessels held for sale	(3,629,521)	(5,554,777)	1,925,256	53%
(Provision) / recovery of provision for doubtful accounts	(4,823)	1,640,626	1,645,449	34116.7%
General and administrative expenses (including costs from related party)	(13,343,878)	(19,429,796)	6,085,918	45.6%
Net gain / (loss) on sale of vessels	19,298,394	(2,005,320)	21,303,714	110.4%
Gain from a claim	1,418,096	—	1,418,096	100%
Other operating income / (expenses)				
Net gain on disposal	158,440	309,680	151,240	95.5%
Net loss from equity method investments	—	(326,123)	326,123	100.0%
Net gain / (loss) from equity method investments measured at fair value	2,687,236	(10,755,335)	13,442,571	500.2%
Operating income / (loss)	\$ 21,426,610	\$(18,424,758)	\$39,851,368	186.0%
Interest and finance costs, net (including costs from related party)	796,364	(3,059,198)	3,855,562	484.1%
Dividend income from equity method investments measured at fair value (related party)	—	17,967,315	17,967,315	100%
Other income / (expenses) ⁽¹⁾	(6,784,052)	25,924,673	32,708,725	482.1%
Income taxes	(133,988)	(323,104)	189,116	141.1%
Withholding Tax on dividends received	—	(542,765)	542,765	100%
Net income	\$ 15,304,934	\$ 21,542,163	\$ 6,237,229	40.8%

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

⁽²⁾ The year-over-year comparison of our consolidated results is significantly affected by the inclusion of our subsidiary MPC Capital for the full year ended December 31, 2025, compared to only 16 days in the prior year (from the December 16, 2024 acquisition date through December 31, 2024). In particular, revenue from services, cost of revenue from services, and general and administrative expenses include a full year of MPC Capital activity in 2025 versus only 16 days in 2024. As a result, period-to-period percentage changes in these line items are not indicative of underlying organic growth trends.

Total vessel revenues – Total vessel revenues decreased to \$46.2 million in the year ended December 31, 2025 from

\$65.1 million in the same period of 2024. The decrease was driven by the decrease in our Available Days from 4,626 days in the year ended December 31, 2024, to 3,506 days in the year ended December 31, 2025, following the sale of the (i) *M/V Ariana A* on January 22, 2025, (ii) *M/V Magic Eclipse* on March 24, 2025, (iii) *M/V Magic Callisto* on April 28, 2025 and (iv) *M/V Gabriela A* on May 7, 2025, and the decrease in the prevailing charter rates of our dry bulk vessels. This decrease was partially offset by the increase in the prevailing charter rates of our container vessels. During the year ended December 31, 2025, our fleet earned on average a Daily TCE Rate of \$12,026, compared to an average Daily TCE Rate of \$13,147 earned during the same period in 2024. Daily TCE Rate is not a recognized measure under U.S. GAAP.

Revenue from services – Revenue from services 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 \$35.6 million for the year ended December 31, 2025 and relates to revenue earned from our subsidiary acquired in late 2024, MPC Capital. Revenue from services amounted to \$1.2 million for the period from December 16, 2024 (the date on which the MPC Capital Acquisition was consummated) to December 31, 2024.

Voyage expenses – Voyage expenses decreased by \$0.1 million, to \$4.1 million in the year ended December 31, 2025, from \$4.2 million in the corresponding period of 2024. 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, partially offset by an increase in the brokerage commission to a related party and increased port and other expenses.

Vessel operating expenses – The decrease in operating expenses by \$7.0 million to \$19.1 million in the year ended December 31, 2025, from \$26.2 million in the same period of 2024 mainly reflects the decrease in the Ownership Days of our fleet to 3,633 days in the year ended December 31, 2025, from 4,669 days in the year ended December 31, 2024.

Cost of revenue from services – Cost of revenue from services for the year ended December 31, 2025, amounted to \$22.1 million and relates to expenses for purchased services from third party providers and employee expenses from MPC Capital. This amounted to \$1.1 million for the period from December 16, 2024 to December 31, 2024.

Management fees – Management fees in the year ended December 31, 2025, amounted to \$4.0 million, whereas, in the same period of 2024, management fees totaled \$4.8 million. This decrease in management fees is due to the decrease in the total number of Ownership Days following the sales of 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 effected on July 1, 2025, from \$1,017 per vessel per day to \$1,044 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 \$9.6 million in the year ended December 31, 2025, from \$13.6 million in the same period of 2024. The decrease by \$4.0 million reflects mainly the decrease in the Ownership Days of our Fleet following the sale of the vessels discussed above. Dry-dock and special survey amortization charges amounted to \$1.4 million for each of the years ended December 31, 2024 and 2025. Further to the above, depreciation and amortization expenses for our asset management segment amounted to \$3.7 million in the year ended December 31, 2025 and \$0.1 million in the December 16, 2024 to December 31, 2024 period, comprising of property, plant and equipment depreciation and intangible assets amortization.

Loss on vessels held for sale - During the years ended December 31, 2025 and 2024, we recorded a loss on vessels held for sale of \$5.6 million and \$3.6 million, respectively. The loss recognized in 2025 represents the expected loss during the next twelve-month period (as assessed at the memorandum of agreement date) from the sale of the dry bulk vessel *M/V Magic Callisto* (delivered to its new owners on April 28, 2025), while the loss recognized in 2024 represented the expected loss on the sale of the containership vessel *M/V Ariana A*, which was completed upon delivery to its new owner in the first quarter of 2025.

(Provision) / recovery of provision for doubtful accounts – During the years ended December 31, 2025 and 2024, we recorded a recovery of provision of doubtful accounts in the amount of \$1.6 million and \$0, respectively, reflecting reversals of previously recognized write-downs on receivables within the retail business of our asset management segment.

General and administrative expenses – General and administrative expenses in the year ended December 31, 2025, amounted to \$19.4 million, whereas, in the same period of 2024, general and administrative expenses totaled \$13.3 million, which included \$7.0 million in MPC Capital acquisition-related costs that were incurred during the year ended December 31, 2024. This increase mainly reflects the increase in professional fees and other expenses by \$4.9 million, increase in audit fees by \$2.1 million, increase in personnel expenses by \$4.2 million and increase in office and IT expenses (including rent) by \$1.4 million following the acquisition of MPC Capital.

Net gain / (loss) on sale of vessels – Net gain / (loss) on sale of vessels in the year ended December 31, 2025 amounted to a \$2.0 million loss, whereas, in the same period of 2024, amounted to a \$19.3 million gain. On January 22, 2025, we concluded the sale of the *M/V Ariana A*, sold pursuant to an agreement dated November 13, 2024, for a cash consideration of \$16.5 million. The sale resulted in net proceeds to the Company of \$16.1 million and the Company recorded a net loss on the sale of \$0.1 million. On March 24, 2025, we concluded the sale of the *M/V Magic Eclipse*, sold pursuant to an agreement dated March 6, 2025, for a cash consideration of \$13.5 million. The sale resulted in net proceeds to the Company of \$13.1 million and the Company recorded a net loss on the sale of \$2.0 million. On April 28, 2025, we concluded the sale of the *M/V Magic Callisto*, sold pursuant to an agreement dated March 11, 2025, for a cash consideration of \$14.5 million. The sale resulted in net proceeds to the Company of \$14.1 million and the Company recorded a net loss on the sale of \$0.1 million, which, combined with the \$5.6 million loss previously recognized in 2025 as a Loss on vessels held for sale, brought the total loss attributable to this vessel's disposal to \$5.7 million. On May 7, 2025, we concluded the sale of the *M/V Gabriela A*, sold pursuant to an agreement dated December 4, 2024, for a cash consideration of \$19.3 million. The sale resulted in net proceeds to the Company of \$18.6 million and the Company recorded a net gain on the sale of \$0.2 million.

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. 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 \$1.4 million (including the deposit amount of \$1.4 million 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. During the year ended December 31, 2025 the Company did not record any gain / (loss) in the consolidated statement of comprehensive income related to a claim. Please also refer to Note 18 to our audited consolidated financial statements included elsewhere in this Annual Report.

Net loss from equity method investments – Loss from equity method investments for the years ended December 31, 2025 and 2024 amounted to a loss of \$0.3 million and \$0, respectively, representing our share in jointly owned companies or equity method investments (all of which relate to the asset management segment).

Net gain / (loss) from equity method investments measured at fair value— Net (loss) / gain from equity method investments measured at fair value in the years ended December 31, 2025 and 2024 amounted to a loss of \$10.8 million and a gain of \$2.7 million, respectively, resulting from the revaluation of such investments. These represent the shares held by either MPC Capital and Castor, indirectly through their subsidiaries, in MPC Container Ships ASA (“MPCC”) and MPC Energy Solutions N.V. (“MPCES”). These investments are carried at fair value with changes recognized in earnings, and their valuations are subject to significant quarter-to-quarter volatility driven by movements in the market prices of MPCC and MPCES shares. Such volatility may cause material fluctuations in our reported net income between periods.

Interest and finance costs, net – Interest and finance costs, net, amounted to \$3.1 million in the year ended December 31, 2025, whereas in the same period of 2024, they amounted to \$(0.8) million. The increase by \$3.9 million is mainly associated with the decrease by \$5.0 million in interest income we earned from our time and cash deposits due to decreased average cash balances during the year ended December 31, 2025, partially offset by lower interest expense by \$1.1 million due to the decrease in our weighted average indebtedness in the year ended December 31, 2025 compared to 2024.

Other income / (expenses) – Other income in the year ended December 31, 2025 amounted to \$25.9 million and mainly includes (i) a gain of \$16.9 million from our investments in listed equity securities, (ii) dividend income on equity securities of \$3.4 million, (iii) dividend income of \$1.4 million from our investment in the Toro Series A Preferred Shares and (iv) other, net amounting to \$4.7 million due to recoveries of prior year allowances and reversals of provisions, offset by foreign exchange losses amounting to \$0.4 million. 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 the Toro Series A Preferred Shares.

Dividend income from equity method investments measured at fair value (related party) – Dividend income from equity method investments measured at fair value in the years ended December 31, 2025 and 2024, amounted to \$18.0 million and \$0, respectively, and includes the dividend income from MPCC.

Segment Results of Operations

Year ended December 31, 2025, as compared to the year ended December 31, 2024 —Dry Bulk Segment

<i>(in U.S. Dollars)</i>	Year ended December 31, 2024	Year ended December 31, 2025	Change- amount	Change %
Total vessel revenues	49,704,809	36,159,492	13,545,317	27.3%
Expenses:				
Voyage expenses (including commissions to related party)	(3,142,501)	(3,292,629)	150,128	4.8%
Vessel operating expenses	(21,531,189)	(16,305,854)	5,225,335	24.3%
Management fees to related parties	(3,956,453)	(3,493,801)	462,652	11.7%
Depreciation and amortization	(9,593,639)	(9,586,004)	7,635	0.1%
Provision for doubtful accounts	(4,823)	—	4,823	100.0%
Net gain / (loss) on sale of vessels	19,298,394	(2,086,086)	21,384,480	110.8%
Loss on vessels held for sale	—	(5,554,777)	5,554,777	100.0%
Gain from a claim	1,418,096	—	1,418,096	100.0%
Segment operating income / (loss) ⁽¹⁾	32,192,694	(4,159,659)	36,352,353	112.9%

- (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 \$36.2 million in the year ended December 31, 2025 from \$49.7 million in 2024. The decrease was driven (a) by the decrease in our Available Days from 3,804 days in the year ended December 31, 2024, to 2,993 days in the year ended December 31, 2025, following the sale of the (i) *M/V Magic Moon* on January 16, 2024, (ii) *M/V Magic Orion* on March 22, 2024, (iii) *M/V Magic Nova* on March 11, 2024, (iv) *M/V Magic Nebula* on April 18, 2024, (v) *M/V Magic Venus* on May 10, 2024, (vi) *M/V Magic Vela* on May 23, 2024, (vii) *M/V Magic Horizon* on May 28, 2024, (viii) *M/V Magic Eclipse* on March 24, 2025 and (ix) *M/V Magic Callisto* on April 28, 2025, 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 and (b) the decrease in the prevailing charter rates of our dry bulk vessels. During the year ended December 31, 2025, our dry bulk fleet earned on average a Daily TCE Rate of \$10,981 compared to an average Daily TCE Rate of \$12,240 earned during the same period in 2024. Daily TCE Rate is not a recognized measure under U.S. GAAP.

Voyage expenses – Voyage expenses increased to \$3.3 million in the year ended December 31, 2025, from \$3.1 million in the corresponding period of 2024. The increase in voyage expenses primarily reflects an increase in the brokerage commission to a related party and higher port and other related expenses, partially offset by lower brokerage commission expenses, corresponding to the decrease in vessel revenues discussed above.

Vessel operating expenses – The decrease in operating expenses for our dry bulk fleet by \$5.2 million, to \$16.3 million in the year ended December 31, 2025, from \$21.5 million in the same period of 2024, 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, 2025, amounted to \$3.5 million, whereas, in the same period of 2024, management fees totaled \$4.0 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, 2024, from \$986 per vessel per day to \$1,017 per vessel per day and (ii) effected on July 1, 2025, from \$1,017 per vessel per day to \$1,044 per vessel per day.

Depreciation and amortization – Depreciation expenses for our dry bulk fleet in the year ended December 31, 2025 and 2024 amounted to \$8.2 million and \$8.6 million, respectively. The decrease reflects (i) the net decrease in the Ownership Days of our dry bulk segment days to 3,120 days in the year ended December 31, 2025, from 3,847 days in the same period in 2024, due to the sale 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 increased to \$1.4 million in the year ended December 31, 2025, from \$1.0 million in the same period of 2024. This variation in dry-dock amortization charges primarily resulted from the increase in aggregate amortization days to 1,624 days in the year ended December 31, 2025, from 910 days in the year ended December 31, 2024.

Net gain / (loss) on sale of vessels – Refer to discussion under ‘*Consolidated Results of Operations- Net gain / (loss) on sale of vessels*’ above for details on the sale of the *M/V Magic Eclipse* and *M/V Magic Callisto*.

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

Year ended December 31, 2025, as compared to year ended December 31, 2024— Containership Segment

	Year ended December 31, 2024	Year ended December 31, 2025	Change - amount	Change %
Total vessel revenues	15,364,194	10,081,400	5,282,794	34.4%
Expenses:				
Voyage expenses (including commissions to related party)	(1,106,355)	(786,038)	320,317	29.0%
Vessel operating expenses	(4,657,584)	(2,835,062)	1,822,522	39.1%
Management fees to related parties	(852,149)	(528,206)	323,943	38.0%
Depreciation and amortization	(5,330,681)	(1,460,696)	3,869,985	72.6%
Net gain / (loss) on sale of vessels	—	80,766	80,766	100%
Loss on vessels held for sale	(3,629,521)	—	3,629,521	100%
Segment operating (loss) / income	(212,096)	4,552,164	4,764,260	2246.3%

Total vessel revenues – Total vessel revenues for our containership segment amounted to \$10.1 million in the year ended December 31, 2025, as compared to \$15.4 million in the same period of 2024. The decrease was driven by the decrease in our Available Days from 822 days in the year ended December 31, 2024, to 513 days in the year ended December 31, 2025, following the sales of the *M/V Ariana A* on January 22, 2025 and *M/V Gabriela A* on May 7, 2025. This decrease was partially offset by the increase in the prevailing charter rates of our container vessels. During the year ended December 31, 2025, our containerships earned an average Daily TCE Rate of \$18,120 compared to an average Daily TCE Rate of \$17,345 earned in the same period of 2024. Daily TCE Rate is not a recognized measure under U.S. GAAP.

Voyage expenses – Voyage expenses for our containership segment decreased to \$0.8 million in the year ended December 31, 2025, from \$1.1 million in the same period of 2024, mainly reflecting the decrease in Available Days.

Vessel operating expenses – Operating expenses for our containership segment decreased to \$2.8 million in the year ended December 31, 2025, from \$4.7 million in the same period of 2024, mainly reflecting the decrease in Ownership Days of our containership vessels.

Management fees – Management fees for our containership segment decreased to \$0.5 million in the year ended December 31, 2025, from \$0.9 million in the same period of 2024 as a result of the decrease 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 \$1.5 million in the year ended December 31, 2025, from \$5.0 million in the same period in 2024 as a result of the sale of *M/V Ariana A* and *M/V Gabriela A* during the first and second quarter of 2025, respectively, and the effect of classifying both vessels as “held for sale” on the date of the agreement for sale (during 2024), as depreciation was not recorded during the period in which this vessel was classified as held for sale. Dry-dock amortization charges in the year ended December 31, 2025 and 2024 amounted to \$0 and \$0.4 million, respectively, due to the sale of *M/V Ariana A*, which had been classified as held for sale as of December 31, 2024 and amortization was not recorded up to its sale on January 22, 2025.

Net gain / (loss) on sale of vessels – Refer to discussion under ‘Consolidated Results of Operations- Net gain / (loss) on sale of vessels’ above for details on the sale of the *M/V Gabriela A* and *M/V Ariana A*.

Year ended December 31, 2025, as compared to period ended December 31, 2024 – Asset Management Segment

We entered the asset management business on December 16, 2024 and, accordingly, comparative financial information is presented for the year ended December 31, 2025 against the period from December 16, 2024 to December 31, 2024 and may not be meaningful.

(In U.S. Dollars, except for number of share data)

	December 16, 2024 - December 31, 2024 period	Year ended December 31, 2025	Change - amount	Change %
Revenue from services	1,174,376	35,573,513	34,399,137	2929.1%
Expenses:				
Cost of revenue (exclusive of depreciation and amortization shown separately below)	(1,117,476)	(22,116,441)	20,998,965	1879.1%
(Provision)/ recovery of provision for doubtful accounts	—	1,640,626	1,640,626	100.0%
General and administrative expenses	(345,466)	(10,846,239)	10,500,773	3039.6%
Depreciation and amortization	(112,686)	(3,713,387)	3,600,701	3195.3%
Other operating income				
Net gain on dispositions of assets	158,440	309,680	151,240	95.5%
Net loss from equity method investments	—	(326,123)	326,123	100.0%
Net gain / (loss) from equity method investments at fair value	2,687,236	(13,972,725)	16,659,961	620.0%
Segment operating income / (loss)	2,444,424	(13,451,096)	15,895,520	650.3%

Revenue from services – Revenue from services is generated through the following streams: (i) transaction services, (ii) management services for companies and assets, and (iii) ship management services. Revenues from services amounted to \$35.6 million for the year ended December 31, 2025 and relates to revenue earned from our subsidiary acquired in late 2024, MPC Capital. Revenues from services amounted to \$1.2 million 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 for the year ended December 31, 2025, amounted to \$22.1 million and relates to expenses for purchased services from third party providers and employee expenses from MPC Capital. This amounted to \$1.1 million for the period from December 16, 2024 to December 31, 2024.

Depreciation and amortization – Depreciation and amortization expenses for our asset management segment amounted to \$3.7 million for the year ended December 31, 2025 and to \$0.1 million in the December 16, 2024 to December 31, 2024 period, comprising of property, plant and equipment depreciation and intangible assets amortization.

General and administrative expenses – General and administrative expenses for our asset management segment amounted to \$10.8 million, for the year ended December 31, 2025 and to \$0.3 million in the December 16, 2024 to December 31, 2024 period.

(Provision) / recovery of provision for doubtful accounts – During the year ended December 31, 2025, we recorded a recovery of provision of doubtful accounts amounted to \$1.6 million, reflecting reversals of previously recognized write-downs on receivables within the retail business of our asset management segment.

Net loss from equity method investments – Loss from equity method investments for the years ended December 31, 2025 and 2024, amounted to a loss of \$0.3 million and \$0, respectively, representing our share in jointly owned companies or equity method investments (all of which relate to the asset management segment).

Net gain / (loss) from equity method investments measured at fair value– Net (loss) / gain from equity method investments measured at fair value in the years ended December 31, 2025 and 2024 amounted to a loss of \$14.0 million and a gain of \$2.7 million, respectively, resulting from the revaluation of such investments. These represent our share in MPCC and MPC Energy Solutions N.V for which we have elected the fair value option.

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 and financing arrangements. 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, 2025, 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 – including sale and leaseback transactions - as discussed below under “—*Our Borrowing Activities*” and (iv) the proceeds from the sale of equity securities and preferred equity securities. In previous years, we have also issued equity as a source of financing, as discussed below under “—*Equity Transactions*”. As of December 31, 2025 and December 31, 2024, we had cash and cash equivalents of \$151.8 million and \$87.9 million (which excludes \$1.0 million and \$0 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, 2025, we had a working capital surplus of \$187.0 million as compared to a working capital surplus of \$189.5 million as of December 31, 2024.

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. Notwithstanding the foregoing, we are materially dependent on dividends received from a limited number of investees, principally dividends received from MPCC, and any disruption or reduction of such dividends could materially affect our liquidity position.

Our medium- and long-term liquidity requirements relate to the funding of cash dividends on our Series D Preferred Shares, as well as cash dividends to noncontrolling interests from our majority-owned subsidiaries, when declared, repayments of outstanding debts and financing arrangements, 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, 2025 and April 15, 2026, we did not have any commitments for capital expenditures related to vessel acquisitions.

In February 2025, MPC Capital acquired a 50% share in BestShip GmbH & Cie., KG from the Norwegian Wilhelmsen Group, 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.

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. On December 23, 2025, Castor and Toro agreed to amend the terms of Castor Series D Preferred Shares and Toro Series A Preferred Shares, in each case to extend the initial conversion date by one-year, to January 1, 2027 in the case of the Castor Series D Preferred Shares and March 7, 2027 in the case of the Toro Series A 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 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 2024 and 2025, we paid \$2.5 million and \$4.6 million, respectively, in dividends to Toro in connection with the Series D Preferred Shares.

On September 29, 2025, we agreed to issue 60,000 Series E Preferred Shares, having a stated amount of \$1,000 each, to Toro for a total consideration of \$60.0 million in cash. The distribution rate of the Series E Preferred Shares was 8.75%, paid quarterly, and they were convertible into common shares of Castor from the first anniversary of the issue date at a conversion price equal to the 5-day value weighted average price immediately preceding the conversion, subject to a minimum conversion price of \$0.30. On October 13, 2025, we and Toro agreed to the full redemption of the Series E Preferred Shares, for a cash consideration equal to the stated amount of \$60.0 million of the Series E Preferred Shares plus 0.523% thereof, including accrued and unpaid distributions.

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 above mentioned transactions, the April 7 Warrants that remained outstanding as of December 31, 2025, were exercisable in the aggregate into 25,000 Common Shares. As of April 15, 2026, the April 7 Warrants expired unexercised.

Our Borrowing Activities

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 the first transaction, please see “*Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Loan Facility Agreement of \$100.0 million from Toro.*” On March 24, 2025, March 31, 2025 and on April 29, 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 December 31, 2025, the Term Loan has been fully repaid.

As of December 31, 2025, we had \$85.6 million of gross indebtedness outstanding under our debt agreements and financial liabilities, comprising of \$64.0 million of indebtedness related to our dry bulk segment, and \$21.6 million of indebtedness related to our asset management segment. Of this total figure, \$7.6 million mature in the twelve-month period ending December 31, 2026. Our borrowing commitments, as of December 31, 2025, relating to debt and interest repayments under our credit facilities and sale and leaseback transactions amounted to \$94.5 million, of which approximately \$8.5 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, 2025, and our applicable margin rate.

As of December 31, 2025 and December 31, 2024, we were in compliance with all the financial and liquidity covenants contained in our debt agreements.

Dry Bulk Segment Credit Facilities and Financial Liabilities

Financial Liabilities: Sale and Leaseback Transactions

On July 11, 2025, we entered into a sale and leaseback agreement with an unaffiliated Japanese counterparty for the *M/V Magic Thunder*, a 2011-built Kamsarmax bulk carrier vessel, for an aggregate amount of \$14,640,000. The vessel was delivered to its buyers on July 29, 2025 and we chartered in the vessel under a bareboat charter party for a period of five years and has a purchase option beginning at the end of the second year of vessel’s bareboat charter period, or each year thereafter, until the termination of the lease, at specific prices, subject to irrevocable and written notice to the owner. If not repurchased earlier, we have the option to repurchase the vessel for \$6,295,180, on the expiration of the lease on the fifth year. As of December 31, 2025, the outstanding balance amounts to \$14.0 million.

On December 29, 2025, we entered into a sale and leaseback agreement with an unaffiliated Japanese counterparty for the *M/V Magic Perseus*, a 2013-built Kamsarmax bulk carrier vessel, for an aggregate amount of \$15,600,000. The vessel was delivered to its buyers on January 22, 2026 and we chartered in the vessel under a bareboat charter party for a period of eleven years, including a put option for the counterparty at the end of year eight, and a purchase option for us beginning at the end of the second year of the bareboat charter period. If not repurchased earlier, we have the option to repurchase the vessel at no additional cost, on the expiration of the lease on the eleventh year. As of December 31, 2025, the amount has not been drawn.

\$50.0 million sustainability-linked senior term loan facility

On October 13, 2025, four of our wholly owned dry bulk vessel ship-owning subsidiaries, owning the *M/V Magic Ariel*, *M/V Magic Celeste*, *M/V Magic Mars* and *M/V Magic Starlight*, respectively, entered into a sustainability-linked senior term loan facility in the amount of \$50.0 million with Alpha Bank S.A (“Alpha Bank”). The facility was drawn down on October 24, 2025. This facility has a term of five years from the drawdown date, bears interest at rate of Term SOFR plus a margin, which may be adjusted based on the Company’s performance against certain sustainability-linked targets per annum and is repayable in twenty (20) equal quarterly installments of \$950,000 each, plus a balloon

installment of \$31.0 million payable simultaneously with the last installment at maturity, on October 24, 2030.

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, manager's undertakings and is guaranteed by the Company. The borrowers are required to maintain an aggregate minimum liquidity of \$1,000,000 in their pledged deposit accounts. The Company as guarantor is also required to (i) maintain a leverage ratio (as defined therein) that will not be higher than 70% until maturity, and (ii) maintain free cash of not less than \$500,000 per vessel in the fleet at all times. This facility's net proceeds will be used for general corporate purposes.

As of December 31, 2025, the outstanding balance amounts to \$50.0 million.

\$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 Jumarú 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 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 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 (\$5.27 million) with Ostfriesische Volksbank eG. The term loan was drawn down in a tranche of €3.5 million (\$3.69 million) on December 9, 2024 and in a tranche of €1.5 million (\$1.55 million) in January 2025. 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 (\$294,078) starting at March 31, 2025. The term loan is unsecured and is not subject to any covenants. As of December 31, 2025, the outstanding balance amounted to \$4.7 million.

€16.2 Million Term Loan

In May 2022, our majority owned subsidiary Energiepark Heringen-Philippsthal WP HP GmbH & Co, KG (“EP Heringen”), entered into a credit facility with Commerzbank Aktiengesellschaft, Frankfurt am Main. The nominal value of the credit facility at inception was €16.21 million (\$17.45 million) with a nominal fixed interest rate of 1.73% p.a. until March 2032. Thereafter, interest will adjust to a variable interest rate determined by reference to EURIBOR. The repayment of the loan is allocated over equal quarterly installments in the amount of €225,139 (\$264,833) ending in December 2041. The term loan is unsecured and is not subject to any covenants. As of December 31, 2025, the outstanding balance amounts to \$15.2 million.

€1.72 Million Term Loan

In May 2022, EP Heringen entered into a second credit facility for an amount of €1.72 million (\$1.85 million) with Commerzbank Aktiengesellschaft, Frankfurt am Main. The nominal fixed interest rate of this facility is 2.68% p.a. until March 2032. Thereafter, interest will adjust to a variable interest rate determined by reference to EURIBOR. The repayment of the loan is allocated over equal quarterly installments in the amount of €23,423 (\$27,553) ending in September 2042. The term loan is unsecured and is not subject to any covenants. As of December 31, 2025, the outstanding balance amounts to \$1.7 million.

As of December 31, 2024, both term loans with Commerzbank were presented as liabilities held for sale in the consolidated balance sheet as EP Heringen met the held for sale criteria. In December 2025, these loans were reclassified to held and used. See Note 7 to our consolidated financial statements for further details included in this Annual Report.

€5.0 Million Revolving Credit Facility

On November 17, 2023, MPC Capital entered into a revolving credit facility in the amount of €5.0 million (\$5.43 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, 2025, the facility is not drawn.

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, 2024, and 2025:

<i>(in U.S. Dollars)</i>	For the year ended,	
	December 31, 2024	December 31, 2025
Net cash provided by operating activities	\$ 41,911,298	\$ 10,046,351
Net cash (used in) / provided by investing activities	(133,475,878)	97,066,285
Net cash provided by / (used in) financing activities	59,565,250	(46,316,381)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(284,819)	3,361,876
Net (decrease) / increase in cash, cash equivalents, and restricted cash	(32,284,149)	64,158,131
Cash, cash equivalents and restricted cash at beginning of period	120,901,147	88,616,998
Cash, cash equivalents and restricted cash at end of period	\$ 88,616,998	\$152,775,129

Operating Activities:

For the year ended December 31, 2025, net cash provided by operating activities amounted to \$10.0 million, consisting principally of net income of \$21.5 million, non-cash adjustments related to depreciation and amortization of \$14.8 million, loss on vessels held for sale discussed above of \$5.6 million, net loss on sale of vessels of \$2.0 million, amortization and write off of deferred finance charges of \$0.2 million, amortization of fair value of acquired charters of \$0.1 million, straight line amortization of hire of \$0.1 million, recovery of provision for doubtful accounts of \$1.6 million, unrealized gain of \$24.7 million from revaluing our investments in listed equity securities at period end market rates, a realized loss on sale of equity securities of \$7.8 million, unrealized loss from equity method investments measured at fair value of \$10.8 million, unrealized foreign exchange losses from equity method investments of \$0.7 million, unrealized loss from equity method investments of \$0.2 million, payments related to dry-docking costs of \$5.4 million and a net increase of \$21.6 million in working capital, which is mainly the result of decreases in (i) inventories by \$0.9 million, (ii) prepaid expenses and other assets by \$0.5 million, (iii) income tax receivable / payable by \$5.7 million, (iv) derivative assets / liabilities by \$1.4 million and (v) accrued liabilities by \$7.9 million, and set off by increases in (vi) trade receivables by \$3.0 million, (vii) due from/to related parties by \$6.3 million, (viii) deferred revenue by \$0.2 million and (ix) accounts payable by \$1.1 million. Moreover, the Company received in cash \$18.0 million of dividends from its equity method investments that are measured at fair value.

For the year ended December 31, 2024, net cash provided by operating activities 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, net 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.

The \$31.9 million decrease in net cash from operating activities in the year ended December 31, 2025, as compared with the year ended December 31, 2024, reflects mainly the change in working capital position.

Investing Activities:

For the year ended December 31, 2025, net cash provided by investing activities amounted to \$97.1 million, mainly reflecting the net cash inflow of \$61.9 million of net proceeds from the sale of the vessels discussed above, net inflows of \$56.7 million associated with the purchase and sale of debt and equity securities / investments, net inflows of \$0.4 million related to payments received on mezzanine loan, net outflows of \$21.1 million associated with the acquisition, disposition and return of capital from equity method investments and net outflows of \$0.9 million associated with other vessels improvements and acquisitions of property, plant and equipment. Please also refer to Notes 7, 8, 13 and 14 to our audited consolidated financial statements included elsewhere in this Annual Report.

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 18 to our audited consolidated financial statements included elsewhere in this Annual Report.

Financing Activities:

For the year ended December 31, 2025, net cash used in financing activities amounted to \$46.3 million, mainly relating to (i) \$51.6 million of gross proceeds from long-term debt, (ii) \$14.6 million proceeds related to the sale and leaseback agreement for the *M/V Magic Thunder*, as offset by (iii) \$102.8 million consisting of period scheduled principal repayments under our existing credit facilities and financial liabilities, early prepayments due to sale of vessels and voluntary prepayments and \$1.6 million related to payments of deferred financing costs, (iv) \$4.6 million and \$0.3 million of dividends paid relating to Series D Preferred Shares and Series E Preferred Shares, respectively, and (v) \$2.8 million for cash dividends paid to non-controlling interest. On September 29, 2025, the Company issued 60,000 Series E Preferred Shares to Toro for \$60.0 million in cash proceeds, which were fully redeemed on October 13, 2025 for cash, therefore having no net effect on cash flows. Please also refer to Notes 4, 12 and 15 to our audited consolidated financial statements included elsewhere in this Annual Report for a more detailed discussion.

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 15 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 have 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. The instability in Venezuela and the outbreak of war in Iran, including restrictions on transit of ships through the Strait of Hormuz, has and may continue to disrupt the supply of energy. 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, during 2024 and 2025, a number of economies worldwide experienced a slowdown in the rate of economic growth and some continued to observe inflationary pressures. 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."* In particular, inflation has proven stickier in parts of the global economy and above the inflation targets set by central banks in the United States of America, the United Kingdom and the Eurozone. 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 or tariffs imposed by the United States, and retaliatory tariffs from other nations, including China, 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 market risks related to our minority investments include, but are not limited to, risks related to the container shipping and broader maritime industries such as changes in shipping demand and freight rates, potential disruptions or security incidents in key international maritime corridors (including but not limited to the Red Sea), shifts in global trade flows, macroeconomic downturns, and changes in trade policy or trade barriers, any of which could adversely impact investment performance.

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.

Vessel Impairment

The Company reviews for impairment on its held and used vessels whenever events or changes in circumstances (such as market conditions, obsolescence of 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.

As of December 31, 2024, the charter-free market value of all our vessels exceeded their carrying value. Thus, no undiscounted cash flow test 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.

The table below specifies the carrying value of our vessels as of December 31, 2025 and identifies using an “*” vessels that had a charter-free market value below their carrying value.

As of December 31, 2025, the aggregate carrying value, including, where applicable, the value of related intangible assets, of the *M/V Magic Celeste* was \$0.3 million more than its fair market value, based on broker quotes. This difference represents the approximate analysis of the amount by which we believe we would have to reduce our net income as of December 31, 2025 if we sold that vessel 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 vessel would be sold at a price that reflects our estimate of its current basic market value as at December 31, 2025.

Vessels	Date acquired	Carrying value as of December 31, 2025 (in millions of United States dollars)
<i>M/V Magic P</i>	02/21/2017	\$ 6.3
<i>M/V Magic Thunder</i>	04/13/2021	\$ 13.3
<i>M/V Magic Starlight</i>	05/23/2021	\$ 20.3
<i>M/V Magic Pluto</i>	08/06/2021	\$ 17.2
<i>M/V Magic Perseus</i>	08/09/2021	\$ 17.9
<i>M/V Magic Mars</i>	09/20/2021	\$ 18.2
<i>M/V Magic Celeste</i>	08/16/2024	\$ 25.3*
<i>M/V Magic Ariel</i>	10/09/2024	\$ 29.8
<i>M/V Raphaela</i>	10/03/2024	\$ 14.3
Total		\$ 162.6

* Indicates vessel for which we believe that, as of December 31, 2025, its carrying value, including, where applicable, the value of related intangible assets, exceeded its charter-free market value. As discussed below, we believe that the carrying value of this vessel as of December 31, 2025, was recoverable as the future undiscounted operating cash flows of this vessel exceeded its carrying value including, where applicable, the value of related intangible assets.

As of December 31, 2025, for the above indicated vessel, we performed an impairment analysis, in which we made estimates and assumptions relating to determining the future undiscounted 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) over the remaining economic life of the vessel, excluding estimated days of scheduled off-hires and net of estimated commissions;
- residual value of vessel;
- commercial and technical management fees;
- an estimated utilization rate; and
- the remaining estimated life of our vessel, consistent with the one used in our depreciation calculations.

The net future undiscounted operating 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 future undiscounted operating 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, 2025, we would begin recording impairment loss on this vessel, if time charter declines by 11% from its ten-year historical average.

Based on the above assumptions, we determined that the future undiscounted operating cash flows supported the above vessel carrying amount as of December 31, 2025.

Impairment of 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.

The Company recognized goodwill primarily in connection with the acquisition of MPC Capital in late December 2024. The goodwill recognized 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, expected operational synergies, continued innovation and non-contractual relationships with customers and business partners. The goodwill attributable to the MPC Capital segment (i.e., the asset management segment) reflects the premium paid by the Company over the fair value of the identifiable net assets of MPC Capital and is primarily associated with the expected benefits derived from MPC Capital's position as an established maritime and infrastructure asset management platform.

Goodwill is not amortized but is tested for impairment at least annually, or more frequently whenever events or changes in circumstances indicate that the carrying amount of the reporting unit may not be recoverable. Such events or circumstances may include significant adverse changes in general economic conditions, financial markets or the maritime and infrastructure asset management sectors, deterioration in operating performance of the reporting unit, significant changes in expected future cash flows, loss of significant customers or contracts, or changes in management's strategic plans.

The Company evaluates goodwill for impairment using either a qualitative or quantitative approach. Under the qualitative approach, management assesses various factors to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount.

These qualitative factors may include, among others:

- macroeconomic conditions and capital market developments;
- industry and market conditions affecting maritime asset management and shipping markets;
- changes in the competitive environment or regulatory framework;
- overall financial performance of the reporting unit;
- trends in revenues, operating margins and cash flows;
- changes in key management personnel or strategic direction; and
- changes in the Company's market capitalization relative to its consolidated net assets.

If, based on the qualitative assessment, management determines that it is more likely than not that the fair value of the reporting unit is less than its carrying amount, or if management cannot conclude that the fair value of the reporting unit substantially exceeds its carrying value, the Company performs a quantitative goodwill impairment test.

The quantitative impairment test compares the estimated fair value of the reporting unit with its carrying amount, including goodwill. If the carrying amount of the reporting unit exceeds its estimated fair value, an impairment loss is recognized in an amount equal to that excess, limited to the carrying value of goodwill.

The determination of the fair value of the reporting unit requires the use of significant estimates and assumptions. The Company estimates the fair value of the reporting unit primarily using a discounted cash flow methodology, supplemented, where appropriate, by market-based valuation approaches, including for co-investment positions. The discounted cash flow model requires management to make significant estimates regarding future operating performance and economic conditions.

The most significant assumptions used in the valuation include:

- projected revenues from maritime and infrastructure asset management activities;
- expected management and performance fee income from managed assets;
- expected operating margins and cost structures;
- projected capital expenditures and working capital requirements;
- long-term growth rates reflecting expected market conditions; and
- the discount rate applied to projected cash flows, which reflects the reporting unit's weighted average cost of capital.

These valuation techniques require management to exercise considerable judgment in estimating future financial performance and selecting appropriate valuation parameters. Changes in any of these assumptions could materially affect the estimated fair value of the reporting unit and could result in the recognition of goodwill impairment in future periods. The goodwill impairment assessment therefore involves significant estimation uncertainty, which arises primarily from the following sources:

- **Cyclicality and structural shifts in maritime asset management:** The maritime transportation and infrastructure sectors are subject to cyclical demand patterns, geopolitical developments, regulatory change, and structural shifts in global trade flows. These factors introduce material uncertainty into medium- and long-term revenue and margin forecasts as well as into the value of the reporting unit's co-investment exposure.
- **Management fee and transaction fee variability:** A significant portion of the reporting unit's projected revenues depends on the level of assets under management (AuM). AuM levels are sensitive to capital market conditions, investor sentiment and the ability to raise new funds, all of which are inherently uncertain.
- **Discount rate sensitivity:** The discount rate applied in the discounted cashflow (DCF) model represents the weighted average cost of capital (WACC) of the reporting unit. The WACC is derived from capital market inputs, including risk-free rates, equity risk premia and company-specific risk adjustments, all of which are subject to significant volatility. Modest changes in the discount rate can materially impact fair value estimates.
- **Subjectivity of long-term growth rate:** The terminal/long-term growth rate assumption, which has an outsized effect on DCF-derived fair values, reflects management's expectation of sustainable industry growth. This assumption is inherently uncertain and difficult to corroborate using observable market data.

The goodwill impairment analysis is particularly sensitive to changes in projected revenue growth, operating margins and the discount rate used to calculate the present value of future cash flows. Adverse developments in the maritime transportation and infrastructure markets, a decline in assets under management, reduced management fee income or an increase in the discount rate due to changes in capital market conditions could negatively affect the estimated fair value of the reporting unit.

The following table sets out the estimated impact on the fair value of the reporting unit resulting from possible changes in each key assumption in isolation, holding all other assumptions constant.

Key Assumption	Change Applied	Impact on Fair Value (\$m)	Impairment Requirement (\$m)
Discount Rate (WACC)	+1.0 percentage point	(15.4)	0
	-1.0 percentage point	22.4	0
Long-term Revenue Growth Rate	+1.0 percentage point	18.2	0
	-1.0 percentage point	(12.5)	0
Long-term EBITDA Margin	+1.0 percentage point	9.1	0
	-1.0 percentage point	(9.1)	0

Although management believes that the assumptions used in the goodwill impairment analysis are reasonable and consistent with available market data and historical performance, these assumptions are inherently uncertain and involve significant judgment. There can be no assurance that the assumptions used in the analysis will prove to be accurate or that future events will not differ materially from those assumed.

As the acquisition of MPC Capital was completed in late December 2024, the annual goodwill impairment test performed as at December 31, 2025 represents the first such assessment undertaken by the Company. Accordingly, there is no prior period estimate against which changes in assumptions or carrying amounts can be compared.

As of December 31, 2025, the Company performed its annual goodwill impairment assessment and determined that the estimated fair value of the reporting unit exceeded its carrying amount. Accordingly, no goodwill impairment charge was recorded for the year ended December 31, 2025. However, if future operating results or market conditions differ from current estimates, the Company may be required to recognize goodwill impairment charges in future periods.

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	36	Chairman, Chief Executive Officer, Chief Financial Officer, President, Treasurer and Class C Director
Dionysios Makris	45	Secretary and Class B Director
Angelos Rounick Platanias ⁽¹⁾	36	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.

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. 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. Additionally, Mr. Makris is serving as a member of the Audit Committee and Class B Director of Robin Energy Ltd. 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 Platanius, Class A Director

Angelos Rounick Platanius 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. Rounick Platanius is serving as a member of the Audit Committee and Class B Director of Toro Corp. Mr. Rounick Platanius is currently employed as Senior Director of Development 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 Platanius 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, 2025, 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, 2025, 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 any compensation for his services.

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 12, 2025, our shareholders re-elected our Class B director to serve until the annual meeting of shareholders to be held in 2028. The term of office of our Class C director expires at the annual meeting of shareholders to be held in 2026, and the term of office of our Class A director expires at the annual meeting of shareholders to be held in 2027. 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 Platanius (since February 11, 2025). Our Board has determined that the members of the audit committee, in 2025 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. Angelos Rounick Platanius is 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, 2025 and 2024, we had 123 and 155 employees, respectively. 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.

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 of common shares 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
Thalassa Investment Co. ⁽¹⁾	11,240	0.12%
<i>Executive Officers and Directors⁽²⁾</i>		
Petros Panagiotidis	-	-
Dionysios Makris	-	-
Angelos Rounick Platanias	-	-

⁽¹⁾ 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.

⁽²⁾ No member of our Board of Directors or executive officer individually, nor all of them taken as a group, beneficially owns more than 1% of our outstanding 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. Related party transactions are subject to review and approval of a special committee composed solely of independent members of our Board.

Management, Commercial and Administrative Services

Castor Ships

Our vessels are commercially and technically managed by Castor Ships, a company controlled by our Chairman and Chief Executive Officer, under the terms of an amended and restated master management agreement entered into between Castor, Castor's ship-owning subsidiaries and Castor Ships effective July 1, 2022 (and as amended or supplemented from time to time, the "Amended and Restated Master Management Agreement"). 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 our consolidated financial statements included elsewhere in this Annual Report for further information.

Pursuant to the Amended and Restated Master Management Agreement, Castor Ships manages our business overall and provides us 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. Castor Ships is generally not 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 is in no circumstances responsible for the actions of the crew 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 ship-owning 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 the provided services, until June 30, 2024, Castor Ships charged and collected (i) a flat quarterly management fee for the management and administration of our business (the "Flat Management Fee"), (ii) a daily management fee per containership and dry bulk vessel, and, a daily management fee per tanker vessel (of \$975 until March 6, 2023) (collectively, the "Ship Management Fees") for the provision of ship management services provided under the Ship Management Agreements, (iii) a commission of 1.25% on all gross income received from the operation of its vessels, and (iv) a commission of 1% on each consummated vessel sale and purchase transaction.

In addition, certain of our vessels were historically subject to co-management arrangements with Pavimar S.A. ("Pavimar"), as further described below. Until the termination of the ship management agreements between the Company and Pavimar, 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 \$325 (before the inflation adjustment) or \$386, effective July 1, 2023, or \$417, effective July 1, 2024. As of December 31, 2025, all ship management agreements between the Company and Pavimar have been terminated.

Effective July 1, 2024, in lieu of the previously applicable commission structure and in addition to the Ship Management Fees and Flat Management Fee, Castor Ships charged and collected (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 our vessels, on all gross income received by our ship owning 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 (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.

Effective July 1, 2025, in lieu of the previously applicable commission structure and in addition to the Ship Management Fees and Flat Management Fee, 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 our vessels, on all gross income received by our ship owning 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 our vessels is entitled to receive, will not exceed the aggregate rate of 6.25% on each vessel's gross income, (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 (secondhand or newbuilt), or (b) the shares of a ship-owning entity owning vessel(s), or (c) shares and/or other securities(including equity, debt and loan instruments), and (iii) a capital raising commission at the rate of 1% on all gross proceeds of each capital raising transaction completed by us including, without limitation, any equity, debt or loan transactions, operating leasing transactions, stand-alone derivative and/or swap agreements, other financing arrangements of a similar nature or any refinancing or restructuring thereof. Castor Ships may also be reimbursed for extraordinary fees and costs, such as the costs of extraordinary repairs, maintenance or structural changes to our vessels.

Under the terms of the Amended and Restated Master Management Agreement, the Ship Management Fees and Flat Management Fee are adjusted annually for inflation on each anniversary of the Amended and Restated Master Management Agreement's effective date. As a result of the inflation adjustments, (i) effective July 1, 2023, the daily Ship Management Fees increased from \$925 per vessel to \$986 per vessel and the quarterly Flat Management Fee increased from \$0.75 million to \$0.8 million, (ii) effective July 1, 2024, the daily Ship Management Fees increased to \$1,017 per vessel and the quarterly Flat Management Fee to \$0.82 million, and (iii) effective July 1, 2025, the daily Ship Management Fees increased to \$1,044 per vessel and the quarterly Flat Management Fee to \$0.85 million.

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 us or is terminated by Castor Ships due to a material breach of its provisions by us 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 our assets or changes in key personnel such as our current directors or Chief Executive Officer), Castor Ships is 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 the Ship Management Agreements.

Castor Ships may choose to subcontract some of its provided services to other parties at its discretion. 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 us with any additional cost. In late January 2023, Castor Ships subcontracted the technical management of our containerships, *M/V Ariana A* and *M/V Gabriela A*, from Pavimar to a third-party ship management company. As of December 31, 2025, Castor Ships performs exclusively the commercial and technical management of our entire fleet, while certain aspects of the management of a number of our vessels are subcontracted to related or third-party managers.

Pavimar

With effect from July 1, 2022, pursuant to the terms of the Amended and Restated Master Management Agreement, Pavimar provided, 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 our 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 the containerships *M/V Ariana A* and *M/V Gabriela A* as sub-manager for Castor Ships from their date of acquisition up to January 2023. As of December 31, 2025, all ship management agreements between the Company and Pavimar have been terminated.

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 containerships. 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, 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. As of December 31, 2025, Toro paid to Castor a dividend amounting to \$1.4 million on the Toro Series A Preferred Shares for the period from October 14, 2024 to October 14, 2025 and the accrued amount for the period from October 15, 2025 to December 31, 2025 (included in the dividend period ended January 14, 2026) 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 fourth anniversary of the issue date (following amendment on December 23, 2025, as discussed below) 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. During the year ended December 31, 2025, we paid to Toro a dividend amounting to \$4.6 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.

On December 23, 2025, Castor and Toro agreed to amend the terms of (i) the Castor Series D Preferred Shares held by a wholly owned subsidiary of Toro, and (ii) the Toro Series A Preferred Shares, held by a wholly owned subsidiary of Castor, in each case to extend the initial conversion date by one-year, to January 1, 2027 in the case of the Castor Series D Preferred Shares and March 7, 2027 in the case of the Toro Series A Preferred Shares.

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 disinterested and independent directors, which negotiated the transaction and its terms.

Issuance of Series E Preferred Shares and Dividends to Toro

On September 29, 2025, Castor entered into a share purchase agreement with Toro (the “Series E Purchase Agreement”) pursuant to which we agreed to issue and sell, and Toro has agreed to purchase, for an aggregate consideration of \$60.0 million in cash, 60,000 Series E Preferred Shares. The 60,000 Series E Preferred Shares were issued in a private placement pursuant to Section 4(a)(2) of the Securities Act and Regulation D promulgated thereunder. The distribution rate on the Series E Preferred Shares was 8.75% per annum. Dividends on the Series E Preferred Shares were payable quarterly in arrears on the 15th day of January, April, July and October in each year,

beginning on October 15, 2025, subject to approval by the Board.

On October 13, 2025, Castor and Toro agreed to the full redemption of the Series E Preferred Shares on such date for a cash consideration equal to the stated amount of the Series E Preferred Shares plus 0.523% thereof, including accrued and unpaid distributions. Following their full redemption, such Series E Preferred Shares were cancelled and are no longer outstanding.

During the year ended December 31, 2025, we paid to Toro a dividend amounting to \$0.3 million on the Series E Preferred Shares.

This transaction and its terms were approved by the board of directors of Castor and Toro at the recommendation of their respective independent committees of disinterested and independent directors who negotiated the transaction.

Loan Facility Agreement of \$100 million from Toro

On December 11, 2024, Castor entered into the Term Loan, a facility agreement with Toro to receive a \$100 million senior term loan facility from Toro, which was drawn down on the same date. The Term Loan had a tenor of 5 years, bore interest at the secured overnight financing rate (“SOFR”) plus 1.80% per annum, was guaranteed by ten ship-owning subsidiaries of Castor and was 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 was 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 was also subject to certain negative covenants customary for facilities of this type, which could 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 29, 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 on that date.

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 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

As of December 31, 2025, MPC Capital holds around 13.7% of the shares in MPC Container Ships ASA, indirectly through MPC CSI GmbH, Hamburg. During the second quarter of 2025, Castor's indirect subsidiary, MPCC CSI LTD., a company affiliated with MPC Capital, acquired 3.44% shares in MPCC, resulting in MPC Capital and its affiliated entities, collectively increasing their holding of total shares and voting rights in MPCC. 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 for MPC Container Ships ASA exclusively relate to receivables for services rendered, are included in due from related parties in the accompanying consolidated balance sheet included in this Annual Report, and amount to \$202,274 and \$333,063 as of December 31, 2024 and 2025, respectively.

MPC Energy Solutions NV

MPC Capital holds around 20.5% of the shares in MPC Energy Solutions NV as of December 31, 2025. 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 due from related parties in the accompanying consolidated balance sheets included in this Annual Report, amount to \$777,997 and \$73,521 as of December 31, 2024 and 2025, respectively.

MPC Caribbean Clean Energy Limited

MPC Capital holds around 22.2% of the shares in MPC Caribbean Clean Energy Limited as of December 31, 2025. 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 due from related parties in the accompanying consolidated balance sheet included in this Annual Report, amount to \$523,304 and \$48,219 as of December 31, 2024 and 2025, respectively.

Wilhelmsen Ahrenkiel Ship Management GmbH & Co. KG

MPC Capital holds 50% of the shares in Wilhelmsen Ahrenkiel Ship Management GmbH & Co. KG, Hamburg. Wilhelmsen Ahrenkiel Ship Management GmbH & Co. KG, provides technical ship management, is a joint venture of the Company and – together with its subsidiaries – is considered a related party of the Company.

The outstanding amounts due from Wilhelmsen Ahrenkiel Ship Management GmbH & Co. KG relate to financing provided by MPC Capital in the amount of \$0 and \$1,764,465 as of December 31, 2024 and 2025 respectively and other receivables in the amount of \$0 and \$9,506 as of December 31, 2024 and 2025, respectively, included in due from related parties in the accompanying consolidated balance sheet.

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 a more detailed description 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.

On September 29, 2025, the Company agreed to issue 60,000 Series E Cumulative Perpetual Convertible Preferred Shares (the “Series E Preferred Shares”) having a stated amount of \$1,000 each to Toro for a total consideration of \$60.0 million in cash and the distribution rate of the Series E Preferred Shares was 8.75%, paid quarterly. On October 13, 2025, Castor and Toro agreed to the full redemption of the Series E Preferred Shares on such date for a cash consideration equal to the stated amount of the Series E Preferred Shares plus 0.523% thereof, including accrued and unpaid distributions.

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 Taxation of U.S. Holders—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 2025, we did not pay any dividends to our shareholders, excluding the dividend paid to Toro amounting to \$4.9 million in connection to the Series D Preferred Shares and Series E 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 28 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 15, 2026, 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, 2027 (as amended) 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. Notwithstanding any adjustments, 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, 2025, 9,662,354 Rights were issued and outstanding in connection with our 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% tax 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. In addition, we can establish that nonqualified shareholders cannot exercise voting control over the corporation because qualified shareholders control the non-traded voting 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. 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. In 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 an entity or arrangement that is treated as a partnership for United States federal income tax purposes holds our common shares, the United States federal income 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 subsidiary 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 and pool arrangements 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.

Moreover, for purposes of the PFIC “asset” test described above, we are relying on the application of certain “look-through” rules, taking into account certain intercompany items (including our interest in Toro and indirect interest in Robin). The application of these rules can be complex and can depend on facts that may change in the future. In particular, our conclusion that we do not expect to be a PFIC for our 2025 taxable year depends, in-part, on our determination each of the Toro Series A Preferred Shares and Robin Series A Preferred Shares represent more than 25% of the value of Toro’s and Robin’s stock, respectively. We have made this determination based on an independent valuation analysis.

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:

- o the excess distribution or gain would be allocated ratably over the Non-Electing Holder’s aggregate holding period for the common shares;
- o the amount allocated to the current taxable year and any taxable year before we became a PFIC would be taxed as ordinary income; and
- o 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.
- o Any distributions other than “excess distributions” by us to a Non-Electing Holder will be treated as discussed above under “—Distributions.”
- o 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, 2025, our net effective exposure to floating interest rate fluctuations on our outstanding debt was \$64.0 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 SOFR of 1% would have decreased our net income in the years ended December 31, 2024 and 2025 by \$0.5 million and \$0.8 million, respectively, based upon our floating interest-bearing average debt levels during 2024 and 2025. 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 67% of our revenue from services in U.S. dollars. However, we incur a significant portion of our expenses in currencies other than the U.S. dollar, primarily the Euro. For the year ended December 31, 2025, approximately 6.2% of our vessels' operating expenses, 82.6% of our cost of revenue from services and approximately 72.0% of our general and administrative expenses were denominated in foreign currencies. As of December 31, 2025, these non-U.S. dollar expenses represented 40.9% of our total revenues, a significant increase from 4.2% in the prior year, primarily attributable to the acquisition of MPC Capital. For the year ended December 31, 2025, the effect of a 1% adverse movement in the U.S. Dollar/Euro exchange rate would have resulted in an aggregate increase of approximately \$331,719 to our general and administrative expenses, cost of revenue from services and total operating expenses. Consequently, our results of operations are subject to an increased risk from fluctuations in currency exchange rates. An adverse movement in the exchange rates of the Euro and other currencies against the U.S. dollar could have a material impact on our financial condition, results of operations and other comprehensive income (as the translation of the accounts of foreign subsidiaries with non-USD functional currencies 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). In addition to the income statement impact described above, a 1% adverse movement in the EUR/USD exchange rate as of December 31, 2025, would have resulted in an estimated reduction of approximately \$0.3 million in shareholders' equity through the cumulative translation adjustment recorded in other comprehensive income, reflecting the translation of MPC Capital's EUR-denominated net assets. The portion of our business conducted in other currencies could increase in the future, which would further increase our exposure to losses arising from exchange rate fluctuations.

However, 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, 2025, the fair value of our outstanding derivatives was a net asset of \$0.4 million. In 2025, we recorded a net gain of \$0.3 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, 2025, our investment in listed equity securities amounted to \$27.8 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, 2025, and shows the effects of a hypothetical 25 percent increase and a 25 percent decrease in market prices.

	Fair Value at December 31, 2025	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	\$27,759,775	25% increase	\$ 34,699,719	\$ 6,939,944
		25% decrease	\$ 20,819,831	\$ (6,939,944)

- (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, 2025, 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)				
MPC Container Ships	\$ 133,674,134	25% increase	\$ 167,092,667	\$ 33,418,533
		25% decrease	100,255,601	(33,418,533)
MPC Energy Solution	\$ 6,071,783	25% increase	\$ 7,589,729	\$ 1,517,946
		25% decrease	4,553,837	(1,517,946)
Total	\$ 139,745,917	25% increase	174,682,396	34,936,479
		25% decrease	104,809,438	(34,936,479)

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 stabilize throughout 2025. At the end of 2025, 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, 2025, 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.

Based upon that evaluation, and in light of the material weakness in internal control over financial reporting described below relating to our majority owned subsidiary MPC Capital, our management concluded that, as of December 31, 2025, 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 not 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.

In our 2024 annual report filed with the SEC on May 14, 2025, as permitted by related SEC staff interpretive guidance for newly acquired businesses, we 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. For the year ended December 31, 2025, MPC Capital and its subsidiaries represented 42% of our consolidated total assets.

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 Rule 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.

As required by Rule 13a-15 under the Exchange Act, management conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2025. In making this assessment, management used the criteria set forth in the 2013 framework in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the “2013 Framework”).

MATERIAL WEAKNESS IN INTERNAL CONTROL OVER FINANCIAL REPORTING

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

In connection with the preparation of this Annual Report, management identified a material weakness in internal control over financial reporting related to a recently acquired subsidiary, MPC Capital, which had historically prepared and maintained its internal control documentation under a framework that is not consistent with the 2013 Framework, which is the framework adopted by the Company for purposes of management's assessment of internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act and the standards of the Public Company Accounting Oversight Board (PCAOB). Despite the remediation actions undertaken by the Company during the year, the Company did not adequately design and maintain effective controls over completeness, cut-off and accuracy related to the accounting for revenue recognition within this subsidiary. Revenue from services constitutes 43% of consolidated total revenues for the year ended December 31, 2025.

Accordingly, management has concluded that the Company's internal control over financial reporting was not effective as of December 31, 2025.

Notwithstanding this material weakness, management has not identified any material misstatements in the Company's consolidated financial statements related to this matter.

REMEDIATION OF MATERIAL WEAKNESS

Over the course of the 2025 fiscal year, management took substantial measures to remediate this material weakness, focusing on formal control documentation (i.e., controls that are recorded in written policies, procedures, and control matrices), standardization, and integration of the acquired subsidiary's internal control framework into the Group's (as defined below) control environment. This program was actively executed during the year, and management made significant progress in documenting and aligning key controls with Group policies and procedures. Castor Maritime Inc. and its consolidated subsidiaries are referred to herein collectively as the "Group".

As of December 31, 2025, the formal control documentation and evaluation of the design and operating effectiveness of certain controls over completeness, cut-off and accuracy related to the accounting for revenue recognition had not yet been fully completed. Accordingly, management did not yet have sufficient appropriate evidence to conclude on the effectiveness of these controls.

The Company continues to advance this program, including completion of formal control documentation and execution of control testing, supported by enhanced oversight from Group finance function. While significant progress has been made, additional time is necessary to fully implement and demonstrate the effectiveness of the remediation initiatives. Management is committed to operating effective controls, and management continues to regularly assess the progress and sufficiency of the ongoing initiatives and make adjustments as and when necessary. The Company's remediation efforts are also subject to ongoing Audit Committee oversight. Management expects to continue the remaining phases of this program during the fiscal year 2026, to ensure the controls will be subject to sufficient testing to support a conclusion on their operating effectiveness.

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

Except for the integration of the internal control over financial reporting of MPC Capital and remediation activities described above, there were no changes in the Company's internal control over financial reporting during the year ended December 31, 2025, 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. Angelos Rounick Platanias, who serves as Chairman of the Audit Committee since February 11, 2025, qualifies as an "audit committee financial expert" under SEC rules, and that 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, 2025, 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, 2024, and 2025 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.

	For the year ended	
	December 31, 2024	December 31, 2025
<i>In U.S. dollars</i>		
Audit Fees	\$ 238,674	\$ 351,943

Audit-Related Fees

Not applicable.

Tax Fees

During 2024 and 2025, tax fees amounted to \$8,000 and \$962,751, respectively, representing fees for professional services provided in connection with various tax advisory services. The services mainly cover tax compliance, including the preparation of CIT, TT, VAT, and CFC filings, along with general tax advisory services for both German and U.S. entities.

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 2025, 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-84 filed as part of this Annual Report.

Pursuant to Rule 3-09 of Regulation-S-X, the consolidated financial statements of MPC Container Ships ASA, our equity method investee, as of December 31, 2025 and 2024, are incorporated in this Annual Report as Exhibit 15.1.

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 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, incorporated by reference to Exhibit 4.4 of the Company's annual report on Form 20-F filed with the SEC on May 14, 2025.
4.5	Certificate of Amendment to 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 29, 2025.
4.6	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.
4.7	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.
4.8	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.

4.9	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.
4.10	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.
4.11	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.
4.12	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.
4.13	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.
4.15	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.
4.16*	Share Purchase Agreement for the Majority of Shares in MPC Munchmeyer Petersen Capital AG, dated as of December 12, 2024, incorporated by reference to Exhibit 4.15 of the Company's annual report on Form 20-F filed with the SEC on May 14, 2025.
4.17	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.
4.18	Preferred Share Amendment Agreement by and between Castor Maritime Inc. and Toro Corp., dated December 23, 2025.
4.19	\$50.0 Million Sustainability-Linked Senior Term Loan Facility, dated October 13, 2025, by and among Alpha Bank S.A., as lender, and Ariel Shipping Co., Mulan Shipping Co., Johnny Bravo Shipping Co. and Aladdin Shipping Co., as borrowers.
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	Annual consolidated financial statements of MPC Container Ships ASA
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.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

April 15, 2026

Name: Petros Panagiotidis

Title: Chairman, Chief Executive Officer and
Chief Financial Officer

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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 2025, 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, 2025, 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 2025, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, 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% and 42% of consolidated total assets as of December 31, 2024 and December 31, 2025, respectively, and total revenues constituting 2% and 43% of consolidated total revenues for the years ended December 31, 2024 and December 31, 2025, respectively.

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.

Impairment of Vessels – Future Charter Rates for a vessel with impairment indicators - Refer to Note 2 to the financial statements

Critical Audit Matter Description

The Company's evaluation of its vessels for impairment involves an initial assessment of each vessel to determine whether events or changes in circumstances exist that may indicate that the carrying amount of the vessel is greater than its fair value and may no longer be recoverable. As at December 31, 2025, one out of the nine vessels held for use, had an impairment indication.

If indicators of impairment exist for a vessel, the Company determines its recoverable amount by estimating the future undiscounted operating cash flows expected to be generated by the use of the vessel. When the carrying value of the vessel exceeds its future undiscounted operating cash flows, 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. The future undiscounted operating cash flows incorporate various factors and significant assumptions, including estimated future charter rates. Future charter rates are the most sensitive assumptions in the impairment test performed for the year ended December 31, 2025. The estimated future charter rates are based on the ten-year average (or less than ten years if appropriate data is not available), of the historical six to twelve months' time charter rates available for each type of vessel, net of estimated commissions, over the remaining estimated economic life of each vessel, excluding estimated days of scheduled off-hires.

We identified the future charter rates for the vessel with impairment indicator used in the future undiscounted operating cash flows analysis as a critical audit matter because of the complex judgments made by management to estimate the future charter rates and the significant impact they have on future undiscounted operating cash flows expected to be generated over the remaining useful life of the vessel. This required a high degree of auditor judgment and an increased extent of effort when performing audit procedures to evaluate the reasonableness of management's estimate of the future charter rates used in the future undiscounted operating cash flows.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the future charter rates utilized in the future undiscounted operating cash flows included the following among others:

1. Evaluating the Company's methodology for estimating the future charter rates by using our industry experience.
2. Evaluating the Company's assumptions regarding future charter rates by comparing the future charter rates utilized in the future undiscounted operating cash flows to 1) the Company's forecast 2) historical rate information for the vessel type published by a third-party broker and 3) other external market sources, including industry reports on prospective market outlook.

/s/ Deloitte Certified Public Accountants S.A.
April 15, 2026
Athens, Greece

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, 2025 and 2024, the related consolidated statements of comprehensive income, shareholders’ equity, and cash flows for the year ended December 31, 2025, the related consolidated statements of comprehensive income, shareholders’ equity, and cash flows for the sixteen days 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, 2025 and 2024, and the results of its operations and its cash flows for the year ended December 31, 2025 and the sixteen days 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 audit. 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 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 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.

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.

Goodwill Impairment Assessment

As described in Note 2 and Note 6 to the consolidated financial statements, the Company's goodwill balance as of December 31, 2025, amounted to USD 24,126,824. 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. The Company performs the qualitative assessment for goodwill impairment by determining the fair value of the related reporting unit measured based on the discounted cash flow method and relative market-based approaches. The annual impairment assessment of goodwill was performed as of December 31, 2025, resulting in no impairments.

We identified the goodwill impairment assessment as a critical audit matter. The principal considerations that led to the determination included especially complex auditor judgement in evaluating the appropriateness of (1) the selected valuation methodology, (2) the significant assumptions within the estimated future cashflows and (3) the derivation of the discount rate. Auditing these elements involved especially challenging and complex auditor judgment due to the nature and extent of audit effort required to address these matters, including involvement of personnel with specialized skills and knowledge.

The primary procedures we performed to address this critical audit matter included:

- Evaluating the appropriateness of (1) the significant assumptions within the estimated future cashflow by verifying economic information through (i) reconciling the future estimated cash flows with the budget approved by Company management, (ii) performing a retrospective review through comparing prior period cash flow projections to historical results for the relevant periods, (iii) assessing the reasonableness of the projected cashflows including related growth rates based on current actual results and historical growth rates.
- Utilizing personnel with specialized knowledge and skills in valuation techniques to assist in evaluating the appropriateness of (2) the selected valuation methodology, and (3) the derivation of the discount rate.

/s/ BDO AG Wirtschaftsprüfungsgesellschaft

We have served as the Company's auditor since 2011.

Frankfurt am Main, Germany

April 15, 2026

CASTOR MARITIME INC.
CONSOLIDATED BALANCE SHEETS
December 31, 2024 and December 31, 2025
(Expressed in U.S. Dollars – except for share data)

ASSETS		December 31, 2024	December 31, 2025
CURRENT ASSETS:	Note		
Cash and cash equivalents		\$ 87,896,786	\$151,775,129
Accounts receivable trade, net		2,688,116	7,909,514
Due from related parties	4	6,393,625	13,155,509
Inventories		1,552,262	791,788
Prepaid expenses and other assets		3,773,218	3,407,988
Income tax receivable	25	11,844,503	15,514,617
Investment in equity securities	13	69,119,010	27,759,775
Investment in debt securities	14	—	554,924
Assets held for sale	4, 7	69,430,788	—
Accrued charter revenue		52,084	—
Derivative assets	16	1,107,832	545,630
Total current assets		253,858,224	221,414,874
NON-CURRENT ASSETS:			
Vessels, net	7	200,443,193	156,496,033
Property, plant and equipment, net	9	1,994,191	34,658,519
Restricted cash	12	—	1,000,000
Due from related parties	4	3,504,667	2,893,839
Prepaid expenses and other assets		204,146	805,182
Deferred charges, net	5	2,205,544	6,066,454
Fair value of acquired time charters	6	119,733	—
Investment in related party	4(c)	117,560,467	117,521,579
Investment in debt securities, non current	14	—	750,000
Equity method investments	11	50,503,722	50,045,840
Equity method investments measured at fair value (related party)	11	115,455,048	139,745,917
Equity investments	16	4,661,658	9,932,222
Goodwill	2, 8	17,932,243	24,126,824
Intangible assets, net	10	19,323,603	21,173,403
Operating lease right-of-use assets	17	7,770,979	7,417,626
Deferred tax assets	25	1,839,503	2,599,327
Derivative assets	16	—	710,802
Total non-current assets		543,518,697	575,943,567
Total assets		\$797,376,921	\$797,358,441
LIABILITIES, MEZZANINE EQUITY AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Current portion of long-term debt, net	12	1,053,156	5,637,620
Current portion of long-term debt, related party, net	4	9,970,623	—
Current portion of financial liabilities, net	12	—	1,548,990
Liabilities directly associated with assets held for sale	7	17,656,371	—
Accounts payable		2,127,051	3,714,698
Deferred revenue		578,452	827,210
Accrued liabilities (including \$364,205 and \$0 accrued interest to related	4	23,045,515	16,700,000

party, respectively)			
Due to related parties	4(d)	889,020	1,106,606
Derivative liabilities	16	1,389,542	185,327
Operating lease liabilities	17	1,049,167	1,203,769
Income tax payable	25	6,642,888	3,482,684
Total current liabilities		64,401,785	34,406,904
NON-CURRENT LIABILITIES:			
Long-term debt, net	12	2,603,900	64,992,597
Long-term debt, related party	4	89,921,162	—
Long-term financial liabilities, net	12	—	12,046,770
Other accrued liabilities		166,156	144,605
Operating lease liabilities	17	6,721,813	6,213,857
Deferred tax liabilities	25	8,096,383	10,596,230
Total non-current liabilities		107,509,414	93,994,059
Commitments and contingencies	18		
MEZZANINE EQUITY:			
5.00% Series D fixed rate cumulative perpetual convertible preferred shares: 100,000 issued and outstanding as of December 31, 2024 and December 31, 2025, aggregate liquidation preference of \$100,000,000 as of December 31, 2024 and December 31, 2025		77,708,258	80,714,075
Total mezzanine equity	15	77,708,258	80,714,075
SHAREHOLDERS' EQUITY:			
Common shares, \$0.001 par value; 1,950,000,000 shares authorized; 9,662,354 issued and outstanding as of December 31, 2024 and December 31, 2025	15	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, 2024 and December 31, 2025	15	12	12
Additional paid-in capital	15	265,389,338	265,339,741
Retained earnings		228,527,153	239,452,780
Accumulated other comprehensive income / (loss)	15	(1,509,187)	20,628,512
Total Castor Maritime Inc. shareholders' equity		492,416,978	525,430,707
Non-controlling interests	8, 15	55,340,486	62,812,696
Total shareholders' equity		547,757,464	588,243,403
Total liabilities, mezzanine equity and shareholders' equity		\$797,376,921	\$797,358,441

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, 2023, 2024 and 2025

(Expressed in U.S. Dollars – except for share data)

	Note	Year Ended December 31, 2023	Year Ended December 31, 2024	Year Ended December 31, 2025
REVENUES:				
Time charter revenues	6, 20	\$ 97,515,511	\$ 65,069,003	\$ 42,180,126
Pool revenues	20	—	—	4,060,766
Total vessel revenues		97,515,511	65,069,003	46,240,892
Revenue from services (including \$0, \$381,778, \$10,764,653 from related parties for the years ended December 31, 2023, 2024, and 2025, respectively)	4, 20	—	1,174,376	35,573,513
Total revenues		97,515,511	66,243,379	81,814,405
EXPENSES:				
Voyage expenses (including \$1,274,384, \$1,170,615 and \$1,566,628 to related parties for the years ended December 31, 2023, 2024, and 2025, respectively)	4, 21	(5,052,228)	(4,248,856)	(4,078,667)
Vessel operating expenses	21	(41,913,628)	(26,188,773)	(19,140,916)
Cost of revenue from services (exclusive of depreciation and amortization shown separately below)	23	—	(1,117,476)	(22,116,441)
Management fees to related parties	4	(7,167,397)	(4,808,602)	(4,022,007)
Depreciation and amortization	5, 7, 9, 10	(22,076,831)	(15,037,006)	(14,760,087)
Loss on vessels held for sale (including \$0, \$165,000 and \$145,000 to related parties for the years ended December 31, 2023, 2024, and 2025, respectively)	7	—	(3,629,521)	(5,554,777)
(Provision) / recovery of provision for doubtful accounts		—	(4,823)	1,640,626
General and administrative expenses (including \$3,099,000, \$7,859,350 and \$3,942,173 to related parties for the years ended December 31, 2023, 2024, and 2025, respectively)	4, 22	(5,681,371)	(13,343,878)	(19,429,796)
Net gain/ (loss) on sale of vessels (including \$1,111,135, \$2,069,012 and \$699,205 to related parties for the years ended December 31, 2023, 2024, and 2025, respectively)	4, 7	6,383,858	19,298,394	(2,005,320)
Gain from a claim	18	—	1,418,096	—
Total expenses, net		(75,507,597)	(47,662,445)	(89,467,385)
Other operating income (expense):				
Net gain on disposition of assets		—	158,440	309,680
Net loss from equity method investments	11	—	—	(326,123)
Net gain/ (loss) from equity method investments measured at fair value	11	—	2,687,236	(10,755,335)
Total other operating income (expense)		—	2,845,676	(10,771,778)
Operating income / (loss)		22,007,914	21,426,610	(18,424,758)
OTHER INCOME/(EXPENSES):				
Interest and finance costs (including \$0, \$781,828 and \$2,775,459 to related parties for the years ended	4, 12, 24	(11,259,643)	(6,086,355)	(4,971,728)

December 31, 2023, 2024 and 2025, respectively)				
Interest income		3,209,886	6,882,719	1,912,530
Dividend income from equity method investments measured at fair value (related party)	11	—	—	17,967,315
Foreign exchange losses		(92,745)	(161,142)	(420,370)
Dividend income on equity securities	13	1,312,222	6,692,418	3,415,291
Dividend income from related party	4	1,166,667	1,423,332	1,361,112
Other, net		—	—	4,692,704
Gain on debt securities	14	—	—	4,069
Gain / (loss) on equity securities	13	5,136,649	(14,738,660)	16,871,867
Total other (expenses) / income, net		(526,964)	(5,987,688)	40,832,790
Net income from continuing operations, before taxes		\$ 21,480,950	\$ 15,438,922	\$ 22,408,032
Withholding Tax on dividends received	25	—	—	(542,765)
Income taxes	25	(177,794)	(133,988)	(323,104)
Net income from continuing operations, net of taxes		\$ 21,303,156	\$ 15,304,934	\$ 21,542,163
Net income from discontinued operations, net of taxes	3	17,339,332	—	—
Net income		38,642,488	15,304,934	21,542,163
Less: Net income attributable to the non-controlling interest		—	(685,938)	(2,273,340)
Net income attributable to Castor Maritime Inc.		38,642,488	14,618,996	19,268,823
Deemed dividend on warrants repurchase		(444,885)	—	—
Dividend on Series D Preferred Shares		(1,020,833)	(2,645,833)	(4,979,167)
Dividend on Series E Preferred Shares		—	—	(189,583)
Deemed dividend on Series D Preferred Shares		(196,296)	(606,444)	(3,005,817)
Deemed dividend on Series E Preferred Shares		—	—	(168,629)
Deemed contribution from Series D preferred shareholders	14	—	22,437,675	—
Net income attributable to common shareholders of Castor Maritime Inc.		36,980,474	33,804,394	10,925,627
Other comprehensive (loss) / income:				
Foreign currency translation	2	—	(1,878,694)	29,647,528
Net cash flow hedges		—	(168,377)	324,666
Other comprehensive (loss) / income		—	(2,047,071)	29,972,194
Other comprehensive loss / (income) attributable to noncontrolling interests		—	537,884	(7,834,495)
Other comprehensive (loss) / income attributable to Castor Maritime Inc.		—	(1,509,187)	22,137,699
Total comprehensive income		38,642,488	13,257,863	51,514,357
Comprehensive income attributable to noncontrolling interests		—	(148,054)	(10,107,835)
Total comprehensive income attributable to Castor Maritime Inc.		38,642,488	13,109,809	41,406,522
Earnings per common share, basic attributable to Castor Maritime Inc. common shareholders, continuing operations	19	2.05	3.50	1.13
Earnings per common share, diluted attributable to Castor Maritime Inc. common shareholders, continuing operations	19	0.95	0.38	0.36
Earnings per common share, basic attributable to Castor Maritime Inc. common shareholders, discontinued operations	19	1.81	—	—
Earnings per common share, diluted attributable to	19	0.79	—	—

**Castor Maritime Inc. common shareholders,
discontinued operations**

Earnings per common share, basic attributable to				
Castor Maritime Inc. common shareholders, Total	19	3.86	3.50	1.13
Earnings per common share, diluted attributable to				
Castor Maritime Inc. common shareholders, Total	19	1.74	0.38	0.36
Weighted average number of common shares, basic	19	9,571,045	9,662,354	9,662,354
Weighted average number of common shares, diluted	19	21,953,833	38,745,250	53,652,910

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, 2023, 2024, and 2025

(Expressed in U.S. Dollars – except for share data)

	Number of shares issued		Par Val ue of Sha res issu ed	Additio nal Paid-in capital	Retaine d earnin gs	Accumul ated Other Compreh ensive Income / (loss)	Castor Mariti me Inc.	Non- control ling Interes t	Total Sharehol ders' Equity	Mezzanine equity		
	Com mon shares	Series B Prefe rred share s								# of Series D Prefe rred Share s	# of Series E Prefe rred Share s	Mezza nine Equity
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 15)	201,378	—	201	620,690	—	—	620,891	—	620,891	—	—	—
- Issuance of Series D Preferred Shares, net of costs (Note 15)	—	—	—	—	—	—	—	—	—	50,000	—	49,353,193
- Capital contribution from Toro, pursuant to the	—	—	—	500,000	—	—	500,000	—	500,000	—	—	—

issuance of Series D Preferred Shares (Note 15)												
- Dividend on Series D Preferred Shares	—	—	—	—	(1,020,833)	—	(1,020,833)	—	(1,020,833)	—	—	—
- Deemed dividend on Series D Preferred Shares (Note 15)	—	—	—	—	(196,296)	—	(196,296)	—	(196,296)	—	—	196,296
- Warrants repurchase (Note 15)	—	—	—	(941,626)	—	—	(941,626)	—	(941,626)	—	—	—
- Deemed dividend on warrants repurchase (Note 15)	—	—	—	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 15)	—	—	—	—	—	—	—	—	(50,000)	—	(50,037,675)	—
- Issuance of Series D Preferred Shares at fair	—	—	—	—	—	—	—	—	—	100,000	—	77,590,000

value, net of costs (Note 15)												
- Capital contribut ion from extinguis hment, pursuant to the issuance of Series D Preferred Shares to Toro (Note 15)	—	—	—	—	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	—	—	—	—	(606,44 4)	—	(606,44 4)	—	(606,44 4)	—	—	606,44 4
- Warrants repurcha se (Note 15)	—	—	—	(1,058, 481)	—	—	(1,058, 481)	—	(1,058, 481)	—	—	—
- Acquisiti on of non- controlli ng interest (MPC Capital acquisiti on) Note 8	—	—	—	—	—	—	—	55,623 ,553	55,623, 553	—	—	—
- Changes due to disposal of a subsidiar y	—	—	—	—	—	—	—	(440,6 15)	(440,61 5)	—	—	—
- Share- based compens ation	—	—	—	—	—	—	—	9,494	9,494	—	—	—

(Note 26)												
- 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
-Net income/(Loss)		—	—	—	19,268,823	—	19,268,823	2,273,340	21,542,163	—	—	—
- Dividend on Series D Preferred Shares	—	—	—	—	(4,979,167)	—	(4,979,167)	—	(4,979,167)	—	—	—
- Deemed dividend on Series D Preferred Shares	—	—	—	—	(3,005,817)	—	(3,005,817)	—	(3,005,817)	—	—	3,005,817
- Dividends on Series E Preferred Shares	—	—	—	—	(189,583)	—	(189,583)	—	(189,583)	—	—	—
- Deemed dividend on Series E Preferred Shares	—	—	—	—	(168,629)	—	(168,629)	—	(168,629)	—	—	44,500
-Changes in Ownership of Subsidiary Without Loss of Control (Note 15)	—	—	—	(49,597)	—	—	(49,597)	349,504	299,907	—	—	—
Transactions with non-controlli	—	—	—	—	—	—	—	(379,502)	(379,502)	—	—	—

ng interest (Note 15)												
- Issuance of Series E Preferred Shares (Note 4)	—	—	—	—	—	—	—	—	—	—	60,000	59,955,500
-												
Redempt ion of Series E Preferred Shares (Note 4)	—	—	—	—	—	—	—	—	—	—	(60,000)	(60,000,000)
-Dividends to noncontr olling interests	—	—	—	—	—	—	—	(2,848,198)	(2,848,198)	—	—	—
- Share- based compens ation (Note 26)	—	—	—	—	—	—	—	242,571	242,571	—	—	—
- Other compreh ensive income	—	—	—	—	—	22,137,699	22,137,699	7,834,495	29,972,194	—	—	—
Balance, Decemb er 31, 2025	9,662,354	12,000	9,674	265,339,741	239,452,780	20,628,512	525,430,707	62,812,696	588,243,403	100,000	—	80,714,075

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, 2023, 2024, and 2025
(Expressed in U.S. Dollars)

		Year Ended December 31,		
	Note	2023	2024	2025
Cash Flows provided by Operating Activities of Continuing Operations:				
Net income		\$ 38,642,488	\$ 15,304,934	\$ 21,542,163
Less: Net income from discontinued operations, net of taxes		(17,339,332)	—	—
Net income from continuing operations, net of taxes		21,303,156	15,304,934	21,542,163
Adjustments to reconcile net income from Continuing operations to net cash provided by Operating Activities:				
Depreciation and amortization	5,7,9,10	22,076,831	15,037,006	14,760,087
Amortization and write-off of deferred finance charges	12	888,523	810,000	213,502
Amortization of fair value of acquired time charters	6	2,242,333	622,541	119,733
Straight line amortization of hire		—	(52,084)	99,244
Net (gain) / loss on sale of vessels	7	(6,383,858)	(19,298,394)	2,005,320
Loss on vessels held for sale	7	—	3,629,521	5,554,777
Provision / (recovery) of provision for doubtful accounts		—	4,823	(1,640,626)
Share-based compensation	26	—	9,494	242,571
Non cash compensation (transfer of shares)		—	—	272,780
Adjustments for non-cash finance costs		—	—	252,681
Net gain on disposition of assets		—	—	(244,024)
Unrealized losses from equity method investments	11	—	—	215,153
Unrealized (gains) / losses from equity method investments measured at fair value	11	—	(2,687,236)	10,755,335
Dividend income from equity method investments measured at fair value (related party)	11	—	—	(17,967,315)
Unrealized foreign exchange losses from equity method investments	11	—	—	684,929
Unrealized (gains) / losses on equity securities	13	(5,134,013)	14,664,266	(24,724,671)
Realized (gain) / loss on sale of equity securities	13	(2,636)	269,119	7,827,960
Unrealized (gain) / loss on debt securities	14	—	—	(4,069)
Amortization of bonds' premium discount		—	—	(4,424)
Non-cash effects from translation to reporting currency		—	(121,572)	48,443
Gain from a claim	18	—	(1,418,096)	—
Deferred income taxes		—	—	(1,009,194)
Changes in operating assets and liabilities:				
Accounts receivable trade, net		(208,487)	3,500,308	(2,982,439)
Inventories		539,742	(259,885)	868,044
Due from/to related parties		(4,518,056)	5,826,732	(6,305,244)
Prepaid expenses and other assets		(86,333)	1,014,149	509,950
Other deferred charges		51,138	—	—
Accounts payable		(3,260,521)	(1,786,123)	1,081,688
Accrued liabilities		(1,894,102)	4,390,018	(7,861,871)
Income tax receivable / payable		—	129,173	(5,725,870)
Derivative assets and liabilities, net		—	61,026	(1,357,938)
Deferred revenue		(1,034,987)	(970,440)	201,597

Dry-dock costs paid	(2,395,365)	(1,199,999)	(5,349,236)
Dividends received from equity investments	—	222,490	—
Dividends received from equity method investments measured at fair value (related party)	—	4,209,527	17,967,315
Net Cash provided by Operating Activities from Continuing Operations	22,183,365	41,911,298	10,046,351

Cash flow provided by / (used in) Investing Activities of Continuing Operations:

Vessel acquisitions (including time charters attached) and other vessel improvements	7	(623,283)	(72,171,465)	(699,164)
Purchase of equity securities	13	(72,211,450)	(59,903,362)	(15,694,496)
Acquisition of a subsidiary, net of cash acquired	8	—	(162,960,366)	—
Proceeds from sale of equity securities	13	258,999	52,940,067	74,463,553
Payments for acquisition of equity method investments	11	—	—	(26,180,269)
Return of invested capital from equity method investments	11	—	—	4,941,515
Payments received from disposition of equity method investments	11	—	—	127,634
Purchase of debt securities	14	—	—	(1,796,431)
Proceeds from sale of debt securities		—	—	500,000
Payments received on mezzanine loan		—	—	409,080
Payments for acquisition of equity investments	13	—	—	(755,128)
Net proceeds from sale of vessels	7	63,607,430	107,867,155	61,936,124
Proceeds from a claim	17	—	1,418,096	—
Proceeds from disposition of equity investments		—	248,715	—
Net proceeds from dispositions of long term assets		—	—	3,963
Acquisitions of property, plant and equipment, net	9	—	—	(190,096)
Proceeds from disposition of subsidiaries, net of cash disposed of		—	(914,718)	—
Net cash provided by/ (used in) Investing Activities from Continuing Operations		(8,968,304)	(133,475,878)	97,066,285

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	15	(941,626)	(1,058,481)	—
Common share issuance expenses		(260,936)	—	—
Gross proceeds from Series D Preferred Shares	15	50,000,000	50,000,000	—
Gross proceeds from Series E Preferred Shares	4	—	—	60,000,000
Series D Preferred Shares issuance expenses		(146,807)	(10,000)	—
Series E Preferred Shares issuance expenses		—	—	(39,500)
Redemption of Series E Preferred Shares	4	—	—	(60,000,000)
Dividends paid on Series E Preferred Shares	4	—	—	(313,712)
Dividends paid on Series D Preferred Shares	15	(479,167)	(2,500,000)	(4,597,222)
Proceeds from long-term debt (including related party)	4,12	—	100,000,000	51,577,002
Repayment of long-term debt (including related party)	4,12	(53,864,500)	(86,866,269)	(102,181,653)
Proceeds from long term financial liability	12	—	—	14,640,000
Payment of deferred financing costs		(25,178)	—	(1,568,902)
Repayment of long-term financial liability	12	—	—	(658,080)
Cash dividends paid to noncontrolling interests	15	—	—	(2,848,198)
Proceeds from sale of subsidiary shares to noncontrolling interests		—	—	27,127
Transactions with non-controlling interest	15	—	—	(353,243)
Proceeds received from Toro Corp. related to Spin-Off	4	2,694,647	—	—
Net cash provided by/ (used in) Financing Activities		(2,141,740)	59,565,250	(46,316,381)

from continuing operations			
Cash flows of discontinued operations:			
Net cash provided by Operating Activities from discontinued operations	20,409,041	—	—
Net cash provided by / (used in) Investing Activities from discontinued operations	(153,861)	—	—
Net cash used in Financing Activities from discontinued operations	(62,734,774)	—	—
Net cash used in discontinued operations	(42,479,594)	—	—
Effect of exchange rate changes on cash, cash equivalents and restricted cash	—	(284,819)	3,361,876
Net increase/(decrease) in cash, cash equivalents, and restricted cash	(31,406,273)	(32,284,149)	64,158,131
Cash, cash equivalents and restricted cash at the beginning of the period	152,307,420	120,901,147	88,616,998
Cash, cash equivalents and restricted cash at the end of the period	\$120,901,147	88,616,998	\$ 152,775,129
RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH			
Cash and cash equivalents	\$111,383,645	87,896,786	\$ 151,775,129
Restricted cash, current	2,327,502	—	—
Restricted cash, non-current	7,190,000	—	1,000,000
Cash and cash equivalents included in assets held for sale	—	720,212	—
Cash, cash equivalents, and restricted cash	\$120,901,147	\$ 88,616,998	\$ 152,775,129
SUPPLEMENTAL CASH FLOW INFORMATION			
Cash paid for interest	10,153,448	3,200,464	3,132,785
Cash paid for income taxes, net of refunds	—	33,048	7,152,131
Cash paid for withholding taxes	—	—	542,765
Unpaid capital raising costs (included in Accounts payable and Accrued Liabilities)	34,000	—	5,000
Unpaid vessel acquisition and other vessel improvement costs (included in Accounts payable and Accrued liabilities)	—	143,709	13,379
Unpaid deferred dry-dock costs (included in Accounts payable and Accrued liabilities)	—	—	327,302
Unpaid deferred financing costs	—	110,000	—
Dividend declared but unpaid	541,666	687,500	1,069,444
Deemed dividend on Series D Preferred Shares	196,296	606,444	3,005,817
Deemed contribution from Series D preferred shareholders	—	22,437,675	—
Deemed dividend on Series E Preferred Shares	—	—	168,629
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, 2025, 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 affiliated with 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 15). 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 Co. 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 year ended December 31, 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 Imini Panagiotidis, the sister of the Company's Chairman, Chief Executive Officer, and Chief Financial Officer, 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-managed with Castor Ships the technical management of 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 and December 18, 2024, respectively. As of December 31, 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.

As of December 31, 2025, the Company owned a diversified fleet of 9 vessels, with a combined carrying capacity of 0.6 million dwt, consisting of four Kamsarmax, three Panamax and one Ultramax dry bulk vessels, as well as one 1,850 TEU containership.

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):

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 in Note 4.

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).

As of December 31, 2025, Castor had 36 wholly-owned subsidiaries incorporated in the Republic of the Marshall Islands, 1 wholly-owned subsidiary incorporated in the Republic of Cyprus and 1 wholly-owned subsidiary incorporated in Germany. In addition, Castor had 79 majority-owned subsidiaries incorporated in Germany, 2 majority-owned subsidiaries incorporated in the Netherlands and 5 majority-owned subsidiaries, with one incorporated in each of Singapore, Colombia, Panama, Austria and the People’s Republic of China.

27 majority-owned subsidiaries incorporated in Germany were dissolved during the year ended December 31, 2025. The dissolutions were administrative in nature and did not result in any cash payments, proceeds, or distributions to the Company. Additionally, no gains or losses were recognized in connection with these dissolutions, as the carrying amounts of the entities’ net assets were not material at the time of dissolution.

Charterer concentration:

During the years ended December 31, 2023, 2024 and 2025, 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, 2023	Year Ended December 31, 2024	Year Ended December 31, 2025
A	42%	41%	41%
B	28%	30%	21%
C	—%	10%	—%
D	10%	—%	—%

E	—%	—%	12%
Total	80%	81%	74%

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:***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.

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.

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):***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, 2025, 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 statement 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. The following EUR/USD exchange rates have been used for the reporting period.

December 31, 2024	1.04156
December 31, 2025	1.17631
Average rate January 1 - December 31, 2025	1.12941

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.

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):***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 accounts receivable trade, 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, 2024 and 2025 amounted to \$4,823 and \$0, 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.

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.

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 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. As of December 31, 2025, the Company performed its annual impairment test of goodwill. The assessment indicated that the fair value of the reporting unit was in excess of its carrying value; accordingly, no impairment charge was recorded.

Intangible assets

Intangible assets include assets resulting from the applied pushdown accounting (see also 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	10 - 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, 2024 and 2025 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 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 Investments–Equity Method and Joint Ventures, are 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 amortized. Non-current assets and liabilities held for sale are recognized as current on the balance sheet. If an asset or liability previously classified as held for sale no longer meets the criteria for held-for-sale classification, it is reclassified back to held and used. The asset or liability is recorded as reclassified to the lower of (i) the carrying amount before the held-for-sale classification, adjusted for depreciation or amortization that would have been recognized had the asset not been classified as held for sale, or (ii) its fair value at the date of reclassification.

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 ‘Gain / (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, which is estimated to be \$370 per light-weight ton. 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.

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):

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 operating 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, 2025, the Company identified impairment indicators for one of its vessels and, accordingly, estimated the vessel's recoverable amount by projecting its 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 vessel and its estimated residual value. Based on the results of the undiscounted cash flow test performed, the Company determined that the vessel for which impairment indicators were present, was not impaired as of December 31, 2025.

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.

Property, plant and equipment, net

Property, plant 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. Property mainly refers to leasehold improvements for the Company's offices. Plant exclusively consists of two wind turbines. Office furniture and office equipment primarily relate to furnishings, fittings and equipment in the Company's office. 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

Property, plant & Equipment

Wind turbines	30
Leasehold improvements	5 – 13
Office Furniture	7 - 13
Office Equipment	3 – 5

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):***Impairment of long-lived assets***

The Company evaluates property, plant 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 operating 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.

Revenues and voyage expenses recognition

The Company generates its revenues from time charter contracts and pool arrangements. 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. A part of the Company's revenues is also generated from pool arrangements, determined in accordance with the profit-sharing mechanism specified within each pool agreement. The Company recognizes pool revenue based on quarterly reports from the pools which identify the number of days the vessel participated in the pool, the total pool points for the period, the total pool revenue for the period, and the calculated share of pool revenue for the vessel.

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.

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 related to pool contracts

Pool revenue for each vessel is determined in accordance with the profit-sharing mechanism specified within each pool agreement. In particular, the Company's pool managers aggregate the revenues and expenses of all of the pool participants and distribute the net earnings to participants, as applicable:

- based on the pool points attributed to each vessel (which are determined by vessel attributes such as cargo carrying capacity, speed, fuel consumption, and construction and other characteristics); or.
- by making adjustments to account for the cost of performance, the bunkering fees and the trading capabilities of each vessel and the number of days the vessel participated in the pool in the period (excluding off-hire days).

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 judgment, 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.

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, and (ii) management services. Management services may be further subdivided into ongoing management services for investment structures and assets, and 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.

Ongoing management services for investment structures and assets comprise management services for assets companies (and associated assets). 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.

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):

The Company provides commercial ship management services. In the period from December 16 to December 31, 2024, the Company also rendered technical ship management services. In 2025, technical ship management services are exclusively rendered by the Company's joint ventures. Commercial management includes activities such as chartering, voyage coordination, and related support services. The services are 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.

Cost of revenue from services

Cost of revenue from services primarily 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.

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 has 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.

Sale and Leaseback Transactions

In accordance with ASC 842, the Company, as seller-lessee, determines whether the transfer of an asset should be accounted for as a sale in accordance with ASC 606. The existence of an option for the seller-lessee to repurchase the asset precludes the accounting for the transfer of the asset as a sale unless both of the following criteria are met: (1) the exercise price of the option is the fair value of the asset at the time the option is exercised and (2) there are alternative assets, substantially the same as the transferred asset, readily available in the marketplace; and the classification of the leaseback as a finance lease or a sales-type lease, precludes the buyer-lessor from obtaining control of the asset. In accordance with ASC 842, if the transfer of the asset meets the criteria of sale, the Company, as seller-lessee (1) recognizes the transaction price for the sale when the buyer-lessor obtains control of the asset and (2) derecognizes the carrying amount of the underlying asset and accounts for the lease. If the transfer does not meet the criteria of sale, the Company does not derecognize the transferred asset, accounts for any amounts received as a financing arrangement and recognizes the difference between the amount of consideration received and the amount of consideration to be paid as interest.

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 and debt securities, loans, amounts due from related parties, trade receivables, net and derivative financial instruments. The principal financial liabilities of the Company consist of accounts payable, accrued liabilities, long-term debt (including related party amounts), financial liabilities, 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. Additionally, the Company entered into interest rate swaps to mitigate the risk of uncertain cash flows from variable interest payments. 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.

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):***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.

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.

Withholding taxes imposed by foreign jurisdictions on dividends received from equity method investments measured at fair value are recognized in the period the related dividend income is recognized. Such taxes are presented separately in the consolidated statements of operations and are not included within 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.

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):***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 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.

Investment in debt securities

The Company classifies its investments in debt securities as "held-to-maturity", "trading" or "available-for-sale", and such classification determines the respective accounting methods, as stipulated by ASC 320, Investments—Debt Securities. All investments with original maturities of greater than three months but not exceeding twelve months are classified as short-term investments, while those of more than twelve months are classified as long-term investments. Investments that are expected to be realized in cash during the next twelve months are also included in short-term investments. Dividend and interest income, including amortization of the premium and discount arising at acquisition, for all categories of investments in securities, are included in earnings. The securities that the Company has the positive intent and the ability to hold to maturity are classified as held-to-maturity securities and stated at amortized cost. Premiums and discounts are amortized or accreted over the life of the security as an adjustment to yield using the effective interest method. The securities that are bought and held principally for the purpose of selling them in the near term are classified as trading securities. Trading investments are reported at fair value and unrealized gains and losses are included in earnings. Investments not classified as trading or as held-to-maturity are classified as available-for-sale securities. Available-for-sale investments are reported at fair value, with unrealized gains and losses recorded in accumulated other comprehensive income. Realized gains or losses are included in earnings during the period in which the gain or loss is realized. Held-to-maturity investments are initially measured at their transaction price, including applicable transaction costs. In many cases, the transaction price approximates the fair value at the acquisition date. Debt securities may be purchased at a discount or premium to their par or face value. The Company measures expected credit losses on held-to-maturity debt securities in accordance with ASC 326, Financial Instruments—Credit Losses. The estimate of expected credit losses is based on historical credit loss experience, current economic conditions, and reasonable and supportable forecasts. The Company evaluates credit quality indicators, including credit ratings, payment history, and other relevant factors. Changes in the allowance for credit losses are recorded in earnings. If a security is deemed uncollectible, the amortized cost basis is written off against the allowance. As of December 31, 2025, the Company evaluated its held-to-maturity debt securities and determined

that no allowance for credit losses was required.

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 has 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 grant date.

The Program contains a service, performance, and market condition. At the time of the MPC Capital acquisition, the performance and market conditions were fulfilled. Therefore, the corresponding expense is recognized on a straight-line basis over the requisite service period, net of estimated forfeitures. The Company estimates the forfeiture rate based on historical experience and adjusts the rate for actual forfeitures and changes in expectations. If the estimated number of awards that will ultimately vest deviates from actual results, an adjustment is recorded in the period the estimates are revised.

New Accounting Pronouncements

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 adoption of this guidance on a prospective basis may result in additional tax disclosures but does not have a material impact on the Company's results of operations, financial position, or liquidity.

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)

2. Significant Accounting Policies and Recent Accounting Pronouncements (continued):

In May 2025, the FASB issued ASU 2025-03, Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity. This update provides guidance on identifying the accounting acquirer when a variable interest entity that meets the definition of a business is acquired primarily through the exchange of equity interests. The standard becomes effective for annual periods beginning after December 15, 2026, and for interim periods within those fiscal years. Early adoption is permitted. The Company is currently evaluating the impact of ASU 2025-03 on its accounting and disclosures related to business combinations. In July 2025, the FASB issued ASU 2025-05, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets, which provides a practical expedient for estimating expected credit losses. The amendments are effective for annual reporting periods beginning after December 15, 2025, including interim periods within those annual periods. Early adoption is permitted. The Company is in the process of assessing the impact of ASU 2025-05 on its consolidated financial statements.

In September 2025, the FASB issued ASU 2025-07, Derivatives and Hedging (Topic 815) and Revenue from Contracts with Customers (Topic 606): Derivative Scope Refinements and Scope Clarification for Share-Based Noncash Consideration from a Customer in a Revenue Contract (“ASU 2025-07”), which refines the scope of Topic 815 and clarifies which contracts are subject to derivative accounting. The guidance also provides clarification under Topic 606 for share-based payments from a customer in a revenue contract. The amendments in ASU 2025-07 are effective for fiscal years beginning after December 15, 2026, and interim reporting periods, with early adoption permitted. The Company is in the process of assessing the impact of ASU 2025-07 on its consolidated financial statements and related disclosures.

In November 2025, the FASB issued ASU 2025-11, Interim Reporting (Topic 270): The amendments in this update clarify interim disclosure requirements and the applicability of Topic 270 and are effective for interim reporting periods within annual reporting periods beginning after December 15, 2027, for public business entities and for interim reporting periods within annual reporting periods beginning after December 15, 2028, for entities other than public business entities. Early adoption is permitted. The Company is currently assessing the impact this standard will have on its consolidated financial statements.

In December 2025, the FASB issued ASU No. 2025-12 to clarify, correct errors in or make other improvements to a broad range of topics in the Accounting Standards Codification (“ASC”), including ASC 260, Earnings Per Share; ASC 325, Investments — Other; and ASC 958, Not-for-Profit Entities. The guidance is effective for all entities for annual reporting periods beginning after December 15, 2026, and interim periods within those annual periods. Early adoption is permitted. Entities are required to apply the amendments to ASC 260 retrospectively to each prior reporting period presented in the period of adoption. Entities can apply all other amendments in the period of adoption either (1) prospectively to all new transactions recognized on or after the date that the entity first applies the amendments or (2) retrospectively to the beginning of the earliest comparative period presented, with an adjustment to the opening balance of retained earnings (or other appropriate components of equity or net assets in the statement of financial position) as of the beginning of the earliest comparative period presented. An entity may elect the transition method on an issue-by-issue basis (except for the ASC 260 amendments). 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 period January 1, 2023 through March 7, 2023 in the consolidated statements of comprehensive income consisted of the following:

	January 1 through March 7, 2023
REVENUES:	
Time charter revenues	\$ 914,000
Voyage charter revenues	7,930
Pool revenues	22,447,344
Total vessel revenues	23,369,274
EXPENSES:	
Voyage expenses (including \$294,831 to related party for the period January 1, 2023 through March 7, 2023)	(374,396)
Vessel operating expenses	(3,769,132)
Management fees to related parties	(507,000)
Depreciation and amortization	(1,493,759)
(Provision) / Recovery of provision for doubtful accounts	266,732
Gain on sale of vessel	—
Total expenses	(5,877,555)
Operating income	17,491,719
OTHER INCOME/(EXPENSES):	
Interest and finance costs	(220,061)
Interest income	253,165
Foreign exchange losses	(11,554)
Total other (expenses)/income, net	21,550
Net income and comprehensive income from discontinued operations, before taxes	\$17,513,269
Income taxes	(173,937)
Net income and comprehensive income from discontinued operations, net of taxes	\$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, 2024, and December 31, 2025, balances with related parties consisted of the following:

	December 31, 2024	December 31, 2025
Assets:		
Due from Castor Ships (a) – current	\$ 1,407,506	\$ 10,682,592
Due from Castor Ships (a) – non-current	3,504,667	2,893,839
Due from Pavimar (b) – current	1,405,049	—
Investment in Toro (c) – non-current	117,560,467	117,521,579
Due from related parties (MPC Capital) (h) - current	3,581,070	2,472,917
Liabilities:		
Due to Toro (d) – current	687,500	1,069,444
Current portion of long-term debt, related party, net (Toro) (f)	9,970,623	—
Long-term debt, related party, net (Toro) (f)	89,921,162	—
Accrued interest (f)- current	364,205	—
Due to related parties (MPC Capital) (h) - current	\$ 201,521	\$ 37,162

(a) Castor Ships:

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 (as amended or supplemented from time to time, the “Amended and Restated Master Management Agreement”), appointing Castor Ships as commercial and technical manager for the Company’s vessels. 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. 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 is in no circumstances responsible for the actions of the crew of the Company’s vessels. The Company has also agreed to indemnify Castor Ships in certain circumstances. Under the terms of the Amended and Restated Master Management Agreement, the Company’s ship-owning subsidiaries have also entered into separate management agreements appointing Castor Ships as commercial and technical manager of their vessels (collectively, the “Ship Management Agreements”).

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):

Until June 30, 2024, in exchange for these services, Castor Ships charged and collected (i) a flat quarterly management fee for the management and administration of its business (the “Flat Management Fee”), (ii) a daily management fee per containership and dry bulk vessel, and, a daily management fee per tanker vessel (of \$975 until March 6, 2023) (collectively, the “Ship Management Fees”) for the provision of ship management services provided under the Ship Management Agreements, (iii) a commission of 1.25% on all gross income received from the operation of its vessels, and (iv) a commission of 1% on each consummated vessel sale and purchase transaction.

In addition, certain of the Company’s vessels were historically subject to co-management arrangements with Pavimar S.A. (“Pavimar”), as further described below. Until the termination of the ship management agreements between the Company and Pavimar, 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 \$325 (before the inflation adjustment) or \$386, effective July 1, 2023, or \$417, effective July 1, 2024. As of December 31, 2025, all ship management agreements between the Company and Pavimar have been terminated.

Effective July 1, 2024, in lieu of the previously applicable commission structure and in addition to the Ship Management Fees and Flat Management Fee, Castor Ships charged and collected (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 ship-owning 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.

Effective July 1, 2025, in lieu of the previously applicable commission structure and in addition to the Ship Management Fees and Flat Management Fee, 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 ship-owning 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, (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 (secondhand or newbuilt), or (b) the shares of a ship-owning entity owning vessel(s), or (c) shares and/or other securities (including equity, debt and loan instruments), and (iii) a capital raising commission at the rate of 1% on all gross proceeds of each capital raising transaction completed by the Company including, without limitation, any equity, debt or loan transactions, operating leasing transactions, stand-alone derivative and/or swap agreements, other financing arrangements of a similar nature or any refinancing or restructuring thereof. Castor Ships may also be reimbursed for extraordinary fees and costs, such as the costs of extraordinary repairs, maintenance, or structural changes to the Company’s 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):

Under the terms of the Amended and Restated Master Management Agreement, the Ship Management Fees and Flat Management Fee are adjusted annually for inflation on each anniversary of the Amended and Restated Master Management Agreement's effective date. As a result of the inflation adjustments, (i) effective July 1, 2023, the daily Ship Management Fees increased from \$925 per vessel to \$986 per vessel and the quarterly Flat Management Fee increased from \$0.75 million to \$0.8 million, (ii) effective July 1, 2024, the daily Ship Management Fees increased to \$1,017 per vessel and the quarterly Flat Management Fee to \$0.82 million, and (iii) effective July 1, 2025, the daily Ship Management Fees increased to \$1,044 per vessel and the quarterly Flat Management Fee to \$0.85 million.

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 is 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 the Ship Management Agreements.

Castor Ships may choose to subcontract some of its provided services to other parties at its discretion. Castor Ships pays, at its own expense, the third-party management companies a fee for such services, without burdening the Company with any additional cost. In late January 2023, Castor Ships subcontracted the technical management of the Company's containerships, *M/V Ariana A* and *M/V Gabriela A*, from Pavimar to a third-party ship management company.

As of December 31, 2024, 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 her delivery to the Company) and December 18, 2024, respectively.

As of December 31, 2025, Castor Ships performs exclusively 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.

During the years ended December 31, 2023, 2024, and 2025, Castor Ships charged and collected the following fees and commissions: (i) management fees amounting to \$2,660,797, \$2,585,002 and \$3,375,207, respectively, (ii) charter hire commissions amounting to \$1,274,384, \$1,170,615 and \$1,566,628, respectively, (iii) sale and purchase commissions of \$664,000 (due to the sale of three Panamax vessels and two Kamsarmax vessels in 2023) which are included in 'Net gain / (loss) on sale of vessels', \$1,831,400 (due to the sale of four Panamax vessels, two Kamsarmax vessels and one Capesize vessel and the acquisitions of the *M/V Magic Celeste*, *M/V Magic Ariel* and *M/V Raphaela* (Note 7) in 2024) which are included in 'Net gain / (loss) on sale of vessels' and 'Vessels, net' in the accompanying consolidated balance sheet and \$473,000 (due to the sale of two Panamax vessels and two Container vessels in 2025), which are included in 'Net gain / (loss) on sale of vessels' and 'Loss on vessels held for sale' in the accompanying

consolidated statements of comprehensive income, and (iv) in 2024, 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 'General and Administrative expenses' and in 'Interest and Finance costs', respectively, and, in 2025, sale and purchase brokerage commissions of \$1,003,624 for other listed equity securities and \$646,400 for the agreement with Alpha Bank (Note 12) and the sale and leaseback transaction (Note 12) which are included in 'Interest and Finance costs' and in 'Deferred Loan Fees', respectively.

Moreover, during the years ended December 31, 2023, 2024, and 2025, the flat management fees amounted to \$3,099,000, \$3,247,570 and \$3,340,334, respectively, and are included in 'General and administrative 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)

4. Transactions with Related Parties (continued):

The 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 if a vessel is no longer under Castor Ship's management. 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* and *M/V Gabriela A* which have been classified as held for sale (Note 7(c)). As of December 31, 2025, such advances amounted to \$2,893,839 and \$1,372,826, 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 \$1,372,826 is in relation to the *M/V Ariana A*, *M/V Gabriela A*, *M/V Magic Callisto* and *M/V Magic Eclipse* that were sold on January 22, 2025, May 7, 2025, April 28, 2025 and March 24, 2025, respectively.

In connection with the subcontracting services rendered by the third-party/related party ship-management companies, the Company had, as of December 31, 2024, and December 31, 2025, aggregate working capital guarantee deposits due from Castor Ships of \$22,958 and \$1,714,772 respectively, which are presented in 'Due from related parties, current' in the accompanying consolidated balance sheets.

As of December 31, 2024 and December 31, 2025, net amounts of \$1,083,025 and \$5,987,559 were due from Castor Ships in relation to advances for operating expenses/drydock payments made by the Company to Castor Ships.

Further, as of December 31, 2024, and December 31, 2025, amounts of \$(460,475) and \$1,607,435, respectively, were due (to)/from Castor Ships, respectively, in connection with the services covered by the Amended Castor Ships Management Agreements. As a result, as of December 31, 2024 and December 31, 2025, net amounts of \$1,407,506 and \$10,682,592 were due from Castor Ships which are presented in 'Due from related parties, current', in the accompanying consolidated balance sheets.

(b) Pavimar:

With effect from July 1, 2022, pursuant to the terms of the Amended and Restated Master Management Agreement, Pavimar provided, 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.

As of December 31, 2025, all ship management agreements between the Company and Pavimar have been terminated. During the years ended December 31, 2023, 2024 and 2025, management fees paid to Pavimar amounted to \$4,506,600, \$2,223,600 and \$646,800, respectively.

Pavimar made payments for operating expenses with funds paid from the Company to Pavimar. As of December 31, 2024, and December 31, 2025, net amounts of \$1,592,049 and \$0 were due from Pavimar, respectively, in relation to advance payments to Pavimar on behalf of the Company. Further, as of December 31, 2024, and December 31, 2025, amounts of \$187,000 and \$0 were due to Pavimar in connection with additional services covered by the technical management agreements. As a result, as of December 31, 2024, and December 31, 2025, net amounts of \$1,405,049

and \$0 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 fourth anniversary of the issue date (following amendment on December 23, 2025, as discussed below) 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 initially 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, 2024 and December 31, 2025, the aggregate value of investments in Toro amounted to \$117,560,467 and \$117,521,579, including \$338,332 and \$299,444 of accrued dividends, respectively, and are separately presented as 'Investment in related party' in the accompanying consolidated balance sheets. As of December 31, 2025, 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, 2023, 2024 and 2025, dividend income derived from the Company's investment in Toro amounted to \$1,166,667, \$1,423,332 and \$1,361,122 respectively and is presented in

‘Dividend income from related party’ in the accompanying consolidated statements of comprehensive income.

In each of the years ended December 31, 2024 and 2025, the Company received dividends of \$1,400,000 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 15. The amounts of accrued dividend on the Series D Preferred Shares due to Toro as of December 31, 2024, and as of December 31, 2025 were \$687,500 and \$1,069,444 respectively, and are presented in ‘Due to related parties, current’ in the accompanying consolidated balance sheets.

(e) Issuance and Full Redemption of Series E Preferred shares to Toro:

On September 29, 2025, the Company agreed to issue 60,000 Series E Cumulative Perpetual Convertible Preferred Shares (the “Series E Preferred Shares”) having a stated amount of \$1,000 each to Toro for a total consideration of \$60.0 million in cash. The distribution rate of the Series E Preferred Shares was 8.75% per annum, paid quarterly, and were convertible into common shares of Castor from the first anniversary of their issue date at a conversion price equal to the 5-day value weighted average price immediately preceding the conversion, subject to a minimum conversion price of \$0.30. The Company had the option to redeem the Series E Preferred Shares, in whole or in part, at any time, on or after October 30, 2025, for a cash consideration equal to 100% of the stated amount plus any accrued and unpaid distributions up until that date. This transaction and its terms were approved by the board of directors of Castor and Toro at the recommendation of their respective special committees of disinterested and independent directors who negotiated the transaction.

On October 13, 2025, Castor and Toro agreed to the full redemption of the Series E Preferred Shares for a cash consideration equal to the stated amount of the Series E Preferred Shares plus 0.523% thereof, including accrued and unpaid distributions. Following the full redemption, such Series E Preferred Shares were cancelled and are no longer outstanding. The foregoing full redemption of the Series E Preferred Shares and its terms were approved by the board of directors of Castor and Toro at the recommendation of their respective special committees of disinterested and independent directors who negotiated the redemption.

(f) 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 had a tenor of 5 years, bore interest at the secured overnight financing rate (“SOFR”) plus 1.80% per annum, was guaranteed by ten wholly-owned ship-owning subsidiaries of Castor and was 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 was 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 was also subject to certain negative covenants customary for facilities of this type, which could be waived in Toro’s sole discretion.

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):

	Year Ended	
	December 31, 2024	December 31, 2025
<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	\$ —

On March 24, 2025, March 31, 2025 and on April 29, 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 December 31, 2025, the Term Loan has been fully repaid.

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.

The average interest rate on the Company's related party long-term debt for the years ended December 31, 2024 and 2025, was 6.24% and 6.13% (for the period that the Term Loan was outstanding), respectively.

Total interest incurred on related party long-term debt for the years ended December 31, 2023, 2024 and 2025, amounted to \$0, \$364,205 and \$1,771,836 respectively, and is included in Interest and finance costs' (Note 24) 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)

4. Transactions with Related Parties (continued):**(g) Vessel Acquisitions/Disposals:**

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.

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 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 / (loss) on sale of vessels' in the accompanying consolidated statements of comprehensive income.

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. The vessel was delivered to its new owners on March 24, 2025.

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. The vessel was delivered to its new owners on April 28, 2025.

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.

(h) 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.

	Year ended December 31, 2024 ⁽¹⁾	Year ended December 31, 2025
Revenues from services with related parties		
MPC Container Ships ASA	\$ 273,785	\$ 8,017,219

Wilhelmsen Ahrenkiel Ship Management GmbH & Co. KG	—	900,062
MPC Energy Solutions NV	68,765	686,920
MPC Caribbean Clean Energy Limited	39,228	948,938
Other	—	211,514
Total	\$ 381,778	\$10,764,653

(1)

Results for the year ended December 31, 2024 reflect data for the period from the acquisition of MPC Capital on December 16, 2024, through 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):

Further, for the year ended December 31, 2024, a one-time compensation of \$2.6 million, which is included in ‘General and Administrative expenses’ in the accompanying consolidated statements of comprehensive income, was payable to certain officers of a subsidiary related to a business combination. This amount was paid in February 2025.

During the years ended December 31, 2024 and 2025, material related party relationships, include the following:

MPC Container Ships ASA

MPC Capital holds approximately 13.7% of the shares in MPC Container Ships ASA (“MPCC”), indirectly through MPC CSI GmbH, Hamburg. Moreover, Castor’s subsidiary, MPCC CSI LTD., a company affiliated with MPC Capital, acquired during the year ended December 31, 2025, 3.44% shares in MPCC (Note 11). MPCC 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 MPCC and its subsidiaries.

The outstanding amounts for MPCC exclusively relate to receivables for services rendered and amounted to \$202,274 and \$333,063 as of December 31, 2024 and 2025, respectively, included in ‘Due from related parties’ in the accompanying consolidated balance sheet.

Wilhelmsen Ahrenkiel Ship Management GmbH & Co. KG

MPC Capital holds 50% of the shares in Wilhelmsen Ahrenkiel Ship Management GmbH & Co. KG, Hamburg. Wilhelmsen Ahrenkiel Ship Management GmbH & Co. KG provides technical ship management, is a joint venture of the Company and, together with its subsidiaries, is considered a related party of the Company.

The outstanding amounts due from Wilhelmsen Ahrenkiel Ship Management GmbH & Co. KG relate to financing provided by MPC Capital in the amounts of \$0 and \$1,764,465 as of December 31, 2024 and 2025, respectively, and other receivables in the amounts of \$0 and \$9,506 as of December 31, 2024 and 2025, respectively, included in ‘Due from related parties’ in the accompanying consolidated balance sheet.

MPC Energy Solutions NV

MPC Capital holds around 20.5% of the shares in MPC Energy Solutions NV as of December 31, 2025. 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 ‘Due from related parties’ in the accompanying consolidated balance sheets, amount to \$777,997 and \$73,521 as of December 31, 2024 and 2025, respectively.

MPC Caribbean Clean Energy Limited

MPC Capital holds around 22.2% of the shares in MPC Caribbean Clean Energy Limited as of December 31, 2025.

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 ‘Due from related parties’ in the accompanying consolidated balance sheet, amount to \$523,304 and \$48,219 as of December 31, 2024 and 2025, respectively.

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, 2023	\$ 3,231,461
Additions	1,556,902
Amortization	(1,363,517)
Transfer to Assets held for sale (Note 7(c))	(460,930)
Disposals	(758,372)
Balance December 31, 2024	\$ 2,205,544
Additions	5,261,785
Amortization	(1,400,875)
Balance December 31, 2025	\$ 6,066,454

During the years ended December 31, 2024 and 2025, one of the Company’s dry bulk carrier vessels (the *M/V Magic Mars*) and four of the Company’s dry bulk carrier vessels (the *M/V Magic P*, *M/V Magic Ariel*, *M/V Magic Starlight* and *M/V Magic Celeste*) 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 and was concluded within the first quarter of 2025 and the respective intangible asset was fully amortized during that period.

For the years ended December 31, 2023, 2024, and 2025, the amortization of the acquired time charters related to the above acquisitions amounted to \$2,242,333, \$622,541 and \$119,733, respectively, and is included in ‘Time Charter Revenues’ 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:**(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, 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
— Improvements, and other vessel costs	569,051	—	569,051
— Vessel disposals	(42,365,879)	7,495,493	(34,870,386)
— Period depreciation	—	(9,645,825)	(9,645,825)
Balance December 31, 2025	\$186,082,691	\$ (29,586,658)	\$ 156,496,033

(b) 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, 2024 and 2025, the Company incurred aggregate vessel improvement costs of \$0.05 million and \$0.6 million, respectively, mainly relating to the installation of new equipment pursuant to environmental regulations.

(c) 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 / (loss) 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 / (loss) 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 / (loss) 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 / (loss) 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 / (loss) 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 / (loss) 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 / (loss) 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 / (loss) 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 / (loss) 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 / (loss) 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 / (loss) 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 / (loss) on sale of vessels' in the accompanying consolidated statements of comprehensive income.

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. The *M/V Gabriela A* was delivered to its new owner on May 7, 2025 and the Company recognized during the year ended December 31, 2025 a net gain of \$0.2 million which is separately presented in 'Net gain / (loss) on sale of vessels' in the accompanying consolidated statements of comprehensive income.

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. The vessel was delivered to its new owners on March 24, 2025. In connection with this sale, the Company recognized during the first quarter of 2025 a net loss of \$2.0 million which is separately presented in 'Net gain / (loss) on sale of vessels' in the accompanying consolidated statements of comprehensive income.

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. The vessel was delivered to its new owners on April 28, 2025. The Company followed the provisions of ASC360 and, as all criteria required for its classification as such were met at the

date the relevant agreement was entered into, the *M/V Callisto* was measured at the lower of its carrying value and fair value (sale price) less costs to sell. As of such date, the difference between the estimated fair value less cost to sell the vessel and the vessel's carrying value, amounted to a loss of \$5.6 million and was recognized as 'Loss on vessels held for sale' 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, February 15, 2024, March 6, 2025 and March 11, 2025 were negotiated and approved by a special committee of the Company's disinterested and independent directors.

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**

The Company's subsidiary Energiepark Heringen-Philippsthal WP HP GmbH & Co, KG ("EP Heringen"), which operates a windfarm in Germany, met the held for sale criteria as of December 31, 2024 and Assets held for sale included EP Heringen as follows:

<i>In thousands</i>	December 31, 2024
Goodwill	\$ 3,239
Property, plant 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

In the first quarter of 2025, the Company re-assessed whether EP Heringen qualifies as a discontinued operation as defined by ASC 205-20 "Discontinued Operations" and determined that EP Heringen does not meet the corresponding criteria. As a result, the goodwill previously included in assets held for sale in the amount of \$3,238,569 and deferred tax liabilities included in liabilities directly associated with assets held for sale in the amount of \$1,227,844 were re-classified as of January 1, 2025. See Note 8 for further information.

As of December 31, 2025, the Company shifted its sales strategy from placing an investment fund to disposing of EP Heringen via direct sale and is in the process of selecting and engaging investment brokers. Even though management remains committed to the sale of EP Heringen, due to the change in sales strategy, an active program to locate a buyer had not been implemented as of December 31, 2025. As a result, the held for sale criteria were no longer met. Accordingly, property, plant and equipment exclusively relating to the two wind turbines, for which the fair value was determined as part of the pushdown accounting (see Note 8), in the amount of \$33,748,655 was reclassified from assets held for sale to property, plant and equipment in the consolidated balance sheet for the year ended December 31, 2025. As long as EP Heringen was classified as held for sale, property, plant and equipment was not depreciated. The change in the carrying amount between December 31, 2024 and the reclassified amount solely pertains to foreign exchange translation.

During the year ended December 31, 2024, no gain or loss relating to the disposal group held for sale has been recognized in the consolidated statement 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):

As of December 31, 2024, and December 31, 2025, net amounts of \$69,430,788 and \$0, respectively, are presented in 'Assets held for sale', in the accompanying consolidated balance sheets.

	Assets held for sale
Balance December 31, 2023	\$ 38,656,048
Vessels' disposal (Note 7 (c))	(38,656,048)
Assets held for sale	69,430,788
Balance December 31, 2024	\$ 69,430,788
Vessels' disposal (Note 7 (c))	(34,733,403)
Assets held for sale reclassification	(34,697,385)
Balance December 31, 2025	\$ —

As of December 31, 2025, four of the Company's owned vessels, having a net carrying value of \$88.9 million, were subject to first priority mortgages as collateral under the \$50.0 Million Term Loan Facility (Note 12). In addition, the Company's one bareboat chartered vessel, having a net carrying value of \$13.3 million as of December 31, 2025, has been financed through sale and leaseback agreement. As is in typical leaseback agreements, the title of ownership is held by the relevant lenders.

Consistent with prior practices, the Company reviewed all its vessels for impairment, and none were found to be impaired at December 31, 2024 and December 31, 2025.

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 as of December 31, 2024 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.

As of December 31, 2024, the valuation related to the acquisition of MPC Capital was not final, and the acquisition price allocation was preliminary and subject to revision. The primary areas of the acquisition price allocation that were not yet finalized related to certain property, plant and equipment, intangible assets, liabilities and tax balances.

In December 2025, the valuation processes related to the acquisition of MPC Capital were completed. The purchase price allocation has been finalized to reflect all facts and circumstances that existed as of the acquisition date. Adjustments solely relate to intangible assets and the associated tax related balance sheet items. The fair values of the customer relationships and order backlogs were remeasured based on more detailed revenue information. Furthermore,

the due from related parties were revised to reflect the open balances as of the acquisition date.

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(Expressed in U.S. Dollars – except for share data unless otherwise stated)

8. Acquisition of MPC Capital (continued):

The following table summarizes the preliminary and final allocation of the fair value of MPC Capital's assets, liabilities and noncontrolling interest as at December 16, 2024:

	Preliminary acquisition price allocation	Final acquisition price allocation	Adjustment
Assets acquired			
Cash and cash equivalents	\$ 28,026,596	28,026,596	
Account receivable trade, net	3,365,268	3,365,268	
Due from related parties	9,779,850	8,858,760	(921,090)
Prepaid expenses and other assets	912,152	912,152	
Income tax receivable	11,941,846	11,941,846	
Assets held for sale	35,246,768	35,246,768	
Derivative Assets	1,297,985	1,297,985	
Property and equipment, net	2,075,104	2,075,104	
Operating lease right-of-use assets	7,882,948	7,882,948	
Intangible assets, net	19,574,760	20,505,211	930,451
Goodwill	18,079,618	18,372,217	292,599
Equity method investments	50,920,542	50,920,542	
Equity method investments measured at fair value	113,694,883	113,694,883	
Equity investments	5,228,041	5,228,041	
Prepaid expenses and other assets	205,824	205,824	
Deferred tax assets	1,841,537	1,841,537	
Total assets acquired	310,073,722	310,375,682	301,960
Liabilities assumed			
Current portion of long-term debt, net	1,061,812	1,061,812	
Accounts payable	616,988	616,988	
Accrued liabilities	15,123,454	15,123,454	
Due to related parties	203,177	203,177	
Liabilities directly associated with assets held for sale	18,065,703	18,065,703	
Derivative liabilities	1,520,984	1,520,984	
Income tax payable	7,062,263	7,062,263	
Operating lease liabilities	1,064,277	1,064,277	
Long-term debt, net	2,625,300	2,625,300	
Accrued liabilities	167,522	167,522	
Operating lease liabilities	6,818,672	6,818,672	
Deferred tax liabilities	8,142,701	8,444,661	301,960
Total liabilities assumed	62,472,853	62,774,813	301,960
Noncontrolling interests	55,623,553	55,623,553	
Assets acquired less liabilities assumed and noncontrolling interests	\$191,977,316	191,977,316	

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8. Acquisition of MPC Capital (continued):

The fair value of the non-controlling interest on the acquisition date (December 16, 2024) 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 Company re-assessed whether EP Heringen qualifies as a discontinued operation as defined by ASC 205-20 "Discontinued Operations" and determined that EP Heringen does not meet the corresponding criteria. As a result, the goodwill previously included in assets held for sale in the amount of \$3,238,569 was re-classified as of January 1, 2025.

The changes in the carrying amount of goodwill for the years ended December 31, 2024 and 2025 are as follows.

Balance as of December 16, 2024	<u>\$18,079,618</u>
Net exchange differences during the period	(147,375)
Balance as of December 31, 2024	<u>17,932,243</u>
Reclassification of goodwill included in assets held for sale	3,238,569
Finalization purchase price allocation	292,599
Net exchange differences during the period	2,663,413
Balance as of December 31, 2025	<u>\$24,126,824</u>

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 18). The fair value of the trade receivables and 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 method 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 16).

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”).

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8. Acquisition of MPC Capital (continued):

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.

At December 31, 2024 and 2025, the Company performed its annual impairment testing for goodwill and found that no impairment charge should be recorded.

9. Property, Plant and Equipment, net

The following table shows the Company’s gross property, plant and equipment by major asset classes as of December 31, 2024 and 2025.

	Year Ended	
	December 31, 2024	December 31, 2025
Wind turbines	\$ —	\$ 32,576,826
Leasehold improvements	1,809,400	1,914,676
Office Furniture	116,613	105,743
Other fixtures and fittings, office equipment	68,178	61,274
Property, plant and equipment, net	\$ 1,994,191	\$ 34,658,519

The wind turbines previously classified as held for sale as of December 31, 2024 were reclassified to held and used in December 2025 in the gross amount of \$33,748,655.

The wind turbines were not depreciated while classified as held for sale. Following the reclassification, depreciation resumed, and the depreciation relating to the period in which no depreciation had been recognized was recorded as of December 31, 2025 in the amount of \$1,159,575. For further information regarding the reclassification see Note 7.

Leasehold improvements mainly relate to the MPC Capital Hamburg office. Total depreciation recognized in the consolidated statement of comprehensive income amounted to \$1,503,050 for the year ended December 31, 2025, compared to \$34,350 for the period from December 16, 2024 to December 31, 2024.

The following tables reflect the gross carrying amount and accumulated depreciation as of December 31, 2024 and 2025:

	2025		
	Gross carrying amount	Accumulated depreciation	Net Carrying amount
Wind turbines	\$33,748,655	\$ (1,171,829)	\$32,576,826
Leasehold improvements	2,228,502	(313,826)	1,914,676
Office furniture	133,455	(27,712)	105,743

Other fixtures and fittings, office equipment	115,527	(54,253)	61,274
Property, plant and equipment, net	\$36,226,139	\$ (1,567,620)	\$34,658,519

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(Expressed in U.S. Dollars – except for share data unless otherwise stated)

9. Property, Plant and Equipment, net (continued):

	2024		
	Gross carrying amount	Accumulated depreciation	Net Carrying amount
Leasehold improvements	\$1,841,160	\$ (31,760)	\$1,809,400
Office furniture	117,595	(982)	116,613
Other fixtures and fittings, office equipment	69,760	(1,582)	68,178
Property, plant and equipment, net	\$2,028,515	\$ (34,324)	\$1,994,191

10. Intangible Assets, net

The following table shows the Company's intangible assets by major asset classes as of December 31, 2024 and 2025:

	Year Ended	
	December 31, 2024	December 31, 2025
Brand	\$ 279,173	\$ 290,959
Customer relationship	10,304,898	11,656,130
Order backlog	8,409,416	8,366,621
Favorable contract	270,467	839,535
Licenses, software	41,791	—
Concessions	17,858	20,158
Intangible assets, net	\$ 19,323,603	\$ 21,173,403

The gross carrying amounts of intangible assets developed as follows during the years ended December 31, 2024 and 2025:

	Brand	Customer relationship	Order backlog	Favorable contract	Licenses, software & Concessions	Total
December 31, 2023	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Assets acquired on December 16, 2024	282,372	10,406,934	8,536,907	274,981	73,566	19,574,760
Dispositions	—	—	—	—	(13,327)	(13,327)
Foreign exchange translation	(2,301)	(84,832)	(69,578)	(2,241)	(600)	(159,552)
December 31, 2024	\$ 280,071	\$ 10,322,102	\$ 8,467,329	\$ 272,740	\$ 59,639	\$19,401,881
Reclassified from assets held for sale	—	—	—	640,136	—	640,136
Adjustment for finalization of acquisition price allocation	—	486,080	444,371	—	—	930,451
Dispositions	—	—	—	—	(35,218)	(35,218)
Foreign exchange translation	36,233	1,393,815	1,148,843	35,285	7,342	2,621,508
December 31, 2025	\$ 316,304	\$ 12,201,997	\$ 10,060,533	\$ 948,161	\$ 31,763	\$23,558,758

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10. Intangible Assets, net (continued):

The accumulated amortization of intangible assets developed as follows during the years ended December 31, 2024 and 2025:

	Brand	Customer relationship	Order backlog	Favorable contract	Licenses, software & Concessions	Total
December 31, 2023	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Amortization for the year	(898)	(17,217)	(57,946)	(2,275)	—	(78,336)
Foreign exchange translation	—	13	43	2	—	58
December 31, 2024	\$ (898)	\$ (17,204)	\$ (57,903)	\$ (2,273)	\$ —	\$ (78,278)
Reclassified from assets held for sale	—	—	—	(43,989)	—	(43,989)
Adjustment for finalization of acquisition price allocation	—	(59,509)	(58,451)	—	—	(117,960)
Amortization for the year	(23,361)	(447,708)	(1,506,871)	(59,149)	(11,299)	(2,048,388)
Foreign exchange translation	(1,086)	(21,446)	(70,687)	(3,215)	(306)	(96,740)
December 31, 2025	\$ (25,345)	\$ (545,867)	\$ (1,693,912)	\$ (108,626)	\$ (11,605)	\$ (2,385,355)

Upon reclassification from asset held for sale to held and used, the favorable contract was measured at the lower of carrying amount and fair value. The amortization was recalculated for the period from when the asset was first classified as held for sale and when the held for sale classification ended. For further information regarding the reclassification of the assets held for sale see Note 7.

In December 2025, the acquisition price allocation was finalized and resulted in adjustments to the fair values of the customer relationships and order backlogs. For these assets, the amortization was adjusted accordingly. For further information regarding the finalization of the acquisition price allocation see Note 8.

For the year ended December 31, 2025 and for the period December 16, 2024 to December 31, 2024, total amortization of \$2,210,337 and \$78,336 was recorded, respectively. The estimated aggregate annual amortization expense for the five succeeding fiscal years is \$2.19 million. The weighted-average amortization period in total is 15.5 years. The weighted-average amortization periods for major classes of the intangible assets are presented in Note 8.

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 and 2025, the Company held the following ownership interests in the outstanding common stock of entities which are significant from the Company's perspective:

	Year Ended					
	December 31, 2024			December 31, 2025		
	Ownership interest	Underlying equity in net assets	Carrying amount	Ownership interest	Underlying equity in net assets	Carrying amount
Equity method investments						
Wilhelmsen Ahrenkiel Ship	50.0%	\$ 7,686,171	\$17,808,231	50.0%	\$ 9,332,103	\$20,249,258

Management GmbH & Co. KG						
BB Amstel B.V.	41.5%	2,523,638	7,443,176	41.5%	2,850,130	8,348,495
MPC Caribbean Clean Energy Limited, Barbados	22.2%	2,843,300	5,032,570	22.2%	2,998,449	5,466,198
Barber Ship Management Germany GmbH & Co. KG	50.0%	1,484,997	3,922,745	50.0%	1,488,460	4,111,977
BestShip GmbH & Cie. KG	—	—	—	50.0%	3,794,977	3,712,538
Rio Jul Beteiligungs GmbH & Co. KG, Hamburg	39.3%	1,740,912	4,162,422	39.3%	1,193,321	3,679,487
Other ⁽ⁱ⁾	—	11,587,753	12,134,578	—	4,522,304	4,477,887
Total	—	\$27,866,771	\$50,503,722	—	\$26,179,744	\$50,045,840

- (i) As at December 31, 2025, these investments represent ownership interests ranging from approximately 25.0% to 50.0% (December 31, 2024: 20.5% to 50%) in entities engaged primarily in holding and investing in maritime assets, including equity interest in vessel-owning companies. The entities are located in Germany and Norway.

As part of the acquisition price allocation (see Note 8), the equity method investments were measured at fair value resulting in a difference between the carrying amount and the underlying equity in net assets in the amount of \$22,636,951 and \$23,866,096 as of December 31, 2024 and 2025. Temporary differences between the underlying net assets and fair values determined are amortized over the useful life of the respective underlying assets. Goodwill identified for the equity method investment, if any, is not amortized. As a result, amortization in the amount of \$0 and \$1,004,500 was recorded as a reduction of the equity method result for the reporting period December 16 to December 31, 2024 and the year ended December 31, 2025. During the year ended December 31, 2025, the carrying amount of other equity method investments was reduced by \$7,656,691 from \$12,134,578 as of December 31, 2024 to \$4,477,887 as of December 31, 2025, as a result of distributions received and investments transferred.

The equity method investments developed as follows during the years ended December 31, 2024 and 2025:

Balance as of December 31, 2023	\$ —
Equity method investments acquired on December 16, 2024	50,920,542
Net exchange differences during the period	(416,820)
Balance as of December 31, 2024	\$50,503,722
Acquisitions	2,595,745
Equity method result	(326,123)
Distributions	(5,069,150)
Transfers / Other	(4,043,328)
Net exchange differences during the year	6,384,974
Balance as of December 31, 2025	\$50,045,840

In February 2025, MPC Capital acquired a 50% stake in BestShip GmbH & Cie. KG, Hamburg (“BestShip”) for \$2,595,745. BestShip is a performance management company that focuses on improving and optimizing energy efficiency of commercial vessels and performance management solutions.

Furthermore, the Company received distributions from several equity method investments due to excess liquidity. These distributions were recognized as a return of capital, which consequently reduced the carrying amount of the respective investment. They primarily relate to Trevamare Management Holding GmbH, Hamburg, Ahrenkiel Steamship Asset Holding GmbH & Co. KG, Hamburg, and Rio Jul Beteiligungs GmbH & Co. KG, Hamburg.

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11. Equity method investments (continued):

Transfers primarily relate to the Company's contribution of its investment in OSSV 1 Schifffahrtsgesellschaft mbH & Co. KG, Hamburg, which was classified as an equity method investment as of December 31, 2024, to the newly established entity MPC OSE Offshore GmbH & Co. KG, Hamburg in the year ended December 31, 2025. MPC OSE Offshore GmbH & Co. KG is classified and accounted for as an equity investment. As a result, the carrying amount of equity method investments was reduced by \$3,697,377.

As of December 31, 2024 and 2025, the Company also held the following ownership interests in the outstanding common stock of entities and for which the fair value option was elected:

	Year Ended			
	December 31, 2024		December 31, 2025	
	Ownership interest	Carrying amount	Ownership interest	Carrying amount
Equity method investments measured at fair value				
MPC Container Ships ASA	13.7%	\$111,586,255	17.14%	\$133,674,134
MPC Energy Solutions NV	20.5%	3,868,793	20.5%	6,071,783
Total		\$115,455,048	-	\$139,745,917
				Equity method investments measured at fair value
Balance December 31, 2023				—
Equity method investments measured at fair value acquired (through MPC Capital acquisition)				113,694,883
Unrealized gain on equity method investments revalued at fair value at end of the period				2,687,236
Unrealized foreign exchange gain from equity method investments measured at fair value – OCI portion- ⁽¹ⁱⁱ⁾				(927,071)
Balance December 31, 2024				\$115,455,048
Equity method investments acquired				23,584,524
Unrealized loss on equity method investments revalued at fair value at end of the period				(10,755,335)
Unrealized foreign exchange loss from equity method investments measured at fair value ⁽¹⁾				(684,929)
Unrealized foreign exchange gain from equity method investments measured at fair value – OCI portion- ⁽¹ⁱⁱ⁾				12,146,609
Balance December 31, 2025				\$139,745,917

- (1) The amount presented includes foreign exchange differences arising from (i) translation into the functional currency to reflect the end-of-period exchange rates and any gains or losses are included in the consolidated statements of comprehensive income and (ii) translation of the accounts of foreign subsidiaries with non-USD functional currencies and the resulting cumulative translation adjustments, which are recorded in Other Comprehensive Income (OCI) in the consolidated statements of comprehensive income and accumulated in Accumulated Other Comprehensive Income (AOCI) within equity.

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11. Equity method investments (continued):

Castor's subsidiary, MPCC CSI LTD., a company affiliated with MPC Capital, acquired during the year ended December 31, 2025, 3.44% shares in MPCC amounting \$23,584,524, resulting in MPC Capital and its affiliated entities collectively increasing their holding of total voting rights in MPCC from approximately 16.68% to 20.12%, or 89,260,056 shares.

As part of the pushdown accounting, the fair value option was elected for MPC Container Ships ASA and MPC Energy Solutions N.V. For the years ended December 31, 2024 and 2025, a net gain in the amount of \$2,537,974 and a net loss in the amount of \$12,509,543, respectively, are attributed to MPC Container Ships ASA and a net gain in the amount of \$149,261 and \$1,754,208, respectively, are associated with MPC Energy Solutions NV. Both amounts are recorded in net loss from equity method investments measured at fair value in the consolidated statement of comprehensive income. Furthermore, as of December 31, 2024 and 2025, the Company received dividends amounting to \$4,209,527 and \$17,967,315, respectively, from MPC Container Ships ASA. The entire net gain / (loss) from equity method investments during the years ended December 31, 2024 and 2025, 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.

MPC Caribbean Clean Energy Limited, Barbados (in thousands)

	December 31, 2024	December 31, 2025
Current assets	\$ 1,077	\$ 5,208
Non-current assets	32,348	26,093
Current liabilities	660	105
Non-current liabilities	10,000	10,000
Net income/(loss)	*	(1,308)
Total comprehensive income/(loss)	\$ *	\$ (1,308)

* denotes that earnings of these entities were immaterial in the period from December 16 to December 31, 2024.

BB Amstel B.V. (in thousands)

	December 31, 2024	December 31, 2025
Current assets	\$ 951	\$ 911
Non-current assets	17,113	20,650
Current liabilities	124	161
Non-current liabilities	—	—
Revenue	*	71
Net income	*	448
Total comprehensive income	\$ *	\$ 448

Wilhelmsen Ahrenkiel Ship Management GmbH & Co. KG (in thousands)

	December 31, 2024	December 31, 2025
Current assets	\$ 5,405	\$ 21,076
Non-current assets	11,740	10,933
Current liabilities	3,861	21,300

Non-current liabilities			
Revenue	*		21,969
Net income	*		1,251
Total comprehensive income	\$	*	\$ 1,251

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11. Equity method investments (continued):

Barber Ship Management Germany GmbH & Co. KG <i>(in thousands)</i>	December 31, 2024	December 31, 2025
Current assets	\$ 293	\$ 2,714
Non-current assets	2,183	2,613
Current liabilities	160	2,387
Non-current liabilities	208	—
Revenue	*	2,439
Net income	*	(362)
Total comprehensive income	\$ *	\$ (362)

BestShip GmbH & Cie. KG <i>(in thousands)</i>	December 31, 2025
Current assets	\$ 4,086
Non-current assets	161
Current liabilities	1,300
Non-current liabilities	—
Revenue	5,016
Net income	1,711
Total comprehensive income	\$ 1,711

MPC Energy Solution N.V. <i>(in thousands)</i>	December 31, 2024	September 30, 2025 ⁽¹⁾
Current assets	\$ 24,977	\$ 22,034
Non-current assets	98,614	104,143
Current liabilities	6,674	4,869
Non-current liabilities	66,677	74,547
Market value (December 31, 2024 and 2025)	18,853	29,573
Revenue	*	8,181
Net income	\$ *	\$ (3,331)

(1) Consolidated financial information of MPC Energy Solutions N.V. as of December 31, 2025 was not available when these consolidated financial statements were issued. The specific equity method investment is measured at fair value.

MPC Container Ships ASA <i>(in thousands)</i>	December 31, 2024	December 31, 2025
Current assets	\$ 178,061	\$ 492,252
Non-current assets	1,053,313	1,034,340
Current liabilities	114,438	150,555
Non-current liabilities	299,316	441,851
Market value (December 31, 2024 and 2025)	813,367	779,243
Revenue	*	517,803
Net income/(loss)	\$ *	\$ 237,371
Total comprehensive income/(loss)	*	236,769

CASTOR MARITIME INC.

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12. Long-Term Debt and Financial Liabilities:

(a) Long-Term Debt

The amount of long-term debt shown in the accompanying consolidated balance sheets of December 31, 2024 and 2025, is analyzed as follows:

	Year Ended	
	December 31, 2024	December 31, 2025
<u>Loan facilities</u>		
\$50.0 Million Term Loan Facility (a)	\$ —	\$ 50,000,000
€5.0 Million Term Loan (b)	3,657,056	4,705,240
€16.2 Million Term Loan (c)	—	15,155,723
€1.72 Million Term Loan (d)	—	1,736,708
Total long-term debt	\$ 3,657,056	\$ 71,597,671
Less: Deferred financing costs	—	(967,454)
Total long-term debt, net of deferred finance costs	\$ 3,657,056	\$ 70,630,217
<u>Presented:</u>		
Current portion of long-term debt	\$ 1,053,156	\$ 5,886,012
Less: Current portion of deferred finance costs	—	(248,392)
Current portion of long-term debt, net of deferred finance costs	\$ 1,053,156	\$ 5,637,620
Non-Current portion of long-term debt	2,603,900	65,711,659
Less: Non-Current portion of deferred finance costs	—	(719,062)
Non-Current portion of long-term debt, net of deferred finance costs	\$ 2,603,900	\$ 64,992,597

a. \$50.0 Million Term Loan Facility

On October 13, 2025, four of the Company’s wholly owned dry bulk vessel ship-owning subsidiaries, owning the *M/V Magic Ariel*, *M/V Magic Celeste*, *M/V Magic Mars* and *M/V Magic Starlight*, entered into a sustainability-linked senior term loan facility in the amount of \$50.0 million with Alpha Bank S.A (“Alpha Bank”). The facility was drawn down on October 24, 2025. This facility has a term of five years from the drawdown date, bears interest at rate of Term SOFR plus a margin, which may be adjusted based on the Company’s performance against certain sustainability-linked targets per annum and is repayable in twenty (20) equal quarterly installments of \$950,000 each, plus a balloon installment of \$31.0 million payable simultaneously with the last installment at maturity, on October 24, 2030.

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(Expressed in U.S. Dollars – except for share data unless otherwise stated)

12. Long-Term Debt and Financial Liabilities (continued):

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, manager's undertakings and is guaranteed by the Company. The borrowers are required to maintain an aggregate minimum liquidity of \$1,000,000 in their pledged deposit accounts. The Company as guarantor is also required to (i) maintain a leverage ratio (as defined therein), that will not be higher than 70% until maturity and (ii) maintain free cash of not less than \$500,000 per vessel in the fleet at all times. This facility's net proceeds will be used for general corporate purposes. As of December 31, 2025, the outstanding balance of the loan is \$50,000,000.

b. €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 (\$5.27 million) with Ostfriesische Volksbank eG. The term loan was drawn down in a tranche of €3.5 million (\$3.69 million) on December 9, 2024 and in a tranche of €1.5 million (\$1.55 million) in January 2025. 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 (\$294,078) starting at March 31, 2025. The term loan is unsecured and is not subject to any covenants. For the year ended December 31, 2025, the weighted average interest rate was 4.36%. As of December 31, 2024, the outstanding balance of the loan was \$3,657,056, including \$12,056 accrued interest. As of December 31, 2025, the outstanding balance of the loan is \$4,705,240.

c. €16.2 Million Term Loan

In May 2022, Energiepark Heringen-Philippsthal WP HP GmbH & Co. KG ("EP Heringen") entered into a credit facility with Commerzbank Aktiengesellschaft, Frankfurt am Main. The nominal value of the credit facility at inception was €16.21 million (\$17.45 million) with a nominal fixed interest rate of 1.73% p.a. until March 2032. Thereafter, interest will adjust to a variable interest rate determined by reference to EURIBOR. The repayment of the loan is allocated over equal quarterly installments in the amount of €225,139 (\$ 264,833) ending in December 2041. As of December 31, 2025, the outstanding balance of the loan is \$15,155,723.

d. €1.72 Million Term Loan

In May 2022, EP Heringen entered into a second credit facility for an amount of €1.72 million (\$1.85 million) with Commerzbank Aktiengesellschaft, Frankfurt am Main. The nominal fixed interest rate of this facility is 2.68% p.a. until March 2032. Thereafter, interest will adjust to a variable interest rate determined by reference to EURIBOR. The repayment of the loan is allocated over equal quarterly installments in the amount of €23,423 (\$27,553) ending in September 2042.

This term loan and the €16.2 Million Term Loan described above are, unsecured and unrestricted and are not subject to any covenants. As of December 31, 2025, the outstanding balance of the loan is \$1,736,708.

As of December 31, 2024, both term loans with Commerzbank were presented as liabilities held for sale in the consolidated balance sheet as EP Heringen met the held for sale criteria (Note 7). In December 2025, these loans were reclassified to held and used.

e. **€5.0 million Revolving Credit Facility**

On November 17, 2023, MPC Capital entered into a revolving credit facility in the amount of €5.0 million (\$5.43 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, 2025, the facility is not drawn.

CASTOR MARITIME INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in U.S. Dollars – except for share data unless otherwise stated)

12. Long-Term Debt and Financial Liabilities (continued):

f. \$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.

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.

g. \$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 and Financial Liabilities (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.

h. \$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 and Financial Liabilities (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.

i. \$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.

CASTOR MARITIME INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in U.S. Dollars – except for share data unless otherwise stated)

12. Long-Term Debt and Financial Liabilities (continued):

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).

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.

j. \$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* 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

As of December 31, 2025, the Company was in compliance with all financial covenants prescribed in its debt agreements.

Restricted cash, current as of December 31, 2025, represent retention deposits required under certain of our loan

facilities.

CASTOR MARITIME INC.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in U.S. Dollars – except for share data unless otherwise stated)

12. Long-Term Debt and Financial Liabilities (continued):

The annual principal payments for the Company's outstanding debt arrangements as of December 31, 2025, on an undiscounted basis, required to be made after the balance sheet date, are as follows:

Twelve-month period ending December 31,	Amount
2026	\$ 6,145,855
2027	6,145,855
2028	6,145,855
2029	6,145,855
2030 and thereafter	48,917,199
Total long-term debt	\$73,500,619
Less: unamortized debt discount	(1,902,948)
Less: current portion of long-term debt	(5,886,012)
Long-term debt, non-current	\$65,711,659

The weighted average interest rate on the Company's long-term debt for the years ended December 31, 2023, 2024 and 2025 was 8.5%, 8.7% and 1.77% respectively.

Total interest incurred on long-term debt and amortization of interest for the years ended December 31, 2023, 2024 and 2025, amounted to \$9.8 million, \$3.7 million and \$0.9 million respectively, and is included in Interest and finance costs' (Note 24) in the accompanying consolidated statements of comprehensive income.

(b) Financial Liabilities

The amount of financial liabilities shown in the 2025 accompanying consolidated balance sheet is analyzed as follows:

	Year Ended December 31, 2025
Financial Liabilities	
Financial liabilities	\$13,981,920
Total long-term financial liabilities	\$13,981,920
Less: Deferred financing costs	(386,160)
Total long-term financial liabilities, net of deferred finance costs	\$13,595,760
Presented:	
Current portion of long-term financial liabilities	\$ 1,668,050
Less: Current portion of deferred finance costs	(119,060)
Current portion of long-term financial liabilities, net of deferred finance costs	\$ 1,548,990
Non-Current portion of long-term financial liabilities	12,313,870
Less: Non-Current portion of deferred finance costs	(267,100)
Non-Current portion of long-term financial liabilities, net of deferred finance costs	\$12,046,770

CASTOR MARITIME INC.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in U.S. Dollars – except for share data unless otherwise stated)

12. Long-Term Debt and Financial Liabilities (continued):

On July 11, 2025, the Company entered into a sale and leaseback agreement with an unaffiliated Japanese counterparty for the *M/V Magic Thunder*, a 2011-built Kamsarmax bulk carrier vessel, for an aggregate amount of \$14,640,000. The vessel was delivered to its buyers on July 29, 2025 and the Company chartered in the vessel under bareboat charter party for a period of five years, and has a purchase option beginning at the end of the second year of vessel's bareboat charter period, or each year thereafter, until the termination of the lease, at specific prices, subject to irrevocable and written notice to the owner. If not repurchased earlier, the Company has the option to repurchase the vessel for \$6,295,180 on the expiration of the lease on the fifth year.

On December 29, 2025, the Company entered into a sale and leaseback agreement with an unaffiliated Japanese counterparty for the *M/V Magic Perseus*, a 2013-built Kamsarmax bulk carrier vessel, for an aggregate amount of \$15,600,000. The vessel was delivered to its buyers on January 22, 2026 and the Company chartered in the vessel under bareboat charter party for a period of eleven years, including a put option for the counterparty at the end of year eight, and a purchase option for the Company beginning at the end of the second year of the bareboat charter period. If not repurchased earlier, the Company has the option to repurchase the vessel at no additional cost, on the expiration of the lease on the eleventh year.

The Company determined that, under ASC 842-40 Sale and Leaseback Transactions, both vessel transactions are failed sales and consequently the assets were not derecognized from the financial statements and the proceeds from the sale of the vessels were accounted for as financial liabilities. As of December 31, 2025, only the proceeds from *M/V Magic Thunder* are included as financial liabilities in the consolidated balance sheets, as the transaction for *M/V Magic Perseus* was concluded after year-end. As of December 31, 2025, the average remaining lease term of the above sale and leaseback agreement was 4.5 years and the average interest rate was 6.23%.

As of December 31, 2025, and throughout the term of the leases, the Company has annual financial liabilities as shown in the table below:

Twelve-month period ending December 31,	Amount
2026	\$ 1,668,050
2027	1,668,050
2028	1,672,620
2029	1,668,050
2030 and thereafter	7,305,150
Total long-term financial liabilities	\$13,981,920

CASTOR MARITIME INC.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in U.S. Dollars – except for share data unless otherwise stated)

13. Investment in equity securities/ Equity Investments**(a) Investment in equity securities with readily determinable fair values**

A summary of the movement in listed equity securities for the years ended December 31, 2024 and 2025 is presented in the table below:

	Equity securities
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
Equity securities acquired	15,694,496
Proceeds from sale of equity securities	(74,463,553)
Net loss on sale of equity securities	(7,827,960)
Unrealized foreign exchange gain	24,845
Unrealized gain on equity securities revalued at fair value at end of the period	25,212,937
Balance December 31, 2025	\$ 27,759,775

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, 2023, 2024 and 2025, the Company received dividends of \$1,312,222, \$6,692,418 and \$1,808,473, respectively, from its investments in listed equity securities.

(b) Equity investments without readily determinable fair values

A summary of the movement in equity investments without readily determinable fair values for the years ended December 31, 2024 and 2025 is presented in the table below:

	Equity securities
Balance December 31, 2023	\$ -
Equity investments acquired (through MPC Capital acquisition)	5,228,041
Dispositions	(248,715)
Net exchange differences	(317,668)
Balance December 31, 2024	\$ 4,661,658

Equity investments transferred	4,249,432
Equity investments purchased	755,128
Unrealized gain	315,447
Impairment loss	(828,558)
Unrealized foreign exchange gain	779,115
Balance December 31, 2025	\$ 9,932,222

The investment in OSSV 1 Schiffahrtsgesellschaft mbH & Co. KG, Hamburg, which was classified as equity method investment as of December 31, 2024 (Note 11), was contributed to MPC OSE Offshore GmbH & Co. KG, Hamburg during the year ended December 31, 2025. The transfer amounted to \$3,697,377. Refer to Note 11 for additional information.

CASTOR MARITIME INC.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in U.S. Dollars – except for share data unless otherwise stated)

13. Investment in equity securities/ Equity Investments (continued):

In the years ended December 31, 2023, 2024, and 2025, the Company received dividends of \$0, \$0, and \$1,606,818, respectively, from its equity investments without readily determinable fair values.

14. Investment in debt securities:

As of December 31, 2024 and 2025, the Company's investment in debt securities amounted to \$0 and \$1,304,924, respectively, and is presented in the accompanying consolidated balance sheet as current or non-current based on the investment's classification. Held-to-maturity investments, comprising corporate bonds with maturities greater than twelve months, are classified as non-current. Trading debt securities, consisting of corporate bonds, are classified as current and may be sold when the Company deems it appropriate based on profitability and liquidity requirements.

The maturity schedule of the outstanding investments in debt securities that are classified as held-to-maturity as of December 31, 2025, is as follows:

Maturity date	Carrying amount	Fair value	Unrealized gains
Due within 1 year	—	—	—
Due in 1-5 years	750,000	760,658	10,658
Due in 5-10 years	—	—	—
Total	750,000	760,658	10,658

No allowance for credit losses was deemed necessary on these investments as of December 31, 2025.

The following table presents the carrying amount and unrealized gains of trading debt securities as of December 31, 2025:

	Carrying amount	Unrealized Gains
Balance December 31, 2025		
Trading debt securities	\$ 554,924	\$ 4,069
Total	\$ 554,924	\$ 4,069

15. 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.

CASTOR MARITIME INC.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in U.S. Dollars – except for share data unless otherwise stated)

15. Equity Capital Structure (continued):**(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 Company previously issued Class A Warrants in connection with its June 2020 underwritten common stock follow-on offering. The warrants were exercisable for common shares at an exercise price that was adjusted to \$25.30 per share following the Spin-Off. No Class A Warrants were exercised during the years ended December 31, 2024 and 2025. As of December 31, 2024, 623 Class A Warrants remained outstanding. All remaining Class A Warrants expired unexercised during 2025 and none were outstanding as of December 31, 2025.

2020 registered direct equity offering (the "2020 July Equity Offering")

The Company issued Private Placement Warrants in connection with its 2020 registered direct equity offering. The exercise price of the warrants was adjusted to \$25.30 per share following the Spin-Off. On October 6, 2023, the Company repurchased 67,864 Private Placement Warrants from certain unaffiliated third-party holders in privately negotiated transactions at a price of \$0.105 per warrant, for an aggregate purchase price of \$7,126. Following this repurchase, no Private Placement Warrants remained outstanding as of December 31, 2023.

2021 Third Registered Direct Equity Offering

The Company issued the April 7 Warrants in connection with its 2021 Third Registered Direct Equity Offering. Following the Spin-Off, the exercise price of the warrants was adjusted to \$55.30 per share. On October 6, 2023, the Company repurchased 8,900,000 April 7 Warrants from unaffiliated third-party holders in privately negotiated transactions at a price of \$0.105 per warrant, for an aggregate purchase price of approximately \$0.9 million. Following the repurchase, the April 7 Warrants were exercisable in the aggregate into 1,033,077 common shares at an exercise price of \$55.30 per share (reflecting adjustments as a result of the 1-for-10 reverse stock split discussed above).

The fair value of the repurchased warrants was estimated using the Black-Scholes option pricing model with Level 3 inputs, including an expected volatility assumption of 100%. In accordance with ASC 505-30, the difference between the carrying value and the fair value of the April 7 Warrants and Private Placement Warrants repurchased, amounting to approximately \$0.4 million, was recorded as a deemed dividend in retained earnings and reflected in the Company's earnings per share calculation for 2023 (see Note 19).

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.

CASTOR MARITIME INC.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in U.S. Dollars – except for share data unless otherwise stated)

15. Equity Capital Structure (continued):

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 and 2025, 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.

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.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

15. Equity Capital Structure (continued):

(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.

(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.

CASTOR MARITIME INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in U.S. Dollars – except for share data unless otherwise stated)

15. Equity Capital Structure (continued):

On December 23, 2025, Castor and Toro agreed to amend the terms of Castor Series D Preferred Shares to extend the initial conversion date by one-year, which shall be to January 1, 2027.

Following the extension of the initial conversion date 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. The Company treated that amendment as modification. In assessing the accounting impact, the Company analogized to the guidance in ASC 718 on equity modifications and compared the fair value of the instrument immediately before and after the amendment. As the fair value of the preferred stock after the modification was lower than its fair value immediately prior to the modification, no incremental fair value was recognized and, accordingly, no adjustment was recorded to retained earnings. The Company continues to account for the Series D Preferred Shares under its existing measurement model as discussed below.

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)

15. 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, 2027 (as amended) 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.

- ***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.

CASTOR MARITIME INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in U.S. Dollars – except for share data unless otherwise stated)

15. Equity Capital Structure (continued):

- ***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, has significant influence in Castor and is also the controlling shareholder of 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, 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 year 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.

As of December 31, 2025, the net value of Mezzanine Equity amounted to \$80,714,075, including the amount of \$3,005,817 of deemed dividend on the Series D Preferred Shares in the year ended December 31, 2025. During the year ended December 31, 2025, the Company paid to Toro a dividend amounting to \$4,597,222 on the Series D Preferred Shares, and the accrued amount for the period from October 15, 2025 to December 31, 2025 (included in the dividend period ended January 14, 2026) amounted to \$1,069,444.

Issuance and Full Redemption of Series E Preferred shares to Toro

On September 29, 2025, the Company issued 60,000 Series E Cumulative Perpetual Convertible Preferred Shares with a stated value of \$1,000 per share, to Toro, for total gross proceeds of \$60.0 million. Refer to Note 4 for further details.

The Series E Preferred Shares had been classified in Mezzanine equity during the year ended December 31, 2025, 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, has significant influence in Castor and is also the controlling shareholder of Toro, can effectively determine the timing of the redemption of the Series E Preferred Shares.

(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 of the financial statements into US Dollars as the presentation currency. In addition, 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. Equity Capital Structure (continued):

(e) Non-controlling interests

Non-controlling interests (NCI) represent ownership stakes in subsidiaries that are less than 100% owned. Changes in NCI during the reporting period are due to allocation of the consolidated income statement and other comprehensive income between the parent company and the NCI.

During the year ended December 31, 2025, MPC Capital declared total dividends of \$10,975,490. Of this amount, \$8,127,292 (representing Castor's share in MPC Capital) was paid to Castor and eliminated upon consolidation. The remaining \$2,848,198 was distributed to noncontrolling shareholders and is reflected as a reduction of noncontrolling interests in the consolidated statements of shareholders' equity and mezzanine equity.

During the year ended December 31, 2025, the Company decreased its ownership interest in MPC Capital from 74.09% to 73.96%. The transaction was accounted for as an equity transaction. As a result, the Company recorded an adjustment of \$49,597 to additional paid-in capital and \$349,504 to noncontrolling interests. No gain or loss was recognized in the consolidated statements of comprehensive income.

Furthermore, the former subsidiaries MPC ECOBOX OPCO 1 Beteiligungs GmbH & Co. KG, Hamburg, and MPC ECOBOX OPCO 2 Beteiligungs GmbH & Co. KG, Hamburg, were merged with the wholly owned subsidiary MPC Capital Zweite Beteiligungsgesellschaft mbH, Hamburg, in the year ended December 31, 2025. Prior to the merger, the non-controlling interests in MPC ECOBOX OPCO 1 Beteiligungs GmbH & Co. KG, Hamburg and MPC ECOBOX OPCO 2 Beteiligungs GmbH & Co. KG, Hamburg received distributions amounting to \$353,243 for their interest in the entities.

16. 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, investments in debt 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, long-term debt and financial liabilities.

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. Amounts due from and to related parties, accounts receivable trade, net, and accounts payable are considered Level 2 items of the fair value hierarchy.

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.

Investment in debt securities: The carrying amounts of investments in debt securities presented in the accompanying

consolidated balance sheets are reported at amortized cost for securities classified as held-to-maturity and at fair value for securities classified as trading. The fair value of the investment in debt securities (Note 14), is determined through Level 1 of the fair value hierarchy as defined in FASB guidance for Fair Value Measurements, as it is determined through quoted prices in an active market.

CASTOR MARITIME INC.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in U.S. Dollars – except for share data unless otherwise stated)

16. Financial Instruments and Fair Value Disclosures (continued):

The fair value of the Company's investment in debt securities at December 31, 2025 is as follows:

	Carrying amount	Fair value
Held to maturity debt securities	\$ 750,000	\$ 760,658
Trading debt securities	554,924	554,924
Total	\$ 1,304,924	\$1,315,582

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. The fair value of the investment as of December 31, 2025, is considered to be equal to its carrying amount. As of December 31, 2024 and 2025, \$0 and \$828,558 impairment losses were recognized, respectively, included in 'Gain / (loss) on equity securities' in the consolidated statements of comprehensive income. The recorded impairment loss in the amount of \$828,558 is attributable to the unwinding of investment structures.

Long-term debt (including related party long term debt) and financial liabilities: The credit facilities discussed in Note 4 and Note 12 include both variable and fixed-rate loans. Variable-rate loans have a recorded value that is a reasonable estimate of their fair value due to their interest rates 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. The carrying value of financial liabilities with variable interest rates (obtained through Level 2 inputs of the fair value hierarchy) approximates the fair market value as the financial liabilities bear interest at floating interest rate.

Two of the term loans carry a fixed interest rate until 2032 and a variable interest rate based on EURIBOR thereafter. These were subject to fair value measurement as part of the acquisition price allocation (see Note 8) and only minor changes in the market interest rates during the reporting period occurred. Their carrying amount is a reasonable estimate of the fair value.

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 2025.

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars – except for share data unless otherwise stated)

16. Financial Instruments and Fair Value Disclosures (continued):

Derivative contracts – recurring measurements

The company enters into forward and options agreement to hedge against foreign currency risks. Furthermore, the Company entered into interest rate swaps to mitigate the interest rate risk arising from variable interest rates on long-term debt. As of December 31, 2024 and 2025, derivatives can be analyzed as follows:

	Year ended December 31, 2024			
	Derivatives assets		Derivatives liabilities	
	(current)		(current)	
	Fair Value	Nominal Value	Fair Value	Nominal Value
Hedge accounting	\$ 0	\$ 0	\$ 245,602	\$ 5,213,093
Economic hedging	1,107,832	23,106,020	1,143,940	26,978,664
Total	\$ 1,107,832	\$23,106,020	\$ 1,389,542	\$32,191,757

Year ended December 31, 2025					
		Derivatives assets		Derivatives liabilities	
		Fair value	Nominal value	Fair value	Nominal value
Hedge accounting	Location				
Foreign exchange forwards & options	Current	\$ 235,260	\$ 8,214,496	\$ —	\$ —
Economic hedging					
Foreign exchange forwards & options	Current	310,370	16,815,826	185,327	5,264,389
Interest rate swaps	Non-current assets	710,802	12,147,018	—	—
Total		\$ 1,256,432	\$37,177,340	\$ 185,327	\$ 5,264,389

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. During the year ended December 31, 2025, the following realized and unrealized gains and losses were recognized:

	Year ended December 31, 2024 ⁽¹⁾	Year ended December 31, 2025
Realized and unrealized gains and losses		
Realized gains and losses	\$ —	\$ (87,490)
Foreign exchange forwards & options	—	(87,490)
Unrealized gains and losses	(20,342)	1,028,397
Foreign exchange forwards & options	(20,342)	345,937
Interest rate swaps	—	682,460
Total gain/(loss)	\$ (20,342)	\$ 940,907

(1)

Results for the year ended December 31, 2024 reflect data for the period from the acquisition of MPC Capital on December 16, 2024, through December 31, 2024.

Realized and unrealized gains and losses on foreign exchange forwards & options are included in Foreign exchange gains/(losses) in the consolidated statement of comprehensive income. The unrealized gain on interest rate swaps is included in Other, net in the consolidated statement of comprehensive income.

CASTOR MARITIME INC.
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(Expressed in U.S. Dollars – except for share data unless otherwise stated)

16. Financial Instruments and Fair Value Disclosures (continued):

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 was based on the memorandum of agreement price and was categorized based upon the fair value hierarchy. This consisted of the *M/V Ariana A*, having a carrying value of \$19,799,521 (including unamortized deferred charges), which 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	\$16,500,000	-	\$ 16,500,000	-

As of December 31, 2025, none of the Company's vessels were measured at fair value on a non-recurring basis.

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.

17. 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:

	Year ended December 31, 2024 ⁽¹⁾	Year ended December 31, 2025
Operating lease costs	54,914	\$ 1,353,193
Total lease cost:	54,914	\$ 1,353,193

⁽¹⁾

Results for the year ended December 31, 2024 reflect data for the period from the acquisition of MPC Capital on December 16, 2024, through December 31, 2024.

There were no cash payments during the year ended December 31, 2024. Cash paid for operating leases amounted to \$1,353,193 for the year ended December 31, 2025.

Other information about lease amounts recognized in the consolidated financial statements, as of December 31, 2024 and 2025, is as follows:

Year ended December 31, 2024

Weighted-average remaining lease term – 6.44 years

Weighted-average discount rate – 2.15%

Year ended December 31, 2025

Weighted-average remaining lease term – 5.31 years

Weighted-average discount rate – 2.12%

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17. Leases (continued):

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, 2025
1 year	\$ 1,353,449
1-2 years	1,321,639
2-3 years	1,308,803
3-4 years	1,308,803
4-5 years	1,308,803
5+ years	1,308,803
Total undiscounted cashflow	<u>7,910,300</u>
Interest	<u>(492,674)</u>
Lease Liability as of December 31, 2025	\$ 7,417,626

The Company subleases parts of its offices. The income received during the years ended December 31, 2024 and 2025 amounts to \$0 and \$1.0 million, respectively, and are included in revenues in the consolidated comprehensive income statement.

18. 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 18(b) and Note 18(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.

(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, 2025. 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,	<u>Amount</u>
2026	\$20,682,680
Total	<u>\$20,682,680</u>

For the Lease commitments refer to Note 17.

In addition, the Company has payment commitments of \$2.5 million for the use of land related to Energiepark Heringen-Philippsthal WP HP GmbH & Co. KG.

CASTOR MARITIME INC.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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18. Commitments and Contingencies (continued):**(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, 2024 and 2025, 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).

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 and \$1.7 million as of December 31, 2024 and 2025, respectively, 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 \$1.2 million and contingent liabilities (under the push down accounting, see Note 8) of approximately \$2.7 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.

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19. 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, 2023, 2024 and 2025, 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, 2024 and 2025, the weighted average number of diluted shares outstanding includes the conversion of outstanding Series D Preferred Shares (Note 15) 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, 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, and by using the average closing market price over the reporting period from January 1, 2025 to December 31, 2025, respectively. In addition, MPC Capital, a subsidiary of the Company, has granted share-based compensation to certain members of key management. The dilutive effect of these awards is reflected in diluted earnings per share using the treasury stock method. Furthermore, potential common shares issued by MPC Capital are included in the determination of diluted earnings per share through their impact on MPC Capital's diluted earnings, which are incorporated into the consolidated results based on the Company's ownership interest in MPC Capital.

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19. Earnings Per Common Share (continued):

The components of the calculation of basic and diluted earnings per common share are as follows:

	Year ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2025
Net income from continuing operations, net of taxes	21,303,156	15,304,934	21,542,163
Net income from discontinued operations, net of taxes	17,339,332	—	—
Less: Net income attributable to non-controlling interest in subsidiaries	—	(685,938)	(2,273,340)
Net income attributable to Castor Maritime Inc.	\$ 38,642,488	\$ 14,618,996	\$ 19,268,823
Less: Dividend on Series D Preferred Shares	(1,020,833)	(2,645,833)	(4,979,167)
Less: Deemed dividend on Series D Preferred Shares	(196,296)	(606,444)	(3,005,817)
Less: Dividend on Series E Preferred Shares	—	—	(189,583)
Less: Deemed dividend on Series E Preferred Shares	—	—	(168,629)
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	36,980,474	33,804,394	10,925,627
Dividend on Series D Preferred Shares	1,020,833	2,645,833	4,979,167
Deemed dividend on Series D Preferred Shares	196,296	606,444	3,005,817
Dividend on Series E Preferred Shares	—	—	189,583
Deemed dividend on Series E Preferred Shares	—	—	168,629
Deemed contribution from Series D preferred shareholders	—	(22,437,675)	—
Effect of subsidiary share based expense on diluted EPS	—	—	(30,521)
Net income attributable to common shareholders, diluted	38,197,603	14,618,996	19,238,302
Weighted average number of common shares outstanding, basic	9,571,045	9,662,354	9,662,354
Effect of dilutive shares	12,382,788	29,082,896	43,990,556
Weighted average number of common shares outstanding, diluted	21,953,833	38,745,250	53,652,910
Earnings per common share, basic, continuing operations	\$ 2.05	\$ 3.50	\$ 1.13
Earnings per common share, diluted, continuing operations	\$ 0.95	\$ 0.38	\$ 0.36
Earnings per common share, basic, discontinued operations	\$ 1.81	\$ —	\$ —
Earnings per common share, diluted, discontinued operations	\$ 0.79	\$ —	\$ —
Earnings per common share, basic, Total	\$ 3.86	\$ 3.50	\$ 1.13
Earnings per common share, diluted, Total	\$ 1.74	\$ 0.38	\$ 0.36

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20. Revenues

(a) Vessel Revenues:

The following table includes the vessel revenues earned by the Company in each of the years ended December 31, 2023, 2024 and 2025, as presented in the accompanying consolidated statements of comprehensive income:

	Year ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2025
Time charter revenues	97,515,511	65,069,003	42,180,126
Pool revenues	—	—	4,060,766
Total Vessel revenues	\$97,515,511	\$65,069,003	\$46,240,892

For the years ended December 31, 2023 and 2024, the Company generated its revenues exclusively from time charters. For the year ended December 31, 2025, the Company generated its revenues from both time charters and pool arrangements.

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.

The Company employs certain of its vessels in pools. The main objective of pools is to enter into arrangements for the employment and operation of the pool vessels, so as to secure for the pool participants the highest commercially available earnings per vessel on the basis of pooling the revenue and expenses of the pool vessels and dividing it between the pool participants based on the terms of the pool agreement. The Company typically enters into pool arrangements for a minimum period of six months, subject to certain rights of suspension and/or early termination.

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20. Revenues (continued):

(b) Revenue from services

The following table represents a disaggregation of revenue from contracts with customers by type of service:

	Year ended December 31, 2024⁽¹⁾	Year ended December 31, 2025
Ship Management	\$ 838,809	\$ 15,892,543
Management Services	309,259	9,072,952
Transaction Services	212	7,284,296
Other Revenue	26,096	3,323,722
Total Revenue from services	\$ 1,174,376	\$ 35,573,513

The following table represents a geographical disaggregation of revenue:

	Year ended December 31, 2024⁽¹⁾	Year ended December 31, 2025
Germany	\$ 850,942	\$ 27,248,342
The Netherlands	102,799	2,092,239
China (Hong Kong)	112,528	4,008,223
Singapore	39,121	1,009,340
Panama	67,174	1,169,968
Colombia	1,812	45,401
Total revenue from services	\$ 1,174,376	\$ 35,573,513

⁽¹⁾

Results for the year ended December 31, 2024 reflect data for the period from the acquisition of MPC Capital on December 16, 2024, through December 31, 2024.

21. Vessel Operating Expenses and Voyage Expenses:

The amounts in the accompanying consolidated statements of comprehensive income are analyzed as follows:

	Year ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2025
Vessel Operating Expenses			
Crew & crew related costs	21,790,625	13,628,346	10,310,139
Repairs & maintenance, spares, stores, classification, chemicals & gases, paints, victualling	10,387,925	6,483,757	4,482,264
Lubricants	2,748,208	1,526,632	1,067,055
Insurances	3,503,257	2,193,393	1,611,418
Tonnage taxes	872,702	583,738	434,897
Other	2,610,911	1,772,907	1,235,143

Total Vessel operating expenses	<u>\$ 41,913,628</u>	<u>\$ 26,188,773</u>	<u>\$ 19,140,916</u>

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21. Vessel Operating Expenses and Voyage Expenses (continued):

	Year ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2025
Voyage expenses			
Brokerage commissions	1,900,940	1,323,613	275,635
Brokerage commissions- related party	1,274,384	1,170,615	1,566,628
Port & other expenses	615,838	1,561,112	1,944,575
Bunkers consumption	1,114,356	319,231	257,305
(Gain) / loss on bunkers	146,710	(125,715)	34,524
Total Voyage expenses	\$ 5,052,228	\$ 4,248,856	\$ 4,078,667

22. General and Administrative Expenses:

General and administrative expenses are analyzed as follows:

	Year ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2025
Non-executive directors' compensation	\$ 72,000	\$ 126,000	\$ 126,000
Director fees (subsidiaries)	—	4,691	233,268
Audit fees	249,217	243,618	2,303,026
Professional fees and other expenses	2,261,154	2,478,250	7,399,977
Personnel expenses	—	155,733	4,350,774
Office and IT expenses (including rent)	—	60,987	1,433,846
Share based compensation	—	9,494	242,571
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))	3,099,000	3,247,570	3,340,334
Total	\$ 5,681,371	\$ 13,343,878	\$ 19,429,796

23. Cost of revenue from services:

Cost of revenue from services includes the following:

	Year ended December 31, 2024 ⁽¹⁾	Year ended December 31, 2025
Personnel expenses	\$ (972,332)	(13,871,382)
Rental expenses	—	(1,808,558)
Purchased services	(145,144)	(1,181,108)
Commissions	—	(899,317)
Other expenses	—	(4,356,076)
Total cost of revenue from services	\$ (1,117,476)	(22,116,441)

(1)

Results for the year ended December 31, 2024 reflect data for the period from the acquisition of MPC Capital on December 16, 2024, through December 31, 2024.

24. Interest and Finance Costs:

The amounts in the accompanying consolidated statements of comprehensive income are analyzed as follows:

	Year ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2025
Interest on long-term debt and financial liabilities	\$ 9,826,795	\$ 3,685,040	\$ 1,269,578
Interest on long-term debt – related party (Note 4 (e))	—	364,205	1,771,836
Amortization and write-off of deferred finance charges	888,523	810,000	213,502
Other finance charges (including \$0, \$417,623 and \$1,003,624 to related parties for the year ended December 31, 2023, 2024 and 2025, respectively, Note 4(a))	544,325	1,227,110	1,716,812
Total	\$ 11,259,643	\$ 6,086,355	\$ 4,971,728

25. 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 exemption 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 qualified shareholders control 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 2024. It will be disclosed again when the Company files its U.S. tax returns for 2025.

Because the position stated above is uncertain, the Company has recorded provisions of \$177,794, \$113,915 and \$98,890 for U.S. source gross transportation income tax in the accompanying consolidated statements of comprehensive income for the years ended December 31, 2023, 2024 and December 31, 2025, respectively.

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25. Income Taxes (continued):

Moreover, income tax expense includes foreign withholding taxes on dividend income of \$542,765 for the year ended December 31, 2025.

Income Taxes relating to MPC Capital

During the years ended December 31, 2024 and 2025, 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:

	December 31, 2024	December 31, 2025
Corporate Income tax	\$ 3,951,121	1,272,361
Trade tax	2,475,095	2,059,361
Other	216,672	146,615
Total provision for income taxes	\$ 6,642,888	3,478,337

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 \$11,018,000 and \$14,141,910 as of December 31, 2024 and 2025, respectively.

The significant components of income tax expense are as follows:

	2025
Current tax expense (or benefit)	\$ 1,519,534
Deferred tax expense (or benefit)	(1,009,194)
Total tax expense	\$ 510,340

For the period from December 16, 2024 to December 31, 2024, total tax expense amounted to \$20,073. The following table presents disclosure requirements newly adopted on a prospective basis.

The income tax expense (or benefit) is disaggregated as follows:

	2025
Federal (CIT)	\$ (892,032)
State and local (TT)	698,644
Foreign	733,518
Other	(29,790)
Total tax expense	\$ 510,340

The local income taxes relate mainly to the Free and Hanseatic City of Hamburg, one of the federal states of the Federal Republic of Germany.

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25. Income Taxes (continued):

Effective Income Tax Rate Reconciliation

A reconciliation of the German statutory income tax rate to the actual effective income tax rate is provided below:

	2025	
	%	USD
German statutory corporate income tax rate	15.83	\$ 1,170,375
State and local income tax	9.45	698,644
Foreign tax effects	(4.17)	(308,674)
Changes in valuation allowances	2.70	199,351
Nontaxable or nondeductible items	(5.84)	(432,014)
Adjustments to prior year tax estimates	(11.58)	(856,193)
Other	0.53	38,851
Effective income tax rate	6.92	\$ 510,340

	2024	
German statutory income tax rate		32.28%
Tax rate differentials		(30.55%)
Other		(0.93%)
Effective income tax rate		0.80%

State and local income tax results from trade tax are mainly levied by the Free and Hanseatic City of Hamburg.

Tax nontaxable items are related to dividend payments and capital gains from corporate companies which are in principle not subject to taxation (avoidance of double taxation burdens at the corporate level in chains of companies).

Deferred Taxes

The significant components of the Company's deferred tax account balances are as follows:

	December 31, 2024	December 31, 2025
Deferred tax assets		
Receivables due from related parties	\$ 2,599,889	\$ 2,004,466
Right of Use Assets	2,508,472	2,237,527
Intangible assets	1,779,153	2,813,526
Provisions	1,481,197	1,126,281
Prepaid expenses and other assets	1,057,998	785,355
Other	478,864	120,166
Loss carrying forwards	-	2,329,454
Total deferred tax assets	9,905,573	11,416,775
Valuation allowances	(2,241,536)	(3,541,310)
Deferred tax assets, net of valuation allowances	7,664,037	7,875,465
Offsetting	(5,824,534)	(5,276,138)
Deferred tax assets, net of valuation allowances per balance sheet	\$ 1,839,503	\$ 2,599,327

Deferred tax liabilities

Property, plant and equipment	\$	-	\$	243,713
Equity instrument investments		5,757,950		6,583,988
Intangible assets		5,278,366		5,867,921
Lease liabilities		2,508,472		2,237,527
Long-term debt		-		515,900
Other		376,129		423,319
Total deferred tax liabilities		13,920,917		15,872,368
Offsetting		(5,824,534)		(5,276,138)
Deferred tax liabilities per balance sheet		\$ 8,096,383		\$10,596,230
Net deferred tax liabilities		\$ 6,256,880		\$ 7,996,903

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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, Panama and Colombia 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 2025, and there were no changes in the reporting periods. The Company accrues interest and penalties related to underpayment of income taxes within the provision for income taxes.

26. Share-based compensation

The options were granted to management and key employees of MPC Capital in 2024 and are subject to market and performance conditions as well as a service condition of four years. 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%

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26. Share-based compensation (continued)

<i>Options</i>	Number of options (in thousands)	Weighted average exercise price (Euro)	Weighted average remaining contractual term (Years)	Aggregate intrinsic value (USD, in thousands)
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	—	—	—	—
Granted	—	1		
Exercised	—	1		
Forfeited or expired	(10)	1		
Outstanding at December 31, 2025	440	1	3.5	\$ 2,341
Exercisable at December 31, 2025	—	—	—	—

As of December 31, 2024, and 2025, total unrecognized compensation cost was \$815,000 and \$644,000, respectively, and was 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 2.5 years. For the years ended December 31, 2024 and 2025, the Company recognized expenses in the amounts of \$9,494 and \$242,571 in the consolidated statement of comprehensive income. No options were exercised, and no cash was paid out during the years ended December 31, 2024 and 2025.

27. 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 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 20.

CASTOR MARITIME INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in U.S. Dollars – except for share data unless otherwise stated)

27. Segment Information (continued):

The table below presents information about the Company's reportable segments as of and for the years ended December 31, 2023, 2024 and 2025. 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, 2023			Year ended December 31, 2024				Year ended December 31, 2025			
	Dry bulk segmen t	Contai ner ship segmen t	Total	Dry bulk segment	Contai ner ship segmen t	Asset manage ment segment (1)	Total	Dry bulk segment	Contai ner ship segmen t	Asset manage ment segment	Total
- Time charter revenues	82,996,018	14,519,493	97,515,511	49,704,809	15,364,194	—	65,069,003	32,098,726	10,081,400	—	42,180,126
- Pool revenues	—	—	—	—	—	—	—	4,060,766	—	—	4,060,766
- Revenue from services	—	—	—	—	—	1,174,376	1,174,376	—	—	35,573,513	35,573,513
Total	82,996,018	14,519,493	97,515,511	49,704,809	15,364,194	1,174,376	66,243,379	36,159,492	10,081,400	35,573,513	81,814,405
Voyage expenses (including charges from related party)	(4,425,879)	(626,349)	(5,052,228)	(3,142,501)	(1,106,355)	—	(4,248,856)	(3,292,629)	(786,038)	—	(4,078,667)
Vessel operating expense	(36,876,772)	(5,036,856)	(41,913,628)	(21,531,189)	(4,657,584)	—	(26,188,773)	(16,305,854)	(2,835,062)	—	(19,140,916)
Cost of revenue from services (exclusi	—	—	—	—	—	(1,117,476)	(1,117,476)	—	—	(22,116,441)	(22,116,441)

ve of deprecia tion and amortiz ation shown separate ly below)												
Managem ent fees to related parties	(6,469, 699)	(697,6 98)	(7,167, 397)	(3,956, 453)	(852,1 49)	—	(4,808, 602)	(3,493, 801)	(528,2 06)	—	(4,022, 007)	
Depreciati on and amortiz ation	(16,689 ,989)	(5,386, 842)	(22,076 ,831)	(9,593, 639)	(5,330, 681)	(112,6 86)	(15,037 ,006)	(9,586, 004)	(1,460, 696)	(3,713, 387)	(14,760 ,087)	
(Provision)/ recover y of provisio n for doubtful account s	—	—	—	(4,823)	—	—	(4,823)	—	—	1,640,6 26	1,640,6 26	
General and adminis trative expense s ⁽²⁾	—	—	—	—	—	(345,4 66)	(345,46 6)	—	—	(10,846 ,239)	(10,846 ,239)	
Net gain / (loss) on sale of vessels	6,383,8 58	—	6,383,8 58	19,298, 394	—	—	19,298, 394	(2,086, 086)	80,766	—	(2,005, 320)	
Loss on vessels held for sale	—	—	—	—	(3,629, 521)	—	(3,629, 521)	(5,554, 777)	—	—	(5,554, 777)	
Gain from a claim	—	—	—	1,418,0 96	—	—	1,418,0 96	—	—	—	—	
Net gain on dispositi on of assets	—	—	—	—	—	158,44 0	158,44 0	—	—	309,68 0	309,68 0	
Net loss from equity method investm ents	—	—	—	—	—	—	—	—	—	(326,12 3)	(326,12 3)	
Net gain /	—	—	—	—	—	2,687,2	2,687,2	—	—	(13,972)	(13,972)	

(loss) from equity method investm ents at fair value					36	36				,725	,725
Segments operati ng income/	24,917,	2,771,	27,689,	32,192,	(212,0	2,444,4	34,425,	(4,159,	4,552,	(13,451	(13,058
(loss)	\$ 537	\$ 748	\$ 285	\$ 694	\$ 96)	\$ 24	\$ 022	\$ 659)	\$ 164	\$,096)	\$,591)
Interest and finance costs			(10,883 ,521)				(4,636, 880)			(1,629, 128)	
Interest income			2,631,7 98				4,098,1 20			957,42 0	
Foreign exchang e (losses)/ gains			(84,127)				9,131			(591,34 7)	
Unallocat ed net gain from equity method investm ents at fair value			—				—			3,217,3 90	
Less: Unalloc ated corporat e general and adminis trative expense s			(5,681, 371)				(12,998 ,412)			(8,583, 557)	
Less: Corpora te Interest and finance costs			(376,12 2)				(1,449, 475)			(3,342, 600)	
Less: Corpora te Interest			578,08 8				2,784,5 99			955,11 0	

income			
Less:			
Corporate exchange (losses)/ gains	(8,618)	(170,273)	170,977
Dividend income on equity securitie s	1,312,222	6,692,418	3,415,291
Dividend income from related party	1,166,667	1,423,332	1,361,112
Gain on debt securitie s	—	—	4,069
Gains / (losses) on equity securitie s	5,136,649	(14,738,660)	16,871,867
Dividend income from equity method investm ents, measure d at fair value ⁽³⁾	—	—	17,967,315
Other, net	—	—	4,692,704
Net income from continu ing operati ons, before taxes	21,480, \$ 950	15,438, 922	22,408, 032
Net income from disconti nued operati	17,513, 269	—	—

ons, before taxes			
Net			
income, before taxes	38,994, \$ 219	15,438, \$ 922	22,408, \$ 032

- (1) **Results for the year ended December 31, 2024 for the asset management segment reflect data for the period from the acquisition of MPC Capital on December 16, 2024, through December 31, 2024.**
- (2) In accordance with ASC 280 Segment Reporting, the Company has included general and administrative expenses as a separately disclosed expense line item within the asset management segment. General and administrative expenses of MPC Capital are directly attributable to, and incurred solely in connection with, the operations of the asset management segment and do not include any allocated or shared corporate expenses. These expenses represent a significant component of the asset management segment's operating results and are regularly provided to and reviewed by the CODM in assessing segment performance and making resource allocation decisions. General and administrative expenses of the asset management segment were not separately disclosed in prior periods as the amounts were not considered significant. As they have become significant to the asset management segment in the year ended December 31, 2025, the Company has elected to present this expense category separately. In accordance with ASC 280-10-50-29, comparative segment information for the year ended December 31, 2024 has been recast to conform to the current year presentation. The recast of the comparative period did not result in any change to previously reported assets, or consolidated results.
- (3) **The CODM evaluates the performance of each operating segment using segment operating income as the primary measure of profitability. In addition to the metrics that comprise segment operating income, the CODM also currently reviews dividend income from equity method investments measured at fair value in connection with the assessment of the asset management segment's performance, which amounted to \$15,796,255 for the year ended December 31, 2025. Such dividend income is not included in the measure of segment operating income but is considered by the CODM as supplemental information when allocating resources and evaluating the results of the asset management segment.**

CASTOR MARITIME INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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27. Segment Information (continued):

A reconciliation of total segment assets to total assets presented in the accompanying consolidated balance sheets of December 31, 2024 and 2025, is as follows:

	As of December 31, 2024	As of December 31, 2025
Dry bulk segment	\$ 194,561,173	\$ 164,200,986
Containership segment	54,030,862	16,926,037
Asset management segment ⁽¹⁾	308,393,047	331,442,985
Cash and cash equivalents ⁽²⁾	53,677,612	110,624,550
Prepaid expenses and other assets ⁽²⁾	186,714,227	174,163,883
Total consolidated assets	\$ 797,376,921	\$ 797,358,441

⁽¹⁾ The asset management segment contains the amounts of \$50,503,722 and \$50,045,840 in equity method investments for the years ended December 31, 2024 and 2025, respectively, and the amount of \$115,455,048 and \$112,923,194 in equity method investments measured at fair value for the years ended December 31, 2024 and 2025, respectively,

⁽²⁾ Refers to assets of other, non-vessel owning, entities included in the consolidated financial statements.

28. Subsequent Events:

- (a) **Dividend on Series D Preferred Shares:** On January 15, 2026, the Company paid to Toro a dividend (declared on December 30, 2025) amounting to \$1,250,000 on the Series D Preferred Shares for the dividend period from October 15, 2025 to January 14, 2026. On April 15, 2026, the Company paid to Toro a dividend (declared on March 30, 2026) amounting to \$1,250,000 on the Series D Preferred Shares for the dividend period from January 15, 2026 to April 14, 2026.
- (b) **Sale and leaseback transaction *M/V Magic Perseus*:** On December 29, 2025, the Company entered into a sale and leaseback agreement with an unaffiliated Japanese counterparty for the *M/V Magic Perseus*, a 2013-built Kamsarmax bulk carrier vessel, for an aggregate amount of \$15,600,000. The vessel was delivered to its buyers on January 22, 2026 and on the same date the Company drew the respective amount.

**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 ("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.

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

Our common shares are listed on the NASDAQ under the symbol "CTRM" and on the Norwegian OTC under the symbol "CASTOR". 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 our Series B Preferred Shares, par value \$0.001 per share (the “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 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 (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.

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	
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. Any person authorized to vote may authorize another person or persons to act for him by proxy. 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. When a quorum is once present to organize a meeting, it is not broken by the subsequent withdrawal of any shareholders. The articles of incorporation may provide for cumulative voting in the election of directors.	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. Any person authorized to vote may authorize another person or persons to act for him by proxy. 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. When a quorum is once present to organize a meeting, it is not broken by the subsequent withdrawal of any shareholders. The certificate of incorporation may provide for cumulative voting in the election of directors.
Merger or Consolidation	
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.	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.

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	
The board of directors must consist of at least one member.	The board of directors must consist of at least one member.

Marshall Islands	Delaware
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. 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.	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. 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.
<i>Removal:</i>	<i>Removal:</i>
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.	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.
If the articles of incorporation or bylaws provide any or all of the directors may be removed without cause by vote of the shareholders.	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.
Dissenters' Rights of Appraisal	
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.	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.

Marshall Islands	Delaware
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: • 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	
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.	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.

Marshall Islands	Delaware
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. Such action shall not be discontinued, compromised or settled, without the approval of the High Court of the Republic of the Marshall Islands. Reasonable expenses including attorney's fees may be awarded if the action is successful. 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.	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).

**CERTIFICATE OF AMENDMENT TO
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. (the “**Company**”), a corporation organized and existing under the Business Corporations Act of the Republic of the Marshall Islands, in accordance with the provisions of Section 35 thereof and the Articles of Incorporation of the Company, as amended, 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.

Upon the agreement of all of the holders of the 5.00% Series D Cumulative Perpetual Convertible Preferred Shares and a resolution adopted by the Board of Directors of the Company, the Statement of Designations of the 5.00% Series D Cumulative Perpetual Convertible Preferred Shares series of preferred shares of the Company was amended and restated on December 12, 2024 (the “**Amended and Restated Statement of Designation**”).

On December 23, 2025, 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 a resolution to amend the Statement of Designations of the 5.00% Series D Cumulative Perpetual Convertible Preferred Shares series of preferred shares of the Company to replace Section 6(b) thereof in its entirety with the following:

“(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, 2027 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.”

All of the other provisions of the Amended and Restated Statement of Designation shall remain unchanged.

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 29th day of December 2025.

By /s/ Dionysios Makris

Name: Mr. Dionysios Makris

Title: Member of the Board of Directors

PREFERRED SHARES AMENDMENT AGREEMENT

This Preferred Shares Amendment Agreement (this “**Agreement**”) is entered into as of December 24, 2025, by and between Castor Maritime Corp. (“**Castor**”), a Marshall Islands corporation, CMRP Corp. (“**CMRP**”), a Marshall Islands corporation and wholly-owned subsidiary of Castor, Toro Corp. (“**Toro**”), a Marshall Islands corporation, and TDI Corp. (“**TDI**”), a Marshall Islands corporation and wholly-owned subsidiary of Toro.

RECITALS

WHEREAS, Pursuant to Section 6(b) of the Statement of Designation (the “**Castor Series D Statement of Designation**”) of the Rights, Preferences and Privileges of 5.00% Series D Cumulative Perpetual Convertible Preferred Shares par value \$0.001 per share of Castor (the “**Castor Series D Preferred Shares**”), TDI, as the sole holder of all such shares, is entitled to convert the outstanding Castor Series D Preferred Shares, at any time and from time to time from and including January 1, 2026 on the terms and subject to the conditions set forth in the Castor Series D Statement of Designation.

WHEREAS, Pursuant to Section 6(b) of the Statement of Designation (the “**Toro Series A Statement of Designation**”) of the Rights, Preferences and Privileges of 1.00% Series A Fixed Rate Cumulative Perpetual Convertible Preferred Shares par value \$0.001 per share of Toro (the “**Toro Series A Preferred Shares**”), CMRP, as the sole holder of all such shares, is entitled to convert the outstanding Toro Series A Preferred Shares, at any time and from time to time on or after March 7, 2026 on the terms and subject to the conditions set forth in the Toro Series A Statement of Designation.

WHEREAS, Castor, Toro, CMRP and TDI desire to extend the date on which the Castor Series D Preferred Shares and the Toro Series A Preferred Shares initially become convertible into common shares of the respective issuer (each, an “**Initial Conversion Date**”).

AGREEMENT

NOW, THEREFORE, in consideration of the premises hereof and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **Castor Series D Preferred Shares.** In consideration of and subject to the extension of the Initial Conversion Date of the Toro Series A Preferred Shares set forth in Section 2 of this Agreement, Toro and TDI, as the sole holder of the Castor Series D Preferred Shares, hereby consent to the extension of the Initial Conversion Date of the Castor Series D Preferred Shares by one year from January 1, 2026 to January 1, 2027, and Toro, TDI and Castor hereby agree that Section 6(b) of the Castor Series D Statement of Designation shall be amended to read in its entirety as follows and that Castor shall file an amendment to the Castor D Statement of Designation with the Marshall Islands Registrar of Corporations reflecting such amendment:

“(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, 2027 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.”

2. **Toro Series A Preferred Shares.** In consideration of and subject to the extension of the Initial Conversion Date of the Castor Series D Preferred Shares set forth in Section 1 of this Agreement, Castor and CMRP, as the sole holder of the Toro Series A Preferred Shares, hereby consent to the extension of the Initial Conversion Date of the Toro Series A Preferred Shares by one year from March 7, 2026 to March 7, 2027, and Castor, CMRP and Toro hereby agree that Section 6(b) of the Toro Series A Statement of Designation shall be amended to read in its entirety as follows and that Toro shall file an amendment to the Toro Series A Statement of Designation with the Marshall Islands Registrar of Corporations reflecting such amendment:

“ (b) **Optional Conversion Right of the Holders.** Subject to the terms and conditions of this Section 6 (including the conversion procedures set forth below), at any time and from time to time on or after the fourth anniversary of the Original Issue Date until but excluding the Reset Date, each holder of this Series may elect to convert, in whole or in part, without the payment of additional consideration by such holder, its shares of this Series into, subject to Section 6(c) 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) 150% of the Initial VWAP and (II) the Ten-Day VWAP; provided, that, notwithstanding anything to the contrary herein, the Conversion Price shall not be less than \$2.50.

3. **Further Assurances.** Each party to this Agreement shall cooperate and take such action as may be reasonably requested by another party to this Agreement in order to carry out the provisions and purposes of this Agreement, including the filing of an amendment to the Castor Series D Statement of Designation and an amendment to the Toro Series A Statement of Designation, as applicable, with the Marhsall Islands Registrar of Corporations.

4. **Governing Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the Republic of the Marshall Islands.

5. **No Further Amendments.** Except for the terms expressly amended hereby, all the terms, conditions and provisions of each of the Castor Series D Statement of Designation and the Toro Series A Statement of Designation shall remain in full force and effect.

6. **Amendment.** Any provision of this Agreement may be amended, waived or modified only with the written consent of each of the parties.

7. **Counterparts; Electronic Signatures.** This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument, binding on the parties hereto, and the signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart. Delivery of signature by any party to this Agreement via electronic means (e.g., “PDF” copies via email, or electronic document signature services) shall be valid and binding upon such party as the original signature of such party for all purposes hereunder.

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IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the first date above written.

CASTOR MARITIME INC.

By: /s/ Dionysios Makris
Name: Mr. Dionysios Makris
Title: Member of the Board of
Directors

CMRP CORP.

By: /s/ Georgios Bachos
Name: Mr. Georgios Bachos
Title: Sole Director

TORO CORP.

By: /s/ Petros Zvakopoulos
Name: Mr. Petros Zvakopoulos
Title: Member of the Board of
Directors

TDI CORP.

By: /s/ Konstantinos Christos
Vlachos
Name: Mr. Konstantinos Christos
Vlachos
Title: Sole Director

Dated: 13th October, 2025

ALPHA BANK S.A.

(as lender)

- and -

ARIEL SHIPPING CO.

MULAN SHIPPING CO.

JOHNNY BRAVO SHIPPING CO. and

ALADDIN SHIPPING CO.

(as joint and several borrowers)

LOAN AGREEMENT

for a secured floating interest rate loan facility
of up to US\$50,000,000



THEO V. SIOUFAS & CO.

LAW OFFICES

Piraeus

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SCHEDULES

1.	Form of Drawdown Notice
2.	Form of Insurance Letter
3.	Form of Sustainability Performance Certificate
4.	Form of Compliance Certificate

THIS AGREEMENT is dated the 13th day of October, 2025 and made BETWEEN:

- (1) **ALPHA BANK S.A.**, a banking société anonyme incorporated in and pursuant to the laws of the Hellenic Republic with its head office at 40 Stadiou Street, Athens, Greece, acting, except as otherwise herein provided, through its office at 93 Akti Miaouli, Piraeus, Greece, as lender (hereinafter called the “**Lender**”, which expression shall include its successors and assigns); and
- (2) (a) **ARIEL SHIPPING CO.**, a corporation duly incorporated in the Republic of the Marshall Islands, whose address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 (and includes its successors) (the “**Ariel Borrower**”); and
- (b) **MULAN SHIPPING CO.**, a corporation duly incorporated in the Republic of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 (and includes its successors) (the “**Mulan Borrower**”);
- (b) **JOHNNY BRAVO SHIPPING CO.**, a corporation duly incorporated in the Republic of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 (and includes its successors) (the “**Johnny Bravo Borrower**”); and
- (b) **ALADDIN SHIPPING CO.**, a corporation duly incorporated in the Republic of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 (and includes its successors) (the “**Aladdin Borrower**” and together with the Ariel Borrower, the Mulan Borrower and the Johnny Bravo Borrower hereinafter called the “**Borrowers**”) and singly a “**Borrower**”

AND IT IS HEREBY AGREED as follows:

1. PURPOSE, DEFINITIONS AND INTERPRETATION

1.1 Amount and Purpose

- (a) Amount: This Agreement sets out the terms and conditions upon and subject to which it is agreed that the Lender will make available to the Borrowers, on a joint and several basis, by one (1) Advance a secured term loan facility in the amount of up to the lesser of:
 - (i) Dollars Fifty million (\$50,000,000); and
 - (ii) 55% of the aggregate Market Value of the Ships as determined in accordance with Clause 8.5(b)(Valuation of Ships) by valuation obtained maximum twenty (20) days prior to the Drawdown Date;
- (b) Purpose: The Loan proceeds shall be used for the purpose of general corporate purposes and/or providing working capital to the Borrowers.

1.2 Definitions

Subject to Clause 1.3 (Interpretation) and Clause 1.4 (Construction of certain terms), in this Agreement (unless otherwise defined in the relevant Finance Document and unless the context otherwise requires) and the other Finance Documents each term or expression defined in the recital of the parties and in this Clause shall have the meaning given to it in the recital of the parties and in this Clause:

“Accounts” means, together, the Operating Accounts and any Cash Collateral Account, and **“Account”** means any of them as the context may require;

“Accounts Pledge Agreement” means an agreement to be entered into between the Borrowers and the Lender for the creation of a pledge over the Operating Accounts in favour of the Lender, in form and substance as the Lender may approve or require, as the same may from time to time be amended and/or supplemented;

“Adjusted Margin” means the Initial Margin as adjusted pursuant to the sustainability margin adjustment referred to in Clause 3.11 (*Sustainability Margin Adjustment*).

“Advance” means each borrowing of a portion of the Commitment by the Borrowers or (as the context may require) the principal amount of such borrowing;

“Affiliate” means, in relation to any person, a subsidiary of that person or a parent company of that person or any other subsidiary of that parent company;

“Applicable Margin” in relation to the Loan or the relevant part thereof means the Initial Margin or the Adjusted Margin, as applicable, pursuant to the provisions of Clauses 3.1 (*Normal Interest Rate*), 3.10 (*Cash Collateral*) and 3.11 (*Sustainability Margin Adjustment*).

“Approved Auditor” means any independent and reputable accredited audit firm having requisite experience acceptable to the Lender;

“Approved Commercial Manager” in relation to each Ship means for the time being **CASTOR SHIPS S.A.**, a corporation lawfully incorporated and validly existing under the laws of the Republic of the Marshall Islands, and having an office established in Greece pursuant to the Greek laws 378/68, 27/75, 2234/94, 3752/09 and 4150/13 (as amended and in force at the date hereof) at 10 Seneka Street, Nea Kifissia 145 64, Greece, or any other person appointed by the Owner of that Ship with the consent of the Lender (such consent not to be unreasonably withheld, delayed or conditioned), as the commercial manager of that Ship, and includes its successors in title;

“Approved Flag” means, in relation to a Ship, the Marshall Islands flag, the Liberian flag, the Cyprus flag, the Greek flag, the Maltese flag or such other flag as the Lender may approve (in its reasonable discretion) as the flag on which that Ship is or, as the case may be, shall be registered;

“Approved Flag State” means, in relation to a Ship, the Republic of the Marshall Islands or the Republic of Liberia or the Republic of Greece or the Republic of Malta or such other country proposed in writing by the Borrowers to the Lender and approved (in its reasonable discretion) by the Lender, as being the **“Approved Flag State”** of that Ship for the purposes of the Finance Documents;

“Approved Managers” means, for the time being, together, the Approved Commercial Manager and the Approved Technical Manager, and **“Approved Manager”** means any of them, as the context may require;

“Approved Manager’s Undertaking” means a letter of undertaking and subordination to be executed by the relevant Approved Manager, as commercial and/or technical manager of the Ships (as the case may be), in favour of the Lender, such Approved Manager’s Undertaking to be in form and substance as the Lender may approve or require, as the same may from time to time be amended and/or supplemented, and **“Approved Manager’s Undertakings”** means all of them;

“Approved Shipbrokers” means any of Clarksons (Hellas), Braemar, Allied Shipbroking, Simpson Spence & Young Shipbrokers, Fearnley, Arrow Sale & Purchase Limited, Affinity (Shipping) LLP, E.A. Gibson Shipbrokers Ltd., Barry Rogliano Salles Limited, Intermodal Shipbrokers or any other first class independent firm of internationally known shipbrokers, appointed by the Lender at its discretion and agreed by the Borrowers, and includes their respective successors in title and **“Approved Shipbroker”** means any of them;

“Approved Technical Manager” in relation to each Ship (other than Ship C) means for the time being the Approved Commercial Manager and in relation to Ship C means **PAVIMAR S.A.**, a corporation lawfully incorporated and validly existing under the laws of the Republic of the Marshall Islands, and having an office established in Greece pursuant to the Greek laws 378/68, 27/75, 2234/94, 3752/09 and 4150/13 (as amended and in force at the date hereof) at 17th km National Road Athens-Lamia & Foinikos Street, Nea Kifissia 145 64, Greece, or any other person appointed by the Owner of that Ship with the consent of the Lender (such consent not to be unreasonably withheld, delayed or conditioned), as the technical manager of that Ship, and includes its successors in title;

“Asset Cover Ratio” means, at any relevant time, the aggregate of (a) the aggregate Market Value of the Mortgaged Ships (b) any additional security provided pursuant to Clause 8.5(a) (Security shortfall – Additional security) and (c) the Pledged Deposit expressed as a percentage of the aggregate amount of: (a) the Loan at the relevant time;

“Article 55 BRRD” means Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms;

“Assignable Charterparty” means in relation to a Ship, any time or bareboat charterparty (irrespective of the duration of such bareboat charterparty), consecutive voyage charter or contract of affreightment or related document in respect of the employment of that Ship having a duration (or capable of exceeding a duration) of more than 13 months and any guarantee of the obligations of the charterer under such charter in respect of that Ship, whether now existing or hereinafter entered or to be entered into by the Owner thereof or any person, firm or company on its behalf and a charterer at a daily rate and on terms and conditions acceptable to the Lender (and shall include any addenda thereto);

“Assignee” has the meaning ascribed thereto in Clause 14.3 (Assignment by Lenders);

“Availability Period” means the period starting on the date hereof and ending on:

- (a) the 31st October, 2025 or until such later date as the Lender may agree in writing; or
- (b) such earlier date (if any): (i) on which the whole Commitment has been advanced by the Lender to the Borrowers, or (ii) on which the Commitment is reduced to zero pursuant to Clauses 3.6(Market disruption), 9.2 (Consequences of Event of Default – Acceleration), 12.1 (Unlawfulness) or any other Clause of this Agreement;

“Bail-In Action” means the exercise of any Write-down and Conversion Powers;

“Bail-In Legislation” means:

- (a) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time; and

- (b) in relation to any other state, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation;

“Balloon Instalment” has the meaning given in Clause 4.1 (Repayment);

“Basel II Accord” means the *“International Convergence of Capital Measurement and Capital Standards, a Revised Framework”* published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the date of this Agreement;

“Basel II Approach” means either the Standardised Approach or the relevant Internal Ratings Based Approach (each as defined in the Basel II Accord) adopted by the Lender (or its holding company) for the purposes of implementing or complying with the Basel II Accord;

“Basel II Regulation” means with respect to the jurisdiction in which its principal or lending office under this Agreement is located (a) any currently effective and mandatory law or regulation implementing the Basel II Accord (including the relevant provisions of CRD IV and CRR) to the extent only such law or regulation re-enacts and/or implements the requirement of the Basel II Accord but excluding any provision of such law or regulation implementing the Basel III Accord or (b) any currently effective and mandatory application of a Basel II Approach adopted by the Lender;

“Basel III Accord” means:

- (a) the agreements on capital requirements, leverage ratio and liquidity standards contained in *“Basel III: A global regulatory framework for more resilient banks and banking systems”*, *“Basel III: International framework for liquidity risk measurement, standards and monitoring”* and *“Guidance for national authorities operating the countercyclical capital buffer”* published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated;
- (b) the rules for global systemically important banks contained in *“Global systemically important banks: assessment methodology and the additional loss absorbency requirement – Rules text”* published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and
- (c) any further guidance or standards published by the Basel Committee on Banking Supervision relating to Basel III;

“Basel III Regulation” means any currently effective mandatory application of law or regulation implementing the Basel III Accord in the jurisdiction in which its principal or lending office under this Agreement is located save and to the extent that it re-enacts a Basel II Regulation;

“Beneficial Shareholder(s)” means in respect of each of the Borrowers, the person or persons disclosed to the Lender as being the ultimate legal and beneficial owner or owners (either directly and/or through companies beneficially owned by such person or persons and/or trusts or foundations of which such person or persons are legal and beneficial owners) of 100% of the shares in each of the Borrowers, and in the case of the Corporate Guarantor having a controlling interest of the Corporate Guarantor through voting rights attaching to a certain class of shares and the legal ownership of those shares in each of the Borrowers and the Corporate Guarantor;

“Borrowers” means jointly and severally the Ariel Borrower, the Mulan Borrower, the Johnny Bravo Borrower and the Aladdin Borrower as specified at the beginning of this Agreement and **“Borrower”** means any of them as the context may require;

“Break Costs” has the meaning given in Clause 10.3 (Break Costs);

“Business Day” means:

- (a) a day (other than a Saturday or Sunday) on which banks are open for general business in Athens and Piraeus;
- (b) in New York and in each other country or place in or at which an act is required to be done under this Agreement; and

(in relation to the fixing of any interest rate which is required to be determined under this Agreement or any Finance Document), a US Government Securities Business Day;

“Cash-Collateral Account” means an account or the accounts opened or to be opened and maintained in the name of the relevant Cash Collateral Account Holder with the branch of the Lender at 93 Akti Miaouli, Piraeus, Greece, or with any other branch or office of the Lender (either in Greece or abroad), as may be required by and from time to time be determined by the Lender, after consultation with the Borrowers and shall include any sub-accounts or call accounts opened under the same designation or any revised designation or number from time to time notified by the Lender to the Borrowers, to which the Cash-Collateral Amount shall be deposited and pledged in favour of the Lender;

“Cash Collateral Account Holder” means a Borrower or the Corporate Guarantor;

“Cash Collateral Account Pledge Agreement” in relation to a Cash Collateral Account means the first priority pledge executed or (as the context may require) to be entered into between the relevant Cash Collateral Account Holder and the Lender for the creation of a pledge in favour of the Lender over that Cash Collateral Account, in such form as the Lender may approve or require, as the same may from time to time be amended and/or supplemented, and in the plural means any or all of them as the context may require;

“Cash Collateral Amount” means the aggregate amount which is or shall be (as the case may be) deposited in the relevant Cash Collateral Account and which may be, at any time, no less than \$1,000,000 or multiples of such amount (on top of the Pledged Deposit) up to the amount of the Loan outstanding at the relevant time, which shall remain pledged in favour of the Lender but may be withdrawn pursuant to and subject only to the provisions of Clause 3.10 (Cash Collateral);

“Cash-collateralised part of the Loan” means the part of the Loan, which corresponds to the Cash-Collateral Amount deposited in the relevant Cash-Collateral Account and fixed for a period at least equal to the then current Interest Period for the Loan and on which interest shall accrue at the Initial Margin B as adjusted, if applicable, pursuant to the sustainability margin adjustment referred to in Clause 3.11 (Sustainability Margin Adjustment), pursuant to the provisions of paragraph (b) (ii) of Clause 3.10 (Cash Collateral);

“Charterparty Assignment” means, in relation to a Ship, an assignment of the rights of its Owner under any Assignable Charterparty and any guarantee of such Assignable Charterparty executed or to be executed by its Owner in favour of the Lender and the acknowledgement of notice of the assignment in respect of such Assignable Charterparty to be obtained (on best effort basis by its Owner) in form and substance as the Lender may approve or require, as the same may from time to time be amended and/or supplemented and, **“Charterparty Assignments”** means all of them;

“Classification” in relation to a Ship means the classification referred to in the Mortgage registered thereon with the Classification Society or such other classification society as the Lender shall, at the request of the Borrowers, have agreed in writing, shall be treated as the Classification Society for the purposes of the Finance Documents;

“Classification Society” means such classification society which is a member of IACS (other than the China Classification Society and the Russian Maritime Registry of Shipping) and which the Lender shall, at the request of the Borrowers, have agreed in writing to be treated as the Classification Society for the purposes of the Finance Documents;

“Commitment” means the amount which the Lender agreed to lend to the Borrowers under Clause 2.1 (*Commitment to Lend*) as reduced by any relevant term of this Agreement;

“Commitment Letter” means the Commitment Letter dated 3rd July, 2025 addressed by the Lender to the Borrowers and accepted by it on the same date, and shall include any amendments or addenda thereto;

“Compliance Certificate” means a certificate substantially in a form of Schedule 3 signed by the chief financial officer (**“CFO”**) of the Corporate Guarantor or, if the CFO is not available, by an authorized representative or director of the Corporate Guarantor;

“Compulsory Acquisition” in relation to a Ship means requisition for title or other compulsory acquisition, requisition, appropriation, expropriation, deprivation, forfeiture or confiscation for any reason of that Ship, whether for full or part consideration, a consideration less than its proper value, a nominal consideration or without any consideration, which is effected by any Government Entity or other competent authority, or by any person or persons claiming to be or to represent any Government Entity, whether de jure or de facto, but shall exclude requisition for use or hire not involving requisition of title unless it is within sixty (60) days from the date of such occurrence redelivered to the full control of the Owner;

“Corporate Guarantee” means an irrevocable and unconditional guarantee given or, as the context may require, to be given by the Corporate Guarantor in form and substance satisfactory to the Lender as security for the Outstanding Indebtedness and any and all other obligations of the Borrowers under this Agreement and the Security Documents, as the same may from time to time be amended and/or supplemented;

“Corporate Guarantor” means **CASTOR MARITIME INC.**, a corporation lawfully incorporated and validly existing under the laws of the Republic of the Marshall Islands, and/or any other person nominated by the Borrowers and acceptable to the Lender which may give a Corporate Guarantee, and includes its successors in title;

“CRD IV” means:

- (a) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC, as amended, supplemented or restated; and
- (b) any other law or regulation which implements Basel III;

“CRR” means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending regulation (EU) No. 648/2012, as amended, supplemented or restated;

“Default Rate” means that rate of interest per annum which is determined in accordance with the provisions of Clause 3.4 (*Default Interest*);

“DOC” means a document of compliance issued to an Operator in accordance with rule 13 of the ISM Code;

“Dollars” (and the sign “\$”) means the lawful currency for the time being of the United States of America;

“Drawdown Date” means the date, being a Business Day, requested by the Borrowers for the Loan to be made available, or (as the context requires) the date on which the Loan is actually made available;

“Drawdown Notice” means a notice substantially in the terms of Schedule 1 (*Form of Drawdown Notice*) (or in any other form which the Lender approves);

“Earnings” in relation to a Ship means all monies whatsoever which are now, or later become, payable (actually or contingently) to the Owner thereof and which arise out of the use or operation of that Ship, including (but not limited to) all freight, hire and passage monies, compensation payable to the Owner thereof in the event of requisition of that Ship for hire, remuneration for salvage and towage services, demurrage and detention monies, contributions of any nature whatsoever in respect of general average, damages for breach (or payments for variation or termination) of any charterparty or other contract for the employment of that Ship and any other earnings whatsoever due or to become due to the Owner thereof in respect of that Ship and all sums recoverable under the Insurances in respect of loss of Earnings and includes, if and whenever that Ship is employed on terms whereby any and all such monies as aforesaid are pooled or shared with any other person, that proportion of the net receipts of the relevant pooling or sharing agreement which is attributable to that Ship;

“EEA Member Country” means any member state of the European Union, Iceland, Liechtenstein and Norway;

“Environmental Approval” means any consent, authorisation, licence or approval of any governmental or public body or authorities or courts applicable to any Ship or her operation or the carriage of cargo thereon and/or passengers therein and/or provisions of goods and/or services on or from any Ship required under any Environmental Law;

“Environmental Claim” means:

- (a) any claim by any governmental, judicial or regulatory authority which arises out of an Environmental Incident or which relates to any Environmental Law;
or
- (b) any claim by any other person which relates to an Environmental Incident,

and **“claim”** means (i) a claim for damages, compensation, fines, penalties or any other payment of any kind which exceeds \$750,000 (or the equivalent in any other currency) per Ship per incident or (ii) one or more claims for damages, compensation, fines, penalties or any other payment of any kind, the subject matter of which exceeds \$750,000 (or the equivalent in any other currency) or the multiple of such figure for more Ships in aggregate, whether such claim or claims are in relation to one or more Ships and whether resulting from one incident or a series of incidents;

“Environmental Incident” means (i) any release of Material of Environmental Concern from a Ship, (ii) any incident in which Material of Environmental Concern is released from a vessel other than the Ships and which involves collision between a Ship and such other vessel or some other incident of navigation or operation, in either case, where a Ship, the Borrowers (or any of them) or the Approved Managers (or any of them) is/are actually at fault or otherwise liable (in whole or in part) or (iii) any incident in which Material of Environmental Concern is released from a vessel other than the Ships and where a Ship is actually liable to be arrested as a result and/or where the Borrowers (or any of them) or the Approved Managers (or any of them) is/are actually at fault or otherwise liable;

“Environmental Laws” means all national, international and state laws, rules, regulations, treaties and conventions mandatorily applicable to any Ship pertaining to the pollution or protection of human health or the environment including, without limitation, the carriage of Materials of Environmental Concern and actual or threatened emissions, spills, releases or discharges of Materials of Environmental Concern from any Relevant Ship (including, without limitation, the United States Oil Pollution Act of 1990 and any comparable laws of the individual States of the United States of America);

“EU Bail-In Legislation Schedule” means the document described as such and published by the Loan Market Association (or any successor person) from time to time;

“Event of Default” means any event or circumstance set out in Clause 9.1 (Events) or described as such in any other of the Finance Documents;

“Expenses” means the aggregate at any relevant time (to the extent that the same have not been received or recovered by the Lender) of:

- (a) all losses, liabilities, costs, charges, expenses, damages and outgoings of whatever nature, (including, without limitation, Taxes, repair costs, registration fees and insurance premiums, crew wages, repatriation expenses and seamen’s pension fund dues) suffered, incurred, charged to or paid or committed to be paid by the Lender in connection with the exercise of the powers referred to in or granted by any of the Finance Documents or otherwise payable by the Borrowers or any of them in accordance with the terms of any of the Finance Documents;
- (b) the expenses referred to in Clause 10.2(Expenses); and
- (c) interest on all such losses, liabilities, costs, charges, expenses, damages and outgoings from, in the case of Expenses referred to in sub-paragraph (b) above, the date on which such Expenses were demanded by the Lender from the Borrowers and in all other cases, the date on which the same were suffered, incurred or paid by the Lender until the date of receipt or recovery thereof (whether before or after judgement) at the Default Rate (as conclusively certified by the Lender);

“FATCA” means:

- (a) sections 1471 to 1474 of the US Internal Revenue Code of 1986 (the **“Code”**) or any associated regulations or other associated official guidance;
- (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; or
- (c) any agreement pursuant to the implementation of paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction;

“FATCA Deduction” means a deduction or withholding from a payment under a Finance Document required by FATCA;

“FATCA Exempt Party” means a party that is entitled to receive payments free from any FATCA Deduction;

“Final Maturity Date” means the date falling on the fifth (5th) anniversary of the Drawdown Date;

“Finance Documents” means, together, this Agreement, the Security Documents, the Insurance Letters and any other document designated as such by the Lender and the Borrowers;

“Financial Indebtedness” means, in relation to a person (the “*debtor*”), a liability of the debtor:

- (a) for principal, interest or any other sum payable in respect of any monies borrowed or raised by the debtor;
- (b) under any loan stock, bond, note or other security issued by the debtor;
- (c) under any acceptance credit, guarantee or letter of credit facility made available to the debtor;
- (d) under a financial lease, a deferred purchase consideration arrangement or any other agreement having the commercial effect of a borrowing or raising of money by the debtor; or
- (e) under a guarantee, indemnity or similar obligation entered into by the debtor in respect of a liability of another person which would fall within (a) to (c) if the references to the debtor referred to the other person;

“Financial Year” means, in relation to the Borrowers, each period of one (1) year commencing on 1st January thereof in respect of which financial statements referred to in Clause 8.1(f) (*Financial statements-Compliance Certificate*) are or ought to be prepared;

“General Assignment” means, in relation to each Ship, the first priority assignment of the Earnings, Insurances and Requisition Compensation collateral to the Mortgage relative to that Ship, executed or (as the context may require) to be executed by the Owner thereof in favour of the Lender, in form and substance as the Lender may approve or require, as the same may from time to time be amended and/or supplemented (together, the “*General Assignments*”);

“Government Entity” means and includes (whether having a distinct legal personality or not) any national or local government authority, board, commission, department, division, organ, instrumentality, court or agency and any association, organisation or institution of which any of the foregoing is a member or to whose jurisdiction any of the foregoing is subject or in whose activities any of the foregoing is a participant;

“Governmental Withholdings” means withholdings and any restrictions or conditions resulting in any charge whatsoever imposed, either now or hereafter, by any sovereign state or by any political sub-division or taxing authority of any sovereign state;

“Group” means the Borrowers, the Corporate Guarantor and their direct or indirect Subsidiaries and all other shipping companies now or in the future substantially directly or indirectly owned and/or controlled by same beneficial interests as the Borrowers from time to time during the Security Period and **“member of the Group”** means any member of the Group;

“Historic Term SOFR” means, in relation to the Loan or any part of the Loan, the most recent applicable Term SOFR for a period equal in length to the Interest Period of the Loan or that part of the Loan and which is as of a day which is no more than three US Government Securities Business Days before the Quotation Day;

“Initial Margin” means:

- (i) in respect of the Loan less any Cash-collateralised part of the Loan, one point eight zero per centum (1.80%) per annum (the **“Initial Margin A”**); and
- (ii) in respect of any Cash-collateralised Part of the Loan, zero point six zero per centum (0.60%) per annum (the **“Initial Margin B”**);

“Insurance Letter” in relation to a Ship means a letter from the Owner thereof in the form of Schedule 2 (Form of Insurance Letter);

“Insurances” in relation to a Ship means all policies and contracts of insurance (including, without limitation, all entries of that Ship in a protection and indemnity, hull and machinery, war risks or other mutual insurance association) which are from time to time in place or taken out or entered into by or for the benefit of its Owner (whether in the sole name of its Owner or in the joint names of its Owner and the Lender, however without the Mortgagee being liable for payment of premiums, contributions or calls) in respect of that Ship and its earnings or otherwise howsoever in connection with that Ship and all benefits of such policies and/or contracts (including all claims of whatsoever nature and return of premiums);

“Interest Payment Date” means in respect of the Loan or any part thereof in respect of which a separate Interest Period is fixed the last day of the relevant Interest Period and in case of any Interest Period longer than three (3) months the date(s) falling at successive three (3) monthly intervals during such longer Interest Period and the last day of such Interest Period, provided, however, that if any of the aforesaid dates falls on a day which is not a Business Day the Borrowers shall pay the accrued interest on the first Business Day thereafter unless the result of such extension would be to carry such Interest Payment Date over into another calendar month in which event such Interest Payment Date shall be the immediately preceding Business Day;

“Interest Period” means in relation to the Loan or any part thereof, each period for the calculation of interest in respect of the Loan or such part ascertained in accordance with Clauses 3.2 (Selection of Interest Period) and 3.3 (Determination of Interest Periods);

“Interpolated Historic Term SOFR” means, in relation to the Loan or any part of the Loan, the rate (rounded to the same number of decimal places as Term SOFR) which results from interpolating on a linear basis between:

- (a) either:
 - (i) the most recent applicable Term SOFR (as of a day which is not more than three US Government Securities Business Days before the Quotation Day) for the longest period (for which Term SOFR is available) which is less than the Interest Period of the Loan or that part of the Loan; or

- (ii) if no such Term SOFR is available for a period which is less than the Interest Period of the Loan or that part of the Loan, SOFR for a day which is no more than five US Government Securities Business Days (and no less than two US Government Securities Business Days) before the Quotation Day; and
- (b) the most recent applicable Term SOFR (as of a day which is not more than three US Government Securities Business Days before the Quotation Day) for the shortest period (for which Term SOFR is available) which exceeds the Interest Period of the Loan or that part of the Loan;

“Interpolated Term SOFR” means, in relation to the Loan or any part of the Loan, the rate (rounded to the same number of decimal places as Term SOFR) which results from interpolating on a linear basis between:

- (a) either
 - (i) the applicable Term SOFR (as of the Quotation Day) for the longest period (for which Term SOFR is available) which is less than the Interest Period of the Loan or that part of the Loan; or
 - (ii) if no such Term SOFR is available for a period which is less than the Interest Period of the Loan or that part of the Loan, SOFR for the day which is two US Government Securities Business Days before the Quotation Day; and
- (b) the applicable Term SOFR (as of the Quotation Day) for the shortest period (for which Term SOFR is available) which exceeds the Interest Period of the Loan or that part of the Loan;

“ISM Code” means in relation to its application to the Borrowers, the Ships and their operation:

- (a) *“The International Management Code for the Safe Operation of Ships and for Pollution Prevention”*, currently known or referred to as the *“ISM Code”*, adopted by the Assembly of the International Maritime Organisation by Resolution A. 741(18) on 4th November, 1993 and incorporated on 19th May, 1994 into chapter IX of the International Convention for the Safety of Life at Sea 1974 (SOLAS 1974); and
- (b) all further resolutions, circulars, codes, guidelines, regulations and recommendations which are now or in the future issued by or on behalf of the International Maritime Organisation or any other entity with responsibility for implementing the ISM Code, including without limitation, the *“Guidelines on implementation or administering of the International Safety Management (ISM) Code by Administrations”* produced by the International Maritime Organisation pursuant to Resolution A. 788(19) adopted on 25th November, 1995;

as the same may be amended, supplemented or replaced from time to time;

“ISM Code Documentation” includes:

- (a) the DOC and SMC issued by a classification society in all respects acceptable to the Lender in its absolute discretion pursuant to the ISM Code in relation to the Ships within the period specified by the ISM Code;

- (b) all other documents and data which are relevant to the ISM SMS and its implementation and verification which the Lender may require by request; and
- (c) any other documents which are prepared or which are otherwise relevant to establish and maintain each Ship's or each Owner's compliance with the ISM Code which the Lender may require by request;

"ISM SMS" means the safety management system which is required to be developed, implemented and maintained under the ISM Code;

"ISPS Code" means the International Ship and Port Security Code of the International Maritime Organization and includes any amendments or extensions thereto and any regulation issued pursuant thereto;

"ISSC" in relation to a Ship means an International Ship Security Certificate issued in respect of that Ship pursuant to the ISPS Code;

"Key Performance Indicator 1" or **"KPI 1"** means the average of the Mortgaged Ships CII for each calendar year expressed in CO2 per DWT mile. This is based on each Ship's Carbon Intensity Indicators (CII) trajectory for such calendar year, determined in accordance with the latest published revision of IMO MEPC.328(76) (Amendments to MARPOL Annex VI, Regulations 23, 25, and 28), as amended or revised from time to time. Target range to be agreed between the Borrowers and the Lender;

"Key Performance Indicator 2" or **"KPI 2"** means the training hours for shore employees and seafarers measuring classroom annually and webinars annually from 2025 until 2030 increased by 2% compared with 2024, or totally 10% increase (Training hours 2024 Baseline 870 hours);

"Lender" means the Lender as specified in the beginning of this Agreement, and includes its successors in title and transferees;

"Lending Office" means the office of the Lender appearing at the beginning of this Agreement or any other office of the Lender designated by the Lender as the Lending Office by notice to the Borrowers;

"Loan" means the aggregate principal amount borrowed by the Borrowers in respect of the Commitment or (as the context may require) the principal amount owing to the Lender under this Agreement at any time;

"Major Casualty" in relation to a Ship means any casualty to that Ship in respect whereof the claim or the aggregate of the claims against all insurers, before adjustment for any relevant franchise or deductible, exceeds the Major Casualty Amount;

"Major Casualty Amount" means seven hundred fifty thousand Dollars (\$750,000) or the equivalent in any other currency;

"Management Agreement" in relation to a Ship means the agreement made between the Owner thereof and the relevant Approved Manager providing (*inter alia*) for that Approved Manager to manage that Ship, as amended and/or supplemented from time to time (together, the **"Management Agreements"**);

“Market Disruption Rate” means the Reference Rate;

“Market Value” in relation to a Ship means the market value of that Ship as determined in accordance with Clause 8.5(b) (Valuation of Ships);

“Material of Environmental Concern” means and includes pollutants, contaminants, toxic substances, oil as defined in the United States Oil Pollution Act of 1990 and all hazardous substances as defined in the United States Comprehensive Environmental Response, Compensation and Liability Act 1980;

“Material Adverse Change” means any event or series of events which, in the opinion of the Lender, is likely to have a Material Adverse Effect;

“Material Adverse Effect” means a material, in the reasonable opinion of the Lender, adverse effect on:

- (a) the business, property, assets, liabilities, operations or condition (financial) of any Borrower and/or any other Security Party taken as a whole;
- (b) the ability of any Borrower and/or any other Security Party to (i) comply with or perform any of its obligations or (ii) discharge any of its liabilities, under any Finance Document as they fall due; or
- (c) the validity, legality or enforceability of any Finance Document or the rights and remedies of the Lender under any such Finance Document;

“MII” has the meaning given in Clause 10.10 (MI);

“month” means a period beginning in one calendar month and ending in the next calendar month on the day numerically corresponding to the day of the calendar month on which it started, provided that (i) if the period started on the last Business Day in a calendar month or if there is no such numerically corresponding day, it shall end on the last Business Day in such next calendar month and (ii) if such numerically corresponding day is not a Business Day, the period shall end on the next following Business Day in the same calendar month but if there is no such Business Day it shall end on the preceding Business Day and **“months”** and **“monthly”** shall be construed accordingly;

“Mortgage” in relation to a Ship means the first preferred ship mortgage or, as the case may be, first priority ship mortgage and the deed of covenant supplemental thereto on that Ship to be executed by the Owner thereof in favour of the Lender in form and substance as the Lender may approve or require, as the same may from time to time be amended and/or supplemented (together, the **“Mortgages”**);

“Mortgaged Ship(s)” means the Ship(s) which remain mortgaged in favour of the Lender pursuant to this Agreement at any relevant time hereunder;

“Operating Account” means the account to be opened and maintained in the name of each Owner with the Lending Office or with any other branch of the Lender or any other office of the Lender or with such other bank as may be required by and at the discretion of the Lender pursuant to Clause 13.7 (Relocation of Operating Accounts and Cash Collateral Account(s)) and shall include any sub-accounts or call accounts (whether in Dollars or any other currency) opened under the same designation or any revised designation or number from time to time notified by the Lender to the Borrowers, to which (inter alia) all Earnings of the relevant Ship and/or any other monies are to be paid in accordance with the provisions of this Agreement

and/or the relevant General Assignment and/or any of the other Finance Documents (together, the “*Operating Accounts*”);

“Operating Expenses” means the voyage and operating expenses of the Ships, including, but not limited to, the expenses for operating, crewing, victualing, insuring, maintaining, repairing and generally trading the Ships (and if applicable, voyage expenses), the expenses for spares, administration and management of the Ships (inclusive of the management fees, survey expenses, legal fees, commissions, bunkering expenses, ballast water treatment installation costs and corporate administration fees and taxes) as well as the reserves that the Borrowers, acting reasonably, consider necessary for the commercial operation of the Ships and the costs of intermediate and special surveys and dry docking of the Ships;

“Operator” means any person who is from time to time during the Security Period concerned in the operation of the Ships (or any of them) and falls within the definition of *“Company”* set out in rule 1.1.2. of the ISM Code;

“Outstanding Indebtedness” means the aggregate of (a) the Loan and interest accrued and accruing thereon, (b) the Expenses, and (c) all other sums of any nature (together with all interest on any of those sums) which from time to time may be payable by the Borrowers to the Lender pursuant to the Finance Documents, whether actually or contingently and (d) any damages payable as a result of any breach by the Borrowers of any of the Finance Documents and (e) any damages or other sums payable as a result of any of the obligations of the Borrowers under or pursuant to any of the Finance Documents being disclaimed by a liquidator or any other person, or, where the context permits, the amount thereof for the time being outstanding;

“Owner” in relation to a Ship means the owner of that Ship as specified in the definition of the Ships in this Clause 1.2 (together, the ***“Owners”***);

“Party” means a party to this Agreement;

“Permitted Security Interest” means:

- (a) Security Interests created by the Finance Documents;
- (b) liens for unpaid crew’s wages in accordance with usual maritime practice;
- (c) liens for salvage;
- (d) liens arising by operation of law for not more than 2 months’ prepaid hire under any charter in relation to that Ship not prohibited by this Agreement;
- (e) liens for master’s disbursements incurred in the ordinary course of trading and any other lien arising by operation of law or otherwise in the ordinary course of the operation, repair or maintenance of a Ship, provided such liens do not secure amounts more than 60 days overdue (unless the overdue amount is being contested in good faith by appropriate steps) and, in the case of liens for repair or maintenance, in that Ship is put in the possession of any person for the purpose of work being done upon her in an amount exceeding or likely to exceed the Major Casualty Amount provided that (i) either that person has first given to the Lender and in terms satisfactory to it a written undertaking not to exercise any lien on that Ship or her earnings for the cost of such work or (ii) the previous consent of the Lender shall have been obtained (which consent shall not be unreasonably withheld);
- (f) any Security Interest created in favour of a plaintiff or defendant in any action of the court or tribunal before whom such action is brought as security for costs and expenses where the Owner is prosecuting or defending such action in good faith by appropriate steps; and

- (g) Security Interests arising by operation of law in respect of taxes which are not overdue for payment other than taxes being contested in good faith by appropriate steps and in respect of which appropriate reserves have been made;

“Pledged Deposit” has the meaning ascribed thereto in Clause 8.1(j) (*Pledged Deposit*);

“Quotation Day” means, in relation to any period for which an interest rate is to be determined, the date falling two US Government Securities Business Days before the first day of that period unless market practice differs in the relevant syndicated loan market in which case the Quotation Day will be determined by the Lender in accordance with such market practice (and if quotations would normally be given on more than one day, the Quotation Day will be the last of those days);

“Recognised Organisation” means, in respect of a Ship, an organisation representing the Ship’s flag state, typically the classification society of that Ship duly authorised to calculate a Ship’s CII.

“Reference Rate” means, in relation to the Loan or any part of the Loan:

- (a) the applicable Term SOFR as of the Quotation Day and for a period equal in length to the Interest Period of the Loan or that part of the Loan; or
- (b) as otherwise determined pursuant to Clause 3.8 (*Unavailability of Term SOFR*),

and if, in either case, that rate is less than zero, the Reference Rate shall be deemed to be zero;

“Registry” in relation to a Ship means the offices of such registrar, commissioner or representative of the relevant Approved Flag State who is duly authorised to register that Ship, its Owner’s title thereto and the relevant Mortgage over that Ship under the laws and flag of the relevant Approved Flag State;

“Regulatory Agency” means the Government Entity or other organization in the relevant Approved Flag State which has been designated by the government of the relevant Approved Flag State to implement and/or administer and/or enforce the provisions of the ISM Code;

“Relevant Jurisdiction” means any jurisdiction in which or where any Security Party is incorporated, resident, domiciled, has a permanent establishment, carries on, or has a place of business or is otherwise effectively connected;

“Repayment Date” means each of the dates specified in Clause 4.1 (*Repayment*) on which the Repayment Instalments shall be payable by the Borrowers to the Lender;

“Repayment Instalments” means each of the instalments of the Loan which becomes due for repayment by the Borrowers to the Lender on a Repayment Date pursuant to Clause 4.1 (*Repayment*);

“Requisition Compensation” in relation to a Ship means all compensation or other monies payable by reason of any Compulsory Acquisition or any arrest or detention of that Ship in the exercise or purported exercise of any lien or claim; ;

“Resolution Authority” means any body which has authority to exercise any Write-down and Conversion Powers;

“Sanctions” means any economic, financial or trade sanctions laws, regulations, embargoes or other restrictive measures adopted, administered, enacted or enforced by any Sanctions Authority, or otherwise imposed by any law or regulation, compliance with which is reasonable in the ordinary course of business of the Borrowers (or any of them), any other Security Party and the Lender or to which the Borrowers, any other Security Party and the Lender are subject (which shall include without limitation, any extra-territorial sanctions imposed by law or regulation of the United States of America);

“Sanctions Authority” means:

- (a) the government of the United States of America;
- (b) the United Nations;
- (c) the European Union (or the governments of any of its member states);
- (d) the United Kingdom;
- (e) the Approved Flag State; or
- (f) the respective governmental institutions and agencies of any of the foregoing including the Office of Foreign Assets Control of the U.S. Department of the Treasury (***“OFAC”***), the United States Department of State, the United States Department of Commerce and His Majesty’s Treasury;

“Sanctions Restricted Jurisdiction” means any country or territory which is the target of country-wide or territory-wide Sanctions, including as at the date of this Agreement, Iran, Sudan, Syria, Crimea, North Korea and Cuba;

“Sanctions Restricted Person” means a person or vessel:

- (a) that is, or is directly or indirectly, owned or controlled (as such terms are defined by the relevant Sanctions Authority) by, or acting on behalf of, one or more persons or entities on any list (each as amended, supplemented or substituted from time to time) of restricted entities, persons or organisations (or equivalent) published by a Sanctions Authority;
- (b) that is located or resident in or incorporated under the laws of, or owned or controlled by, a person located or resident in or incorporated under the laws of a Sanctions Restricted Jurisdiction; or
- (c) that is otherwise the target or subject of Sanctions;

“Security Documents” means:

- (a) the Accounts Pledge Agreement;
- (b) the Approved Manager’s Undertakings;
- (c) the General Assignments;
- (d) the Mortgages;
- (e) any Charterparty Assignment;
- (f) the Corporate Guarantee;
- (g) the Cash-collateral Account Pledge Agreement(s);

and

- (h) any other agreement or document (whether creating a Security Interest or not) that may have been or shall from time to time after the date of this Agreement be executed to guarantee and/or secure all or any part of the Outstanding Indebtedness and/or any and all other obligations of the Borrowers to the Lender pursuant to this Agreement and any other monies from time to time owing or payable by the Borrowers under or in connection with this Agreement and/or any of the other documents referred to in this definition, as each such document may from time to time be amended and/or supplemented, and “**Security Document**” means any of them as the context may require;

“**Security Interest**” means any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, trust arrangement or security interest or other encumbrance of any kind securing any obligation of any person or any type of preferential arrangement (including without limitation title transfer and/or retention arrest, seizure, garnishee order (whether nisi or absolute) or any other order or judgement arrangements having a similar effect) or other encumbrance of any kind or the security rights of a plaintiff under an action *in rem* or any right conferring a priority of payment in respect of any obligation of any person;

“**Security Party**” means each Borrower, the Corporate Guarantor and any other person (other than the Lender, any charterer and the Approved Managers), who, as a surety or mortgagor, as a party to any subordination or priorities arrangement, or in any similar capacity, executes a document falling within the last paragraph of the definition of “*Finance Documents*”, and “**Security Parties**” means any or all of them, as the context may require;

“**Security Period**” means the period commencing on and including the date hereof and terminating on and including the date upon which Outstanding Indebtedness has been paid in full to the Lender;

“**Security Requirement**” means the amount in Dollars (as certified by the Lender whose certificate shall, in the absence of manifest error, be conclusively binding on the Borrowers) which is at any relevant time not less than one hundred and twenty percent (120%) of the Loan;

“**Security Value**” means the amount in Dollars (as certified by the Lender whose certificate shall, in the absence of manifest error, be conclusive and binding on the Borrowers) which, at any relevant time is the aggregate of (i) the aggregate Market Value of the Mortgaged Ships as most recently determined in accordance with Clause 8.5(b) (*Valuation of Ships*), (ii) the market value of any additional security provided under Clause 8.5(a) (*Security shortfall-Additional Security*) and accepted by the Lender (if any) and (iii) the Pledged Deposit;

“**Ship CII**” in relation to a Ship shall mean the carbon intensity indicator of that Ship calculated as follows:

$$\text{Ship CII} = \frac{(\text{annual fuel consumption} \times \text{CO2 factor})}{(\text{annual distance travelled} \times \text{capacity})} \times \text{correction factors}$$

where for the purpose of this definition:

- (a) “**annual fuel consumption**” means the total mass (in grams) of consumed fuel oil in the calendar year as reported under IMO DCS;
- (b) “**CO2 factor**” means the fuel oil mass to CO2 mass conversion factor of fuel oil type used in line with those specified under MEPC.308 (73)/par. 2.2.1;

- (c) **“annual distance travelled”** means the total distance travelled (in nautical miles) in the calendar year as reported under IMO DCS;
- (d) **“capacity”** means the deadweight at maximum summer draught for all vessels, except for cruise passenger ships, ro-ro cargo ships, ro-ro passenger ships for which Gross Tonnage as per ITTC-1969 should be used instead; and
- (e) **“correction factors”** means correction factors for ice-classed ships, ships carrying reefers, ships with cargo heating/cooling systems or other cargo handling gears such as, but not limited to cranes, excavators, side loaders etc., as well as voyage exclusions due to prolonged period with no miles (ie dry-dock, lay-up, waiting at anchorage etc.), sailing in ice conditions, sailing in bad weather etc.

“Ship Carbon Intensity Certificate” in relation to a Ship means the certificate from a Recognised Organisation relating to that Ship and a calendar year setting out the Ship CII for all voyages performed by that Ship over that calendar year using ship fuel oil consumption data required to be collected and reported in accordance with Regulation 22A of Annex VI in respect of that calendar year .

“Ships” means, together, the following ships:

- (a) the bulk carrier motor vessel **“MAGIC ARIEL”**, of about 43,968 gt and 27,553 nt, built in 2020 in China having IMO No. 9855599, registered under the laws and flag of the Republic of the Marshall Islands at the Ships Registry of the port of Majuro in the ownership of the Ariel Borrower with Official No. 11341 (the **“Ship A”**); and
- (b) the bulk carrier motor vessel **“MAGIC STARLIGHT”**, of about 44,029 gt and 27,362 nt, built in 2015 in China having IMO No. 9687710 registered under the laws and flag of the Republic of the Marshall Islands at the Ships Registry of the port of Majuro in the ownership of the Mulan Borrower with Official No. 9447 (the **“Ship B”**),
- (c) the bulk carrier motor vessel **“MAGIC MARS”**, of about 42,495 gt and 25,351 nt, built in 2014 in Busan, S. Korea, having IMO No. 9691400, registered under the laws and flag of the Republic of the Marshall Islands at the Ships Registry of the port of Majuro in the ownership of the Johnny Bravo Borrower with Official No. 9627 (the **“Ship C”**),
- (d) the bulk carrier motor vessel **“MAGIC CELESTE”**, of about 35,812 gt and 21,224 nt, built in 2015 in China, having IMO No. 9735115 registered under the laws and flag of the Republic of the Marshall Islands at the Ships Registry of the port of Majuro in the ownership of the Aladdin Borrower with Official No. 6084 (the **“Ship D”**),

in each case, together with all her boats, engines, machinery tackle outfit spare gear fuel consumable and other stores belongings and appurtenances whether on board or ashore and whether now owned or hereafter acquired and all the additions, improvements and replacements in or on the above described vessel,

(the Ship A, the Ship B, the Ship C, and the Ship D hereinafter together called the **“Ships”**, and **“Ship”** means any of them, as the context may require);

“SMC” means a safety management certificate issued in respect of the Ships in accordance with rule 13 of the ISM Code;

“SOFR” means the secured overnight financing rate (SOFR) administered by the Federal Reserve Bank of New York (or any other person which takes over the administration of that rate) published (before any correction, recalculation or republication by the administrator) by the Federal Reserve Bank of New York (or any other person which takes over the publication of that rate);

“**Subsidiary**” of a person means any company or entity directly or indirectly controlled by such person;

“**Sustainability Adjustment Period**” has the meaning given to it in Clause 3.11 (Sustainability Margin Adjustment);

“**Sustainability KPI**” means, in relation to a calendar year, a Ship CII;

“**Sustainability KPI Targets**” means the sustainability targets to be agreed between the Borrowers and the Lender;

OR

“**Sustainability KPI Targets**” means the sustainability targets as set in the table below:

Key Performance Indicators	Ship CII Baseline 2024		2026 (testing for financial year 2025)	2027 (testing for financial year 2026)	2028 (testing for financial year 2027)	2029 (testing for financial year 2028)	2030 (testing for financial year 2029)	2031 (testing for financial year 2030)
Sustainability KPI Target: Ship CII	CII = ... (4.30) grCO2/dwt x nm	Targets	reduction factor 2% compared to Ship CII 2024 and at least rating C	reduction factor 2.5% compared to Ship CII 2025 and at least rating C Baseline 2026 and at least rating C	reduction factor 3% compared to Ship CII 2026 and at least rating C	reduction factor 3.5% compared to Ship CII 2027 and at least rating C	reduction factor 3.75% compared to Ship CII 2028 and at least rating C	reduction factor 4% compared to Ship CII 2029 and at least rating C

where, Ship CII Baseline 2024 means a carbon intensity indicator (**CII**) for vessels of the same category as the relevant Ship from 1 January 2024 to 31 December 2024, as evidenced by a statement of compliance certificate in respect of operational carbon intensity rating certified by a Recognised Organisation in form and substance satisfactory and acceptable to the Lender in its absolute discretion;

KPI 2 (*Key Performance Indicator 2*): Increase by 2% the training hours for shore employees and seafarers measuring classroom annually and webinars annually from 2025 until 2030 compared with 2024, or totally 10% increase. Training hours 2024 Baseline 870 hours.

“Sustainability Margin Adjustment” means any adjustment to the Initial Margin pursuant to the sustainability margin adjustment referred to in Clause 3.11 (Sustainability Margin Adjustment);

“Sustainability Performance Certificate” mean the sustainability performance certificate as referred to in Clause 3.11 (Sustainability Margin Adjustment);

“Taxes” includes all present and future taxes, levies, imposts, duties, fees or charges of whatever nature together with interest thereon and penalties in respect thereof (except taxes concerning the Lender and imposed on the net income of the Lender) and **“Taxation”** shall be construed accordingly; **“Term SOFR”** means the term SOFR reference rate administered by CME Group Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant period published (before any correction, recalculation or republication by the administrator) by CME Group Benchmark Administration Limited (or any other person which takes over the publication of that rate);

“Total Loss” means, in relation to a Ship:

- (a) actual, constructive, compromised or arranged total loss of that Ship; or
- (b) the Compulsory Acquisition of that Ship; or
- (c) the condemnation, capture, seizure, confiscation, arrest or detention of that Ship (other than where the same amounts to the Compulsory Acquisition of that Ship) by any Government Entity, or by persons acting on behalf of any Government Entity unless that Ship be released and restored to the Owner thereof from such condemnation, capture, seizure, confiscation arrest or detention or within ninety (90) days after the occurrence thereof; and
- (d) any arrest, capture, seizure, confiscation or detention of that Ship (including any hijacking or theft or piracy or related incident) unless it is within ninety (90) days from the date of such occurrence redelivered to the full control of the Owner thereof;

“Total Loss Date” means, in relation to a Ship:

- (a) in the case of an actual loss of that Ship, the date on which it occurred or, if that is unknown, the date when that Ship was last heard of;
- (b) in the case of a constructive, compromised, agreed or arranged total loss of that Ship, the earliest of:
 - (i) the date on which a notice of abandonment is given to the insurers; and
 - (ii) the date of any compromise, arrangement or agreement made by or on behalf of the Owner of that Ship with that Ship’s insurers in which the insurers agree to treat that Ship as a total loss;

“Transferee” has the meaning ascribed thereto in Clause 14.3 (Assignment by the Lender);

“UK Bail-In Legislation” means Part 1 of the United Kingdom Banking Act 2009 and any other law or

regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutes or their Affiliates (otherwise than through liquidation, administration or other insolvency proceedings);

“Unpaid Sum” means any sum due and payable but unpaid by a Security Party under the Finance Documents

“US Government Securities Business Day” means any day other than:

- (a) a Saturday or a Sunday; and
- (b) a day on which the Securities Industry and Financial Markets Association (or any successor organisation) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in US Government securities;

“US” means the United States of America;

“US Tax Obligor” means:

- (a) a Borrower or a Security Party which is resident for tax purposes in the US; or
- (b) a Borrower or a Security Party some or all whose payments under the Finance Documents are from sources within the US for US federal income tax purposes;

“Write-down and Conversion Powers” means:

- (a) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule; and
- (b) in relation to any other applicable Bail-In Legislation:
 - (i) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers; and
 - (ii) any similar or analogous powers under that Bail-In Legislation; and
- (c) in relation to any UK Bail-In Legislation:
 - (i) any powers under that UK Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or Affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that UK Bail-In Legislation that are related to or ancillary to any of those powers; and
 - (ii) any similar or analogous powers under that UK Bail-In Legislation.

1.3 Interpretation

In this Agreement:

- (a) Clause headings and the table of contents are inserted for convenience of reference only and shall be ignored in the interpretation of this Agreement;
- (b) subject to any specific provision of this Agreement or of any assignment and/or participation or syndication agreement of any nature whatsoever, reference to each of the parties hereto and to the other Finance Documents shall be deemed to be reference to and/or to include, as appropriate, their respective successors and permitted assigns;
- (c) where the context so admits, words in the singular include the plural and vice versa;
- (d) the words “*including*” and “*in particular*” shall not be construed as limiting the generality of any foregoing words;
- (e) references to (or to any specified provisions of) a Finance Document or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as it may from time to time be amended, restated, novated or replaced, however fundamentally, whether before the date of this Agreement or otherwise;
- (f) references to Clauses and Schedules are to be construed as references to the Clauses of, and the Schedules to, the relevant Finance Document and references to a Finance Document include all the terms of that Finance Document and any Schedules, Annexes or Appendices thereto, which form an integral part of same;
- (g) references to the opinion of the Lender or a determination or acceptance by the Lender or to documents, acts, or persons acceptable or satisfactory to the Lender or the like shall be construed as reference to opinion, determination, acceptance or satisfaction of the Lender at the sole discretion of the Lender, and such opinion, determination, acceptance or satisfaction of the Lender shall be conclusive (in the absence of manifest error) and binding on the Borrowers;
- (h) references to a “*regulation*” include any present or future regulation, rule, directive, requirement, request or guideline (whether or not having the force of law) of any governmental or intergovernmental body, agency, authority, central bank or government department or any self-regulatory or other national or supra-national authority or organisation and includes (without limitation) any Basel II Regulation or Basel III Regulation;
- (i) references to any person include such person’s assignees and successors in title; and
- (j) references to or to a provision of, any law include any amendment, extension, re-enactment or replacement, whether made before the date of this Agreement or otherwise;

1.4 Construction of certain terms

In this Agreement:

“*asset*” includes every kind of property, asset, interest or right, including any present, future or contingent right to any revenues or other payment;

“company” includes any partnership, joint venture and unincorporated association;

“consent” includes an authorisation, consent, approval, resolution, license, exemption, filing, registration, notarisation and legalisation;

“contingent liability” means a liability which is not certain to arise and/or the amount of which remains unascertained;

“continuing”, in relation to any Event of Default, means that the Event of Default has not been remedied or waived;

“control” of an entity means:

- (a) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
 - (i) cast, or control the casting of, more than 50 per cent of the maximum number of votes that might be cast at a general meeting of that entity; or
 - (ii) appoint or remove all, or the majority, of the directors or other equivalent officers of that entity; or
 - (iii) give directions with respect to the operating and financial policies of that entity with which the directors or other equivalent officers of that entity are obliged to comply; and/or
- (b) the holding beneficially of more than 50 per cent of the issued share capital of that entity (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital) (and, for this purpose, any Security Interest over the share capital shall be disregarded in determining the beneficial ownership of such share capital);

and **“controlled”** shall be construed accordingly;

“document” includes a deed; also a letter;

“gross negligence” means a form of negligence which is distinct from ordinary negligence, in which the due diligence and care which are generally to be exercised have been disregarded to a particularly high degree, in which the plainest deliberations have not been made and that which should be most obvious to everybody has not been followed;

“guarantee” means any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness and ***“guaranteed”*** shall be construed accordingly;

“law” includes any form of delegated legislation, any order or decree, any treaty or international convention and any regulation or resolution of the Council of the European Union, the European Commission, the United Nations or its Security Council;

“liability” includes every kind of debt or liability (present or future, certain or contingent), whether incurred as principal or surety or otherwise;

“person” includes any individual, firm, company, corporation, unincorporated body of persons or any state, political sub-division or any agency thereof and local or municipal authority and any international organisation;

“policy”, in relation to any insurance, includes a slip, cover note, certificate of entry or other document evidencing the contract of insurance or its terms;

“regulation” includes any regulation, rule, official directive, request or guideline whether or not having the force of law of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

“right” means any right, privilege, power or remedy, any proprietary interest in any asset and any other interest or remedy of any kind, whether actual or contingent, present or future, arising under contract or law, or in equity;

“successor” includes any person who is entitled (by assignment, novation, merger or otherwise) to any other person’s rights under this Agreement or any other Finance Document (or any interest in those rights) or who, as administrator, liquidator or otherwise, is entitled to exercise those rights; and in particular references to a successor include a person to whom those rights (or any interest in those rights) are transferred or pass as a result of a merger, division, reconstruction or other reorganisation of it or any other person;

“liquidation”, “winding up”, “dissolution”, or “administration” of person or a **“receiver”** or **“administrative receiver”** or **“administrator”** in the context of insolvency proceedings or security enforcement actions in respect of a person shall be construed so as to include any equivalent or analogous proceedings or any equivalent and analogous person or appointee (respectively) under the law of the jurisdiction in which such person is established or incorporated or any jurisdiction in which such person carries on business including (in respect of proceedings) the seeking or occurrences of liquidation, winding-up, reorganisation, dissolution, administration, arrangement, adjustment, protection or relief of debtors.

1.5 Same meaning

Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.

1.6 Inconsistency

Unless a contrary indication appears, in the event of any inconsistency between the terms of this Agreement and the terms of any other Finance Document when dealing with the same or similar subject matter (other than as relates to the creation and/or perfection of security) are subject to the terms of this Agreement and, in the event of any conflict between any provision of this Agreement and any provision of any Finance Document (other than in relation to the creation and/or perfection of security) the provisions of this Agreement shall prevail.

1.7 Finance Documents

Where any other Finance Document provides that Clause 1.3 (*Interpretation*) and Clause 1.4 (*Construction of certain terms*), shall apply to that Finance Document, any other provision of this Agreement which, by its terms, purports to apply to all or any of the Finance Documents and/or any Security Party shall apply to that Finance Document as if set out in it but with all necessary changes.

2. THE LOAN

2.1 Commitment to lend

The Lender, relying upon (inter alia) each of the representations and warranties set forth in Clause 6 (*Representations and warranties*) and in each of the Security Documents, agrees to lend to the Borrowers in (1) Advance and upon and subject to the terms of this Agreement, the amount specified in Clause 1.1 (*Amount and Purpose*) and the Borrowers shall apply all amounts borrowed under the Commitment in accordance with Clause 1.1 (*Amount and Purpose*).

2.2 Drawdown Notice irrevocable

A Drawdown Notice must be signed by a director or a duly authorised attorney-in-fact of the Borrowers and shall be effective on actual receipt thereof by the Lender and, once served, it, subject as provided in Clause 3.6 (*Market disruption*), cannot be revoked without the prior consent of the Lender.

2.3 Drawdown Notice and commitment to borrow

Subject to the terms and conditions of this Agreement, the Commitment shall be advanced to the Borrowers following receipt by the Lender from the Borrowers of a Drawdown Notice not later than 10:00 a.m. (London time) on the third Business Day before the date on which the drawdown is intended to be made.

2.4 Number of advances agreed

The Commitment shall be advanced to the Borrowers by one (1) Advance and any amount undrawn under the Commitment shall be cancelled and may not be borrowed by the Borrowers at a later date.

2.5 Disbursement

Upon receipt of the relevant Drawdown Notice complying with the terms of this Agreement the Lender shall, subject to the provisions of Clause 7 (*Conditions precedent*), on the date specified in the relevant Drawdown Notice, make the Commitment available to the Borrowers, and payment to the Borrowers shall be made to the account which the Borrowers specify in the relevant Drawdown Notice.

2.6 Application of proceeds

Without prejudice to the Borrowers' obligations under Clause 8.1(d) (*Use of Loan proceeds*), the Lender is not bound to monitor or verify the application of any amount borrowed pursuant to this Agreement and shall have no responsibility for the application of the proceeds of the Loan (or any part thereof) by the Borrowers.

2.7 Termination date of the Commitment

Any part of the Commitment undrawn and uncanceled at the end of the Availability Period shall thereupon be automatically cancelled.

2.8 Evidence

It is hereby expressly agreed and admitted by the Borrowers that abstracts or photocopies of the books of the Lender as well as statements of accounts or a certificate signed by an authorised officer of the Lender shall be conclusive binding and full evidence, save for manifest error, on the Borrowers as to the existence and/or the amount of the at any time Outstanding Indebtedness, of any amount due under this Agreement, of the applicable interest rate or Default Rate or any other rate provided for or referred to in this Agreement, the Interest Period, the value of additional securities under Clause 8.5(a) (*Security shortfall Additional Security*), the payment or non-payment of any amount. Nevertheless, enforcement procedures or any other court or out-of-court procedure can be commenced by the Lender on the basis of the above mentioned means of evidence including written statements or certificates of the Lender.

2.9 Cancellation

- (a) Voluntary cancellation: The Borrowers shall be entitled to cancel any undrawn part of the Commitment under this Agreement upon giving the Lender not less than five (5) Business Days' notice in writing to that effect, provided that no Drawdown Notice has been given to the Lender under Clause 2.3 (*Drawdown Notice and commitment to borrow*) for the full amount of the Commitment or in respect of the portion thereof in respect of which cancellation is required by the Borrowers. Any such notice of cancellation, once given, shall be irrevocable.
- (b) Mandatory cancellation: On a Ship becoming a Total Loss prior to advancing of the Loan, the Lender may declare by notice to the Borrowers that the obligation of the Lender to advance the Commitment (or any part thereof) is terminated, whereupon such obligation shall immediately cease and the Commitment shall be reduced to zero.

Provided, always, that:

- (i) Any amount cancelled may not be drawn; and
- (ii) notwithstanding any such cancellation pursuant to this Clause 2.9 the Borrowers shall continue to be liable for any and all amounts due to the Lender under this Agreement including without limitation any amounts due to the Lender under Clause 10(*Indemnities - Expenses – Fees*).

2.10 No security or lien from other person

None of the Borrowers has taken or received, and each of the Borrowers undertakes that until all monies, obligations and liabilities due, owing or incurred by the Borrowers under this Agreement and the Security Documents have been paid in full, none of the Borrowers will take or receive, any security or lien from any other person liable or for any liability whatsoever.

2.11 Interest to co-borrow

The Borrowers have an interest in borrowing jointly and severally in that they are companies which have close financial co-operation and mutual assistance and in that the Commitment would not have been available to each one of the Borrowers separately.

3. INTEREST

3.1 Normal Interest Rate

- (a) The Borrowers shall pay interest on the Loan (or as the case may be, each portion thereof to which a different Interest Period relates) in

respect of each Interest Period (or part thereof) on each Interest Payment Date. The interest rate for the calculation of interest shall be the rate per annum determined by the Lender to be the aggregate of:

- (i) the Initial Margin A as adjusted, if applicable, pursuant to the sustainability margin adjustment referred to in Clause 3.11 (Sustainability Margin Adjustment); and
- (ii) the Reference Rate for that Interest Period.
- (b) It is hereby agreed that the interest rate for the calculation of interest on the Cash-collateralised part of the Loan shall be, subject to paragraph (b)(ii) of Clause 3.10 (Cash Collateral), the rate per annum determined by the Lender to be the Initial Margin B as adjusted, if applicable, pursuant to the sustainability margin adjustment referred to in Clause 3.11 (Sustainability Margin Adjustment)

3.2 Selection of Interest Period

The Borrowers may by notice received by the Lender not later than 10:00 a.m. (London time) on the second Business Day before the beginning of each Interest Period specify (subject to Clause 3.3 (Determination of Interest Periods) below) whether such Interest Period shall have a duration of one (1) or two (2) or three (3) months (or such other period as may be requested by the Borrowers and as the Lender, in its sole discretion, may agree to).

3.3 Determination of Interest Periods

Every Interest Period shall, subject to market availability to be conclusively determined by the Lender, be of the duration specified by the Borrowers pursuant to Clause 3.2 (Selection of Interest Periods) but so that:

- (a) Initial Interest Period: the initial Interest Period in respect of the Loan will commence on the date on which the Commitment is advanced and each subsequent Interest Period will commence forthwith upon the expiry of the preceding Interest Period;
- (b) Interest tranches: if any Interest Period would otherwise overrun one or more Repayment Dates, then, in the case of the last Repayment Date, such Interest Period shall end on such Repayment Date, and in the case of any other Repayment Date or Dates the Loan shall be divided into parts so that there is one part equal to the amount(s) of the Repayment Instalment(s) due on each Repayment Date falling during that Interest Period and having an Interest Period ending on the relevant Repayment Date and another part equal to the amount of the balance of the Loan having an Interest Period determined in accordance with Clause 3.2 (Selection of Interest Period) and the other provisions of this Clause 3.3 and the other provisions of this Clause 3.3 and the expression “***Interest Period in respect of the Loan***” when used in this Agreement refers to the Interest Period in respect of the balance of the Loan;
- (c) Last Interest Period: the last Interest Period in respect of the Loan will terminate on the Final Maturity Date;
- (d) Failure to notify: if the Borrowers fail to specify the duration of an Interest Period in accordance with the provisions of Clause 3.2 (Selection of Interest Period) and this Clause 3.3, such Interest Period shall have a duration of three (3) months unless another period shall be determined by the Lender at its sole discretion provided, always, that such period (whether of three (3) months or of different duration) shall comply with this Clause 3.3,

provided, always, that:

- (i) any Interest Period which commences on the last day of a calendar month, and any Interest Period which commences on the day on which there is no numerically corresponding day in the calendar month during which such Interest Period is due to end, shall end on the last Business Day of the calendar month during which such Interest Period is due to end; and
- (ii) if the last day of an Interest Period is not a Business Day the Interest Period shall be extended until the next following Business Day unless such next following Business Day falls in the next calendar month in which case such Interest Period shall be shortened to expire on the preceding Business Day.

3.4 **Default Interest**

- (a) Default interest: If a Security Party fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the Unpaid Sum from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (b) below, is two per centum (2%) per annum higher than the rate which would have been payable if the Unpaid Sum had, during the period of non-payment, constituted part of the Loan in the currency of the Unpaid Sum for successive Interest Periods, each of a duration selected by the Lender. Any interest accruing under this Clause 3.4 shall be immediately payable by the Security Party on demand by the Lender.
- (b) If an Unpaid Sum consists of all or part of the Loan which became due on a day which was not the last day of an Interest Period relating to the Loan or that part of the Loan:
 - (i) the first Interest Period for that Unpaid Sum shall have a duration equal to the unexpired portion of the current Interest Period relating to the Loan or that part of the Loan; and
 - (ii) the rate of interest applying to that Unpaid Sum during that first Interest Period shall be two per centum (2.00%) per annum higher than the rate which would have applied if that Unpaid Sum had not become due.
- (b) Compounding of default interest: Any such interest which is not paid at the end of the period by reference to which it was determined shall be compounded every 6 months and shall be payable on demand.

- (c) Payment of accrued default interest: Subject to the other provisions of this Agreement, any interest due under this Clause 3.4 shall be paid on the last day of the period by reference to which it was determined.

3.5 **Notification of Interest and interest rate**

The Lender shall notify the Borrowers promptly of the duration of each Interest Period and of each rate of interest determined by it under this Clause 3 without prejudice to the right of the Lender to make determinations at its sole discretion. In case that the Lender fails to notify the Borrowers as above, such

failure will not affect the validity of the determination of the Interest Period and Interest Rate made pursuant to this Clause 3 and neither constitute nor will be interpreted as if to constitute a breach of obligation of the Lender except in case of wilful misconduct.

3.6

Market disruption

If before close of business in Athens on the Quotation Day for the relevant Interest Period, the Lender determines (in its sole discretion) based on reasonable selection by the Lender of the source of its funding, that its cost of funds relating to the Loan would be in excess of the Market Disruption Rate, then Clause 3.7 (Cost of funds) shall apply to the Loan for the relevant Interest Period.

3.7 Cost of funds

(a) If this Clause 3.7 (Cost of funds) applies, the rate of interest on the Loan or the relevant part of the Loan for the relevant Interest Period shall be the percentage rate per annum which is the sum of:

(i) the Applicable Margin; and

(ii) the rate notified by the Lender to the Borrowers, as soon as practicable and in any event before interest is due to be paid in respect of that Interest Period, to be that which expresses as a percentage rate per annum the Lender's cost of funds relating to the Loan or the relevant part thereof.

(b) If this Clause 3.7 (Cost of funds) applies and the Lender or the Borrowers so require, the Lender and the Borrowers shall enter into negotiations (for a period of not more than 20 days) with a view to agreeing a substitute basis for determining the rate of interest or (as the case may be) an alternative basis for funding.

(c) Subject to Clause 3.9 (Changes to reference rates), any substitute or alternative basis agreed pursuant to paragraph (b) above shall, with the prior consent of all the Lender and the Borrowers, be binding on all Parties.

(d) If any rate notified by the Lender under sub-paragraph (ii) of paragraph (a) above is less than zero, the relevant rate shall be deemed to be zero.

(e) If no substitute or alternative basis agreed pursuant to paragraph (b) above, the Borrowers may give the Lender not less than 5 days' notice of their intention to prepay the Loan at the end of the interest period set by the Lender.

(f) A notice under paragraph (e) above shall be irrevocable; and on the last Business Day of the interest period set by the Lender, and the Borrowers shall prepay (without premium or penalty) the Loan, together with accrued interest thereon at the applicable interest rate and the balance of the Outstanding Indebtedness.

(g) The provisions of Clause 4(Repayment-Prepayment) shall apply in relation to the prepayment made hereunder.

(h) If this Clause 3.7 (Cost of funds) applies the Lender shall, as soon as is practicable, notify the Borrowers.

3.8 Unavailability of Term SOFR

- (a) Interpolated Term SOFR: If no Term SOFR is available for the Interest Period of the Loan or any part of the Loan, the applicable Reference Rate shall be the Interpolated Term SOFR for a period equal in length to the Interest Period of the Loan or that part of the Loan.

- (b) Historic Term SOFR: If no Term SOFR is available for the Interest Period of the Loan or any part of the Loan and it is not possible to calculate the Interpolated Term SOFR, the applicable Reference Rate shall be the Historic Term SOFR for the Loan or that part of the Loan.
- (c) Interpolated Historic Term SOFR: If paragraph (b) above applies but no Historic Term SOFR is available for the Interest Period of the Loan or any part of the Loan, the applicable Reference Rate shall be the Interpolated Historic Term SOFR for a period equal in length to the Interest Period of the Loan or that part of the Loan.
- (d) Cost of funds: If paragraph (c) above applies but it is not possible to calculate the Interpolated Historic Term SOFR, there shall be no Reference Rate for the Loan or that part of the Loan (as applicable) and Clause 3.7 (Cost of Funds) shall apply to the Loan or that part of the Loan for that Interest Period.

3.9

Changes to reference rates

- (a) If a Published Rate Replacement Event has occurred in relation to any Published Rate, any amendment or waiver which relates to:
 - (i) providing for the use of a Replacement Reference Rate; and
 - (ii)
- (A) aligning any provision of any Finance Document to the use of that Replacement Reference Rate;
- (B) enabling that Replacement Reference Rate to be used for the calculation of interest under this Agreement (including, without limitation, any consequential changes required to enable that Replacement Reference Rate to be used for the purposes of this Agreement);
- (C) implementing market conventions applicable to that Replacement Reference Rate;
- (D) providing for appropriate fallback (and market disruption) provisions for that Replacement Reference Rate; or
- (E) adjusting the pricing to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one Party to another as a result of the application of that Replacement Reference Rate (and if any adjustment or method for calculating any adjustment has been formally designated, nominated or recommended by the Relevant Nominating Body, the adjustment shall be determined on the basis of that designation, nomination or recommendation),

may be made with the consent of the Lender.

- (c) In this Clause 3.9 (*Changes to reference rates*):

“Published Rate” means:

- (a) SOFR; or
- (b) Term SOFR for any Quoted Tenor.

“Published Rate Contingency Period” means, in relation to:

- (a) Term SOFR (all Quoted Tenors), 10 US Government Securities Business Days; and
- (b) SOFR, 10 US Government Securities Business Days.

“Published Rate Replacement Event” means, in relation to a Published Rate:

- (a) the methodology, formula or other means of determining that Published Rate has, in the opinion of the Lender, materially changed;
- (b)
 - (i)
- (A) the administrator of that Published Rate or its supervisor publicly announces that such administrator is insolvent; or
- (B) information is published in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body which reasonably confirms that the administrator of that Published Rate is insolvent,

provided that, in each case, at that time, there is no successor administrator to continue to provide that Published Rate;

- (i) the administrator of that Published Rate publicly announces that it has ceased or will cease to provide that Published Rate permanently or indefinitely and, at that time, there is no successor administrator to continue to provide that Published Rate;
- (ii) the supervisor of the administrator of that Published Rate publicly announces that such Published Rate has been or will be permanently or indefinitely discontinued; or
- (iii) the administrator of that Published Rate or its supervisor announces that that Published Rate may no longer be used; or
- (c) the administrator of that Published Rate (or the administrator of an interest rate which is a constituent element of that Published Rate) determines that that Published Rate should be calculated in accordance with its reduced submissions or other contingency or fallback policies or arrangements and either:

- (i) the circumstance(s) or event(s) leading to such determination are not (in the opinion of the Lender) temporary; or
 - (ii) that Published Rate is calculated in accordance with any such policy or arrangement for a period no less than the applicable Published Rate Contingency Period; or
- (d) in the opinion of the Lender after consultation with Borrowers, that Published Rate is otherwise no longer appropriate for the purposes of calculating interest under this Agreement.

“Quoted Tenor” means, in relation to Term SOFR, any period for which that rate is customarily displayed on the relevant page or screen of an information service.

“Relevant Nominating Body” means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them or the Financial Stability Board.

“Replacement Reference Rate” means a reference rate which is:

- (a) formally designated, nominated or recommended as the replacement for a Published Rate by:
 - (i) the administrator of that Published Rate; or
 - (ii) any Relevant Nominating Body,

and if replacements have, at the relevant time, been formally designated, nominated or recommended under both paragraphs, the ***“Replacement Reference Rate”*** will be the replacement under paragraph (ii) above;
- (b) in the opinion of the Lender after consultation with Borrowers, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor or alternative to a Published Rate; or
- (c) in the opinion of the Lender after consultation with Borrowers, an appropriate successor or alternative to a Published Rate.

3.10 Cash Collateral

The Lender and the Corporate Guarantor agree that:

- (a) At any time during the Security Period, the Corporate Guarantor shall have the option to deposit or procure that a Cash Collateral Account Holder deposits in the Cash Collateral Account at the beginning of an Interest Period the Cash Collateral Amount, which shall remain blocked but may be withdrawn only pursuant to paragraph (c) below.
- (b) the Cash-Collateralised Part of the Loan shall bear interest in accordance with Clause 3.1(b). Any Cash Collateral Amount may be placed, at the Lender’s discretion, on and from the date of this Agreement, in the Cash Collateral Account as a time deposit;

provided however that while an Event of Default has occurred which is continuing such amount shall bear interest at the Initial Margin A;

- (c) The Cash Collateral Amount (or any part thereof) may not be withdrawn from the Cash Collateral Account other than on the last day of an Interest Period, at the Borrowers' request, provided always that:
- (i) no Event of Default has occurred which is continuing or would occur as a result of any such withdrawal save for any withdrawal that would be used solely for the purposes of remedying such Event of Default subject always to the Lender's consent;
 - (ii) the Borrowers shall have given the Lender irrevocable notice received by the Lender not later than one (1) Business Day before the beginning of the following Interest Period, of their intention to withdraw in whole or in part the relevant Cash Collateral Amount; and
 - (iii) after any such withdrawal, any remaining balance of the Cash Collateral Amount standing to the credit of the Cash Collateral Account shall comply with the provisions of paragraphs (a) and (b) of this Clause 3.10.

3.11 Sustainability Margin Adjustment

- (a) The Initial Margin is subject to a sustainability margin adjustment in accordance with the performance under the sustainability KPI.
- (b) Sustainability Margin Adjustment

Sustainability targets achieved	Initial Margin Adjustment (for the duration of the relevant Sustainability Adjustment Period) in respect of the Loan
Sustainability KPI equal or above the Sustainability KPI Target for that year achieved for the Ship	5 basis points (0.05%) decrease for Loan for the Ship achieving the Sustainability KPI Target (as per the Sustainability Performance Certificate triggering such Sustainability Adjustment Period, and rounded to two decimal places)
Sustainability KPI lower to the Sustainability KPI Target for that year not achieved for the Ship OR Sustainability Performance Certificate not delivered	Initial Margin is set to the applicable percentage as if no Sustainability Margin Adjustment had taken place under this Clause 3.11 (<u>Sustainability Margin Adjustment</u>)

- (c) The Initial Margin shall never be reduced by more than 5 basis points (0.05%) in respect of the Loan for the duration of a relevant Sustainability Adjustment Period or the Preliminary Attestation Period.

- (d) Each Borrower shall for any financial year ending on or after 31 December 2026 supply to the Lender (i) a duly completed Sustainability Performance Certificate in the form set out in Schedule 3 (*Form of Sustainability Performance Certificate*) for that financial year and (ii) any other supporting evidence as reasonably required by the Lender in its absolute discretion (including without limitation a Ship Carbon Intensity Certificate) for its Ship within 180 days after the end of each financial year of that Borrower. Such Sustainability Performance Certificate shall be certified by a Recognised Organisation.
- (e) Each Borrower shall, for any financial year ending on or after 31 December 2025 supply to the Lender a Ship Carbon Intensity Certificate for its Ship within 180 days after the end of that Borrower's financial year. In respect of the period starting from Drawdown Date and ending on the date the Carbon Intensity Certificate for 2025 is provided to the Lender, which will not be later than 30 April 2026 (the "**Preliminary Attestation Period**"), each Borrower shall provide an attestation from a Recognised Organisation including provisional figures for 2025, in form and substance satisfactory and acceptable to the Lender in its absolute discretion. For the avoidance of doubt the Initial Margin shall be adjusted as per paragraph (c) for that Preliminary Attestation Period.
- (f) Each Sustainability Performance Certificate shall be signed by an officer of the relevant Borrower or the chief executive officer or the chief financial officer of the Corporate Guarantor or an authorized signatory, in a form and substance satisfactory to the Lender.
- (g) The Initial Margin shall be adjusted if the Sustainability KPI Target has been achieved for the period commencing on the next Interest Period falling after the date on which a Sustainability Performance Certificate and any other reasonable supporting evidence as required by the Lender (including without limitation a Ship Carbon Intensity Certificate) has been delivered under paragraphs (d) to (f) above and ending on the first anniversary thereof (the "**Sustainability Adjustment Period**").
- (h) For the avoidance of doubt, the last Sustainability Adjustment Period if Sustainability KPI Target has been achieved shall be of less than one year duration and shall end on the Final Maturity Date.
- (i) If the Borrowers fail to deliver a Sustainability Performance Certificate for a financial year, the applicable Initial Margin shall be that which would apply as if none of the Sustainability KPI Targets were achieved.
- (j) Failure to deliver a Sustainability Performance Certificate shall not constitute an Event of Default.
- (k) While an Event of Default occurs and is continuing during a Sustainability Adjustment Period, the applicable Initial Margin shall be that which would apply as if none of the Sustainability KPI Targets were achieved.

4. REPAYMENT – PREPAYMENT

4.1 Repayment

The Borrowers shall and it is expressly undertaken by the Borrowers to repay the Loan jointly and severally by (a) Twenty (20) quarterly repayment instalments (the “**Repayment Instalments**”), the first of which to be repaid on the date falling three (3) months after the Drawdown Date, and each of the subsequent ones consecutively falling due for payment on each of the dates falling three (3) months after the immediately preceding Repayment Date with the last (the 20th) of such Repayment Instalments falling due for payment on the Final Maturity Date and (b) a balloon installment in the amount of Dollars Thirty one million (\$31,000,000) (the “**Balloon Installment**”), such Balloon Installment to be repaid together with the last (the 20th) Repayment Instalment on the Final Maturity Date; subject to the provisions of this Agreement, each of the Repayment Instalments shall be in the amount of Dollars Nine hundred fifty thousand (\$950,000);

provided that (a) if the last Repayment Date would otherwise fall after the Final Maturity Date, the last Repayment Date shall be the Final Maturity Date, (b) there shall be no Repayment Dates after the Final Maturity Date, (c) on the Final Maturity Date the Borrowers shall also pay to the Lender any and all other monies then due and payable under this Agreement and the other Finance Documents, (d) if any part of the Commitment is not advanced to the Borrowers the amounts of the Repayment Instalments and the Balloon Installment shall be reduced pro-rata, and (e) if any of the Repayment Instalments shall become due on a day which is not a Business Day, the due date therefor shall be extended to the next succeeding Business Day unless such Business Day falls in the next calendar month, in which event such due date shall be the immediately preceding Business Day.

4.2 Voluntary Prepayment

The Borrowers shall have the right, to prepay, part or all of the Loan in each case together with all unpaid interest accrued thereon and all other sums of money whatsoever due and owing from the Borrowers to the Lender hereunder or pursuant to the other Finance Documents and all interest accrued thereon, provided that:

- (a) the Lender shall have received from the Borrowers not less than five (5) days’ prior notice in writing (which shall be irrevocable) of their intention to make such prepayment and specify the account and the date on which such prepayment is to be made;
- (b) such prepayment may take place only on the last day of an Interest Period relating to the whole of the Loan;
- (c) each such prepayment shall be equal to One hundred thousand Dollars (\$100,000) or a whole multiple thereof or the balance of the Loan;
- (d) any prepayment of less than the whole of the Loan will be applied in or towards pro-rata satisfaction of the outstanding Repayment Installments and the Balloon Installment;
- (e) every notice of prepayment shall be effective only on actual receipt by the Lender, shall be irrevocable and shall oblige the Borrowers to make such prepayment on the date specified;
- (f) the Borrowers have provided evidence satisfactory to the Lender that any consent required by the Borrowers (or any of them) or any Security Party in connection with the prepayment has been obtained and remains in force, and that any regulation relevant to this Agreement which affects the Borrowers (or any of them) or any Security Party has been complied with;
- (g) no amount prepaid may be re-borrowed; and
- (h) the Borrowers may not prepay the Loan or any part thereof save as expressly provided in this Agreement;

Provided always that, if the Borrowers shall, subject always to Clause 4.2(a), make a prepayment on a Business Day other than the last day of an Interest Period in respect of the whole of the Loan, it shall, in addition to the amount prepaid and accrued interest, pay to the Lender any amount which the Lender may certify is necessary to compensate the Lender for any Break Costs incurred by the Lender as a result of the making of the prepayment in question.

4.3 Compulsory Prepayment in case of Total Loss or sale of a Ship

The Borrowers shall be obliged to prepay the Relevant Required Amount on the relevant Prepayment Date (the “**Prepayment**”), in the following cases:

- (a) Following the advancing of the Loan: In the event that the Loan has already been advanced, the Borrowers shall be obliged to prepay the Relevant Required Amount on the relevant Prepayment Date, if a Mortgaged Ship is sold or otherwise disposed of or refinanced by any other bank or financial institution or becomes a Total Loss.

AND for the purpose of this Clause 4.3:

“**Relevant Required Amount**” in relation to any Mortgaged Ship, means an amount equal to the higher of:

- (i) an amount equal to the proportion which the Market Value of such Mortgaged Ship bears to the aggregate of the Market Values of all Mortgaged Ships based on the valuations of such Ships carried out under Clause 8.5(b) (Valuation of Ships) immediately before the Total Loss occurred or the sale or other disposal of the relevant Mortgaged Ship, as the case may be occurs; and
- (ii) the amount which is required to be repaid to the Lender together with all additional amounts payable pursuant to the provisions of Clause 4.5 (Amounts payable on prepayment), without penalty, premium or prepayment fee, so that, the Asset Cover Ratio, following the Prepayment is at least equal to the Asset Cover Ratio in effect immediately before the Total Loss occurred, or the sale or other disposal or refinancing of the relevant Mortgaged Ship, as the case may be, and provided always that the Asset Cover Ratio shall always shall be at least one hundred and twenty per centum (120%); and

“**Prepayment Date**” means:

- (i) if a Mortgaged Ship becomes a Total Loss, on the earlier of: (i) the date falling 120 days after the Total Loss Date (or such later date as the Lender may agree) and (ii) the date of receipt by the Lender of the proceeds of insurance relating to such Total Loss; and

(ii)

if a Mortgaged Ship is sold or refinanced, a date falling on or before the date on which the sale is completed by delivery of that Mortgaged Ship to its buyer or, in the case of refinancing, on which the Lender discharges the Mortgage registered over that Mortgaged Ship.

Provided, however, that if the relevant Mortgaged Ship so lost or sold or otherwise disposed of is the last Mortgaged Ship, then the full amount of the insurance or, as the case may be, the sale proceeds shall apply against repayment of the Outstanding Indebtedness and additionally the Borrowers shall pay to the Lender the balance (if any) of the Outstanding Indebtedness in full.

For the avoidance of doubt in the event that the Total Loss or, as the case may be, sale or refinancing proceeds of the relevant Mortgaged Ship are insufficient to pay in full the whole of the Relevant Required Amount or, as the case may be, the Outstanding Indebtedness in full, the Borrowers shall be obliged to pay the shortfall to the Lender simultaneously with the payment of the full amount of the Total Loss or sale or other disposal or refinancing proceeds (as the case may be) of that Mortgaged Ship.

- (b) Notification: The Lender shall promptly notify to the Borrowers the total additional amounts payable pursuant to the foregoing provisions of this Clause 4.3 and Clause 4.5 (Amounts payable on prepayment) within 30 days of the relevant Mortgaged Ship becoming a Total Loss and in the case of sale or other disposal or refinancing of the relevant Mortgaged Ship, prior to the expected date of completion of such sale or refinancing, and the Borrowers shall be obliged to make such repayment of the Relevant Required Amount and payment of interest and other monies as aforesaid on the date specified in the foregoing provisions of this Clause 4.3.

- (c) Sale proceeds: In all the above cases, the Borrowers undertake to channel all sale proceeds up to the Loan through the Lender or otherwise agreed with the Lender.

4.4 Application by the Lender of Relevant Required Amount

The Relevant Required Amount shall be applied firstly towards **pro-rata** reduction of the then outstanding Repayment Instalments and the Balloon Instalment and secondly, the balance, if any, shall be freely available to the relevant Borrower.

4.5 Amounts payable on prepayment

Any prepayment of all or part of the Loan under this Agreement shall be made together with:

- (a) accrued interest on the amount of the Loan to the date of such prepayment (calculated, in the case of a prepayment pursuant to Clause 3.6(Market disruption) at a rate equal to the aggregate of the Applicable Margin and the cost to the Lender of funding the Loan);
- (b) any additional amount payable under Clause 5.3(Gross Up);
- (c) all other sums payable by the Borrowers to the Lender under this Agreement or any of the other Finance Documents including, without limitation, any amounts payable under Clause 10(Indemnities - Expenses – Fees); and
- (d) in relation to any prepayment made on a date other than an Interest Payment Date in respect of the whole of the Loan, it shall, in addition to the amount prepaid and accrued interest, pay to the Lender any amount which the Lender may certify is necessary to compensate the Lender for any Break Costs incurred by the

Lender as a result of the making of the prepayment in question.

5. PAYMENTS, TAXES AND COMPUTATION

5.1

Payment - No set-off or Counterclaims

- (a) The Borrowers hereby jointly and severally acknowledge that in performing their respective obligations under this Agreement, the Lender will be incurring liabilities to third parties in relation to the funding of amounts to the Borrowers, such liabilities matching the liabilities of the Borrowers to the Lender and that it is reasonable for the Lender to be entitled to receive payments from the Borrowers gross on the due date in order that the Lender is put in a position to perform its matching obligations to the relevant third parties. Accordingly, all payments to be made by the Borrowers under this Agreement and/or any of the other Finance Documents shall be made in full, without any set-off or counterclaim whatsoever and, subject as provided in Clause 5.3 (*Gross Up*), free and clear of any deductions or withholdings or Governmental Withholdings whatsoever, as follows:
- (i) in Dollars (except for charges or expenses which shall be paid in the currency in which they are incurred), not later than 10:00 a.m. (London time) on the Business Day (in Piraeus, Athens, London and New York City) on which the relevant payment is due under the terms of this Agreement; and
- (ii) to such account and at such bank as the Lender may from time to time specify for this purpose by written notice to the Borrowers, reference: "*ARIEL SHIPPING CO./LOAN AGREEMENT DATED: 13th OCTOBER, 2025*" provided, however, that the Lender shall have the right to change the place of account for payment, upon three (3) Business Days' prior written notice to the Borrowers.
- (b) If at any time it shall become unlawful or impracticable for the Borrowers (or any of them) to make payment under this Agreement to the relevant account or bank referred to in Clause 5.1(a), the Borrowers may request and the Lender may agree to alternative arrangements for the payment of the amounts due by the Borrowers to the Lender under this Agreement or the other Finance Documents.

5.2 Payments on Business Days

All payments due shall be made on a Business Day. If the due date for payment falls on a day which is not a Business Day, that payment due shall be made on the immediately following Business Day unless such

Business Day falls in the next calendar month, in which case payments shall fall due and be made on the immediately preceding Business Day.

5.3 **Gross Up**

If at any time any law, regulation, regulatory requirement or requirement of any governmental authority, monetary agency, central bank or the like compels the Borrowers to make payment subject to Governmental Withholdings, the Borrowers shall pay to the Lender such additional amounts as may be necessary to ensure that there will be received by the Lender a net amount equal to the full amount which would have been received had payment not been made subject to such Governmental Withholdings. The Borrowers shall indemnify the Lender against any losses or costs incurred by the Lender by reason of any failure of the Borrowers to make any such deduction or withholding or by reason of any increased payment not being made on the due date for such payment. The Borrowers shall, not later than thirty (30) days after each deduction, withholding or payment of any Governmental Withholdings, forward to the Lender official receipts and any other documentary receipts and any other documentary evidence reasonably required by the Lender in respect of the payment made or to be made of any deduction or withholding or Governmental Withholding. The obligations of the Borrowers under this provision shall, subject to applicable law, remain in force notwithstanding the repayment of the Loan and the payment of all interest due thereon pursuant to the provisions of this Agreement.

5.4 Mitigation

If circumstances arise which would result in an increased amount being payable by the Borrowers under this Clause then, without in any way limiting the rights of the Lender under this Clause, the Lender shall use reasonable endeavours to transfer the obligations, liabilities and rights under this Agreement and the Security Documents to another office or financial institution not affected by the circumstances, but the Lender shall be under no obligation to take any such action if in its opinion, to do so would or might:

- (a) have an adverse effect on its business, operations or financial condition on the Lender; or
- (b) involve it in any activity which is unlawful or prohibited or any activity that is contrary to, or inconsistent, with any regulation of the Lender; or
- (c) involve the Lender in any expense (unless indemnified to its reasonable satisfaction) or tax disadvantage.

5.5

Claw-back of Tax benefit

If, following any such deduction or withholding as is referred to in Clause 5.3 (*Gross-up*) from any payment by the Borrowers, the Lender shall receive or be granted a credit against or remission for any Taxes payable by it, the Lender shall, subject to the Borrowers having made any increased payment in accordance with Clause 5.3 (*Gross-up*) and to the extent that the Lender can do so without prejudicing its retention of the amount of such credit or remission and without prejudice to the right of the Lender to obtain any other relief or allowance which may be available to it, reimburse the Borrowers with such amount as the Lender shall in its absolute discretion certify to be the proportion of such credit or remission as will leave the Lender (after such reimbursement) in no worse position than it would have been in had there been no such deduction or withholding from the payment by the Borrowers. Such reimbursement shall be made forthwith upon the Lender certifying that the amount of the credit or remission has been received by it, provided, always, that:

- (a) the Lender shall not be obliged to allocate this transaction any part of a tax repayment or credit which is referable to a number of transactions;
- (b) nothing in this Clause shall oblige the Lender to rearrange its tax affairs in any particular manner, to claim any type of relief, credit, allowance or deduction instead of, or in priority to, another or to make any such claim within any particular time or to disclose any information regarding its tax affairs and computations;
- (c) nothing in this Clause shall oblige the Lender to make a payment which exceeds any repayment or credit in respect of tax on account of which the Borrowers have made an increased payment under this Clause;
- (d) any allocation or determination made by the Lender under or in connection with this Clause shall be binding on the Borrowers; and
- (e) without prejudice to the generality of the foregoing, the Borrowers shall not, by virtue of this Clause 5.5, be entitled to enquire about the Lender's tax affairs.

5.6 **Loan Account**

All sums advanced by the Lender to the Borrowers under this Agreement and all interest accrued thereon and all other amounts due under this Agreement from time to time and all repayments and/or payments thereof shall be debited and credited respectively to a separate loan account maintained by the Lender in accordance with its usual practices in the name of the Borrowers. The Lender may, however, in accordance with its usual practices or for its accounting needs, maintain more than one account, consolidate or separate them but all such accounts shall be considered parts of one single loan account maintained under this Agreement. In case that a ship mortgage in the form of Account Current is granted as security under this Agreement, the account(s) referred to in this Clause shall be the Account Current referred to in such mortgage.

5.7 **Computation**

All interest and other payments payable by reference to a rate per annum under this Agreement shall accrue from day to day and be calculated on the basis of actual days elapsed and a 360 day year.

6. **REPRESENTATIONS AND WARRANTIES**

6.1 **Continuing representations and warranties**

The Borrowers jointly and severally represent and warrant to the Lender that;

- (a) Due Incorporation/Valid Existence: Each of the Borrowers and the other corporate Security Parties is duly incorporated and validly existing and in good standing under the laws of their respective countries of incorporation, and have power to own their respective property and assets, to carry on their respective business as the same are now being lawfully conducted and to purchase, own, finance and operate vessels, or, as the case may be, manage vessels, as well as to undertake the obligations which such Security Party has undertaken or shall undertake pursuant to the Finance Documents and does not have a place of business in the United Kingdom or the United States of America;
- (b) Due Corporate Authority: Each of the Borrowers has power to execute, deliver and perform its obligations under the Finance Documents to which it is or is to be a party and to borrow the Commitment and each of the other Security Parties has power to execute and deliver and perform its/his obligations under the Finance Documents to which it/he is or is to be a party; all necessary corporate, shareholder and other action has been taken to authorise the execution, delivery and performance of the same and no limitation on the powers of the Borrowers (or any of them) to borrow will be exceeded as a result of borrowing the Loan;
- (c) Litigation: no litigation or arbitration, tax claim or administrative proceeding (including action relating to any alleged or actual breach of the ISM Code and the ISPS Code) involving a potential liability of the Borrowers (or any of them) or any other Security Party is current or pending or (to its or its officers' knowledge) threatened against the Borrowers (or any of them) or any other Security Party, which, if adversely determined, would have a Material Adverse Effect of any of them;

- (d) No conflict with other obligations: the execution and delivery of, the performance of its obligations under, and compliance with the provisions of, the Finance Documents by the relevant Security Parties will not (i) contravene any existing applicable law, statute, rule or regulation or any judgment, decree or permit to which the Borrowers (or any of them) or any other Security Party is subject, (ii) conflict with, or result in any breach of any of the terms of, or constitute a default under, any agreement or other instrument to which the Borrowers (or any of them) or any other Security Party is a party or is subject to or by which it or any of its property is bound, (iii) contravene or conflict with any provision of the memorandum and articles of association/articles of incorporation/by-laws/statutes or other constitutional documents of the Borrowers (or any of them) or any other Security Party or (iv) result in the creation or imposition of or oblige the Borrowers (or any of them) or any other Security Party to create any Security Interest (other than a Permitted Security Interest) on any of the undertakings, assets, rights or revenues of the Borrowers (or any of them) or any other Security Party;
- (e) Financial Condition: the financial condition of the Borrowers (or any of them) and of the other Security Parties (other than the Approved Managers) has not suffered any material deterioration since that condition was last disclosed to the Lender;
- (f) No Immunity: neither any of the Borrowers nor any other Security Party nor any of their respective assets are entitled to immunity on the grounds of sovereignty or otherwise from any legal action or proceeding (which shall include, without limitation, suit, attachment prior to judgement, execution or other enforcement);
- (g) Shipping Company: each of the Borrowers and the Approved Managers is a shipping company involved in the owning or, as the case may be, managing of ships engaged in international voyages and earning profits in free foreign currency;
- (h) Licences/Authorisation: every consent, authorisation, license or approval of, or registration with or declaration to, governmental or public bodies or authorities or courts required by any Security Party to authorise, or required by any Security Party in connection with, the execution, delivery, validity, enforceability or admissibility in evidence of each of the Finance Documents or the performance by each Security Party of its obligations under the Finance Documents to which such Security Party is or is to be a party has been obtained or made and is in full force and effect and there has been no default in the observance of any of the conditions or restrictions (if any) imposed in, or in connection with, any of the same so far as the Borrowers are aware;
- (i) Perfected Securities: the Finance Documents do now or, as the case may be, will, upon execution and delivery (and, where applicable, registration as provided for in the Finance Documents):
 - (i) constitute the relevant Security Party's legal, valid and binding obligations enforceable against that Security Party in accordance with their respective terms (having the requisite corporate benefit which is legally and economically sufficient); and
 - (ii) create legal, valid and binding Security Interests (having the priority specified in the relevant Finance Document) enforceable in accordance with their respective terms over all the assets and revenues intended to be covered to which they, by their terms, relate, subject to any relevant insolvency laws affecting creditors' rights generally;
 - (j) No third party Security Interests: without limiting the generality of Clause 6.1(i) (Perfected Securities), at the time of the execution and delivery of each Finance

Document to which each Borrower is a party:

- (i) each Borrower will have the right to create all the Security Interests which that Finance Document purports to create; and

- (ii) no third party will have any Security Interests (except for Permitted Security Interests) or any other interest, right or claim over, in or in relation to any asset to which any such Security Interest, by its terms, relates;
- (k) No Notarisation/Filing/Recording: save for the registration of any Mortgage in the appropriate shipping Registry, it is not necessary to ensure the legality, validity, enforceability or admissibility in evidence of this Agreement or any of the other Finance Documents that it or they or any other instrument be notarised, filed, recorded, registered or enrolled in any court, public office or elsewhere or that any stamp, registration or similar tax or charge be paid on or in relation to this Agreement or the other Finance Documents;

(l) Taxes paid: each Borrower has paid all taxes applicable to, or imposed on or in relation to that Borrower, its business or its Ship; and

- (m) Valid Choice of Law: the choice of law agreed to govern this Agreement and/or any other Finance Document and the submission to the jurisdiction of the courts agreed in each of the Finance Documents are or will be, on execution of the respective Finance Documents, valid and binding on each of the Borrowers and any other Security Party which is or is to be a party thereto.

6.2 Initial representations and warranties

The Borrowers further jointly and severally represent and warrant to the Lender that:

- (a) Direct obligations - Pari Passu: the obligations of the Borrowers under this Agreement are direct, general and unconditional obligations of the Borrowers and rank at least pari passu with all other present and future unsecured and unsubordinated Financial Indebtedness of the Borrowers with the exception of any obligations which are mandatorily preferred by law;
- (b) Information: all information, accounts, statements of financial position, exhibits and reports furnished by or on behalf of any Security Party to the Lender in connection with the negotiation and preparation of this Agreement and each of the other Finance Documents are true and accurate in all material respects and not misleading, do not omit material facts and all reasonable enquiries have been made to verify the facts and statements contained therein; there are no other facts the omission of which would make any fact or statement therein misleading and, in the case of accounts and statements of financial position, they have been prepared in accordance with generally accepted international accounting principles, standards and practices which have been consistently applied;
- (c) No Event of Default: no Event of Default has occurred and is continuing;
- (d) No Taxes: no Taxes are imposed by deduction, withholding or otherwise on any payment to be made by any Security Party under this Agreement and/or any other of the Finance Documents or are imposed on or by virtue of the execution or delivery of this Agreement and/or any other of the Finance Documents or any document or instrument to be executed or delivered hereunder or thereunder. In case that any Tax exists now or will be imposed in the future, it will be borne by the Borrowers;
- (e) No Event of Default under other Financial Indebtedness: neither any of the Borrowers nor any other Security Party is in default under any agreement relating to Financial Indebtedness to which it is a party or by which it is or may be bound;

- (f) Ownership/Flag/Seaworthiness/Class/Insurance of the Ships: each Ship on the Drawdown Date will be:
- (i) in the absolute and free from Security Interests (other than in favour of the Lender) ownership of the Owner thereof who is and will on and after the Drawdown Date be the sole legal and beneficial owner of that Ship;
 - (ii) registered in the name of the Owner thereof through the relevant Registry of the port of registry of the Approved Flag State under the laws and flag of the Approved Flag State;
 - (iii) operationally seaworthy and in every way fit for service;
 - (iv) classed with a Classification Society member of IACS, which has been approved by the Lender in writing and such classification is and will be free of all requirements and overdue recommendations of such Classification Society;
 - (v) insured in accordance with the provisions of this Agreement and the relevant Mortgage;
 - (vi) managed by the Approved Managers; and
 - (vii) in full compliance with the ISM and the ISPS Code;
- (g) No Charter: unless otherwise permitted in writing by the Lender, none of the Ships will on or before the Drawdown Date or be subject to any charter or contract nor to any agreement to enter into any charter or contract which, if entered into after the Drawdown Date would have required the consent of the Lender under any of the Finance Documents and there will not on or before the Drawdown Date be any agreement or arrangement whereby the Earnings of the relevant Ship may be shared with any other person;
- (h) No Security Interests: neither any Ship, nor its Earnings, Requisition Compensation or Insurances nor any other properties or rights which are, or are to be, the subject of any of the Security Documents nor any part thereof will, on the Drawdown Date, be subject to any Security Interests other than Permitted Security Interests or otherwise permitted by the Finance Documents;
- (i) Compliance with Environmental Laws and Approvals: except as may already have been disclosed by the Borrowers in writing to, and acknowledged in writing by, the Lender:
- (i) each Borrower has complied with the provisions of all Environmental Laws;
 - (ii) each Borrower has obtained all Environmental Approvals and are in compliance with all such Environmental Approvals; and
 - (iii) the Borrowers have not received notice of any Environmental Claim that the Borrowers are not in compliance with any Environmental Law or any Environmental Approval;

- (j) No Environmental Claims: except as may already have been disclosed by the Borrowers in writing to, and acknowledged in writing by, the Lender:
- (i) there is no Environmental Claim pending or, to the best of the Borrowers' knowledge and belief, threatened against any Borrower or its Ship; and
- (ii) there has been no emission, spill, release or discharge of a Material of Environmental Concern from the Ships ;

(k) Copies true and complete: the copies of the Management Agreements delivered or to be delivered to the Lender pursuant to Clause 7.1 (*Conditions precedent to the execution of this Agreement*) are, or will when delivered be, true and complete copies of such documents; such documents will when delivered constitute valid and binding obligations of the parties thereto enforceable in accordance with their respective terms and there will have been no amendments or variations thereof or defaults thereunder;

- (l) DOC and SMC: in relation to each Ship the DOC applicable to each Approved Manager and the SMC applicable to that Ship are presently in full effect;
- (m) Compliance with ISM Code: each Ship will comply on the Drawdown Date and the Operator complies with the requirements of the ISM Code and the SMC which has been or, as the case may be, shall be issued in respect of each Ship shall remain valid on the Drawdown Date and thereafter throughout the Security Period;
- (n) Compliance with ISPS Code: each Borrower has a valid and current ISSC in respect of its Ship and it is and will be in full compliance with the ISPS Code; and the Operator complies with the requirements of the ISPS Code and the ISSC in respect of each Ship shall remain valid throughout the Security Period;
- (o) Shareholdings:

- (i) (aa) each Borrower is a fully owned Subsidiary of the Corporate Guarantor, (bb) all of the issued shares in each of the Borrowers are held directly or indirectly by the Corporate Guarantor (being as of the date of this Agreement the sole shareholder of each Borrower), (cc) the shares in the Corporate Guarantor are legally and beneficially owned as disclosed to the Lender before signing of this Agreement, and (dd) Mr. Petros Panagiotidis remains among the indirect shareholders of the Corporate Guarantor as well as Chairman and Chief Executive Officer of the Corporate Guarantor; and

- (ii) no change of control has been made directly or indirectly in the ownership, beneficial ownership, or management of any of the Borrowers and the Corporate Guarantor or any share therein or of any of the Ships and the voting rights in each of the Borrowers and the Corporate Guarantor, from what has been disclosed to the Lender before signing of this Agreement; and
- (p) No US Tax Obligor: none of the Security Parties is a US Tax Obligor;
- (q) Sanctions: To the best knowledge of the Corporate Guarantor neither any Security Party nor any other member of the Group:
 - (i) is a Sanctions Restricted Person;
 - (ii) owns or controls directly or indirectly a Sanctions Restricted Person; or

- (iii) has a Sanctions Restricted Person serving as a director, officer or, to the best of its knowledge, employee; and

- (iv) no proceeds of the Loan shall be made available, directly or to the knowledge of the Borrowers, or any of them (after reasonable enquiry) indirectly, to or for the benefit of a Sanctions Restricted Person contrary to Sanctions or for transactions in a Sanctions Restricted Jurisdiction nor shall they be otherwise directly or indirectly, applied in a manner or for a purpose prohibited by Sanctions.

6.3 Money laundering - acting for own account

Each of the Borrowers further jointly and severally represents and warrants and confirms to the Lender that it is the beneficiary for each part of the Loan made or to be made available to it and it will promptly inform the Lender by written notice if it is not, or ceases to be, the beneficiary and notify the Lender in writing of the name and the address of the new beneficiary/beneficiaries; each of the Borrowers is aware that under applicable money laundering provisions, it has an obligation to state for whose account the Loan is obtained; each of the Borrowers confirms that, by entering into this Agreement and the other Finance Documents, it is acting on its own behalf and for its own account and it is obtaining the Loan for its own account. In relation to the borrowing by the Borrowers of the Loan, the performance and discharge of its obligations and liabilities under this Agreement or any of the other Finance Documents and the transactions and other arrangements effected or contemplated by this Agreement or any of the Documents to which each of the Borrowers is a party, it is acting for its own account and that the foregoing will not involve or lead to a contravention of any law, official requirement or other regulatory measure or procedure which has been implemented to combat “*money laundering*” (as defined in Article 1 of the Directive (91/308/EEC) of the Council of the European Community).

6.4 Representations Correct

At the time of entering into this Agreement all above representations and warranties or any other information given by the Borrowers to the Lender are true and accurate.

6.5 Repetition of Representations and Warranties

The representations and warranties in this Clause 6 (except in relation to the representations and warranties in Clause 6.2 (*Initial representations and warranties*)) shall be deemed to be repeated by the Borrowers:

- (a) on the date of service of the Drawdown Notice;
- (b) on the Drawdown Date; and
- (c) on each Interest Payment Date throughout the Security Period,

as if made with reference to the facts and circumstances existing on each such day.

7. CONDITIONS PRECEDENT

7.1 Conditions precedent to the execution of this Agreement

The obligation of the Lender to make the Commitment or any part thereof available shall be subject to the condition that the Lender, shall have received, not later than two (2) Business Days before the day on which the Drawdown Notice in respect of the Commitment or such part thereof is given, the following documents and evidence in form and substance satisfactory to the Lender:

- (a) Constitutional Documents: a duly certified true copy of the Articles of Incorporation and By-Laws or the Memorandum and Articles of Association, or of any other constitutional documents, as the case may be, of each corporate Security Party;
- (b) Certificates of incumbency: a recent certificate of incumbency of each corporate Security Party issued by the appropriate authority and/or at the discretion of the Lender signed by the secretary or a director of each of them respectively, stating the corporate body which binds every one of them, the officers and/or the directors of each of them and containing specimens of their signatures;
- (c) Shareholding: a statement to the Lender confirming that the identity of the Beneficial Shareholder(s) of each of the Borrowers and the Corporate Guarantor as disclosed to the Lender remains unchanged and in line with “*know your customer*” procedures of the Lender for opening account purposes, who should be acceptable in all respects to the Lender; in the event that the Lender agrees (at its sole discretion) that a Security Party may have a corporate shareholder, the conditions set out in Sub-clauses (a) (Constitutional Documents), (b) (Certificates of incumbency), (d) (Resolutions) and (e) (Powers of Attorney) of this Clause 7.1 shall apply (mutatis mutandis) to such corporate shareholder;
- (d) Resolutions: minutes of separate meetings of the directors and (if required) shareholders of each of the Borrowers and the Corporate Guarantor at which there was approved (inter alia) the entry into, execution, delivery and performance of this Agreement, the other Finance Documents and any other documents executed or to be executed pursuant hereto or thereto to which the relevant Security Party is or is to be a party;
- (e) Powers of Attorney: the original of any power(s) of attorney and any further evidence of the due authority of any person signing this Agreement, the other Finance Documents, and any other documents executed or to be executed pursuant hereto or thereto on behalf of any corporate person;
- (f) Consents: evidence that all necessary licences, consents, permits and authorisations (including exchange control ones) have been obtained by any Security Party for the execution, delivery, validity, enforceability, admissibility in evidence and the due performance of the respective obligations under or pursuant to this Agreement and the other Finance Documents;
- (g) Fees: evidence that the fees referred to in Clause 10.14 (Fees) have been paid in full;
- (h) DOC: a copy of the DOC applicable to each Approved Manager certified as true and in effect;
- (i) Other documents: any other documents or recent certificates or other evidence which would be required by the Lender in relation to each Security Party evidencing that the relevant Security Party has been properly established, continues to exist validly and is in good standing;
- (j) Management Agreements – Assignable Charterparty: a copy of each of the following documents certified as true and complete by the legal counsel of the Borrowers:
 - (i) each Management Agreement evidencing that the relevant Ship is managed by the relevant Approved Managers on terms acceptable to the Lender; and

- (ii) any Assignable Charterparty; and
- (k) Operating Accounts: evidence that the Operating Accounts have been duly opened and all mandate forms and other legal documents required for the opening of an account under any applicable law, as well as signature cards and properly adopted authorizations have been duly delivered to and have been accepted by the compliance department of the Lender.

7.2 Conditions precedent to the making of the Commitment

The obligation of the Lender to advance the Commitment (or any part thereof) is subject to the further condition that the Lender shall have received prior to the drawdown or, where this is not possible, simultaneously with the drawdown of the Commitment or the relevant part thereof or the Drawdown Date:

- (a) Conditions precedent: evidence that the conditions precedent set out in Clause 7.1 (*Conditions precedent to the execution of this Agreement*) remain fully satisfied;
 - (b) Drawdown Notice: the Drawdown Notice duly executed, issued and delivered to the Lender as provided in Clause 2.2 (*Drawdown Notice and commitment to borrow*);
- (c) Security Documents: each of the Security Documents duly executed and where appropriate duly registered with the Registry or any other competent authority (as required);
- (d) Title and no Security Interests: evidence that, prior to or simultaneously with the drawdown, each Ship will be duly registered in the ownership of the Owner thereof with the Registry and under the laws and flag of the Approved Flag State free from any Security Interests save for those in favour of the Lender and otherwise as contemplated herein;
- (e) Insurances: evidence in form and substance satisfactory to the Lender that each Ship has been insured in accordance with the insurance requirements provided for in this Agreement and the Security Documents, to be followed by full copies of cover notes, policies, certificates of entry or other contracts of insurance and irrevocable authority is hereby given to the Lender at any time at its discretion to obtain copies of the policies, certificates of entry or other contracts of insurance from the insurers and/or obtain any information in relation to the Insurances relating to that Ship;
- (f) Insurers' confirmations: evidence in form and substance satisfactory to the Lender that each Ship has been insured in accordance with the insurance requirements provided for in this Agreement and the other Security Documents, including a MII, accompanied by waivers for liens for unpaid premium of other vessels managed by the relevant Approved Manager(s), together with an opinion from insurance consultants (appointed by the Lender at the Borrowers' expense) as to the adequacy of the insurances effected or to be effected in respect of each Ship, to be followed by full copies of cover notes, policies, certificates of entry or other contracts of insurance and irrevocable authority is hereby given to the Lender at any time at its discretion to obtain copies of the policies, certificates of entry or other contracts of insurance from the insurers and/or obtain any information in relation to the Insurances relating to each Ship;
- (g) MI: the MI shall have been effected by the Lender, but at the expense of the Borrowers as provided in Clause 10.10 (*MI costs*);

- (h) Access to class records: due authorisation from the Drawdown Date in form and substance satisfactory to the Lender authorising the Lender to have access and/or obtain any copies of class records or other information at its discretion from the Classification Society of the relevant Ship, provided however, that the Lender shall not exercise such right unless and until an Event of Default has occurred and is continuing;
- (i) Notices of assignment: duly executed notices of assignment in the form prescribed by the Security Documents;
- (j) Mortgage registration: evidence that each Mortgage on the Drawdown Date will be registered against the relevant Ship through the Registry under the laws and flag of the Approved Flag State;
- (k) Trading certificates: upon issuance, copies of the trading certificates of each Ship certified as true and complete by the legal counsel of the Borrowers evidencing the same to be valid and in force;
- (l) Class confirmation: evidence from the Classification Society that on the Drawdown Date each Ship is classed with the class notation (referred to in the Mortgage relative thereto), with the Classification Society or to a similar standard with another classification society of like standing to be specifically approved by the Lender and remains free from any overdue requirements or recommendations affecting her class;
- (m) Trim and stability booklet: if so requested by the Lender, an extract of the trim and stability booklet certifying the lightweight of each Ship, certified as true and complete by the legal counsel of the Borrowers;
- (n) DOC and SMC: (i) a copy of the DOC issued to the Operator of each Ship and (ii) a copy of the SMC for each Ship;
- (o) ISM Code Documentation: copies of such applications for ISM Code Documentation as the Lender may by written notice to the Borrowers have requested not later than two (2) days before the Drawdown Date certified as true and complete in all material respects by the Borrowers and the Approved Managers;
- (p) ISPS Code compliance:
- (i) evidence satisfactory to the Lender that each Ship is subject to a ship security plan which complies with the ISPS Code (such as proof that a security plan has been submitted to the recognized organisation for approval); and
- (ii) a copy, of the ISSC for each Ship delivered to the Lender on the Drawdown Date;
- (r) Valuation: charter free valuation of each Ship satisfactory to the Lender, to be obtained by the Lender, at the Borrowers' expense, not earlier than thirty (30) days prior to the expected Drawdown Date, made on the basis and in the manner specified in Clause 8.5(b) (*Valuation of Ships*);

(s) Insurance Letters: the Insurance Letters duly executed;

- (t) Confirmations from process agents: confirmation from any agents nominated in this Agreement and elsewhere in the other Finance Documents for the acceptance of any notice or service of process, that they consent to such nomination;
- (u) Acknowledgement of Receipt: a receipt in writing in form and substance satisfactory to the Lender including an acknowledgement and admission of the Borrowers and the Corporate Guarantor to the effect that the Commitment or relevant part thereof (as the case may be) was drawn by the Borrowers and a declaration by the Borrowers and the Corporate Guarantor that all conditions precedent have been fulfilled, that there is no Event of Default and that all the representations and warranties are true and correct;
- (v) Legal opinions: draft opinion from lawyers appointed by the Lender as to all the matters referred to in Clause 6.1(a) (*Due Incorporation/Valid Existence*) and Clause 6.1(b) (*Due Corporate Authority*) and all such aspects of law as the Lender shall deem relevant to this Agreement and the other Finance Documents and any other documents executed pursuant hereto or thereto and any further legal or other expert opinion as the Lender at its sole discretion may require;
- (w) Flag State opinion: draft opinion of legal advisers to the Lender on matters of the laws of the Approved Flag State of the relevant Ship; and
- (x) Condition survey report: if the Lender so requires, a satisfactory to the Lender physical condition survey report on each Ship together with a comprehensive record inspection from a surveyor appointed by the Lender, at the Borrowers' expense.

7.3 No change of circumstances

The obligation of the Lender to advance the Commitment or any part thereof is subject to the further condition that at the time of the giving of a Drawdown Notice and on advancing the Commitment:

- (a) Representations and warranties: the representations and warranties set out in Clause 6 (*Representations and warranties*) and in each of the other Finance Documents are true and correct on and as of each such time as if each was made with respect to the facts and circumstances existing at such time;
- (b) No Event of Default: no Event of Default shall have occurred and be continuing or would result from the drawdown;
- (c) No change: the Lender shall be satisfied that (i) there has been no change in the control of any of the Borrowers and the Corporate Guarantor from that disclosed to the Lender at the signing of this Agreement and no change directly or indirectly in the ownership, beneficial ownership, or management of the Borrowers (or any of them), each of which is a fully owned Subsidiary of the Corporate Guarantor, or any share therein or of the Ships (or any of them), and (ii) there has been no Material Adverse Change in the financial condition of any Security Party which (change) might, in the sole opinion of the Lender, be detrimental to the interests of the Lender; and
- (d) No Market Disruption Event: none of the circumstances contemplated by Clause 3.6 (*Market disruption*) has occurred and is continuing.

7.4 Know your customer and money laundering compliance

The obligation of the Lender to advance the Commitment or any part thereof is subject to the further condition that the Lender, prior to or simultaneously with the drawdown, shall have received, to the extent required by any change in applicable law and regulation or any changes in the Lender's own internal guidelines since the date on which the applicable documents and evidence were delivered to the Lender pursuant to Clause 8.9 (*Know your customer and money laundering compliance*), such further documents and evidence as the Lender shall require to identify the Borrowers and the other Security Parties and any other persons involved or affected by the transaction(s) contemplated by this Agreement.

7.5 Further documents

Without prejudice to the provisions of this Clause 7 each of the Borrowers hereby undertakes with the Lender to make or procure to be made such amendments and/or additions to any of the documents delivered to the Lender in accordance with this Clause 7 and to execute and/or deliver to the Lender or procure to be executed and/or delivered to the Lender such further documents as the Lender and its legal advisors may reasonably require to satisfy themselves that all the terms and requirements of this Agreement have been complied with.

7.6 Waiver of conditions precedent

The conditions specified in this Clause 7 are inserted solely for the benefit of the Lender and may be waived by the Lender in whole or in part and with or without conditions. Without prejudice to any of the other provisions of this Agreement, in the event that the Lender, in its sole and absolute discretion, makes the Commitment available to the Borrowers prior to the satisfaction of all or any of the conditions referred to in Clauses 7.1 (*Conditions precedent to the execution of this Agreement*), 7.2 (*Conditions precedent to the making of the Commitment*) and 7.3 (*No change of circumstances*), each of the Borrowers hereby covenants and undertakes to satisfy or procure the satisfaction of such condition or conditions by no later than fourteen (14) days after the Drawdown Date or within such longer period as the Lender may, in its sole and absolute discretion, agree to or specify.

8. UNDERTAKINGS

8.1 General

Each of the Borrowers, jointly and severally with the other Borrowers, undertakes with the Lender that, from the date of this Agreement and until the full and complete payment and discharge of the Outstanding Indebtedness, it will:

- (a) Notice on Material Adverse Change or Event of Default: promptly inform the Lender upon becoming aware of any occurrence which might materially adversely affect the ability of any Security Party to perform its obligations under any of the Finance Documents and, without limiting the generality of the foregoing, will inform the Lender of any Event of Default forthwith upon becoming aware thereof and will from time to time, if so requested by the Lender, confirm to the Lender in writing that, save as otherwise stated in such confirmation, no Event of Default has occurred and is continuing;

- (b) Notification of litigation:
- (i) provide the Lender with details of any legal or administrative action involving that Borrower, the Ship owned by it, any bareboat charterer, any bareboat guarantor, the Earnings or the Insurances in respect of that Ship, any Security Party, as soon as such action is instituted or it becomes apparent to that Borrower that it is likely to be instituted, unless it is clear that the legal or administrative action cannot be considered material in the context of any Finance Document, and each Borrower shall procure that all reasonable measures are taken to defend any such legal or administrative action; and
 - (ii) and shall procure that any bareboat charterer shall supply to the Lender promptly, to the extent permitted by law, details of any claim, action, suit, proceedings or investigation against it with respect to Sanctions by any Sanctions Authority;
- (c) Consents and licenses: without prejudice to Clauses 6 (*Representations and warranties*) and 7 (*Conditions precedent*), obtain or cause to be obtained, maintain in full force and effect and comply in all material respects with the conditions and restrictions (if any) imposed in, or in connection with, every consent, authorisation, license or approval of governmental or public bodies or authorities or courts and do or cause to be done, all other acts and things which may from time to time be necessary or desirable under applicable law for the continued due performance of all the obligations of the Security Parties under each of the Finance Documents;
- (d) Use of Loan proceeds: use the Loan exclusively for the purposes specified in Clause 1.1 (*Amount and Purpose*);
- (e) Pari passu: ensure that its obligations under this Agreement shall, without prejudice to the provisions of this Clause 8.1, at all times rank at least pari passu with all its other present and future unsecured and unsubordinated Financial Indebtedness with the exception of any obligations which are mandatorily preferred by law and not by contract;
- (f) Financial statements-Compliance Certificate:
- (i) furnish the Lender with audited annual consolidated financial statements of the Corporate Guarantor (including the Borrowers) audited by the auditors acceptable to the Lender and (ii) management prepared accounts of the Borrowers attested by its financial officer, in each case prepared in accordance with internationally accepted accounting principles and practices consistently applied in respect of each Financial Year as soon as practicable but not later than 180 days after the end of the Financial Year to which they relate, commencing with Financial Year ending on 31st December, 2025;
- (ii) simultaneously with each of the financial statements to be sent to the Lender under paragraph (i) of this Clause 8.1(f), a Compliance Certificate, duly completed and supported by calculations setting out in reasonable detail the materials underling the statements made in such Compliance Certificate; and
- (iii) all accounts delivered under this Clause 8.1(f) will be prepared in accordance with internationally accepted accounting principles and practices consistently applied (IFRS or US-GAAP) and, in the case of any audited financial statements, be certified by an Approved Auditor;
- (g) Provision of further information: promptly, when requested, provide the Lender with such financial and other information and accounts relating to the business, undertaking, assets, liabilities, revenues, financial condition commitments, operations or affairs of the Borrowers and the Corporate Guarantor and such other

further general information relating to each Security Party as the Lender from time to time may reasonably require;

- (h) Financial Information: provide the Lender from time to time as the Lender may reasonably request with information on the financial conditions, cash flow position, commitments and operations of the Borrowers and the Corporate Guarantor including cash flow analysis and voyage accounts of each Ship with a breakdown of income and running expenses showing net trading profit, trade payables and trade receivables, such financial details to be certified by an authorized signatory of the Borrowers as to their correctness;
- (i) Information on the employment of the Ships: provide the Lender from time to time as the Lender may request with information on the employment of each Ship, as well as on the terms and conditions of any charterparty, contract of affreightment, agreement or related document in respect of the employment of each Ship, such information to be certified by one of the directors of the Borrowers as to their correctness;
- (j) Pledged Deposit: procure that upon drawdown and at all times during the Security Period, the Borrowers shall maintain in interest bearing accounts with the Lender an amount of Dollars One million (\$1,000,000) (\$250,000 per Ship) (which for the purpose of this Agreement shall be called herein the ***"Pledged Deposit"***), which amount will remain pledged in favor of the Lender throughout the Security Period;
- (k) Banking operations: ensure that all banking operations in connection with the Ships are carried out through the Lending Office of the Lender;
- (l) Subordination: ensure that all Financial Indebtedness of the Borrowers to their respective shareholders is fully subordinated to the rights of the Lender under the Finance Documents, all in a form acceptable to the Lender, and to subordinate to the rights of the Lender under the Finance Documents any Financial Indebtedness issued to it by its shareholders, all in a form acceptable to the Lender;
- (m) Obligations under Finance Documents: duly and punctually perform each of the obligations expressed to be assumed by it under the Finance Documents;
- (n) Payment on demand: pay to the Lender on demand any sum of money which is payable by the Borrowers to the Lender under this Agreement but in respect of which it is not specified in any other Clause when it is due and payable;
- (o) Compliance with Laws and Regulations: comply, or procure compliance with all laws or regulations relating to it and/or its Ship, its ownership, operation and management or to the business of that Borrower and cause this Agreement and the other Finance Documents to comply with and satisfy all the requirements and formalities established by the applicable laws to perfect this Agreement and the other Finance Documents as valid and enforceable Finance Documents;
- (p) Maintenance of Security Interests:
 - (i) at its own cost, do all that it reasonably can to ensure that any Finance Document validly creates the obligations and the Security Interests which it purports to create; and

- (ii) without limiting the generality of paragraph (p) above, at its own cost, promptly register, file, record or enrol any Finance Document with any court or authority in all Relevant Jurisdictions, pay any stamp, registration or similar tax in all Relevant Jurisdictions in respect of any Finance Document, give any notice or take any other step which may be or has become necessary or desirable for any Finance Document to be valid, enforceable or admissible in evidence or to ensure or protect the priority of any Security Interest which it creates;
- (q) Registered Office: maintain its registered office at the address referred to in the Recitals; and will not establish, or do anything as a result of which it would be deemed to have, a place of business in the United Kingdom or the United States of America;
- (r) Compliance with Covenants: duly and punctually perform all obligations under this Agreement and the other Finance Documents; and

(s) No US Tax Obligor: procure that, unless otherwise agreed by the Lender, no Security Party shall become a US Tax Obligor.

8.2 Negative undertakings

Each of the Borrowers, jointly and severally with the other Borrowers, undertakes with the Lender that, from the date of this Agreement and until the full and complete payment and discharge of the Outstanding Indebtedness, without the prior written consent of the Lender, it will:

- (a) Negative pledge:
 - (i) not permit any Security Interest (other than a Permitted Security Interest) to subsist, arise or be created or extended over all or any part of its present or future undertakings, assets, rights or revenues to secure or prefer any present or future Financial Indebtedness or other liability or obligation of the Borrowers (or any of them) or any other person other than in the normal course of its business of owning, financing and operating vessels and owning or acquiring ship-owning companies; and
 - (ii) not cease to hold the legal title to, and own the entire beneficial interest in its Ship, its Insurances and Earnings, free from all Security Interests and other interests and rights of every kind, except for those created by the Finance Documents and the effect of the assignments contained in the relevant General Assignment and any other Finance Documents;
- (b) No further Financial Indebtedness: not incur any further Financial Indebtedness nor authorise or accept any capital commitments (other than that normally associated with the day to day operations and trading of the Borrowers and any Financial Indebtedness that is subordinated (in writing with the Lender's prior written consent, at its discretion, and pursuant to a subordination agreement acceptable to the Lender) to all Financial Indebtedness incurred under the Finance Documents) nor enter into any agreement for payment on deferred terms or hire agreement;
- (c) No merger: not merge or consolidate with any other person;

- (d) No disposals:
 - (i) not sell, transfer, abandon, lend, lease or otherwise dispose of or cease to exercise direct control over any part (being either alone or when aggregated with all other disposals falling to be taken into account pursuant to this Clause 8.2(d) material in the opinion of the Lender in relation to the undertakings, assets, rights and revenues of the Borrowers) of its present or future undertaking, assets, rights or revenues (otherwise than by transfers, sales or disposals for full consideration in the ordinary course of operations and trading) whether by one or a series of transactions related or not; and
 - (ii) not transfer, lease or otherwise dispose of any debt payable to it or any other right (present, future or contingent right) to receive a payment, including any right to damages or compensation;
- (e) No acquisitions: not acquire any further assets other than its Ship and rights arising under contracts entered into by or on behalf of that Borrower other than in the ordinary course of its business of owning, operating and chartering its Ship;
- (f) No other business: not undertake any type of business other than its current business of owning, financing and operating vessels and owning or acquiring ship-owning companies;
- (g) No investments: not make any investments in any person, asset, firm, corporation, joint venture or other entity;
- (h) No other obligations: not incur any liability or obligations except liabilities and obligations arising under the Finance Documents or contracts entered into in the ordinary course of its business of owning, operating, maintaining, repairing and chartering its Ship (and for the purposes of this Clause 8.2(h) fees to be paid pursuant to the Management Agreement in respect of its Ship shall be considered as permitted obligations under the Finance Documents);
- (i) No borrowing: not incur any Financial Indebtedness except for Financial Indebtedness pursuant to the Finance Documents;
- (j) No repayment of borrowings: not repay the principal of, or pay interest on or any other sum in connection with, any of its Financial Indebtedness except for Financial Indebtedness pursuant to the Finance Documents;
- (k) No Payments: unless otherwise provided in this Agreement and the other Finance Documents (and then only to the extent expressly permitted by the same) not pay out any funds (whether out of the Earnings or out of monies collected under the relevant General Assignment and/or the other Finance Documents or not) to any person except in connection with the administration of that Borrower and the operation and/or maintenance and/or repair and/or trading of its Ship;
- (l) No guarantees: not issue any guarantees or indemnities or otherwise become directly or contingently liable for the obligations of any person, firm, or corporation except pursuant to the Finance Documents and except for, in the case of such Borrowers, guarantees or indemnities from time to time required in the ordinary course of its business or by any protection and indemnity or war risks association with which its Ship is entered, guarantees required to procure the release of its Ship from any arrest, detention, attachment or levy or guarantees or undertakings required for the salvage of its Ship;

- (m) No loans: not make any loans or advances to, or any investments in any person, firm, corporation, joint venture or other entity including (without limitation) any loan or advance or grant any credit (save for normal trade credit in the ordinary course of business) to any officer, director, stockholder or employee or any other company managed by the Approved Commercial Manager or the Approved Technical Manager of the relevant Ship(s) (as the case may be) or agree to do so, provided, always, that any loans of its shareholders to any Borrower shall be fully subordinated to that Borrower's obligations under this Agreement and the other Finance Documents;
- (n) No securities: not permit any Financial Indebtedness of the Borrowers (or any of them) to any person (other than the Lender) to be guaranteed by any person (save, in the case of any Borrower, for guarantees or indemnities from time to time required in the ordinary course of business or by any protection and indemnity or war risks association with which its Ship is entered, guarantees required to procure the release of its Ship from any arrest, detention, attachment or levy or guarantees or undertakings required for the salvage of its Ship);
- (o) No dividends or distribution: not declare or pay any dividends or other distribution under any name or description upon any of the issued shares or otherwise dispose of any of its present or future assets, undertakings, rights or revenues (which are all assigned to the Lender) to any of the shareholders of any Borrower without the prior written consent of the Lender, provided that, subject to (i) no Event of Default having occurred and being continuing, (ii) no Event of Default resulting from the payment of such dividends or the making of any other form of distribution and (iii) there is no breach of any of the Financial Covenants set forth in Clause 8.8 (*Financial Covenants - Compliance Certificate*), a Borrower shall be entitled to declare or make payments of any dividends without the prior written approval of the Lender;
- (p) No Subsidiaries: not form or acquire any Subsidiaries;
- (q) No change of business structure: not change the nature, organisation and conduct of its business or carry on any business other than the business carried on at the date of this Agreement;
- (r) No change of legal structure: (such consent not be unreasonably withheld) ensure that none of the documents defining the constitution of that Borrower shall be materially (in the Lender's opinion) altered in any manner whatsoever;
- (s) No Security Interest on assets: other than Permitted Security Interests, not allow any part of its undertaking, property, assets or rights, whether present or future, to be mortgaged, charged, pledged, used as a lien or otherwise encumbered without the prior written consent of the Lender;
- (t) No change of control: ensure that (i) no change shall be made directly or indirectly in the ownership, beneficial ownership, control or management of any of the Borrowers and the Corporate Guarantor or any share therein, or any of the Ships, as a result of which the ultimate legal and beneficial ownership of the Beneficial Shareholder(s) disclosed to the Lender at the signing of this Agreement is materially changed, but so far as the Corporate Guarantor is concerned, the result of any such change would be that the control in the Corporate Guarantor ceases to remain in the Beneficial Shareholder(s) disclosed to the Lender before signing of this Agreement, provided, however, that such '**control**' (as defined in Clause 1.4 (*Construction of certain terms*) of the Loan Agreement) of each of the Borrowers and Corporate Guarantor will remain with such Beneficial Shareholder(s) throughout the remainder of the Security Period and (ii) Mr. Petros Panagiotidis remains among the indirect shareholders and Chairman and Chief Executive Officer of the Corporate Guarantor; and

(u)

No Master Agreement Derivatives: not enter into any transaction in a derivative of any description whatsoever.

8.3 Undertakings concerning the Ships

Each of the Borrowers, jointly and severally with the other Borrowers, undertakes with the Lender that, from the date of this Agreement and until the full and complete payment and discharge of the Outstanding Indebtedness, it will:

- (a) Conveyance on default: where a Ship is (or is to be) sold in exercise of any power conferred on the Lender, execute, forthwith upon request by the Lender, such form of conveyance of that Ship as the Lender may require;
- (b) Mortgage: execute, and procure the registration of the relevant Mortgage over each Ship under the laws and flag of the Approved Flag State immediately upon the drawdown of the Loan on the Drawdown Date;
- (c) Chartering: not let or agree its Ship to be let:
 - (i) on demise charter for any period; or
 - (ii) without the prior written consent of the Lender (such consent not to be unreasonably withheld) by any Assignable Charterparty; or
 - (iii) on terms whereby more than two (2) months' hire (or the equivalent) is payable in advance; or
 - (iv) otherwise than on bona fide arm's length terms at the time when its Ship is fixed; or
 - (v) under any pooling or sharing agreement in respect thereof on terms whereby any and all the Earnings of any Ship are pooled or shared with any other person;
- (d) Laid-up: not de-activate or lay up its Ship;
- (e) No amendment to Assignable Charterparty: not waive or fail to enforce, any Assignable Charterparty to which it is a party or any of its provisions, and will promptly notify the Lender of any material amendment or supplement to any Assignable Charterparty;
- (f) Approved Manager: not without the prior written consent of the Lender (such consent not to be unreasonably withheld) agree or appoint a manager of any Ship other than the Approved Managers;
- (g) Ownership/Management/Control: ensure that each Ship will be registered on the Drawdown Date in the ownership of the Owner thereof under the laws of the Approved Flag State and thereafter ensure that each Ship will maintain her registration, ownership, management, control and beneficial ownership;
- (h) Class: ensure that each Ship will remain in class free of overdue recommendations or average damage affecting class or permitted by the Classification Society and provide the Lender on demand with copies of all class and trading certificates of each Ship;

- (i) Insurances: ensure that all Insurances (as defined in the relevant Mortgage/General Assignment) of each Ship is maintained and comply with all insurance requirements specified in this Agreement and in the relevant Mortgage and in case of failure to maintain any Ship so insured, authorise the Lender (and such authorisation is hereby expressly given to the Lender) to have the right but not the obligation to effect such Insurances on behalf of the Owner (and in case that any Ship remains in port for an extended period) to effect port risks insurances at the cost of the Borrowers which, if paid by the Lender, shall be Expenses; the Lender shall be entitled to obtain once per year at Borrowers' expense an opinion from insurance consultants (appointed by the Lender at the Borrowers' expense) as to the adequacy of the insurances effected or to be effected in respect of each Ship, Provided that (i) if an Event of Default has occurred and is continuing or (ii) if there has been any change in the insurance placement within such year or (iii) if there has been a Material Adverse Change of the financial condition of any of the insurers of any of the Ships at the Lender's sole opinion, the Lender shall be entitled to obtain at Borrowers' expense such opinion from such insurance consultants at any time it deems necessary;
- (j) Transfer/Security Interests: not without the prior written consent of the Lender agrees any Ship or any share therein to be sold or otherwise disposed of or create or agree to create or permit to subsist any Security Interest over the Ships (or any of them) (or any share or interest therein) other than Permitted Security Interests;
- (k) Not imperil Flag, Ownership, Insurances: ensure that each Ship is maintained and trades in conformity with the laws of the Approved Flag State, of its owning company or of the nationality of the officers, the requirements of the Insurances and nothing is done or permitted to be done which could endanger the flag of that Ship or its unencumbered (other than Security Interests in favour of the Lender and Security Interests permitted by this Agreement) ownership or its Insurances;
- (l) Mortgage Covenants: ensure that each Owner always comply with all the covenants provided for in the Mortgage registered over its Ship;
- (m) No assignment of Earnings: ensure that none of the Owners will assign or agree to assign otherwise than to the Lender the Earnings or any part thereof;
- (n) No sharing of Earnings: ensure that none of the Owners:
 - (i) will enter into any agreement or arrangement for the sharing of any Earnings; and/or
 - (ii) will enter into any agreement or arrangement for the postponement of any date on which any Earnings are due or the reduction of the amount of any Earnings or otherwise for the release or adverse alteration of any right of such Owner to any Earnings; and/or
 - (iii) will enter into any agreement or arrangement for the release of, or adverse alteration to, any guarantee or Security Interest relating to any Earnings.
- (o) Assignnable Charterparty: ensure and procure that in the event of its Ship being employed under an Assignnable Charterparty:
 - (i) execute and deliver to the Lender within fifteen (15) days of signing thereof a specific assignment of all its rights, title and interest in and to such charter and any charter guarantee in the form of a Charterparty Assignment and a notice of such assignment addressed to the relevant charterer;

- (ii) ensure (on a best effort basis) that the relevant charterer and any charter guarantor agree to acknowledge to the Lender the specific assignment of such charter and charter guarantee by executing an acknowledgement substantially in the form included in the relevant Charterparty Assignment;
- (iii) in the case where such charter is a demise charter, the relevant charterer to undertake to the Lender (1) to comply with all of that Borrower's undertakings with regard to the employment, insurances, operation, repairs and maintenance of its Ship contained in this Agreement, the relevant Mortgage and the relevant General Assignment and (2) to provide(*inter alia*) an assignment of its interest in the insurances of its Ship in the form of a tripartite agreement in form and substance acceptable to the Lender, to be made between the Lender, that Borrower and such charterer;

(p) No freight derivatives: not enter into or agree to enter into any freight derivatives or any other instruments which have the effect of hedging forward exposures to freight derivatives without the Lender's consent;

(q) Ships' inspection: permit the Lender (i) by surveyors or other persons appointed by it on its behalf to board its Ship (and, subject to no Event of Default having occurred and being continuing, no more than once a year (but in any event without interfering with the ordinary trading of its Ship) for the purpose of inspecting her condition or for the purpose of satisfying itself with regard to proposed or executed repairs and to afford all proper facilities for such inspections and (ii) at any time by financial or insurance advisors or other persons appointed by the Lender to review the operating and insurance records of its Ship and the Owner thereof and the costs (as supported by vouchers) of any and all such valuations shall be borne by the Borrowers;

(r) Trading: use its Ship only for civil merchant trading;

(s) Compliance with ISM Code: procure that each Approved Manager and any Operator will:

- (i) comply with and ensure that the Ships and any Operator by no later than the Drawdown Date complies with the requirements of the ISM Code, including (but not limited to) the maintenance and renewal of valid certificates pursuant thereto throughout the Security Period;
- (ii) immediately inform the Lender if there is any threatened or actual withdrawal of any Owner, any Approved Manager's or an Operator's DOC or the SMC in respect of any Ship; and
- (iii) promptly inform the Lender upon the issue to the relevant Owner, any Approved Manager or any Operator of a DOC and to a Ship of an SMC or the receipt by any Owner, any Approved Manager or any Operator of notification that its application for the same has been realised;

(t) Compliance with ISPS Code: procure that the Approved Managers or any Operator will:

- (i) maintain at all times a valid and current ISSC in respect of the relevant Ship;

- (ii) immediately notify the Lender in writing of any actual or threatened withdrawal, suspension, cancellation or modification of the ISSC in respect of the relevant Ship; and

- (iii) procure that the relevant Ship will comply at all times with the ISPS Code;
- (u) Maintenance of legal and beneficial interest in the Ships: hold the legal title to, and own the entire beneficial interest in its Ship, its Insurances and Earnings, free from all Security Interests and other interests and rights of every kind, except for those created by the Finance Documents and the effect of assignments contained in the Finance Documents;
- (v) Compliance with Environmental Laws: comply with all Environmental Laws including without limitation, requirements relating to manning and establishment of financial responsibility and to obtain and comply with, and procure that all Environmental Affiliates of such Borrower obtain and comply with, all Environmental Approvals and to notify the Lender forthwith:
 - (i) of any Environmental Claim made against any of the Ships and/or their respective Owners; and
 - (ii) upon becoming aware of any incident which may give rise to an Environmental Claim and to keep the Lender advised in writing of the relevant Owner's response to such Environmental Claim on such regular basis and in such detail as the Lender shall require; and
- (w) War Risk Insurance cover: in the event of hostilities in any part of the world (whether war is declared or not), it will not cause or permit its Ship to enter or trade to any zone which is declared a war zone by any government or by its Ship's war risks insurers unless the prior written consent of the Lender has been given and the relevant Owner has (at its expense) effected any special, additional or modified insurance cover which the Lender may approve or require.

8.4 **Validity of Securities - Earnings - Taxes etc.**

Each of the Borrowers, jointly and severally with the other Borrowers, undertakes with the Lender that, from the date of this Agreement and until the full and complete payment and discharge of the Outstanding Indebtedness, it will:

- (a) Validity: ensure and procure that all governmental or other consents required by law and/or any other steps required for the validity, enforceability and legality of this Agreement and the other Finance Documents are maintained in full force and effect and/or appropriately taken;
- (b) Earnings: ensure and procure that, unless and until directed by the Lender otherwise (i) all the Earnings of its Ship shall be paid to its Operating Account and (ii) the persons from whom the Earnings are from time to time due are irrevocably instructed to pay them to the said Operating Account or to such account in the name of that Borrower as shall be from time to time determined by the Lender in accordance with the provisions hereof and of the relevant Security Documents;
- (c) Taxes: pay all Taxes, assessments and other governmental charges imposed on the Borrowers (or any of them) when the same fall due, except to the extent that the same are being contested in good faith by appropriate proceedings and adequate reserves have been set aside for their payment if such proceedings fail;

- (d) Additional Documents: from time to time and within fifteen (15) days after the request of the Lender, execute and deliver to the Lender or procure the execution and delivery to the Lender of all such documents as shall be deemed desirable at the reasonable discretion of the Lender for giving full effect to this Agreement, and for perfecting, protecting the value of or enforcing any rights or securities granted to the Lender under any one or more of this Agreement, the other Finance Documents and any other documents executed pursuant hereto or thereto and in case that any conditions precedent (with the Lender's consent) have not been fulfilled prior to the Drawdown Date, such conditions shall be complied with within fifteen (15) Business Days after the Lender's written request (unless the Lender agrees otherwise in writing) and failure to comply with this covenant shall be an Event of Default.

8.5 Secured Value to Security Requirement ratio - Valuation of the Ships

- (a) Security shortfall - Additional Security: If at any time during the Security Period, the Security Value shall be less than the Security Requirement, the Lender may give notice to the Borrowers requiring that such deficiency be remedied and then the Borrowers shall (unless the sole cause of such deficiency is the Total Loss of the relevant Ship and the Owner thereof in full compliance with its obligations in relation to such Total Loss) either:
- (i) prepay (in accordance with Clause 4.2 (*Voluntary prepayment*)) (but without regard to the requirement for five (5) days' notice) within a period of thirty (30) days of the date of receipt by the Borrowers of the Lender's said notice such sum in Dollars as will result in the Security Requirement after such prepayment (taking into account any other repayment of the Loan made between the date of the notice and the date of such prepayment) being at least equal to the Security Value; or
 - (ii) within thirty (30) days of the date of receipt by the Borrowers of the Lender's said notice constitute to the satisfaction of the Lender such further security for the Loan as shall be acceptable to the Lender having a value for security purposes (as determined by the Lender in its absolute discretion) at the date upon which such further security shall be constituted which, when added to the Security Value, shall not be less than the Security Requirement as at such date. Such additional security shall be constituted by:
 - aa) additional pledged cash deposits in favor of the Lender in an amount equal to such shortfall with the Lender and in an account and manner to be determined by the Lender; and/or
 - bb) any other security acceptable to the Lender at its absolute discretion to be provided in a manner determined by the Lender.

The provisions of Clauses 4.3 (*Compulsory Prepayment in case of Total Loss or sale of a Ship*) and 4.5 (*Amounts payable on prepayment*) shall apply to prepayments under Clause 8.5(a)(i).

- (b) Valuation of Ships: Each of the Ships shall, for the purposes of this Clause 8.5, be valued in Dollars at least once a year and at any time that the Lender may reasonably require by one (1) Approved Shipbroker appointed by, or acceptable to the Lender, (such valuation to be addressed to the Lender and made without, unless required by the Lender, physical inspection, and on the basis of a sale for prompt delivery for cash at arm's length on normal commercial terms as between a willing buyer and a willing seller, without taking into account the benefit of any Assignable Charterparty or other engagement concerning the relevant Ship, as may be applicable. The Lender and the Borrowers agree to accept the valuation made by the Approved Shipbroker appointed as aforesaid as conclusive evidence of the Market Value of the relevant Ship at the date of such valuation and that such valuation shall constitute the Market Value of the relevant Ship for the purposes of this Clause 8.5.

The value of the relevant Ship determined in accordance with the provisions of this Clause 8.5 shall be binding upon the Borrowers and the Lender until such time as any further such valuations shall be obtained.

- (c) Information: The Borrowers undertake to the Lender to provide the Lender and any such Approved Shipbrokers such information concerning the relevant Ship and its condition as such Approved Shipbrokers may reasonably require for the purpose of making any such valuation.
- (d) Costs: All costs in connection with the Lender obtaining any valuation of each of the Ships referred to in Clause 8.5(b) (*Valuation of Ships*), and any valuation of any additional security for the purposes of ascertaining the Security Value at any time or necessitated by the Borrowers electing to constitute additional security pursuant to Clause 8.5(a)(ii) and all legal and other expenses incurred by the Lender in connection with any matter arising out of this Clause 8.5 shall be borne by the Borrowers.
- (e) Valuation of additional security: For the purpose of this Clause 8.5, the market value of any additional security provided or to be provided to the Lender shall be determined by the Lender in its absolute discretion without any necessity for the Lender assigning any reason thereto and if such security consists of a vessel shall be that shown by a valuation complying with the requirements of Clause 8.5(b) (*Valuation of Ships*) (whereas the costs shall be borne by the Borrowers in accordance with Clause 8.5(d) (*Costs*)) or if the additional security is in the form of a cash deposit full credit shall be given for such cash deposit on a Dollar for Dollar basis.
- (f) Documents and evidence: In connection with any additional security provided in accordance with this Clause 8.5, the Lender shall be entitled to receive such evidence and documents of the kind referred to in Clause 7.1 (*Conditions precedent to the execution of this Agreement*) as may in the Lender's opinion be appropriate and such favourable legal opinions as the Lender shall in its absolute discretion require.

8.6 Sanctions

- (a) Without limiting Clause 8.7(*Compliance with laws etc.*), each of the Borrowers hereby undertakes with the Lender that, from the date of this Agreement and until the date that the Outstanding Indebtedness is paid in full, it shall ensure that none of the Ships:
 - (i) will be used by or for the benefit of a Sanctions Restricted Person contrary to Sanctions; and/or
 - (ii) will be used in trading in any Sanctions Restricted Jurisdiction or in any manner contrary to Sanctions; and/or
 - (iii) will be traded in any manner which would trigger the operation of any sanctions limitation or exclusion clause (or similar) in the Insurances.

- (b) Each Borrower shall:
 - (i) not directly or to its knowledge (after reasonable enquiry) indirectly use or permit to be used all or any part of the proceeds of the Loan, or lend, contribute or otherwise make available such proceeds directly or to its knowledge (after reasonable enquiry) indirectly, to any person or entity (i) to finance or facilitate any activity or transaction of or with any Sanctions Restricted Person contrary to Sanctions or in any Sanctions Restricted Jurisdiction, or (ii) in any other manner that would result in a violation of any Sanctions by any Party;
 - (ii) shall not fund all or part of any payment under the Loan out of proceeds derived directly or to its knowledge (after reasonable enquiry) indirectly from any activity or transaction with a Sanctions Restricted Person contrary to Sanctions or in a Sanctions Restricted Jurisdiction or which would otherwise cause any party to be in breach of any Sanctions; and
 - (iii) procure that no proceeds to its knowledge (after reasonable enquiry) from activities or business with a Sanctions Restricted Person contrary to Sanctions or in a Sanctions Restricted Jurisdiction are credited to any of the Accounts.

8.7 Compliance with laws etc.

Each of the Borrowers shall:

- (a) comply, or procure compliance with all applicable laws or regulations by the relevant Security Party:
 - (i) relating to its respective business generally; and
 - (ii) relating to its Ship, its ownership, employment, operation, management and registration including, but not limited to, the ISM Code, the ISPS Code, all Environmental Laws and the laws of the Approved Flag State; and
 - (iii) all applicable Sanctions;
- (b) obtain, comply with and do all that is necessary to maintain in full force and effect any Environmental Approvals; and
- (c) without limiting paragraph (a) above, not employ its Ship nor allow its employment, operation or management in any manner contrary to any law or regulation including, but not limited to, the ISM Code, the ISPS Code and all Environmental Laws which has or is likely to have a Material Adverse Effect on any of the Security Parties.

8.8 Financial covenants-Compliance Certificate

- (a) Financial covenants-Compliance Certificate: the Borrowers will ensure that:
 - (i) for the duration of the Security Period, the Corporate Guarantor's consolidated financial position, based on the most recent Accounting Information to comply with the financial covenants set out below:
 - aa) Corporate Liquidity: ensure that throughout the remainder of the Security Period, the Corporate Liquidity of the Corporate Guarantor's maintained with the Lending Office or other financial institutions at any relevant time in unencumbered accounts will be, at the end of any Accounting Period, in an

amount not less than Dollars Five hundred thousand (\$500,000) per Fleet Vessel; (for clarification purposes, the Pledged Deposit and any cash held in debt service reserve accounts and retention accounts and any Marketable Securities (if any) shall be taken into account in the calculation and testing of this covenant); and

bb) Corporate Leverage Ratio: the Corporate Leverage Ratio of the Corporate Guarantor, at the end of any Accounting Period, not higher than 0.70:1.0; and

(ii) Compliance Certificate: a Compliance Certificate for each Accounting Period of the Corporate Guarantor, is delivered to the Lender at twelve-month intervals commencing on 31 December, 2025 by the Borrowers within 180 days after the end of the respective Accounting Period, duly completed and supported by calculations setting out in reasonable detail the materials underling the statements made in such Compliance Certificate.

The Corporate Liquidity and the Corporate Leverage Ratio to be tested and confirmed to the Lender on each Financial Testing Day starting from 31st December, 2025 on the basis of the annual audited Financial Statements and the Compliance Certificate to be delivered to the Lender as per Clause 8.1(f) (*Financial statements-Compliance Certificate*).

(b) Construction: The expressions used in this Clause 8.8 shall be construed in accordance with law and accounting principles internationally accepted as used in the Accounting Information produced in accordance with Clause 8.1(f) (*Financial statements-Compliance Certificate*).

(c) Definitions: For the purposes of this Agreement:

“Accounting Information” means the annual audited consolidated financial statements of the Corporate Guarantor and the interim semi-annual un-audited financial statements of the Corporate Guarantor, to be provided by the Borrowers to the Lender in accordance with Clause 8.1(f) (*Financial Statements-Compliance Certificate*);

“Accounting Period” means each Financial Year falling during the Security Period for which the Accounting Information is required to be delivered to the Lender pursuant to Clause 8.1(f) (*Financial Statements-Compliance Certificate*);

“Cash” and **“Cash Equivalents”** means, at any relevant time, the aggregate of cash in hand or on deposit with any prime international bank and any Marketable Securities;

“Corporate Leverage Ratio” means, in respect of an Accounting Period, the ratio of the Total Debt (after deducting all Cash and Cash Equivalents and restricted cash) to the aggregate Total Assets provided however that the Fleet Vessels included in Total Assets should be adjusted to their market values which shall be valued by an Approved Shipbroker;

“Corporate Liquidity” in relation to the Corporate Guarantor means, in respect of an Accounting Period, the sum of Cash and Cash Equivalents and any Marketable Securities;

“Financial Testing Day” means the Testing Day on which the Corporate Leverage Ratio of the

Corporate Guarantor shall be tested as provided in this Clause 8.8 (together, the “*Financial Semester Testing Days*”);

“Fleet Market Value” means, as of the date of calculation, the aggregate market value of all the Fleet Vessels as determined in accordance with the provisions (*mutatis-mutandis*) of Clause 8.5(b) (*Valuation of Vessel*) of this Agreement;

“Fleet Vessels” means, together, all of the vessels (including, but not limited to, the Vessel) from time to time wholly owned or leased by members of the Corporate Guarantor which, at the relevant time, are included within the Total Assets of the Corporate Guarantor in the balance sheet of the Accounting Information (each a **“Fleet Vessel”**);

“Marketable Securities” means, money market instruments (such as, but not limited to, commercial paper and Treasury bills), equity securities, and investment-grade debt securities that are listed on a recognized stock exchange, provided that such securities are freely transferable and not subject to any lock-up, restriction, or Security Interest;

“Total Assets” means, in respect of an Accounting Period, the aggregate, on a consolidated basis, value of all market adjusted assets of the Corporate Guarantor included in the Accounting Information in accordance with IFRS or US GAAP; and

“Total Debt” means, in respect of an Accounting Period, the aggregate, on a consolidated basis, of the Corporate Guarantor of all short term interest bearing bank debt included in the financial statements of the Corporate Guarantor under current liabilities plus the long term interest bearing bank debt.

8.9 Covenants for the Securities Parties

Each of the Borrowers, jointly and severally with the other Borrowers, undertakes with the Lender that, from the date of this Agreement and until the full and complete payment and discharge of the Outstanding Indebtedness, it will ensure and procure that all other Security Parties and each of them duly and punctually comply, with the covenants in Clauses 8.1 (*General*), 8.3 (*Undertakings concerning the Ships*), 8.4 (*Validity of Securities - Earnings - Taxes etc.*), 8.5 (*Secured Value to Security Requirement ratio - Valuation of the Ships*), 8.6 (*Sanctions*) and 8.7 (*Compliance with laws etc.*) which are applicable to them *mutatis mutandis*.

8.10 Know your customer and money laundering compliance

Each of the Borrowers, jointly and severally with the other Borrowers, undertakes with the Lender that, from the date of this Agreement and until the full and complete payment and discharge of the Outstanding Indebtedness, it will provide the Lender, or procure the provision of, such documentation and other evidence as the Lender shall from time to time require, based on applicable law and regulations from time to time and the Lender’s own internal guidelines from time to time to identify the each of the Borrowers and the other Security Parties, including the disclosure in writing of the ultimate legal and beneficial owner or owners of such entities, and any other persons involved or affected by the transaction(s) contemplated by this Agreement in order for the Lender to carry out and be satisfied it has complied with all necessary “*know your customer*” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

9. EVENTS OF DEFAULT

9.1

Events

There shall be an Event of Default if:

- (a) Non-payment: any Security Party fails to pay any sum payable by it under any of the Finance Documents at the time, in the currency and in the manner stipulated in the Finance Documents (and so that, for this purpose, sums payable on demand shall be treated as having been paid at the stipulated time if paid within five (5) Business Days of demand and other sums due shall be treated as having been paid at the stipulated time if paid within two (2) Business Days of its falling due); or
- (b) Breach of Insurance and certain other obligations: any of the Borrowers fails to obtain and/or maintain the Insurances (as defined in, and in accordance with the requirements of, the Finance Documents) or if any insurer in respect of such Insurances cancels the Insurances or disclaims liability by reason, in either case, of mis-statement in any proposal for the Insurances or for any other failure or default on the part of the Borrowers or the Borrowers commit any material breach of or omit to observe any of the obligations or undertakings expressed to be assumed by them under Clause 8 (Undertakings); or
- (c) Breach of other obligations: any Security Party commits any breach of or omits to observe any of its obligations or undertakings expressed to be assumed by it under any of the Finance Documents (other than those referred to in Clauses 9.1(a) (Non-payment) and 9.1(b) (Breach of Insurance and certain other obligations) above) and, in respect of any such breach or omission which in the opinion of the Lender is capable of remedy, such action as the Lender may require shall not have been taken within fifteen (15) days of the Lender notifying in writing the relevant Security Party of such default and of such required action; or
- (d) Misrepresentation: any representation or warranty made or deemed to be made or repeated by or in respect of any Security Party in or pursuant to any of the Finance Documents or in any notice, certificate or statement referred to in or delivered under any of the Finance Documents is or proves to have been incorrect or misleading in any material respect; or
- (e) Cross-default: any Financial Indebtedness (other than under the Finance Documents) of any of the Borrowers (up to an

amount exceeding Five hundred thousand Dollars (\$500,000) and the Corporate Guarantor (up to an amount exceeding Four million Dollars (\$4,000,000)) is not paid when due (unless contested in good faith) or any Financial Indebtedness (other than under the Finance Documents) of any of the Borrowers and the Corporate Guarantor becomes (whether by declaration or automatically in accordance with the relevant agreement or instrument constituting the same) due and payable prior to the date when it would otherwise have become due (unless as a result of the exercise by that Borrower or the Corporate Guarantor of a voluntary right of prepayment), or the Lender becomes entitled to declare any such Financial Indebtedness due and payable or any facility or commitment available to any of the Borrowers and the Corporate Guarantor relating to such Financial Indebtedness is withdrawn, suspended or cancelled by reason of any default (however described) of the person concerned, unless the relevant Security Party shall have satisfied the Lender that such withdrawal, suspension or cancellation will not affect or prejudice in any way the relevant Security Party's ability to pay its debts as they fall due, or any guarantee given by any of the Borrowers and the Corporate Guarantor in respect of such Financial Indebtedness is not honoured when due and called upon; or

- (f) Legal process: any judgment or order made or commenced in good faith by a person against any of the Borrowers and the Corporate Guarantor is not stayed or complied with within thirty (30) days or a good faith creditor attaches or takes possession of, or a distress, execution, sequestration or other *bonafide* process is levied or enforced upon or sued out against, any of the undertakings, assets, rights or revenues of any of the Borrowers and the Corporate Guarantor and is not discharged, or bail is lodged in respect thereof, within thirty (30) days within; or
- (g) Insolvency: any Security Party becomes insolvent or stops or suspends making payments (whether of principal or interest) with respect to all or any class of its debts or announces an intention to do so; or
- (h) Reduction or loss of capital: a meeting is convened by any of the Borrowers for the purpose of passing any resolution to purchase, reduce or redeem any of its share capital; or
- (i) Winding up: any petition is presented or other step is taken for the purpose of winding up any Security Party or an order is made or resolution passed for the winding up of any Security Party or a notice is issued convening a meeting for the purpose of passing any such resolution; or
- (j) Administration: any *bonafide* petition is presented or other step is taken for the purpose of the appointment of an administrator of any Security Party or the Lender believes that any such petition or other step is imminent or an administration order is made in relation to any Security Party; or
- (k) Appointment of receivers and managers: any administrative or other receiver is appointed of any Security Party or any part of its assets and/or undertaking or any other steps are taken to enforce any Security Interest over all or any part of the assets of any such Security Party; or
- (l) Compositions: any steps are taken, or negotiations commenced, by any Security Party or by any of its creditors with a view to the general readjustment or rescheduling of all or part of its indebtedness or to proposing any kind of composition, compromise or arrangement involving such company and any of its creditors provided, however, that if the Borrowers are able to provide such evidence as is satisfactory in

all respects to the Lender that such rescheduling will not relate to any payment default or anticipated default the same shall not constitute an Event of Default; or

(m)

Analogous proceedings: there occurs, in relation to any Security Party, in any country or territory in which any of them carries on business or to the jurisdiction of whose courts any part of their assets is subject, any event which, in the opinion of the Lender, appears in that country or territory to correspond with, or have an effect equivalent or similar to, any of those mentioned in Clauses 9.1(f) (*Legal process*) to (l) (*Compositions*) (inclusive) or any Security Party otherwise becomes subject, in any such country or territory, to the operation of any law relating to insolvency, bankruptcy or liquidation and, in respect of any such event which in the opinion of the Lender is capable of remedy, such action as the Lender may require shall not have been taken within thirty(30) days of the Lender notifying in writing the relevant Security Party of such required action; or

(n)

Cessation of business: any Security Party suspends or ceases or threatens to suspend or cease to carry on its business; or

- (o) Seizure: all or a material part of the undertaking, assets, rights or revenues of, or shares or other ownership interests in, any Security Party are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any government; and the respective Security Party fails to procure for its release within a period of sixty (60) days; or
- (p) Consents: any consent, authorisation, licence or approval of, or registration with or declaration to, governmental or public bodies or authorities or courts required by any Security Party to authorise or otherwise in connection with, the execution, delivery, validity, enforceability or admissibility in evidence of this Agreement and/or any of the other Security Documents or the performance by the Security Parties of their respective obligations under this Agreement and/or any of the other Finance Documents is modified in a manner unacceptable to the Mortgagee, acting reasonably and in good faith and only to the extent it materially affects the performance by the Security Parties of their respective obligations under this Agreement and/or any of the other Finance Documents, or is not granted or is revoked, or terminated or expires and is not renewed or otherwise ceases to be in full force and effect; or
- (q) Invalidity: any of the Finance Documents shall at any time and for any reason become invalid or unenforceable or otherwise cease to remain in full force and effect, or if the validity or enforceability of any of the Finance Documents shall at any time and for any reason be contested by any Security Party which is a party thereto, or if any such Security Party shall deny that it has any, or any further, liability thereunder; or
- (r) Unlawfulness: it becomes impossible or unlawful at any time for any Security Party, to fulfil any of the covenants and obligations expressed to be assumed by it in any of the Finance Documents or for the Lender to exercise the rights or any of them vested in it under any of the Finance Documents or otherwise; or
- (s) Repudiation: any Security Party repudiates any of the Finance Documents or does or causes or permits to be done any act or thing evidencing an intention to repudiate any of the Finance Documents; or
- (t) Security Interests enforceable: any Security

Interest (other than Permitted Security Interest) in respect of any of the property (or part thereof) which is the subject of any of the Finance Documents becomes enforceable; or

(u)

Arrest: any of the Ships is arrested, confiscated, seized, taken in execution, impounded, forfeited, detained in exercise or purported exercise of any possessory lien or other claim or otherwise taken from the possession of its Owner and such Owner shall fail to procure the release of that Ship within a period of thirty (30) days thereafter; or

(v)

Registration: the registration of any of the Ships under the laws and flag of the relevant Approved Flag State is cancelled or terminated without the prior written consent of the Lender and the Owner shall not have register that Ship under an Approved Flag within thirty (30) days of the date of such cancellation or termination, or if the relevant Ship is only provisionally registered on the Drawdown Date and is not permanently registered under the laws and flag of the Approved Flag State at least thirty (30) days prior to the deadline for completing such permanent registration; or

- (w) Unrest: the Approved Flag State of a Ship becomes involved in hostilities or civil war or there is a seizure of power in such Approved Flag State by unconstitutional means if, in any such case, (a) such event could in the opinion of the Lender reasonably be expected to have a Material Adverse Effect on the security constituted by any of the Finance Documents and (b) the relevant Owner has failed within thirty (30) days from receiving notice from the Lender to this effect (which notice shall have been sent following consultation with the Borrowers) to (i) delete the relevant Ship from its Approved Flag State and (ii) re-register the relevant Ship under another Approved Flag State approved by the Lender in its sole discretion through a relevant Registry, in each case, at the Borrowers' cost and expense; or
- (x) Environment: any Borrower or any other Security Party or any Approved Manager fails to comply with any Environmental Law or any Environmental Approval or any of the Ships is involved in any incident which gives rise or which may give rise to any Environmental Claim, if in any such case, such non-compliance or incident or the consequences thereof could (in the reasonable opinion of the Lender) be expected to have a material adverse change as described hereinbelow under paragraph (u); or
- (y) Change of control : there has been a **change of control** directly or indirectly in the Borrowers (or any of them) or any share therein or of any Ship or of the Corporate Guarantor as a result of which any of the Borrowers and the Corporate Guarantor ceases to remain in the control of the Beneficial Shareholders disclosed to the Lender prior to the date of this Agreement or any Ship ceases to remain 100% owned by the Owner thereof; or
- (z) Change of Management: any Ship ceases to be managed by any Approved Manager (for any reason other than the reason of a Total Loss or sale of that Ship) without the approval of the Lender and the Owner thereof fails to appoint another Approved Manager prior to the termination of the mandate with the previous Approved Manager; or
- (aa) Deviation of Earnings: any Earnings of any of the Ships are not paid to the relevant Operating Account for any reason whatsoever (other than with the Lender's prior written consent); or

(bb) Operating Account: any monies are withdrawn from the Operating Accounts (or any of them) other than in accordance with Clauses 8.4(b) (Earnings) and 13 (Operating Accounts); or

(cc) Material events: any other event or events (whether related or not) occurs or circumstance arises which constitutes a Material Adverse Change, from the position applicable as at the date of this Agreement, in the business, affairs or financial condition of any Security Party (including any such material adverse change resulting from an Environmental Incident) the effect of which is likely, in the opinion of the Lender, to impair, delay or prevent the due fulfilment by any Security Party of any of its respective obligations or undertakings contained in this Loan Agreement or any of the other Finance Documents and/or materially and adversely to affect the security created by any of the Finance Documents; or

(dd) Finance Documents: any other event of default (as howsoever described or defined therein) occurs under the Finance Documents (or any of them).

9.2 Consequences of Event of Default – Acceleration

The Lender may without prejudice to any other rights of the Lender (which will continue to be in force concurrently with the following), at any time after the happening of an Event of Default and whilst same is continuing:

- (a) by notice to the Borrowers declare that the obligation of the Lender to make the Commitment (or any part thereof) available shall be terminated, whereupon the Commitment shall be reduced to zero forthwith; and/or
- (b) by notice to the Borrowers declare that the Loan and all interest accrued and all other sums payable under the Finance Documents have become due and payable, whereupon the same shall, immediately or in accordance with the terms of such notice, become due and payable without any further diligence, presentment, demand of payment, protest or notice or any other procedure from the Lender which are expressly waived by the Borrowers; and/or
- (c) put into force and exercise all or any of the rights, powers and remedies possessed by the Lender under this Agreement and/or under any other Finance Document and/or as mortgagee of each of the Ships, mortgagee, chargee or assignee or as the beneficiary of any other property right or any other security (as the case may be) of the assets charged or assigned to it under the Finance Documents or otherwise (whether at law, by virtue of any of the Finance Documents or otherwise);

9.3

Multiple notices; action without notice

The Lender may serve notices under sub-Clauses (a) and (b) of Clause 9.2 (*Consequences of Event of Default – Acceleration*) simultaneously or on different dates and it may take any action referred to in that Clause (whether such notice is served or not) or simultaneously with or at any time after service of both or either of such notices, it being understood and agreed that the non-service of a notice in respect of an Event of Default hereunder, or under any of the Finance Documents (whether known to the Lender or not), shall not be construed to mean that the Event of Default shall cease to exist and bring about its lawful consequences.

9.4

Demand basis

If, pursuant to Clause 9.2(b), the Lender declares the Loan to be due and payable on demand, the Lender may by written notice to the Borrowers (a) call for repayment of the Loan on such date as may be specified whereupon the Loan shall become due and payable on the date so specified together with all interest accrued and all other sums payable under this Agreement or (b) withdraw such declaration with effect from the date specified in such notice.

9.5

Proof of Event of Default

It is agreed that (i) the non-payment of any sum of money in time will be proved conclusively by mere passage of time beyond the relevant due date and (ii) the occurrence of this (non-payment) shall be proved conclusively by a mere written statement of the Lender (in the absence of manifest error and in absence of willful misconduct).

9.6

Exclusion of Lender's liability

Neither the Lender nor any receiver or manager appointed by the Lender, shall have any liability to the Borrowers or a Security Party:

- (a) for any loss caused by an exercise of rights under, or enforcement of an Security Interest created by, a Finance Document or by any failure or delay to exercise such a right or to enforce such an Security Interest; or
- (b) as mortgagee in possession or otherwise, for any income or principal amount which might have been produced by or realised from any asset comprised in such an Security Interest or for any reduction (however caused) in the value of such an asset,

except that this does not exempt the Lender or a receiver or manager from liability for losses shown to have been caused by the wilful misconduct or gross negligence of the Lender's own officers and employees or (as the case may be) such receiver's or manager's own partners or employees.

10. INDEMNITIES - EXPENSES – FEES

10.1

Miscellaneous indemnities

The Borrowers shall on demand (and it is hereby expressly undertaken by the Borrowers to) indemnify the Lender, without prejudice to any of the other rights of the Lender under any of the Finance Documents, against any loss (including loss of the Applicable Margin and any Break Costs) or expense which the Lender shall certify as sustained or incurred as a consequence of:

- (a) any default in payment by any of the Security Parties of any sum under any of the Finance Documents when due;
- (b) the occurrence of any Event of Default which is continuing;
- (c) any prepayment of the Loan or part thereof being made under Clauses 4.2 (*Voluntary Prepayment*) and 4.3 (*Compulsory Prepayment in case of Total Loss or sale of a Ship*), 8.5(a) (*Security shortfall-Additional Security*), Clause 12.1 (*Unlawfulness*) or Clause 12.5 (*Option to prepay*) or any other repayment of the Loan or part thereof being made otherwise than on an Interest Payment Date relating to the part of the Loan prepaid or repaid; or
- (d) the Commitment not being advanced for any reason (excluding any default by the Lender and any reason specified in Clauses 3.6 (*Market disruption*), 4.3(a) (*Total Loss of a Mortgaged Ship*) or 12.1 (*Unlawfulness*) after the Drawdown Notice has been given, including, in any such case, but not limited to, any loss or expense sustained or incurred in maintaining or funding the Loan or any part thereof or in liquidating or re-employing deposits from third parties acquired to effect or maintain the Loan or any part thereof.
- (e) The Borrowers shall fully indemnify the Lender on its demand, without prejudice to any of its other rights under any of the Finance Documents, in respect of all claims, liabilities, losses or other Expenses which may be made or brought against or sustained or incurred by the Lender, in any country, as a result of or in connection with:
 - (i) any action taken, or omitted or neglected to be taken, under or in connection with any Finance Document by the Lender or by any receiver appointed under a Finance Document; or

- (ii) acting or relying on any notice, request or instruction which the Lender reasonably believes to be genuine, correct and appropriately authorised,

other than claims, liabilities, losses or other Expenses, which are shown to have been directly and principally caused by the willful misconduct or gross negligence of the officers or employees of the Lender.

Without prejudice to its generality, this Clause 10.1 covers any claims, expenses, liabilities and losses which arise, or are asserted, under or in connection with any law relating to safety at sea, the ISM Code, the ISPS Code, any Environmental Law and any Sanctions.

10.2

Expenses

The Borrowers shall (and it is hereby expressly undertaken by the Borrowers to) pay to the Lender on demand:

- (a) Initial and Amendment expenses: all expenses (including reasonable legal, printing and out-of-pocket expenses) reasonably incurred by the Lender in connection with the negotiation, preparation and execution of this Agreement and the other Finance Documents and of any amendment or extension of or the granting of any waiver or consent under this Agreement and/or any of the Finance Documents and/or in connection with any proposal by the Borrowers to constitute additional security pursuant to Clause 8.5(a) (*Security shortfall - Additional Security*), whether any such security shall in fact be constituted or not;
- (b) Enforcement expenses: all expenses (including reasonable legal and out-of-pocket expenses) incurred by the Lender in contemplation of, or otherwise in connection with, the enforcement of, or preservation of any rights under, this Agreement and/or any of the other Finance Documents, or otherwise in respect of the monies owing under this Agreement and/or any of the other Finance Documents or the contemplation or preparation of the above, whether they have been effected or not;
- (c) Legal costs: the legal costs of the Lender's appointed lawyers, in respect of the preparation of this Agreement and the other Finance Documents as well as the legal costs of the foreign lawyers (if these are available) in respect of the registration of the Finance Documents or any search or opinion given to the Lender in respect of the Security Parties or the Ships or the Finance Documents. The said legal costs shall be due and payable on the Drawdown Date; and
- (d) Other expenses: any and all other Expenses.

10.3

Break Costs

If as a consequence of receipt or recovery of all or any part of the Loan (a "**Payment**") on a day other than the last day of an Interest Period applicable to the sum received or recovered the Lender has or will, with effect from a specified date, incur Break Costs:

- (a) the Lender shall promptly notify the Borrowers;
- (b) the Borrowers shall, within five Business Days of the Lender's demand, pay to the Lender the amount of

such Break Costs; and

- (c) the Lender shall, as soon as reasonably practicable (and in any event within five (5) Business Days, following a request by the Borrowers, provide a certificate confirming the amount of the Lender's Break Costs for the Interest Period in which they accrue, such certificate to be, in the absence of manifest error, conclusive and binding on the Borrowers.

In this Clause 10.3, "**Break Costs**" means, in relation to a Payment the amount (if any) by which:

- (i) the interest (excluding the Applicable Margin) which the Lender, should have received in accordance with Clause 3(*Interest*) in respect of the sum received or recovered from the date of receipt or recovery of such Payment to the last day of the then current Interest Period applicable to the sum received or recovered had such Payment been made on the last day of such Interest Period;

exceeds

(ii)

the amount which the Lender, would be able to obtain by placing an amount equal to such Payment on deposit with a leading bank for a period commencing on the Business Day following receipt or recovery of such Payment (as the case may be) and ending on the last day of the then current Interest Period applicable to the sum received or recovered.

10.4 Value Added Tax

All fees and expenses payable pursuant to this Clause 10 shall be paid together with value added tax or any similar tax (if any) properly chargeable thereon. Any value added tax chargeable in respect of any services supplied by the Lender under this Agreement shall, on delivery of the value added tax invoice, be paid in addition to any sum agreed to be paid hereunder.

10.5

Stamp duty etc.

The Borrowers shall pay any and all stamp, registration and similar taxes or charges (including those payable by the Lender) imposed by governmental authorities in relation to this Agreement and any of the other Finance Documents, and shall indemnify the Lender against any and all liabilities with respect to, or resulting from delay or omission on the part of the Borrowers to pay such stamp taxes or charges.

10.6

Environmental Indemnity

The Borrowers shall indemnify the Lender on demand and hold the Lender harmless from and against all costs, expenses, payments, charges, losses, demands, liabilities, actions, proceedings (whether civil or criminal) penalties, fines, damages, judgements, orders, sanctions or other outgoings of whatever nature which may be suffered, incurred or paid by, or made or asserted against the Lender at any time, whether before or after the repayment in full of principal and interest under this Agreement, relating to, or arising directly or indirectly in any manner or for any cause or reason out of an Environmental Claim made or asserted against the Lender if such Environmental Claim would not have been, or been capable of being, made or asserted against the Lender if it had not entered into any of the Finance Documents and/or exercised any of its rights, powers and discretions thereby conferred and/or performed any of its obligations thereunder and/or been involved in any of the transactions contemplated by the Finance Documents.

10.7

Currency Indemnity

If any sum due from the Borrowers under any of the Finance Documents or any order or judgement given or made in relation hereto has to be converted from the currency (the “*first currency*”) in which the same is payable under the relevant Finance Document or under such order or judgement into another currency (the “*second currency*”) for the purpose of (i) making or filing a claim or proof against the Borrowers or any other Security Party, as the case may be or (ii) obtaining an order or judgement in any court or other tribunal or (iii) enforcing any order or judgement given or made in relation to any of the Finance Documents, the Borrowers shall (and it is hereby expressly undertaken by the Borrowers to) indemnify and hold harmless the Lender from and against any loss suffered as a result of any difference between (a) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (b) the rate or rates of exchange at which the Lender may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgement, claim or proof. The term “*rate of exchange*” includes any premium and costs of

exchange payable in connection with the purchase of the first currency with the second currency.

10.8 Central Bank or European Central Bank reserve requirements indemnity

The Borrowers shall on demand promptly indemnify the Lender against any cost incurred or loss suffered by the Lender as a result of its complying with the minimum reserve requirements of the European Central Bank and/or with respect to maintaining required reserves with the relevant national Central Bank to the extent that such compliance relates to the Commitment or deposits obtained by it to fund the whole or part of the Loan and to the extent such cost or loss is not recoverable by such Lender under Clause 12.2 (*Increased cost*).

10.9 Maintenance of the Indemnities

The indemnities contained in this Clause 10 shall apply irrespective of any indulgence granted to the Borrowers or any other party from time to time and shall continue to be in full force and effect notwithstanding any payment in favour of the Lender and any sum due from the Borrowers under this Clause 10 will be due as a separate debt and shall not be affected by judgement being obtained for any other sums due under any one or more of this Agreement, the other Finance Documents and any other documents executed pursuant hereto or thereto.

10.10 MII costs

The Borrowers shall reimburse the Lender on demand for any and all costs incurred by the Lender (as conclusively certified by the Lender) in effecting and keeping effected (a) a Mortgagee's Interest Insurance (herein "*MI*"), which the Lender may at any time effect for an amount equal to **120%** of the Loan and on such terms and with such insurers as shall from time to time be determined by the Lender, provided, however, that the Lender shall in its absolute discretion appoint and instruct in respect of any such MII the insurance brokers in respect of such Insurance and provided, further, that in the event that the Lender effects any such Insurance on the basis of any mortgagee's open cover, the Borrowers shall pay on demand to the Lender its proportion of premium due in respect of the Ship(s) for which such insurance cover has been effected by the Lender, and any certificate of the Lender in respect of any such premium due by the Borrowers shall (save for manifest error) be conclusive and binding upon the Borrowers.

10.11 Communications Indemnity

It is hereby agreed in connection with communications that:

- (a) Express authority is hereby given by the Borrowers to the Lender to accept all tested or untested communications given by electronic mail or otherwise, regarding any or all of the notices, requests, instructions or other communications under this Agreement, subject to any restrictions imposed by the Lender relating to such communications including, without limitation (if so required by the Lender), the obligation to confirm such communications by letter.
- (b) The Borrowers shall recognise any and all of the said notices, requests, instructions or other communications as legal, valid and binding, when these notices, requests, instructions or communications come from the electronic address mentioned in Clause 17.1 (*Notices*) or any other electronic address usually used by it or its managing company and are duly signed or in case of emails are duly sent by the person appearing to be sending such notice, request, instruction or other communication.

- (c) The Borrowers hereby assume full responsibility for the execution of the said notices, requests, instructions or communications and promise and recognise that the Lender shall not be held responsible for any loss, liability or expense that may result from such notices, requests, instructions or other communications. It is hereby undertaken by the Borrowers to indemnify in full the Lender from and against all actions, proceedings, damages, costs, claims, demands, expenses and any and all direct and/or indirect losses which the Lender may suffer, incur or sustain by reason of the Lender following such notices, requests, instructions or communications.
- (d) With regard to notices, requests, instructions or communications issued by electronic and/or mechanical processes (e.g. by facsimile or electronic mail), the risk of equipment malfunction, including, without limitation, paper shortage, transmission errors, omissions and distortions is assumed fully and accepted by the Borrowers, unless caused by the Lender's gross negligence or willful misconduct.
- (e) The risks of misunderstandings and errors resulting from notices, requests, instructions or communications being given as mentioned above, are for the Borrowers and the Lender will be indemnified in full pursuant to this Clause save in case of Lender's gross misconduct.
- (f) The Lender shall have the right to ask the Borrowers to furnish any information the Lender may require to establish the authority of any person purporting to act on behalf of the Borrowers for these notices, requests, instructions or communications but it is expressly agreed that there is no obligation for the Lender to do so. The Lender shall be fully protected in, and the Lender shall incur no liability to the Borrowers for acting upon the said notices, requests, instructions or communications which were believed by the Lender in good faith to have been given by the Borrowers or by any of its authorised representative(s).
- (g) It is undertaken by the Borrowers to use its best endeavours to safeguard the function and the security of the electronic and mechanical appliance(s), as well as the code word list, if any, and to take adequate precautions to protect such code word list from loss and to prevent its terms becoming known to any persons not directly concerned with its use. The Borrowers shall hold the Lender harmless and indemnified from all claims, losses, damages and expenses which the Lender may incur by reason of the failure of the Borrowers to comply with the obligations under this Clause 10.11.

10.12**Electronic communication**

Any communication from the Lender made by electronic means will be sent unsecured and without electronic signature, however, the Borrowers may request the Lender at any time in writing to change the method of electronic communication from unsecured to secured electronic mail communication.

(a)

The Borrowers hereby acknowledge and accept the risks associated with the use of unsecured electronic mail communication including, without limitation, risk of delay, loss of data, confidentiality breach, forgery, falsification and malicious software. The Lender shall not be liable in any way for any loss or damage or any other disadvantage suffered by the Borrowers resulting from such unsecured electronic mail communication.

- (b) If the Borrowers (or any of them) or any other Security Party wish to cease all electronic communication, they shall give written notice to the Lender accordingly after receipt of which notice the Parties shall cease all electronic communication.

(c) For as long as electronic communication is an accepted form of communication, the Parties shall:

- (i) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
- (ii) notify each other of any change to their respective addresses or any other such information supplied to them; and
- (iii) in case electronic communication is sent to recipients with the domain<*@castorships.com*>, the parties shall without undue delay inform each other if there are changes to the said domain or if electronic communication shall thereafter be sent to individual e-mail addresses.

10.13

FATCA Deduction

- (a) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.
- (b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the Party to whom it is making the payment.

10.14

FATCA status

- (a) Subject to Clause 10.14(c) below, each party shall, within ten Business Days of a reasonable request by another party:
 - (i) confirm to that other party whether it is:
 - (aa) a FATCA Exempt Party; or
 - (bb) not a FATCA Exempt Party; and
 - (ii) supply to that other party such forms, documentation and other information relating to its status under FATCA (including its applicable passthru percentage or other information required under the Treasury Regulations or other official guidance including intergovernmental agreements) as that other party reasonably requests for the purposes of that other party's compliance with FATCA.
- (b) If a party confirms to another party pursuant to Clause 10.14(a)(i) above that it is a FATCA Exempt Party

and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, that party shall notify that other party reasonably promptly.

- (c) Clause 10.14(a)(i) above shall not oblige the Lenders or the Lender to do anything which would or might in its reasonable opinion constitute a breach of:

- (i) any law or regulation;
 - (ii) any policy of the relevant Lender;
 - (iii) any fiduciary duty; or
 - (iv) any duty of confidentiality.
- (d) If a party fails to confirm its status or to supply forms, documentation or other information requested in accordance with Clause 10.14(a) above (including, for the avoidance of doubt, where Clause 10.14(c) above applies), then:
- (i) if that party failed to confirm whether it is (and/or remains) a FATCA Exempt Party then such party shall be treated for the purposes of the Finance Documents as if it is not a FATCA Exempt Party; and
 - (ii) if that party failed to confirm its applicable passthru percentage then such party shall be treated for the purposes of the Finance Documents (and payments made thereunder) as if its applicable passthru percentage is 100%,
- until (in each case) such time as the party in question provides the requested confirmation, forms, documentation or other information.

10.15 Fees

- (a) Arrangement fee: The Borrowers shall pay to the Lender an arrangement fee in an amount equal to one per cent (1.00%) of the amount of the Loan as at the Drawdown Date payable on the date hereof.
- (b) Commitment Fee: The Borrowers shall pay to the Lender quarterly in arrears during the period from (and including) the date of this Agreement to the earlier of (i) the last day of the Availability Period, (ii) the Drawdown Date and (iii) the date on which the Lender receives the Borrowers' written notification that they cancel the undrawn part of the Commitment, a commitment fee at the rate of zero point seven five per cent. (0.75%) per annum (the "**Commitment Fee**") on the undrawn and uncanceled amount of the Commitment.
- (c) Non-refundable: The Arrangement Fee and the Commitment Fee shall be payable by the Borrowers to the Lender irrespective of utilisation/cancellation in part or in whole of the Commitment and shall be non-refundable.

11. SECURITY, APPLICATION, SET-OFF

11.1 Securities

As security for the due and punctual repayment of the Loan and payment of interest thereon as provided in this Agreement and of all other Outstanding Indebtedness, the Borrowers shall ensure and procure that the Security Documents are duly executed and, where required, registered in favour of the Lender in form and substance satisfactory to the Lender at the time specified herein or otherwise as required by the Lender and ensure that such security consists, on the Drawdown Date in respect of the Loan, of the Security Documents.

11.2 Maintenance of Securities

It is hereby undertaken by the Borrowers that the Finance Documents shall both at the date of execution and delivery thereof and so long as any monies are owing and/or due under this Agreement and/or under the other Finance Documents be valid and binding obligations of the respective Security Parties thereto and rights of the Lender enforceable in accordance with their respective terms and that they will, at the expense of the

Borrowers, execute, sign, perfect and do any and every such further assurance, document, act, omission or thing as in the opinion of the Lender may be necessary or desirable for perfecting the security contemplated or constituted by the Finance Documents.

11.3

Application of receipts

- (a) Order of application: Except as any Finance Document may otherwise provide, any sums which are received or recovered by the Lender under or pursuant to or by virtue of any of the Finance Documents and expressed to be applicable in accordance with this Clause 11.3 shall be applied by the Lender in the following manner:
 - (i) FIRST: in or towards satisfaction of any amounts then due and payable under the Finance Documents in the following order and proportions:
 - aa) Firstly, in or towards satisfaction of all amounts then due and payable to the Lender under the Finance Documents other than those amounts referred to at paragraphs b) and c) below (including, but without limitation, all amounts payable by the Borrowers under Clauses 11 (*Indemnities- Expenses-Fees*), 5.1 (*Payments – No set-off or counterclaims*) or 5.3 (*Gross Up*) of this Agreement or by the Borrowers or any Security Party under any corresponding or similar provision in any other Finance Document);
 - a) Secondly, in or towards payment of any default interest then due and payable to the Lender;
 - bb) Thirdly, in or towards payment of any arrears of interest (other than default interest) due and payable in respect of the Loan or any part thereof payable to the Lender under the Finance Documents;
 - cc) Fourthly, in or towards satisfaction of the Loan then due and payable;
 - (ii) SECOND: in retention of an amount equal to any amount not then due and payable under any Finance Document but which the Lender, by notice to the Borrowers and the Security Parties, states in its opinion will either or may become due and payable in the future and, upon those amounts becoming due and payable, in or towards satisfaction of them in accordance with the provisions of Clause 11.3(a); and
 - (iii) THIRD: the surplus (if any), after the full and complete payment of the Outstanding Indebtedness, shall be paid to the Borrowers or to any other person appearing to be entitled to it.
- (b) Notice of variation of order of application: The Lender may, by notice to the Borrowers and the Security Parties, provide, at its sole discretion, for a different order of application from that set out in Clause 11.3(a) (*Order of application*) either as regards a specified sum or sums or as regards sums in a specified category or categories, without affecting the obligations of the Borrowers to the Lender.
- (c) Effect of variation notice: The Lender may give notices under Clause 11.3(b) (*Notice of variation of order of application*) from time to time; and such a notice may be stated to apply not only to sums which may be received or recovered in the future, but also to any sum which has been received or recovered on or

after the third Business Day before the date on which the notice is served.

- (d) Insufficient balance: For the avoidance of doubt, in the event that such balance is insufficient to pay in full the whole of the Outstanding Indebtedness, the Lender shall be entitled to collect the shortfall from the Borrowers or any other person liable therefor.
- (e) Appropriation rights overridden: This Clause 11.3 and any notice which the Lender gives under Clause 11.3(b) (*Notice of variation of order of application*) shall override any right of appropriation possessed, and any appropriation made, by the Borrowers or any other Security Party.

11.4

Set off

- (a) Application of credit balances: Express authority is hereby given by each Borrower to the Lender without prejudice to any of the rights of the Lender at law, contractually or otherwise, at any time after an Event of Default has occurred and is continuing, but with notice to the Borrowers:

- (i) to apply any credit balance standing upon any account of each Borrower with any branch of the Lender (including, without limitation, the Operating Account and in whatever currency in or towards satisfaction of any sum due to the Lender from the Borrowers under this Agreement, the General Assignments and/or any of the other Finance Documents;

- (ii) in the name of each of the Borrowers and/or the Lender to do all such acts and execute all such documents as may be necessary or expedient to effect such application; and

- (iii) to combine and/or consolidate all or any accounts in the name of each Borrower with the Lender; and

for that purpose:

- aa) to break, or alter the maturity of, all or any part of a deposit of the Borrowers (or any of them);
 - bb) to convert or translate all or any part of a deposit or other credit balance into Dollars; and

cc)

to enter into any other transaction or make any entry with regard to the credit balance which the Lender considers appropriate.

- (b) Existing rights unaffected: The Lender shall not be obliged to exercise any right given by this Clause; and those rights shall be without prejudice and in addition to any right of set-off, combination of accounts, charge, lien or other right or remedy to which the Lender is entitled (whether under the general law or any document). For all or any of the above purposes authority is hereby given to the Lender to purchase with the monies standing to the credit of any such account or accounts such other currencies as may be necessary to effect such application. The Lender shall notify the Borrowers forthwith upon the exercise of any right of set-off giving full details in relation thereto.

12. UNLAWFULNESS, INCREASED COST, BAIL-IN

12.1 Unlawfulness

If any change in, or introduction of, any law, regulation or regulatory requirement or any request of any central bank, monetary, regulatory or other authority or any order of any court renders it unlawful or contrary to any such regulation, requirement, request or order for the Lender to advance the Commitment or the relevant part thereof (as the case may be) or to maintain or fund the Loan, notice shall be given promptly by the Lender to the Borrowers whereupon the Commitment shall be reduced to zero and the Borrowers shall be obliged to prepay the Loan either (i) forthwith or (ii) on a future specified date not being earlier than the latest date permitted by the relevant law or regulation, together with accrued interest thereon to the date of prepayment and all other sums payable by the Borrowers under this Agreement.

12.2 Increased Cost

As from the Drawdown Date, If the result of any change in, or in the interpretation, implementation or application of, or the introduction of, any law or any regulation of mandatory nature applicable to the Lender (whether or not having the force of law), including (without limitation) those relating to capital adequacy, liquidity, reserve assets, cash ratio deposits and special deposits or other banking or monetary controls or requirements which affect the manner in which the Lender allocates capital resources to its obligations hereunder (including, without limitation, those resulting from the implementation or application of or compliance with the Basel II Accord or the Basel III Accord or any Basel II Regulation or the Basel III Accord or any Basel III Regulation or any subsequent accord, regulation thereto as adopted and mandatorily enforceable in the European Union (or in the jurisdiction in which its principal or lending office under this Agreement is located if that were to be different) (collectively, “*Capital Adequacy Law*”) or compliance by the Lender with any such Capital Adequacy Law or, is to:

- (a) increase the cost to, or impose an additional cost on, the Lender or its holding company in making or keeping the Commitment available or maintaining or funding all or part of the Loan; and/or
- (b) subject the Lender to Taxes or change the basis of Taxation of the Lender with respect to any payment under any of the Finance Documents and/or
- (c) reduce the amount payable to the Lender under any of the Finance Documents; and/or
- (d) reduce the Lender’s or its holding company rate of return on its overall capital by reason of a change in the manner in which it is required to allocate capital resources to the Lender’s obligations under any of the Finance Document; and/or
- (e) require the Lender or its holding company to make a payment or forgo a return on or calculated by references to any amount received or receivable by it under any of the Finance Documents is required; and/or
- (f) require the Lender or its holding company to incur

or sustain a loss by reason of being obliged to deduct all or part of the Commitment or the Loan from its capital for regulatory purposes,

then and in each case subject to Clause 12.6 (*Exception*):

- (a) the Lender shall notify the Borrowers in writing of such event promptly upon its becoming aware of the same; and
- (b) subject to receiving five (5) Business Days prior notice, the Borrowers shall pay to the Lender the amount, which the Lender specifies, absent manifest error, (in a certificate and supporting documents setting forth and evidencing the basis of the computation of such amount provided that such certificate includes reasonable details but not including any confidential elements of the Lender or its holding company) is required to compensate the Lender and/or (as the case may be) its holding company for such liability to Taxes, cost, reduction, payment, foregone return or loss whatsoever.

For the purposes of this Clause 12 “*holding company*” means the company or entity (if any) within the consolidated supervision of which the Lender is included and “*increased costs*” does not mean:

- (a) an item attributable to a change in the rate of tax on the overall net income of the Lender; or
- (b) an item covered by the indemnity for tax in Clause 10.1 or Clause 10.13 (*FATCA Deduction*) or by Clause 11 (*set-off*).

12.3

Mitigation

If circumstances arise which would result in a notification under Clause 12.1 (*Unlawfulness*) or Clause 12.2 (*Increased Cost*), then, without in any way limiting the rights of the Lender under this Clause, the Lender shall use reasonable endeavours to either (i) where permitted refrain from or act accordingly in a manner that Clause 12.2 (*Increased Cost*) is not triggered and/or (ii) transfer all the Lender’s obligations, liabilities and rights under this agreement and the Finance Documents to another office or financial institution not affected by the circumstances, but the Lender shall not be under any obligation to take any such action if, in its opinion, to do so would or might: (a) have an adverse effect on its business, operations or financial condition; or (b) involve it in any activity which is unlawful or prohibited or any activity that is contrary to, or inconsistent with, any regulation; or involve it in any expense (unless indemnified to its satisfaction) or tax disadvantage.

12.4

Claim for increased cost

The Lender will promptly notify the Borrowers of any intention to claim indemnification pursuant to Clause 12.2 (*Increased Cost*) and such notification will be a conclusive and full evidence binding on the Borrowers as to the amount of any increased cost or reduction and the method of calculating the same and the Borrowers shall be allowed to rebut such evidence by any means of evidence save for witness. A claim under Clause 12.2 (*Increased Cost*) may be made at any time and must be discharged by the Borrowers within seven (7) days of demand. It shall not be a defence to a claim by the Lender under this Clause 12.3 that any increased cost or reduction could have been avoided by the Lender. Any amount due from the Borrowers under Clause 12.2 (*Increased Cost*) shall be due as a separate debt and shall not be affected by judgement being obtained for any other sums due under or in respect of this Agreement.

12.5**Option to prepay**

If any additional amounts are required to be paid by the Borrowers to the Lender by virtue of Clause 12.2 (*Increased Cost*), the Borrowers shall be entitled, on giving the Lender not less than fourteen (14) days prior notice in writing, to prepay (without premium or penalty) the Loan and accrued interest thereon, together with all other Outstanding Indebtedness, on the next Repayment Date. Any such notice, once given, shall be irrevocable.

12.6**Exception**

Nothing in Clause 12.2 (*Increased Cost*) shall entitle the Lender to receive any amount in respect of compensation for any such liability to Taxes, increased or additional cost, reduction, payment, foregone return or loss to the extent that the same is subject of an additional payment under Clause 5.3 (*Gross Up*).

12.7**Contractual recognition of bail-in**

Notwithstanding any other term of any Finance Document or any other agreement, arrangement or understanding between the Parties, each Party acknowledges and accepts that any liability of any Party to any other Party under or in connection with the Finance Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

- (a) any Bail-In Action in relation to any such liability, including (without limitation):
 - (i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;
 - (ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and
 - (iii) a cancellation of any such liability; and
- (b) a variation of any term of any Finance Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

13. OPERATING ACCOUNTS**13.1****General**

Each of the Borrowers undertakes with the Lender that it will:

- (a) on or before the Drawdown Date open its Operating Account; and
- (b) procure that all monies payable to that Borrower in respect of the Earnings of its Ship shall, unless and

until the Lender directs to the contrary pursuant to the relevant General Assignment, be paid to its Operating Account, free from Security Interests and rights of set off other than those created by or under the Finance Documents and, shall be held there on trust for the Lender and shall be applied as provided in Clause 13.2 (*Application of Earnings*).

13.2

Application of Earnings

(a)

Subject to the terms and conditions of the Accounts Pledge Agreement no monies shall be withdrawn from the Operating Accounts save as hereinafter provided. Subject to no Event of Default having occurred and being continuing, all monies paid to the Operating Accounts (whether being Earnings or not) after discharging the costs (if any) incurred by the Lender, in collecting such monies, shall be applied by the Lender as follows:

- (i) First: in payment of any arrears of interest and principal of the Loan due and payable and any and all other sums whatsoever which from time to time become due and payable to the Lender hereunder (such sums to be paid in such order as the Lender may in its sole discretion elect);

provided, however, that the Lender shall be entitled to withdraw the required amounts from the Operating Accounts or any time deposit substitute account under the same or different designation by breaking such time deposit in order to effect payment of any amount due and payable under “First” above;

- (ii) Second: in payment of the Operating Expenses; and

- (iii) Third: any credit balance shall be, subject to the provisions of this Agreement (including dividends restriction) and the Accounts Pledge Agreement, available to the Borrowers to be used for any purpose not inconsistent with the Borrowers’ other obligations under this Agreement.

13.3 **Interest**

Any amounts for the time being standing to the credit of the Operating Account shall bear interest at the rate from time to time offered by the Lender to its customers for Dollar deposits of similar amounts and for periods similar to those for which such amounts are likely to remain standing to the credit of the Operating Account. Such interest shall, provided that (a) the foregoing provisions of this Clause 13 shall have been complied with and (b) no Event of Default (or event which, with the giving of notice and/or lapse of time or other applicable condition, might constitute an Event of Default) shall have occurred and is continuing, be released to the Borrowers.

13.4 **Drawings from Operating Accounts**

Save as provided in Clause 13.2 (*Application of Earnings*), none of the Borrowers shall be entitled to draw from its Operating Account while an Event of Default has occurred and is continuing.

13.5 **Authorisation**

For the avoidance of doubt, the Lender shall be entitled (but not obliged) at any time, and to this respect the Lender is hereby authorised by each of the Borrowers from time to time to debit the Operating Accounts, but with notice to the Borrowers, in order to discharge any amount due and payable to the Lender under the terms of this Agreement and the Security Documents or otherwise howsoever in connection with the Loan, including, without limitation, any payment of which the Lender has become entitled to demand under Clause 9.2 (*Consequences of Event of Default – Acceleration*).

13.6 **Obligations unaffected**

Nothing herein contained shall be deemed to affect:

- (a) the liability and absolute obligation of the

Borrowers to pay interest on and to repay the Loan as provided in Clauses 3 (Interest) and 4 (Repayment-Prepayment) nor shall they constitute or be construed as constituting a manner of postponement thereof; or

- (b) any other liability or obligation of the Borrowers or any other Security Party under any Finance Document.

13.7 Relocation of Operating Accounts and Cash Collateral Account(s)

Each of the Borrowers, at its own costs and expenses, undertakes with the Lender to comply with or cause to be complied with any written requirement of the Lender from time to time as to the location or re-location of its Operating Account and/or the Cash Collateral Account and will from time to time enter into such documentation as the Lender may require in order to create or maintain a security interest in such Operating Account and/or the Cash Collateral Account.

13.8 Application on Event of Default

Upon the occurrence of an Event of Default which is continuing or at any time thereafter (whether or not notice of default been given to the Borrowers) the Lender shall be entitled to set off and apply all sums standing to the credit of the Operating Accounts (or any of them) and/or the Cash Collateral Account and accrued interest (if any), but with notice to the Borrowers, in the manner specified in Clause 11.3 (*Application of receipts*) (and express and irrevocable authority is hereby given by each of the Borrowers to the Lender so to set off by debiting its Operating Account or, as the case may be, the Cash Collateral Account accordingly by the same.

13.9 No Security Interests

The Borrowers hereby jointly and severally covenant with the Lender that the Operating Accounts and any monies therein shall not be charged, assigned, transferred or pledged nor shall there be granted by the Borrowers or suffered to arise any third party rights over or against the whole or any part of the Operating Accounts (or any of them) other than in favour of the Lender as promised herein and in the General Assignments.

13.10 Operation of Operating Accounts and the Cash Collateral Account(s)

Each Operating Account and the Cash Collateral Account shall be operated by the relevant Borrower to the degree permitted by this Agreement and the relevant General Assignment in accordance with the Lender's usual terms and conditions (full knowledge of which the Borrowers hereby acknowledges) and subject to the Lender's usual charges levied on such accounts and/or transactions conducted on such accounts (as from time to time notified by the Lender to the Borrowers).

13.11 Release

Upon payment in full of all principal, interest and all other amounts due to the Lender under the terms of this Agreement and the other Finance Documents, any balance then standing to the credit of any of the Operating Accounts and the Cash Collateral Account shall be released and paid to the relevant Borrower or to whomsoever else may be entitled to receive such balance.

14. ASSIGNMENT, TRANSFER, PARTICIPATION, LENDING OFFICE

14.1 Binding Effect

This Agreement shall be binding upon and inure to the benefit of the Lender and the Borrowers and their respective successors and assigns.

14.2 No Assignment by the Borrowers and other Security Parties

Neither the Borrowers nor any other Security Parties may assign or transfer any of its rights and/or obligations under this Agreement or any of the other Finance Documents or any documents executed pursuant to this Agreement and/or the other Finance Documents.

14.3 Assignment by the Lender

The Lender may at any time without the consent of, or consultation with, the Borrowers and the other Security Parties after giving a 60 days prior written notice to the Borrowers and the Corporate Guarantor, cause all or any part of its rights, benefits and/or obligations under this Agreement and the other Finance Documents to be assigned or transferred to (i) another branch, any Subsidiary or Affiliate of, or company controlled by, the Lender, (ii) a member of the European Central Bank System, a credit institution, a financial services institution, a financial institution, an insurance company, a social security fund, a pension fund, an investment company/trust or a special purpose company established for the purposes of securitization, (iii) a capital investment company, hedge fund, financial intermediary or special purpose vehicle associated to any of them or (iii) a trust corporation, fund or other person which regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets of which are managed or serviced by the Lender (in each case an “Assignee” or a “Transferee”), provided that the Assignee or Transferee, shall deliver to the Lender such undertaking as the Lender may approve, whereby it becomes bound by the terms of this Agreement and agrees to perform all or, as the case may be, part of the Lender’s obligations under this Agreement and provided further that the liabilities of the Borrowers under this Agreement and any other Finance Document shall not be increased as a result of any such assignment or transfer and that in the event that the Borrowers’ liabilities (actual or contingent) are increased, the Borrowers shall not be liable for any such excess.

14.4 Participation

The Lender may at any time without the consent of, or consultation with, or notice to the Borrowers sub-participate all or any part of its rights, benefits and/or obligations under this Agreement and the other Finance Documents without the consent of, or consultation with or notice to the Borrowers and the other Security Parties, provided that the liabilities of the Borrowers under this Agreement and any other Finance Document shall not be increased as a result of any such sub-participation and that in the event that the Borrowers’ liabilities (actual or contingent) are increased, the Borrowers shall not be liable for any such excess.

14.5 Cost

Any cost of such assignment or transfer or granting sub-participation shall be for the account of the Lender and/or the Assignee, Transferee or sub-participant unless any such assignment, transfer or sub-participation is undertaken at the request of the Borrowers, in which case any cost arising therefrom shall be for the account of the Borrowers.

14.6**Documenting assignments and transfers**

If the Lender assigns, transfers or in any other manner grants participation in respect of all or any part of its rights or benefits or transfers all or any of its obligations as provided in this Clause 14.6 the Borrowers undertake, immediately on being requested to do so by the Lender, to enter at the expense of the Lender into and procure that each Security Party enters into such documents as may be necessary or desirable to transfer to the Assignee, Transferee or participant all or the relevant part of the interest of the Lender in the Finance Documents and all relevant references in this Agreement to the Lender shall thereafter be construed as a reference to the Lender and/or assignee, transferee or participant of the Lender to the extent of their respective interests and, in the case of a transfer of all or part of the obligations of the Lender, the Borrowers shall thereafter look only to the Assignee, Transferee or participant in respect of that proportion of the obligations of the Lender under this Agreement assumed by such assignee, transferee or participant. Subject to the provisions of Clause 14.3 (*Assignment by the Lender*), each of the Borrowers hereby expressly consents to any subsequent transfer of the rights and obligations of the Lender and undertakes that it shall join in and execute such supplemental or substitute agreements as may be necessary to enable the Lender to assign and/or transfer and/or grant participation in respect of its rights and obligations to another branch or to one or more banks or financial institutions in a syndicate or otherwise. The cost of any such assignment shall be borne by the Lender and/or the relevant Assignee or Transferee.

14.7**Disclosure of information**

The Lender may disclose to a prospective assignee, substitute or transferee or to any other person who may propose entering into contractual relations with the Lender in relation to this Agreement such information about the Borrowers as the Lender shall consider appropriate if the Lender first procures that the relevant prospective assignee, substitute or transferee or other person (such person together with any prospective assignee, substitute or transferee being hereinafter described as the "*Prospective Assignee*") shall undertake to the Lender to keep secret and confidential and shall not, without the consent of the Borrowers, disclose to any third party any of the information, reports or documents supplied by the Lender provided, however, that the Prospective Assignee shall be entitled to disclose such information, reports or documents in the following situations:

- (a) in relation to any proceedings arising out of this Agreement or the other Finance Documents to the extent considered necessary by the Prospective Assignee to protect its interest; or
- (b) pursuant to a court order relating to discovery or otherwise; or
- (c) pursuant to any law or regulation or to any fiscal, monetary, tax, governmental or other competent authority; or
- (d) to its auditors, legal or other professional advisers.

In addition the Prospective Assignee shall be entitled to disclose or use any such information, reports or documents if the information contained therein shall have emanated in conditions free from confidentiality, bona fide from some person other than the Lender or the Borrowers.

14.8**Changes in constitution or reorganisation of the Lender**

For the avoidance of doubt and without prejudice to the provisions of Clause 14.1 (*Binding Effect*), this Agreement shall remain binding on the Borrowers and the other Security Parties notwithstanding any change

in the constitution of the Lender or its absorption in, or amalgamation with, or the acquisition of all or part of its undertaking or assets by, any other person, or any reconstruction or reorganisation of any kind, to the intent that this Agreement shall remain valid and effective in all respects in favour of any Assignee, Transferee or other successor in title of the Lender in the same manner as if such Assignee, Transferee or other successor in title had been named in this Agreement as a party instead of, or in addition to, the Lender.

14.9**Securitisation**

The Lender may include all or any part of the Loan in a securitisation (or similar transaction) pursuant to Law 3156/2003, or any other relevant legislation introduced or enacted after the date of this Agreement, without the consent of, or consultation with, but after giving 15-days notice to the Borrowers. The Borrowers will assist the Lender as necessary to achieve a successful securitisation (or similar transaction) provided that the Borrowers shall not be required to bear any third party costs related to any such securitisation (or similar transaction) and that such securitisation (or similar transaction) shall not result in an increase of the Borrowers' obligations under this Agreement and the other Security Documents and need only provide any such information which any third parties may reasonably require.

14.10**Lending Office**

The Lender shall lend through its office at the address specified in the preamble of this Agreement or through any other office of the Lender selected from time to time by it through which the Lender wishes to lend for the purposes of this Agreement. If the office through which the Lender is lending is changed pursuant to this Clause 14.10, the Lender shall notify the Borrowers promptly of such change and upon notification of any such transfer, the word "*Lender*" in this Agreement and in the other Finance Documents shall mean the Lender, acting through such branch or branches and the terms and provisions of this Agreement and of the other Finance Documents shall be construed accordingly.

15. MISCELLANEOUS

15.1**Time of essence**

Time is of the essence as regards every obligation of the Borrowers under this Agreement.

15.2 Cumulative Remedies

The rights and remedies of the Lender contained in this Agreement and the other Finance Documents are cumulative and neither exclusive of each other nor of any other rights or remedies conferred by law.

15.3**No implied waivers**

No failure, delay or omission by the Lender to exercise any right, remedy or power vested in the Lender under this Agreement and/or the other Finance Documents or by law shall impair such right or power, or be construed as a waiver of, or as an acquiescence in any default by the Borrowers, nor shall any single or partial exercise by the Lender of any power, right or remedy preclude any other or further exercise thereof or the exercise of any other power, right or remedy. In the event of the Lender on any occasion agreeing to waive any such right, remedy or power, or consenting to any departure from the strict application of the provisions of this Agreement or of any other Finance Document, such waiver shall not in any way prejudice or affect the powers conferred upon the Lender under this Agreement and the other Finance Documents or the right of the Lender thereafter to act strictly in accordance with the terms of this Agreement and the other Finance Documents. No modification or waiver by the Lender of any provision of this Agreement or of any of the other Finance Documents nor any consent by the Lender to any departure therefrom by any Security Party shall be effective unless the same shall be in writing and then shall only be effective in the specific case and for the specific purpose for which given. No notice to or demand on any such party in any such case shall entitle such party to any other or further notice or demand in similar or other circumstances.

15.4

Recourse to other security

The Lender shall not be obliged to make any claim or demand or to resort to any Finance Document or other means of payment now or hereafter held by or available to it for enforcing this Agreement or any of the other Finance Documents against the Security Parties (or any of them) or any other person liable and no action taken or omitted by the Lender in connection with any such Finance Document or other means of payment will discharge, reduce, prejudice or affect the liability of any Security Party under this Agreement and the other Finance Documents to which it is, or is to be, a party.

15.5 Integration of Terms

This Agreement contains the entire agreement of the parties and its provisions supersede the provisions of the Commitment Letter (save for the provisions thereof which relate to fees) and any and all other prior correspondence and oral negotiation by the parties in respect of the matters regulated by this Agreement.

15.6 Amendments

This Agreement and any other Finance Documents shall not be amended or varied in their respective terms by any oral agreement or representation or in any other manner other than by an instrument in writing of even date herewith or subsequent hereto executed by or on behalf of the parties hereto or thereto.

15.7 Invalidity of Terms

In the event of any provision contained in one or more of this Agreement, the other Finance Documents and any other documents executed pursuant hereto or thereto being invalid, illegal or unenforceable in any respect under any applicable law in any jurisdiction whatsoever, such provision shall be ineffective as to that jurisdiction only without affecting the remaining provisions hereof or thereof. If, however, this event becomes known to the Lender prior to the drawdown of the Commitment or of any part thereof the Lender shall be entitled to refuse drawdown until this discrepancy is remedied. In case that the invalidity of a part results in the invalidity of the whole Agreement, it is hereby agreed that there will exist a separate obligation of the Borrowers for the prompt payment to the Lender of all the Outstanding Indebtedness. Where, however, the provisions of any such applicable law may be waived, they are hereby waived by the parties hereto to the full extent permitted by the law to the intent that this Agreement, the other Finance Documents and any other documents executed pursuant hereto or thereto shall be deemed to be valid binding and enforceable in accordance with their respective terms.

15.8 Language and genuineness of documents

- (a) Language: All certificates, instruments and other documents to be delivered under or supplied in connection with this Agreement or any of the other Finance Documents shall be in the Greek or the English language (or such other language as the Lender shall agree) or shall be accompanied by a certified Greek translation upon which the Lender shall be entitled to rely.
- (b) Certification of documents: Any copies of documents delivered to the Lender shall be duly certified as true, complete and accurate copies by appropriate authorities or legal counsel practicing in Greece or otherwise as will be acceptable to the Lender at the sole discretion of the Lender.

- (c) Certification of signature: Signatures on Board or shareholder resolutions, Secretary's certificates and any other documents are, at the discretion of the Lender, to be verified for their genuineness by appropriate Consul or other competent authority.

15.9 Further assurances

Each of the Borrowers undertakes that the Finance Documents shall both at the date of execution and delivery thereof and so long as any monies are owing under any of the Finance Documents be valid and binding obligations of the respective parties thereto and enforceable in accordance with their respective terms and that it will, at its expense, execute, sign, perfect and do, and will procure the execution, signing, perfecting and doing by each of the other Security Parties of, any and every such further assurance, document, act or thing as in the reasonable opinion of the Lender may be necessary or desirable for perfecting the security contemplated or constituted by the Finance Documents.

15.10 Inconsistency of Terms

In the event of any inconsistency or conflict between the provisions of this Agreement and the provisions of any other Finance Document the provisions of this Agreement shall prevail.

15.11 Counterparts

This Agreement may be executed in any number of counterparts and all such counterparts taken together shall be deemed to constitute but one and the same instrument.

15.12 Confidentiality

- (a) Each of the parties hereto agree and undertake to keep confidential any documentation and any confidential information concerning the business, affairs, directors or employees of the other which comes into its possession in connection with this Agreement and not to use any such documentation, information for any purpose other than for which it was provided.
- (b) The parties acknowledge and accept that they may be required by law or by stock exchange rules that it may be appropriate for them to disclose information and deliver documentation relating to the transactions and matters in relation to this Agreement and/or the other Finance Documents to governmental or regulatory agencies and authorities.
- (c) The Borrowers acknowledge and accept that in case of occurrence of any of the Events of Default the Lender may disclose information and deliver documentation relating to the Borrowers and the transactions and matters in relation to this Agreement and/or the other Finance Documents to third parties to the extent that this is necessary for the enforcement or the contemplation of enforcement of the Lender's rights or for any other purpose for which in the opinion of the Lender, such disclosure would be useful or appropriate for the interests of the Lender or otherwise and the Borrowers expressly authorise any such disclosure and delivery.
- (d) The Borrowers acknowledge and accept that the Lender may be prohibited or it may be inappropriate for the Lender to disclose information to the Borrowers by reason of law or duties of confidentiality owed or to be owed to other persons.

(e)

This Clause 15.12 shall be: (i) in addition to all other duties of confidentiality imposed on the Lender and its professional advisers under applicable law; and (ii) subject to any other applicable provisions contained in this Agreement and the other Finance Documents.

- (a) Process of personal data: Each Borrower hereby confirms that it has been informed that its personal data and/or the personal data of its director(s), officer(s) and legal representative(s) (together the “*personal data*”) contained in this Agreement (and any supplemental or amendatory agreement thereof) and the other Finance Documents or the personal data that have been or will be lawfully received or obtained by the Lender in relation to this Agreement and the other Finance Documents or the enforcement of all of the rights, powers and remedies possessed by the Lender under this Agreement (and any supplemental or amendatory agreement thereof) and/or under any other Finance Document will be included at the personal data database maintained by the Lender as processing agent (*Υπεύθυνη Επεξεργασίας*) and will be processed by the Lender or by third parties for the purpose of maintaining the security created by this Agreement (and any supplemental or amendatory agreement thereof) and the other Finance Documents and preserving of all of the rights, powers and remedies possessed by the Lender thereunder and properly serving, supporting and monitoring their current business relationship as provided in the information brochure “*Information for the Processing of Personal Data*” (*Ενημέρωση για την επεξεργασία δεδομένων προσωπικού χαρακτήρα*) which forms an integral part of this Agreement and each Borrower hereby confirms that a copy of such information brochure has been received by the Borrowers, its director(s), officer(s) and legal representative(s) and has been perused, duly understood and fully agreed by each of them.
- (b) Duration of the process: The personal data process shall survive the termination of this Agreement for such period as it is required by the applicable law.

16. JOINT AND SEVERAL LIABILITY OF THE BORROWERS

16.1 Joint and several liability

All liabilities and obligations of the Borrowers under this Agreement shall, whether expressed to be so or not, be joint and several.

16.2 No impairment of Borrowers' obligations

The liabilities and obligations of a Borrower shall not be impaired by:

- (a) this Agreement being or later becoming void, unenforceable or illegal as regards the other Borrower(s);
- (b) the Lender entering into any rescheduling, refinancing or other arrangement of any kind with the other Borrower(s);
- (c) the Lender releasing the other Borrower(s) or any Security Interest created by a Finance Document; or
- (d) any time, waiver or consent granted to, or composition with the other Borrower(s) or other person;
- (e) the release of the other Borrower(s) or any other person under the terms of any composition or arrangement with any creditor thereof;

- (f) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, the other Borrower(s) or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (g) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the other Borrower(s) or any other person;
- (h) any amendment, novation, supplement, extension, restatement (however fundamental, and whether or not more onerous) or replacement of a Finance Document or any other document or security including, without limitation, any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;
- (i) any unenforceability, illegality or invalidity of any obligation or any person under any Finance Document or any other document or security;
- (j) any insolvency or similar proceedings; or
- (k) any combination of the foregoing.

16.3 Principal debtor

Each Borrower declares that it is and will, throughout the Security Period, remain a principal debtor for all amounts owing under this Agreement and the Finance Documents and none of the Borrowers shall in any circumstances be construed to be a surety for the obligations of the other Borrower(s) under this Agreement.

16.4 Subordination

Subject to Clause 16.5 (*Borrowers' required action*), during the Security Period, none of the Borrowers shall:

- (a) claim any amount which may be due unless such claim is made with the prior written consent of the Lender (such consent not to be unreasonably withheld) to it from the other Borrower(s) whether in respect of a payment made, or matter arising out of, this Agreement or any Finance Document, or any matter unconnected with this Agreement or any Finance Document; or
- (b) take or enforce any form of security from the other Borrower(s) for such an amount, or in any other way seek to have recourse in respect of such an amount against any asset of the other Borrower(s); or
- (c) set off such an amount against any sum due from it to the other Borrower(s); or
- (d) prove or claim for such an amount in any liquidation, administration, arrangement or similar procedure involving the other Borrower(s) or other Security Party; or
- (e) exercise or assert any combination of the foregoing.

16.5 Borrowers' required action

If during the Security Period, the Lender, by notice to the Borrowers, requires them (or any of them) to take any action referred to in paragraphs (a) to (d) of Clause 16.4 (*Subordination*), in relation to the any other Borrower, that Borrower shall take that action as soon as practicable after receiving the Lender's notice.

16.6 Deferral of Borrowers' rights

Until all amounts which may be or become payable by the Borrowers under or in connection with the Finance Documents have been irrevocably paid in full, no Borrower will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents:

- (a) to be indemnified by the other Borrower(s); or
- (b) to claim any contribution from the other Borrower(s) in relation to any payment made by it under the Finance Documents.

17. NOTICES AND COMMUNICATIONS

17.1 Notices

Every notice, request, demand or other communication under the Agreement or, unless otherwise provided therein, any of the other Finance Documents shall:

- (a) be in writing delivered personally or by first-class prepaid letter (airmail if available), or shall be served through a process server or subject to Clause 10.11 (*Communications Indemnity*) and Clause 10.12 (*Electronic Communication*) by electronic mail;
- (b) be deemed to have been received, subject as otherwise provided in this Agreement or the relevant Finance Document, in the case of electronic mail, at the time of dispatch as per transmission report (provided, in either case, that if the date of despatch is not a business day in the country of the addressee it shall be deemed to have been received at the opening of business on the next such business day), and in the case of a letter when delivered or served personally or five (5) days after it has been put into the post; and
- (c) be sent:
 - (i) if to be sent to any Security Party, to:

c/o Castor Ships S.A..
10 Seneka Street,
Kifissia 145 64, Greece
Attention: Mr. Efstratios Kalantzis/Mrs. Myrsini Rafaela Chiotelli
E-mail: legal@castorships.com and finance@castorships.com

and

- (ii) if to be sent to the Lender,
to

ALPHA BANK S.A.
93 Akti Miaouli
185 38 Piraeus, Greece
Fax No.: +30210 42 90 268
Attention: The Manager

E-mail: shipping@alpha.gr

or to such other person, address fax number or electronic address as is notified by the relevant Security Party or the Lender (as the case may be) to the other parties to this Agreement and, in the case of any such change of address, or fax number or electronic address notified to the Lender, the same shall not become effective until notice of such change is actually received by the Lender and a copy of the notice of such change is signed by the Lender.

17.2 Effective date of notices

Subject to Clauses 17.3 (*Service outside business hours*) and 17.4 (*Illegible notices*):

- (a) a notice which is delivered personally or posted shall be deemed to be served, and shall take effect, at the time when it is delivered; and
- (b) a notice which is sent by electronic mail shall be deemed to be served, and shall take effect, two hours after its transmission is completed.

17.3 Service outside business hours

However, if under Clause 17.2 (*Effective date of notices*) a notice would be deemed to be served:

- (a) on a day which is not a Business Day in the place of receipt; or
- (b) on such a Business Day, but after 5 p.m. local time,
the notice shall (subject to Clause 17.4 (*Illegible notices*)) be deemed to be served, and shall take effect, at 9 a.m. on the next day which is such a Business Day.

17.4 Illegible notices

Clauses 17.2 (*Effective date of notices*) and 17.3 (*Service outside business hours*) do not apply if the recipient of a notice notifies the sender within one hour after the time at which the notice would otherwise be deemed to be served that the notice has been received in a form which is illegible in a material respect.

17.5 Valid notices

A notice under or in connection with a Finance Document shall not be invalid by reason that its contents or the manner of serving it do not comply with the requirements of this Agreement or, where appropriate, any other Finance Document under which it is served if:

- (a) the failure to serve it in accordance with the requirements of this Agreement or other Finance Document, as the case may be, has not caused any party to suffer any significant loss or prejudice; or
- (b) in the case of incorrect and/or incomplete contents, it should have been reasonably clear to the party on which the notice was served what the correct or missing particulars should have been.

17.6 Effect of electronic communication

- (a) Any communication to be made between any two Parties under or in connection with the Finance Documents may be made by electronic mail or other electronic means (including, without limitation, by way of posting to a secure website) if those two Parties:

- (i) notify each other in writing of their electronic mail address and/or any other information required to enable the transmission of information by that means; and
- (ii) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.
- (b) Any such electronic communication as specified in paragraph (a) above to be made between a Security Party and the Lender may only be made in that way to the extent that those two Parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication.
- (c) Any such electronic communication as specified in paragraph (a) above made between any two Parties will be effective only when actually received (or made available) in readable form and in the case of any electronic communication made by a Party to the Lender only if it is addressed in such a manner as the Lender shall specify for this purpose.
- (d) Any electronic communication which becomes effective, in accordance with paragraph (c) above, after 5.00 p.m. in the place in which the Party to whom the relevant communication is sent or made available has its address for the purpose of this Agreement shall be deemed only to become effective on the following Business Day.
- (e) Any reference in a Finance Document to a communication being sent or received shall be construed to include that communication being made available in accordance with this Clause 17.6.

18. LAW AND JURISDICTION

18.1 Governing Law

- (a) This Agreement and any non-contractual obligations connected with it shall be governed by and construed in accordance with English Law.
- (b) For the purposes of enforcement in Greece, it is hereby expressly agreed that English law as the governing law of this Agreement will be proved by an affidavit of a solicitor from an English law firm to be appointed by the Lender and the said affidavit shall constitute full and conclusive evidence binding on the Borrowers but the Borrowers shall be allowed to rebut such evidence save for witness.

18.2 Jurisdiction

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement or any non-contractual obligations connected with it (including a dispute regarding the existence, validity or termination of this Agreement and including claims arising out of tort or delict) (a "**Dispute**"). Each of the Borrowers irrevocably and unconditionally submits to the jurisdiction of such courts.

- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary and waives any objections to the inconvenience of England as a forum.
- (c) This Clause 18.2 is for the benefit of the Lender only. As a result, the Lender shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Lender may take concurrent proceedings in any number of jurisdictions.

18.3 Process Agent for English Proceedings

Without prejudice to any other mode of service allowed under any relevant law each of the Borrowers irrevocably designates, appoints and empowers Messrs. HILL DICKINSON SERVICES (LONDON) LIMITED, at present of The Broadgate Tower, 20 Primrose Street, London EC2A 2EW, England (Mr. Anthony Paizes, Email: Anthony.Paizes@hilledickinson.com), (hereinafter called the ***“Process Agent for English Proceedings”***), to receive for it and on its behalf, service of process issued out of the English courts in relation to any proceedings before the English courts in connection with any Finance Document, provided, however, that:

- (a) each of the Borrowers hereby agrees and undertakes to maintain a Process Agent for English Proceedings throughout the Security Period and hereby agrees that in the event that if any Process Agent for English Proceedings is unable for any reason to act as agent for service of process, that Borrower must immediately (and in any event within ten (10) days of such event taking place) appoint another agent on terms acceptable to the Lender. Failing this, the Lender may appoint for this purpose a substitute Process Agent for English Proceedings and the Lender is hereby irrevocably authorised to effect such appointment on Borrowers' behalf. The appointment of such Process Agent for English Proceedings shall be valid and binding from the date notice of such appointment is given by the Lender to the Borrowers in accordance with Clause 17.1(*Notices*); and
- (b) each of the Borrowers hereby agrees that failure by a Process Agent for English Proceedings to notify the Borrowers of the process will not invalidate the proceedings concerned.

18.4 Proceedings in any other country

If it is decided by the Lender that any such proceedings should be commenced in any other country, then any objections as to the jurisdiction or any claim as to the inconvenience of the forum is hereby waived by each of the Borrowers and it is agreed and undertaken by each of the Borrowers to instruct lawyers in that country to accept service of legal process and not to contest the validity of such proceedings as far as the jurisdiction of the court or courts involved is concerned and each of the Borrowers agrees that any judgment or order obtained in an English court shall be conclusive and binding on the Borrowers and shall be enforceable without review in the courts of any other jurisdiction.

18.5 **Process Agent (*antiklitos*) in Greece**

Mr. Efstratios Kalantzis, an Attorney-at-Law, presently of Castor Ships S.A., currently of 10 Seneka Street, Nea Kifissia 145 64, Greece (hereinafter called the “**Process Agent for Greek Proceedings**”) is hereby appointed by each of the Borrowers as agent to accept service, upon whom any judicial process in respect of proceedings in Greece may be served and any process notice, judicial or extra-judicial request, demand for payment, payment order, foreclosure proceedings, notarial announcement of claim, notice, request, demand or other communication under this Agreement or any of the Finance Documents. In the event that the Process Agent for Greek Proceedings (or any substitute process agent notified to the Lender in accordance with the foregoing) cannot be found at the address specified above (or, as the case may be, notified to the Lender), which will be conclusively proved by a deed of a process server to the effect that the Process Agent for Greek Proceedings was not found at such address, any process notice, judicial or extra-judicial request, demand for payment, payment order, foreclosure proceedings, notarial announcement of claim or other communication to be sent to any Security Party may be validly served/notified in accordance with the relevant provisions of the Hellenic Code on Civil Procedure.

18.6 **Third Party Rights**

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Agreement.

18.7 **Meaning of “proceedings”**

In this Clause 18 “**proceedings**” means proceedings of any kind, including an application for a provisional or protective measure.

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SCHEDULE 1

Form of Drawdown Notice (referred to in Clause 2.2)

To: **ALPHA BANK S.A.**
93 Akti Miaouli
185 38 Piraeus, Greece

[●], 2025

Re: US\$50,000,000 Loan Agreement (the “**Loan Agreement**”) dated [●], October, 2025 made between (1) the Lender, as lender and (2) (a) ARIEL SHIPPING CO., MULAN SHIPPING CO., JOHNNY BRAVO SHIPPING CO. and ALADDIN SHIPPING CO., each a Marshall Islands corporation (the “**Borrowers**”), as joint and several borrowers.

1. We refer to the Loan Agreement (terms defined in the Loan Agreement have their defined meanings when used in this Drawdown Notice) and hereby give you notice that we wish to draw the Commitment as follows:
 - (i) Loan: the full amount of the Commitment in the amount of US\$50,000,000 (Dollars Fifty million);
 - (ii) Drawdown Date: [●], 2025;
 - (iii) duration of first Interest Period: duration of the first Interest Period in respect of the Loan shall be [●] months; and
 - (iv) Payment instructions: [in payment to the Operating Accounts as per our instructions under separate cover for the purposes set out in Clause 1.1 (Amount and purpose) of the Loan Agreement].
2. We confirm, represent and warrant that:
 - (i) no event or circumstance has occurred and is continuing which constitutes an Event of Default or will result from the borrowing of the Loan;
 - (ii) the representations and warranties contained in Clause 6 (Representations and warranties) of the Loan Agreement and the representations and warranties contained in each of the other Finance Documents are true and correct at the date hereof as if made with respect to the facts and circumstances existing at such date;
 - (iii) the borrowing to be effected by the drawing of the Loan will be within our corporate powers, has been validly authorised by appropriate corporate action and will not cause any limit on our borrowings (whether imposed by statute, regulation, agreement or otherwise) to be exceeded;
 - (iv) we will not use the Loan proceeds or any part thereof for the purpose of acquiring shares in the share capital of the Lender or other banks and/or financial institutions or acquiring hybrid capital debentures (*τίτλους υβριδικών κεφαλαίων*) of the Lender or other banks and/or financial institutions; and
 - (v) there has been no change in our ownership, management, operations and no Material Adverse Change in our financial position or in the consolidated financial position of ourselves and the other Security Parties from that described by us to the Lender in the negotiation of the Loan Agreement or as otherwise publicly disclosed.

3.

This Drawdown Notice cannot be revoked without the prior consent of the Lender.

SIGNED by)
Mr.)
for and on behalf of)
ARIEL SHIPPING CO.,)
of the Marshall Islands,)
in the presence of:)

Attorney-in-fact

SIGNED by)
Mr.)
for and on behalf of)
MULAN SHIPPING CO.,)
of the Marshall Islands,)
in the presence of:)

Attorney-in-fact

SIGNED by)
Mr.)
for and on behalf of)
JOHNNY BRAVO SHIPPING
CO.,)
of the Marshall Islands,)
in the presence of:)

Attorney-in-fact

SIGNED by)
Mr.)
for and on behalf of)
ALADDIN SHIPPING CO.,)
of the Marshall Islands,)
in the presence of:)

Attorney-in-fact

Witness: _____
Name: [●]
Title: *Attorney-at-Law*
Address: [●],
Piraeus, Greece

Schedule 2

Form of Insurance Letter

To: ***[P&I Club]***

[●]
[●]

From:

[●],
[●]

[●]

[●] 20[●]

Dear Sirs

m.v. “[●]” (the “*Ship*”)

We are obtaining loan finance from **ALPHA BANK S.A.** (the “***Lender***”) secured (*inter alia*) by a first ship mortgage over the Ship. The Ship’s insurances will also be assigned to the Lender.

You are hereby authorised to send a copy of the Certificate of Entry for the Ship to the Lender, c/o their lawyers, namely, THEO V. SIOUFAS & CO. LAW OFFICES, of 13 Defteras Merarchias Street, 185 35 Piraeus, Greece. Further, you are also irrevocably authorised to provide the Lender from time to time with any other information whatsoever which they may require relating to the entry of the Ship in the association.

This letter is governed by, and shall be construed in accordance with, English law.

For and on behalf of

[●]

Schedule 3

Form of Sustainability Performance Certificate

To: **ALPHA BANK S.A.**

From: **SHIPPING CO.**

Trust Company Complex,
Ajeltake Road, Ajeltake Island,
Majuro, Marshall Islands MH 96960

c/o Castor Ships S.A..
10 Seneka Street,
Kifissia 145 64, Greece
Date: [●]

m/v [●] (the “Ship”) - \$50,000,000 Loan Agreement dated [●] October, 2025 (the “Loan Agreement”)

Dear Sirs

- 1 We refer to the Loan Agreement. This is a Sustainability Performance Certificate. Terms defined in the Loan Agreement have the same meaning when used in this Sustainability Performance Certificate unless given a different meaning in this Sustainability Performance Certificate.
- 2 We confirm that as at [*insert relevant testing date*] the Sustainability KPI (Ship CII) for the Ship was [], and therefore the Sustainability KPI Target for the considered year has been achieved.
- 3 On the basis of Clause 3.11 (*Sustainability Margin Adjustment*) of the Loan Agreement, Sustainability KPI Target has been achieved for KPI resulting in an Initial Margin reduction of 0.05% for the Loan.

[Chief Executive Officer/ Chief Financial Officer/ Authorized signatory] of Co. Ltd.

Acknowledged and Certified by

Name:
Of
[*insert name of certifying Recognised Organisation*]

Schedule 4

Form of COMPLIANCE CERTIFICATE (referred to in Clauses 8.1(f) and 8.8)

To: **ALPHA BANK S.A.**,
93 Akti Miaouli, Piraeus, Greece
(the “**Lender**”)

From: **CASTOR MARITIME INC.**, of the Marshall Islands
(the “**Corporate Guarantor**”)

Dated: [●], 20[●]

RE: Loan Agreement dated [●] October, 2025 made between (1) ARIEL SHIPPING CO., MULAN SHIPPING CO., JOHNNY BRAVO SHIPPING CO. and ALADDIN SHIPPING CO. (the “**Borrowers**”) (2) the Lender, in respect of a loan facility of up to US\$50,000,000 (the “**Loan Agreement**”).

Terms defined in the Loan Agreement shall have the same meaning when used herein.

I being the Chief Financial Officer/Director of the Corporate Guarantor, refer to Clause 8.1(f)(ii) of the Loan Agreement and hereby certify that, during the Accounting Period 01.01.20[...] to 31.12.20[...] and on the date hereof the Financial Covenants (Clause 16.11 of the Loan Agreement), are fully complied with:

1. Financial Covenants:

(a) Corporate Leverage Ratio: is [●]%; and

(b) Corporate Liquidity: US\$ [●]

2. Event of Default: [No Event of Default has occurred and is continuing]

or

[The following Event of Default has occurred and is continuing: [provide details of Event of Default]. [The following steps are being taken to remedy it: [provide details of steps being taken to remedy Event of Default]].

We attach hereto the necessary documents supported by calculations setting out in reasonable detail the materials underling the statements made in this Compliance Certificate.

CASTOR MARITIME INC.

Signed: _____
Name: [.....]
Title: Chief Financial Officer/Director

EXECUTION PAGE

IN WITNESS whereof the parties hereto have caused this Agreement to be duly executed on the date first above written.

SIGNED by)
Mr)
for and on behalf of)
ARIEL SHIPPING CO.,)
of the Marshall Islands,)
in the presence of:)

Attorney-in-fact

SIGNED by)
Mr)
for and on behalf of)
MULAN SHIPPING CO.,)
of the Marshall Islands,)
in the presence of:)

Attorney-in-fact

SIGNED by)
Mr.)
for and on behalf of)
JOHNNY BRAVO SHIPPING)
CO.,)
of the Marshall Islands,)
in the presence of:)

Attorney-in-fact

SIGNED by)
Mr.)
for and on behalf of)
ALADDIN SHIPPING CO.,)
of the Marshall Islands,)
in the presence of:)

Attorney-in-fact

Witness to all above signatures:

Name: Alexandra Pagoni
Address: 13 Defteras Merarchias
Piraeus, Greece
Occupation: t. Attorney-at-Law

SIGNED by)
Mr. and)
Mr)
for and on behalf of)
ALPHA BANK S.A.,)
of Greece,)
in the presence of:)

Attorney-in-fact

Attorney-in-fact

Witness: _____
Name: *Alexandra Pagoni*
Address: *13 Defteras Merarchias*
Piraeus, Greece
Occupation: *t. Attorney-at-Law*

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 Enterprises Inc.	Marshall Islands
Castor Maritime Finance Inc.	Marshall Islands
MPCC CSI Ltd.	Cyprus
Castor CSI Corp.	Marshall Islands
Thalvora Holdings GmbH	Germany
CMB Shipping Inc.	Marshall Islands
CMRP Corp.	Marshall Islands
CMSI Corp.	Marshall Islands
CMU Corp.	Marshall Islands
MPC Münchmeyer Petersen Capital AG	Germany
Curamus Managementgesellschaft mbH, 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	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
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 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	Germany
MPC Capital GmbH, Hamburg	Germany
MPC Capital Investments GmbH, Hamburg	Germany
MPC Capital Risk & Insurance GmbH & Co. KG, Hamburg	Germany
MPC Capital Risk & Insurance Verwaltungs GmbH, Hamburg	Germany
MPC Capital Zweite Beteiligungsgesellschaft mbH, Hamburg	Germany
MPC Dritte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, 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 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 Zehnte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, 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 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 Harper Petersen Albis GmbH, Hamburg	Germany
Verwaltung MPC Capital Beteiligungsgesellschaft mbH, Hamburg	Germany
Verwaltung MPC Global Maritime Opportunity Private Placement GmbH, Hamburg	Germany
Verwaltung MPC Sachwert Rendite-Fonds Opportunity Asien GmbH, Hamburg	Germany
Verwaltung MPC Solarpark GmbH, Hamburg	Germany
Verwaltung MPC Student Housing Venture GmbH, Quickborn	Germany
Verwaltung Neunte Sachwert Rendite-Fonds Deutschland GmbH, Hamburg	Germany
Verwaltung Sechste Sachwert Rendite-Fonds Deutschland (Private Placement) 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 Zehnte Sachwert Rendite-Fonds Deutschland GmbH, Hamburg	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 Duisburg Invest mbH, 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 VII mbH, Quickborn	Germany
Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus spezial IV mbH, Quickborn	Germany
Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus spezial V mbH, Quickborn	Germany
Verwaltungsgesellschaft Oil Rig Plus mbH, Hamburg	Germany
Zweite MPC Best Select Company Plan Managementgesellschaft mbH, Quickborn	Germany



INSIDER TRADING POLICY

As amended and adopted by Castor Maritime Inc., on March 11, 2026

Version 2

A. INSIDER TRADING POLICY

1. General

The common shares of Castor Maritime Inc. (the “Company”) are listed on the Nasdaq Capital Market and registered under the Securities 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 and also requires that Section 16 Insiders of the Company (as defined below) report their beneficial ownership of all equity securities of the Company and changes in that ownership. In order to avoid even the appearance of impropriety, the Company has instituted procedures to prevent the misuse of non-public information and promote compliance with Section 16(a) of the Exchange Act.

The Policy extends to each Insider’s activities within and/or outside their duties at the Company. Each Insider must read and retain this statement.

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) proposes to trade in securities covered by this Policy, by the Company’s Chief Financial Officer. Please pay special attention to the “Blackout”, “Trading Window”, “Pre-Clearance of Trades” and “Post-Trade Reporting” 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 “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. of these, the Company’s Chief Executive Officer, Chief Financial Officer, such other executive officers of the Company that have been advised that they are an “officer” for purposes of Section 16(a) of the Exchange Act and each director of the Company are referred to as “Section 16 Insiders”;
- (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);

- (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 they are given access to material non-public information or receive 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 Securities (as defined below) 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 their 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.”

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.

As used in this Policy, “trading” includes placing Securities in margin accounts or pledging Securities and gifts of 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?

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 may be material whether it is negative or positive . You should assume that information is 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 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 Securities.

Examples of material information typically include, but are not limited to:

- the Company’s financial results, earnings estimates not previously disseminated and material changes in previously-released earnings estimates or forecasts;
- vessel acquisitions or dispositions and other significant asset purchases or sales;
- dividend policy changes and share buybacks;
- tender offers, mergers, business combinations or acquisition proposals or agreements;
- major litigation developments and significant regulatory actions;
- status of covenants compliance and communications with lenders and investment banks;
- material changes in liquidity including both challenges and improvements;
- major changes in management or the board of directors;
- material amendments to the constitutional documents of the Company; and

- investments or prospective investments in securities (including but not limited to bonds, debentures, shares or stocks or derivatives thereof) by the Company.

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 or the value of which is derived from the value of the Company’s securities) 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.

For purposes of reporting by Section 16 Insiders under Section 16(a) of the Exchange Act only, “Securities” means common shares and any other equity securities of the Company, including derivative securities.

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 they do 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 from the trading; 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 trading the Securities; and
- not communicate the information inside or outside the Company.

After the Insider and the HoL (or the Chief Financial Officer, if 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 they 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 (a “Trading Window”), any person possessing material non-public information must 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 a Trading Window**, without first complying with the following “pre-clearance” process: Each such person must 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) prior to commencing any trade and cannot proceed without their written confirmation.

12. Post-Trade Reporting

Absent an exemption, all changes in beneficial ownership of Securities of a Section 16 Insider (or any of the persons or entities described in Sections 2(b) and 2(c) of this Policy with respect to a Section 16 Insider) must be reported under Section 16(a) of the Exchange Act. Accordingly, in addition to obtaining pre-clearance for a trade, as described above, all Section 16 Insiders are required to provide the Company with trade information as follows.

A Section 16 Insider is deemed to beneficially own any security from which they can derive a direct or indirect pecuniary benefit, other than in certain limited circumstances. A Section 16 Insider is considered the direct beneficial owner of all Securities held in their own name or held jointly with others. A Section 16 Insider is considered the indirect beneficial owner of any Securities from which they obtain benefits substantially equivalent to those of ownership.

A Section 16 Insider must inform all broker-dealers that may trade in Securities on such Section 16 Insider’s behalf of their status as a Section 16 Insider and arrange for such transaction information to be provided to the HoL on the day of any executed transaction.

The details of any transactions in Securities (including any purchases, sales, gifts, donations or charitable contributions) by a Section 16 Insider must be reported to the HoL by such Section 16 Insider on the same day on which a trade order is placed or such a transaction otherwise is entered into. Such report shall include the date of the transaction, quantity of Securities, the price and the name of any broker-dealer through which the transaction was effected.

13. 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).

Addendum A

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: April 15, 2026

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, 2025 (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: April 15, 2026

By: /s/ Petros Panagiotidis

Name: Petros Panagiotidis

Title: Chairman, Chief Executive Officer and
Chief Financial Officer

Report of Independent Auditors

To the board of directors of MPC Container Ships ASA

Opinion

We have audited the consolidated financial statements of MPC Container Ships ASA (the Company), which comprise the statement of financial position as of December 31, 2025, and the related consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and the related notes (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and IFRS Accounting Standards as adopted by the European Union (EU).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The accompanying consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended and the related notes, were not audited, reviewed or compiled by us and accordingly, we express no opinion or any other form of assurance on them.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as adopted by the EU and with IFRS Accounting Standards as issued by the IASB, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

/s/ Ernst & Young AS

Oslo, Norway
April 1, 2026

MPC Container Ships ASA

Consolidated Statement of Profit or Loss

In USD thousands	Notes	2025	2024 (unaudited)
Revenues	2.2	517,803	540,860
Commissions	2.3	(11,521)	(14,433)
Vessel voyage expenditures	2.3	(27,655)	(19,195)
Vessel operation expenditures	2.4	(154,912)	(155,844)
Ship management fees		(10,574)	(9,865)
Share of profit or loss from joint venture	6.1	(2)	(395)
Administrative expenses	2.5	(20,120)	(17,732)
Other expenses		(3,050)	(3,861)
Other income		14,519	8,044
Gain (loss) from sale of vessels and other property, plant and equipment	2.6	40,079	21,145
Depreciation	5.2	(82,766)	(71,139)
Operating profit		261,801	277,585
Finance income	2.7	13,938	9,422
Finance costs	2.7	(38,154)	(20,636)
Profit (loss) before income tax		237,585	266,371
Income tax expenses	3.1	(214)	323
Profit (loss) for the period		237,371	266,694
Equity holders of the Company		237,170	266,683
Minority interest		201	11
Basic earnings per share – in USD	2.8	0.53	0.60
Diluted earnings per share – in USD	2.8	0.53	0.60

See accompanying notes to consolidated financial statements.

MPC Container Ships ASA

Consolidated Statement of Comprehensive Income

In USD thousands	Notes	2025 (unaudited)	2024
Profit (loss) for the period		237,371	266,694
Other comprehensive income		(602)	583
Items which may subsequently be transferred to profit or loss:			
Change in hedging reserves, net of taxes	7.2	(602)	583
Total comprehensive profit (loss)		236,769	267,277
Attributable to:			
Equity holders of the Company		236,568	267,266
Non-controlling interest		201	11

See accompanying notes to consolidated financial statements.

MPC Container Ships ASA

Consolidated Statement of Financial Position

In USD thousands	Notes	December 31, 2025	December 31, 2024 (unaudited)
Assets			
Non-current Assets			
Vessels	5.1	975,334	1,003,460
Newbuildings	5.1, 8.1	57,774	44,344
Right-of-use asset		-	264
Investments in associate and joint venture	6.1	1,232	5,245
Total non-current assets		1,034,340	1,053,313
Current Assets			
Inventories		6,324	7,206
Trade and other current assets	4.1	59,398	37,735
Other current financial assets	7.2	71,599	1,060
Restricted cash	7.3	9,453	6,364
Cash and cash equivalents	7.3	345,478	125,696
Total current assets		492,252	178,061
Total assets		1,526,592	1,231,374
Equity and Liabilities			
Equity			
Share capital	7.5	48,589	48,589
Share premium		1,879	1,879
Other paid-in capital	8.2	-	286
Retained earnings		879,974	762,602
Other reserves		(862)	(260)
Non-controlling interest		4,606	4,524
Total equity		934,186	817,620
Non-current liabilities			
Non-current interest-bearing debt	7.4	439,140	299,237
Lease liabilities - long-term		-	79
Other non-current liabilities	4.2	2,711	-
Total non-current liabilities		441,851	299,316
Current liabilities			
Current interest-bearing debt	7.4	64,808	44,037
Trade and other payables		11,107	12,632
Derivative financial instruments	7.2	174	101
Related party payables	8.2	109	72
Income tax payable	3.1	25	164
Deferred revenues	4.2	42,380	29,706
Other liabilities	4.2	31,952	27,726
Total current liabilities		150,555	114,438
Total equity and liabilities		1,526,592	1,231,374

See accompanying notes to consolidated financial statements.

MPC Container Ships ASA

Consolidated Statement of Changes in Equity

In USD thousands	Notes	Share Capital	Share Premium	Other paid-in capital	Retained Earnings	Other Reserves	Total Equity Attributable to the Equity Holders of the Company	Non-controlling Interest	Total Equity	
Equity as at January 1, 2025		48,589	1,879		286	762,602	(260)	813,096	4,524	817,620
Result of the period		-	-	-	237,170		-	237,170	201	237,371
Other comprehensive income		-	-	-	-	(602)	(602)	(602)	-	(602)
Total comprehensive income		-	-	-	237,170	(602)	236,568	201	201	236,769
Dividends paid	7.6	-	-	-	(119,798)	-	(119,798)	(119)	(119)	(119,917)
Share-based payment	8.2	-	-	(286)	-	-	(286)	-	-	(286)
Equity as at December 31, 2025		48,589	1,879	-	879,974	(862)	929,580	4,606	4,606	934,186
Equity as at January 1, 2024		48,589	1,879		-	700,021	(843)	749,646	3,835	753,481
Result of the period		-	-	-	266,683		-	266,683	11	266,694
Other comprehensive income		-	-	-	-	583	583	583	-	583
Total comprehensive income		-	-	-	266,683	583	267,266	11	11	267,277
Dividends paid	7.6	-	-	-	(204,102)	-	(204,102)	(257)	(257)	(204,359)
Share-based payment	8.2	-	-	286	-	-	286	-	-	286
Addition from non-controlling interest		-	-	-	-	-	-	-	935	935
Equity as at December 31, 2024 (unaudited)		48,589	1,879	286	762,602	(260)	813,096	4,524	4,524	817,620

See accompanying notes to consolidated financial statements.

MPC Container Ships ASA

Consolidated Statement of Cash Flow

In USD thousands	Notes	2025	2024 (unaudited)
Profit (loss) before income tax		237,585	266,371
Income tax expenses paid		117	-
Net change inventory and trade and other receivables		(20,087)	(13,004)
Net change in trade and other payables and other liabilities		2,445	9,155
Net change in other non-current assets and other non-current liabilities		2,711	4,238
Net change in deferred revenues		12,674	(5,524)
Depreciation		82,766	71,139
Share-based payment		(286)	286
Finance costs (net)		24,216	11,214
Share of profit (loss) from joint venture		2	395
(Gain) loss from disposals of vessels and fixed assets		(40,079)	(19,331)
Amortization of TC contracts		-	(1,012)
Cash flow from operating activities		302,064	323,927
Proceeds from disposal of vessels and fixed asset components	5.1	121,399	92,982
Dry dockings and other vessel upgrades	5.1	(49,440)	(56,226)
Newbuildings instalments	5.1	(89,924)	(122,045)
Capitalized borrowing cost	5.1	(2,160)	(2,618)
Acquisition of vessels	5.1	-	(227,296)
Acquisition of subsidiaries, net of cash	5.1	(3,789)	974
Purchase of short-term investments	7.2	(81,568)	-
Sale of short-term investments	7.2	10,000	-
Interest received		12,162	5,258
Investment in associate		-	(4,005)
Cash flow from investing activities	-	83,320	312,976
Dividends paid	7.6	(119,917)	(204,359)
Addition of non-controlling interest		-	935
Proceeds from debt financing	7.4	230,921	263,340
Repayment of long-term debt	7.4	(72,705)	(43,975)
Payment of principal of leases		(142)	(185)
Interest paid		(29,190)	(10,090)
Debt issuance costs	7.4	(4,854)	(7,082)
Other finance paid		(542)	(397)
Cash from (to) financial derivatives		(126)	527
Cash flow from financing activities		3,445	1,286
Net change in cash and cash equivalents		222,189	9,665
Net translation differences on foreign cash		682	189
Restricted cash, cash and cash equivalents at the beginning of the period		132,060	122,584
Restricted cash, cash and cash equivalents at the end of the period		354,931	132,060

See accompanying notes to consolidated financial statements.

Notes

Note 1 Accounting Principles

1.1 Accounting Principles for the Consolidated Financial Statements

General information

MPC Container Ships ASA ("the Company") is a public limited liability company (Norwegian: allmennaksjeselskap) incorporated and domiciled in Norway, with registered address at Ruseløkkveien 34, 0251 Oslo, Norway, and Norwegian registered enterprise number 918494316. The Company was incorporated on January 9, 2017 and commenced operations in April 2017, when the first vessels were acquired. The consolidated financial statements comprise the Company and its subsidiaries (together referred to as "the Group"). The principal activity of the Group is to invest in and to operate maritime assets in the container shipping segment.

The shares of the Company are listed at the Oslo Stock Exchange under the ticker symbol MPCC. MPC Container Ships ASA is the parent company in the Group.

The consolidated financial statements were approved by the Company's Board of Directors on March 26, 2026.

Basis of preparation and measurement

These consolidated financial statements have been prepared to meet the requirements of Rule 3-09 of Regulation S-X for inclusion in Castor Maritime Inc.'s (Castor) Annual Report on Form 20-F. Comparative information is provided for informational purposes only and has not been audited.

These Consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and IFRS Accounting Standards as adopted by the European Union (EU).

These consolidated financial statements are derived from those that were originally authorized for issue and published by MPC Container Ships ASA (ticker: MPCC) on Oslo Børs on March 27, 2026. They have been reissued for the sole purpose of inclusion in Castor's Form 20-F. Events occurred between March 27, 2026, and the date of reissuance have been treated according to IAS 10 Events after Reporting Period, with no impact on the amounts presented or disclosed and no material subsequent event requiring disclosures.

The Group has historically prepared its consolidated financial statements in accordance with IFRS as adopted by the European Union (EU), with no differences from IFRS as issued by the International Accounting Standards Board (IASB), and these financial statements are consequently a continuation of that established basis of accounting.

The consolidated financial statements were prepared on the basis of historical cost, with some exceptions where fair value measurement is applied. These exceptions are specifically disclosed in the accounting policies sections in relevant notes:

[+ Note 7.2 Financial Instruments](#)

All assets and liabilities for which fair values are measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- + Level 1: Quoted market prices in active markets for identical assets or liabilities.
- + Level 2: Inputs other than quoted market prices included in Level 1 are directly or indirectly observable.
- + Level 3: Inputs are unobservable.

The Group has prepared the financial statements on the basis that it will continue to operate as going concern.

Certain amounts in the comparable years have been restated or reclassified to conform to current year presentation. All amounts in the consolidated financial statements are denominated in US dollars (USD), which is the functional currency of

the parent company of the Group. All financial information presented in USD has been rounded to the nearest thousand USD, except otherwise indicated.

The Group's financial year corresponds to the calendar year.

Basis of consolidation

The consolidated financial statements include MPC Container ASA and its subsidiaries in which the Company exercises control. The financial statements of the subsidiaries are prepared for the same reporting period as the Group, using consistent accounting policies. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries

Subsidiaries are all companies where the Group has a controlling interest. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

Companies that constitute the Group are listed in [Note 6.2](#).

Accounting policy related to joint ventures, associated companies are presented in [Note 6](#).

Foreign currency translation

In accordance with IAS 21, foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transaction.

Financial reporting policies

The material financial reporting policies are described in the relevant notes in the consolidated financial statements and in the notes in the financial statements of the parent company.

The Group presents assets and liabilities in the statement of financial position based on the current or non-current classification.

The cash flow statement of the Group is prepared using the indirect method. Liquid assets include cash, bank deposits (restricted and unrestricted) and other short-term investments which can be converted within 3 months.

New and amended standards and interpretations

The Group's intention is to adopt the relevant new and amended standards and interpretations when they become effective. During the current financial period, the Group has adopted all relevant new and revised Standards and Interpretations that were issued by the IASB and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB. The following new Standards, Interpretations and Amendments issued by the IASB and the IFRIC are effective for the current financial year end:

+ Amendments to IAS 21 – Lack of Exchangeability

The above new or amended accounting standards did not have a material impact on the consolidated financial statements or relevant for the Group.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- + Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments
- + IFRS 18 - Presentation and Disclosure in Financial Statements
- + IFRS 19 - Subsidiaries without Public Accountability: Disclosures

Management assesses that none of the issued standards (except IFRS 18) and amendments not yet in effect will materially impact the recognition and measurement policies of the Group.

The Group has started to assess the impact of IFRS 18, which will lead to changes in the presentation of the consolidated statement of profit or loss and in related disclosures, including reclassifications between line items and additional note information

1.2 Significant Judgement, Estimates and Assumptions

The preparation of consolidated financial statements conforming to IFRS® Accounting Standards requires management to make judgments, estimates and assumptions that may affect assets, liabilities, revenues, expenses and information in notes to these financial statements. Estimates are management's best assessment based on information available at the date the financial statements are authorized for issue. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods. Estimates and underlying assumptions are reviewed on an on-going basis. The main areas where judgements and estimates have been made are prescribed in each of the following notes:

- + [Note 5.1 Vessels and Newbuildings](#)
- + [Note 5.2 Depreciation, Amortization and Impairment Charges](#)

Note 2 Financial Performance

2.1 Segment Information

Accounting policy

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers in the Group. The chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments has been identified as the Board of Directors of the Company.

All of the Group's vessels earn revenue from a single market, which is the seaborne container transportation. The vessels exhibit similar economic, trading and financial characteristics. The Group is organized in one reportable operating segment, i.e. the container shipping segment. Our vessels operate globally and therefore management does not evaluate performance by geographical region and is therefore considered to be only one operating segment. The Group, nevertheless, provides geographical data on revenue for disclosure purposes only. The table below shows time charter revenues per geographical region as at period end and at the time the vessel was redelivered .

in USD thousands	20252024 (unaudited)	
Intra-Asia	142,017	154,742
South America	118,085	136,776
Europe	28,587	25,677
Middle East	89,222	115,561
Africa	56,585	31,131
Other geographical locations (worldwide trades)	76,340	64,547
Total time charter	510,836	528,434

For the year ended December 31, 2025, the Group had three customers (2024: four) who each accounted for 10% or more for the consolidated revenues in the amount of USD 218.3 million, USD 80.2 million and USD 64.6 million respectively (2024: USD151.6 million, USD 53.8 million, USD 53.3 million and USD 52.3 million respectively). These three customers accounted for 70.1% of the total revenues for 2025 (2024: 59.5%).

2.2 Revenues and Other Revenues

Accounting policy

Revenue recognition

The Group derives its revenue from time charters of its vessels. These charters involve placing the specified vessel at charterers use of specified rental period of time in return for payment of specified daily hire rates. Most of the charters include options for the charterers to extend the terms. Revenue from the Group's time charters is accounted for as operating leases, on a straight-line basis, for a shorter period of the vessels' useful life, over the average fixed rentals over the minimum fixed rental period of the time charter agreements, as service is performed. Charter hire received in advance is recorded under "Deferred revenue" in the Consolidated Statement of Financial Position until charter services are rendered. Invoiced revenue related to an estimated proportion of remaining voyage time and activities at the destination port is deferred. Under a time charter, the daily hire rate includes lease component related to the right of use of the vessel and non-lease components primarily related to the operating expenses of the vessel incurred by the Group such as commissions, vessel operating expenses that are reimbursed from the charterers such as crew expenses, lubricants, certain insurance expenses, repair and maintenance, spares, stores etc. and vessel management fees. The lease component of the vessel represents the use of the vessel without any associated performance obligations and is accounted for in accordance with IFRS 16 Leases while revenues from time charter services (non-lease) and other revenues (e.g. bunkers and other services) are accounted for in accordance with IFRS 15. The daily hire rate includes consideration for both components, which is allocated based on their relative stand-alone selling prices. The stand-alone selling price of the service component is determined based on the estimated costs of operating the vessel plus an appropriate margin. The non-lease components from the Group's time charter contracts are recognized over time, as the performance obligation is satisfied over time. Revenue from bunkers and other goods and services from customers are recognized in the period the goods or services are transferred to the customer, following the "point in time principle".

The Group's time charter contracts may include clauses which give the right to recover the cost to purchase EU emission allowances or to secure compliance with on FuelEU Maritime regulation from a charterer. For such contracts, the related income is recognized as Emission revenues and included in the total charter revenues, while the associated compliance costs, including any penalties, are recognized within vessel voyage expenses.

In USD thousands	2025	2024 (unaudited)
Time charter revenues	492,543	522,424
Emission revenues	18,293	6,009
Total charter revenues	510,836	528,434
Amortization of time charter contracts	-	1,012
Other revenues	6,967	11,414
Total revenues	517,803	540,860

When a time charter contract is linked to an index, we recognize revenue for the applicable period based on the actual index for that period. In 2025, none of our vessels were index-linked

(2024: four) and 17 vessels were on variable rate time charter (2024: four). The lease and non-lease components of our revenues in the year ended December 31, 2025, and December 31, 2024 were as follows:

In USD thousands	2025	2024 (unaudited)
Service element	150,153	151,665
Other revenues	6,967	11,414
Total revenues from customer contracts	157,120	163,079
Lease element	360,683	376,769
Amortization of time charter contracts	-	1,012
Total revenues	517,803	540,860

Contracted revenues based on fixed time charter contracts as at December 31, 2025, are set out below, based on minimum contract periods of vessels held in subsidiaries:

IN USD THOUSANDS	< 1 YEAR	1-3 YEARS	4-5 YEARS	> 5 YEARS	TOTAL
Contracted revenues	400,863	426,031	355,545	909,484	2,091,922

Contracted revenues based on fixed time charter contracts as at December 31, 2024 (unaudited), are set out below, based on minimum contract periods of vessels held in subsidiaries:

IN USD THOUSANDS	< 1 YEAR	1-3 YEARS	4-5 YEARS	> 5 YEARS	TOTAL
Contracted revenues	438,536	383,277	70,071	157,825	1,049,709

2.3 Vessel Voyage Expenditures

Accounting policy

Voyage expenses are expensed as incurred and primarily consist of port charges, bunker costs (bunker costs are normally covered by the Group's charterer, except in certain cases such as vessel re-positioning, or under repair and maintenance, or when the vessels have been idle), address commissions, brokerage commissions and emission cost.

in USD thousands	2025	2024 (unaudited)
Bunker consumption	(5,523)	(9,967)
Other voyage expenses	(3,672)	(3,132)
Emission cost	(18,460)	(6,096)
Total Vessel voyage expenditures	(27,655)	(19,195)
Commissions	(11,521)	(14,433)

2.4 Vessel Operating Expenditures

Accounting policy

Vessel operating expenses are expensed as incurred and include crew wages and related costs, the cost of insurance, expenses for repairs and maintenance. Operating expenses are related to the cost of spares and consumable stores, tonnage taxes and other miscellaneous expenses.

in USD thousands	2025	2024 (unaudited)
Crew	(75,458)	(72,686)
Lube oil	(7,692)	(7,609)
Maintenance and repair	(53,361)	(56,721)
Insurances	(13,743)	(13,761)
Operating expenditures	(4,659)	(5,068)
Total Vessel operation expenditures	(154,912)	(155,844)

2.5 Other Operating Expenses

Accounting policy

Other operating expenses including administrative expenses are expensed as incurred and include audit fees, bookkeeping fees, legal fees, board remuneration, service cost, executive officers compensation, directors & officers insurance, share option expense and stock exchange fees.

Other administrative expenses include remuneration to the Board of Directors and executive management, and fees paid for corporate management services from MPC Maritime Investments GmbH and MPC Münchmeyer Petersen Capital AG which are part of the Group's related parties. Further information on transactions between related parties and more information about compensation to key management can be found in [Note 8.2](#). The average number of full-time employees employed by the Group in 2025 was 38 people (2024: 29). The Group has defined contributions plan for all employees in line with established market practices and regulations in Norway, Germany and Netherlands.

The following table details the administrative expenses incurred in relation to 2025 and 2024 audit and related services:

in USD thousands	2025	2024 (unaudited)
Legal and advisory services	(2,854)	(3,192)
Audit and accounting services	(477)	(756)
Salary and employee expenses	(7,110)	(8,270)
Other administrative expenses	(9,679)	(5,515)
Total administrative expenses	(20,120)	(17,732)

in USD thousands	2025	2024 (unaudited)
Audit fee	(519)	(703)
Attestation services	(21)	(12)
Total auditor services	(540)	(715)

2.6 Gain (loss) from Sale of Vessels and Other Property, Plant and Equipment

Accounting policy

Vessels and other property, plant and equipment are derecognized upon disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period the asset is derecognized.

IN USD THOUSANDS	20252024 (unaudited)	
Gain(loss) from sale of vessels	41,610	23,359
Gain(loss) from disposal of property, plant and equipment	(1,531)	(2,214)
Total Gain (loss) from sale of vessels and other property, plant and equipment	40,079	21,145

In December 2024, the Group entered into an agreement to sell its wholly-owned 2005-built vessel, AS Fenja for USD 8.6 million to an unrelated party. The sale of the vessel was completed in January 2025. As a result, the Group recorded a gain on the sale of USD 2.7 million in January 2025.

In March 2025, the Group entered into agreement to sell its wholly-owned 2005-built vessel AS Franziska and 2007-built AS Fabiana, for USD 10.0 million and USD 11.8 million respectively to an unrelated party. The hand-over of the vessels was completed in June 2025 and August 2025 respectively. As a result, the Group recorded a gain of USD 6.0 million and USD 4.6 million respectively in June and August 2025

In March 2025, as part of the Group's strategy for fleet optimization and renewal, the Group entered into an agreement to sell the vessels AS Floriana (2008-built), AS Fabrizia (2008-built), AS Filippa (2008-built), AS Alexandria (2010-built) and AS Anita (2010-built) en bloc to an unrelated party for a sale price of USD 72.0 million. The five vessels were sold with the existing charters attached. The sale of AS Fabrizia and AS Filippa was completed in May 2025. The sale of AS Anita and AS Alexandria was completed in June 2025, and the sale of Floriana was completed in August of 2025. The Group recorded a gain on the sales of USD 20.4 million.

In July 2025, the Group entered into agreement to sell its wholly-owned vessels, 2007-built AS Floretta and 2007-built AS Fiorella, for USD 10.2 million and USD 10.5 million respectively to an unrelated party. The sale of the vessels was completed in August 2025, and the Group recorded a gain on the sale of USD 6.6 million.

In the first quarter of 2024, the Group delivered and completed the sale of its three previously held for sale vessels, 2004-built AS Petra, 2004-built AS Paulina and 2006-built AS Pauline to an unrelated party. The Group recognized a loss on the sale of vessels of USD 0.2 million in the first quarter of 2024.

In April 2024, the Group sold its wholly-owned 2007-built AS Nadia and 2009-built sale and leaseback vessel, AS Ragna collectively to an unrelated party for USD 25.5 million. The Group recorded a gain on the sale of USD 6.4 million.

In July 2024, the Group completed the sale of its wholly-owned 2006-built AS Clarita to an unrelated party for USD 10.3 million. The Group recorded a gain of USD 2.0 million on the sale of the vessel.

In August 2024, the Group agreed to sell its sale and leaseback vessel, 2008-built AS Fatima to an unrelated party for USD 11.8 million. The sale of AS Fatima was completed in September 2024. As a result, the Group recorded a gain on the sale of USD 4.2 million.

In December 2024, the Group completed the sale of 2005-built vessel, AS Paola to an unrelated party for USD 20.6 million. The Group recorded a gain of USD 11.0 million on the sale of the vessel.

2.7 Financial Items

Accounting policy

Financial income consists of interest income, currency gain. Interest income is recognized as it accrues using effective rate.

Financial costs consist of interest expenses, currency losses, and other financial expenses. Interest expenses are recognized as they accrue using effective rate. In addition, there are interest expenses on leasing liabilities.

in USD thousands	2025	2024 (unaudited)
Interest income	10,808	4,291
Other financial income	3,130	5,131
Total finance income	13,938	9,422
Interest expenses	(36,112)	(16,365)
Bank fees on early repayment of debt	-	(685)
Other finance costs	(2,043)	(3,586)
Total finance costs	(38,154)	(20,636)

2.8 Earnings Per Share

Accounting policy

The Group presents basic and diluted earnings per share data for its ordinary shares.

Basic earnings per share are calculated by dividing the profit for the reporting period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the reporting period. Diluted earnings per share are calculated by dividing the profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table sets forth the computation of basic and diluted earnings per share for the year ended December 31:

	2025	2024 (unaudited)
Profit/(loss) for year attributable to ordinary equity holders – in USD thousands	237,371	266,683
Weighted average number of shares outstanding, basic	443,700,279	443,700,279
Weighted average number of shares outstanding, diluted	443,700,279	443,700,279
Basic earnings per share – in USD	0.53	0.60
Diluted earnings per share – in USD	0.53	0.60

Note 3 Income Taxes

3.1 Income Tax Reconciliation

Accounting policy

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the relevant taxation authorities.

The Company is subject to tax on its income in accordance with the general tax rules pertaining to companies that are tax resident in Norway.

The Company's vessel-owning subsidiaries are subject to the Norwegian, German or Dutch tonnage tax regime, i.e. taxable income is calculated as a lump sum depending on the net tonnage of the respective vessels, independent of the realized earnings. Income not derived from the operation of the vessels in international waters, such as financial income, is usually taxed according to the ordinary taxation rules applicable in the resident country of each respective company. Tonnage taxes are classified as Vessel Operating Expenditures.

Deferred tax liabilities are classified as non-current liabilities and are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary difference can be utilized.

IN USD THOUSANDS	2025	2024 (unaudited)	
Income taxes paid/payable	(214)	(425)	
Change in deferred tax asset	-	748	
Income tax expenses	(214)	323	
Specification of corporate income tax expenses			
Basis for ordinary corporation tax expenses			
Profit(loss) before taxes	237,170	266,371	
Nominal tax rate	22%	22%	
Expected tax at nominal tax rate	(52,177)	(58,602)	
Tax effect of reconciling items			
Income tax exempted from corporate tax under the tonnage regime	59,217	62,132	
Share of result in joint venture	-	(87)	
Income taxable in Norwegian holding companies (22.0%)	(3,344)	-	
Income taxable in Dutch holding companies (25.8%)	349	-	
Tax refunds in Norway relating to prior periods	(135)	-	
Change in temporary differences recognized	-	3,398	
Change in temporary differences not recognized	(4,006)	(6,518)	
Other permanent differences/exchange translation differences	(119)	-	
Income tax expenses	(214)	323	
Recognized on the statement of financial position:			
Deferred tax assets	-	-	
Deferred tax liabilities	-	-	
Income taxes payable	(25)	(164)	
Temporary differences:			
	2025	2024 (unaudited)	Change
Financial instruments at fair value	1,099	-	1,099
Carry forward losses	61,804	66,909	(5,105)
Net temporary differences	62,903	66,909	(4,006)

The Groups ship owning entities are tonnage tax and does not pay corporate income tax. The parent company (MPC Container Ships ASA) is under ordinary taxation rules in Norway, and other holding companies within the Group are domiciled in Germany and the Netherlands. For 2025, the ordinary rate of corporation tax in Norway is 22% (2024:22%), in the Netherlands 25.8 % (2024: 25.8%) and in Germany 15 % (2024: 15 %). Holding companies in Germany may also be subject to 15 % trade tax and 5.5 % Solidarity Surcharge depending on the municipality of the Holding Company.

The parent company and other holding companies within the group may have individual tax losses each year, which generate carry forward losses for the individual companies. Deferred tax assets are only recognized to the extent that the future utilization within the Group can be justified as at December 31, 2025. Consequently, a tax position of USD 59.1 million (2024:USD 63.0 million) relating to carry forward losses has not been recognized in the statement of financial position. The carry forward losses can be carried forward indefinitely.

The Group is not subject to income tax on dividends paid to the shareholders of the Company. Norwegian law require that the Company withhold taxes on dividends, for foreign shareholders. As at December 31, 2025, the Group had taxes withheld of USD 2.0 million as other liabilities, compared to USD 4.0 million as at December 31, 2024.

The Group has assessed the revenue threshold for both 2024 and 2025 and concluded that the OECD Pillar Two model rule would not be applicable for the Group's consolidated financial statement.

Note 4 Working Capital

4.1 Trade and Other Current Assets

Accounting policy

Trade and other current assets

Trade receivables and other short-term receivables are measured at transaction price upon initial recognition and subsequently measured at amortized cost less expected credit losses. The Group applies the simplified approach to provide for lifetime expected credit losses in accordance with IFRS 9. Credit loss allowance is recognized based on both historical and forward-looking credit loss assessment. Trade receivables relate to receivables against the charterers for the Group's time charter contracts while emission allowances are receivable against charterers for the greenhouse gases (GHG) emitted during the voyage. Insurance claims are the Group's claims covered by insurance agreements where the virtually certain threshold is met.

in USD thousands	December 31, 2025)	December 31, 2024 (unaudited)
Trade receivables	3,002	7,893
Claims related to insurance cases	31,626	17,141
Other receivables and prepayments	6,877	7,081
Emission allowances	17,893	5,620
Total Trade and other current assets	59,398	37,735

The Group had outstanding receivables per December 31, 2025 amounting to USD 3.0 million (2024: USD 7.9 million). Historically, the Group have not had any credit losses of significance. A significant part of the outstanding receivables is against larger liner companies, which the Group have had a long business relationship with, which reduces the risk further. The invoiced amount is considered to be approximately equal to the value which would be derived under the amortized cost method. In 2025, the Group recognized USD 0.5 million as impairment losses, as compared to USD 0.1 million in 2024.

4.2 Deferred Revenues and Other Liabilities

Accounting policy

Provisions are recognized when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is recognized through profit and loss net of any reimbursement.

Deferred revenue constitutes mainly contract liabilities which represent advance payments and billings in excess of revenue recognized.

The following table shows the components of other liabilities as at period end.

in USD thousands	December 31, 2025	December 31, 2024 (unaudited)
Accrued expenses	8,952	13,849
Accrued salaries	3,369	3,959
Emission allowance	17,629	5,875
Other current liabilities	2,003	4,043
Total Other liabilities	31,952	27,726
Deferred revenues	42,380	35,230
Other non-current liabilities	2,711	-

In July 2025, The Group entered into agreement to sell its wholly owned vessel AS Felicia for USD 12.3 million, to an unrelated party. As at December 31, 2025, the sale was postponed until further notice due to ongoing dispute with custom authorities. The dispute relates to claims raised by the customs authorities amounting to USD 5.6 million. Based on legal advice obtained, management considers that the most likely outcome of the matter is a settlement at approximately 50% of the original claim. Accordingly, the Group has recognized a provision of USD 2.7 million as at December 31, 2025, representing management's best estimate of the expenditure required to settle the obligation at the reporting date.

The timing of the resolution remains uncertain, and the matter is expected to be settled after one year. The final outcome may differ from the amount provided.

From January 1, 2024 and onwards, the Group is subject to the EU ETS, a cap-and-trade system to reduce emissions via a carbon market. Implementation of EU ETS requires the Group to purchase EU allowances (EUAs) representing the right to emit a specific amount of greenhouse gases. Effective from January 1, 2025, FuelEU Maritime, forces ships over 5,000 GT to reduce the greenhouse gas (GHG) intensity of energy used, starting with a 2% reduction in 2025 and reaching 80% by 2050. As part of the regulation, the Group may incur penalties or compliance costs where the required greenhouse gas intensity targets are not met. Liabilities related to complying with EU ETS and FuelEU Maritime, including any penalties, are included in Emission allowance above, while the associated expenses are recognized within vessel voyage expenses.

Note 5 Tangible Assets

5.1 Vessels and Newbuildings

Accounting policy

Vessels and other property, plant and equipment

Vessels and other property, plant and equipment are stated at historical cost, less subsequent depreciation and impairment. For vessels purchased, these costs include capitalizable expenditures that are directly attributable to the acquisition of the vessels. Upon acquisition, each component of the vessels, with a cost significant to the total acquisition costs, such as dry-docking component, existing charter contract, is separately identified and depreciated over that component's useful life on a straight-line basis.

The scrubber installations are recognized in the carrying amount of the vessels and depreciated over the remaining useful life of the vessels.

Depreciation is calculated on a straight-line basis over the useful life of the assets, taking residual values into consideration, and adjusted for impairment charges, if any. Impairment considerations are described in detail in the accounting policy disclosed in [Note 5.2](#).

Ordinary repairs and maintenance expenses are charged to the income statement as incurred. Costs related to dry-docking or other major overhauls are recognized in the carrying amount of the vessels. The recognition is made when the dry-docking has been performed and is depreciated based on estimated time to the next class renewal, i.e. 5 years. The remaining costs that do not meet the recognition criteria are expensed as repairs and maintenance.

Vessels held for sale

Vessels are classified as "Vessels held for sale" when all of the following criteria are met: management has committed to a plan to sell the vessel; the vessel is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of vessels; an active program to locate a buyer and other actions required to complete the plan to sell the vessel have been initiated; the sale of the vessel is probable and transfer of the vessel is expected to qualify for recognition as a completed sale within one year; the asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value and 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. These vessels are not depreciated once they meet the criteria to be held for sale.

Newbuildings

Instalments on newbuilding contracts are capitalized as "Newbuildings" when they are incurred. Upon delivery, newbuildings are reclassified to vessels and are subject to depreciation. The acquisition cost includes direct investments, cost incurred during the construction period and borrowing cost. Borrowing costs are capitalized during the construction period and based on accumulated expenditure for the applicable project at the Group's current weighted average rate of borrowing.

Judgement and estimates

+ Vessels useful lives: Management estimates the average useful life of our vessels to be 25 years. The actual life of a vessel may be different, and the useful lives of the vessels are reviewed at fiscal year-end. New regulations, market deterioration or other future events could reduce the economic lives assigned to our vessels and result in higher depreciation expense and impairment losses in future periods (climate related risks further disclosed in [Note 5.2](#)). Any change in the estimated useful lives and/or residual values impact the depreciation of our vessels prospectively.

As at December 31, 2025, Management did not identify any indicators or circumstances which resulted in requiring changes to our vessel useful lives.

in USD thousands	Vessels	Newbuildings, additions	Total Vessels and Newbuildings	Vessel held for sale	Total
Cost:					
December 31, 2024	1,391,411	44,344	1,435,755	-	1,435,755
Acquisitions of vessels	-	-	-	-	-
Acquisitions of companies	-	7,800	7,800	-	7,800
Capitalized dry-docking, progress payments, expenditures	49,402	92,085	141,487	-	141,487
Disposal of vessels and other assets ¹	(155,776)	-	(155,776)	-	(155,776)
Transfers of vessels	86,455	(86,455)	-	-	-
December 31, 2025	1,371,492	57,774	1,429,266	-	1,429,266
Accumulated depreciation and impairment:					
December 31, 2024	(387,951)	-	(387,951)	-	(387,951)
Depreciation for the period	(82,626)	-	(82,626)	-	(82,626)
Disposals of vessels and other assets ¹	74,419	-	74,419	-	74,419
December 31, 2025	(396,158)	-	(396,158)	-	(396,158)
Net book value:					
December 31, 2025	975,334	57,774	1,033,108	-	1,033,108

in USD thousands	Vessels	Newbuildings, additions	Total Vessels and Newbuildings	Vessel held for sale	Total
<i>Cost:</i>					
December 31, 2023	1,028,642	78,980	1,107,622	48,618	1,156,240
Acquisitions of vessels	227,296	-	227,296	-	227,296
Capitalized dry-docking, progress payments, expenditures	56,227	113,553	169,780	-	169,780
Disposal of vessels and other assets ¹	(68,943)	-	(68,943)	(48,618)	(117,561)
Transfers of vessels	148,189	(148,189)	-	-	-
December 31, 2024 (unaudited)	1,391,411	44,344	1,435,755	-	1,435,755
<i>Accumulated depreciation and impairment:</i>					
December 31, 2023	(337,351)	-	(337,351)	(23,453)	(360,804)
Depreciation for the period	(70,946)	-	(70,946)	-	(70,946)
Disposals of vessels and other assets ¹	20,347	-	20,347	23,453	43,800
December 31, 2024 (unaudited)	(387,950)	-	(387,950)	-	(387,950)
<i>Net book value:</i>					
December 31, 2024 (unaudited)	1,003,460	44,344	1,047,804	-	1,047,804

Fleet changes	2025	2024 (unaudited)
At start of the period	59	59
Acquisition of vessels	-	6
Newbuilding deliveries	2	2
Disposal of vessels ¹	(10)	(5)
Vessels held for sale ²	-	(3)
At the end of the period	51	59

¹Refer to [Note 2.6](#) for further information

²As at December 31, 2023, the Group had three vessels (AS Petra, AS Paulina and AS Pauline) classified as Vessel held for sale. The sale and delivery of the three vessels were completed in 2024

Acquisition of vessels

In July 2024, the Group took delivery of the two 3,500 TEU, 2009-built vessels, AS Nara and AS Nuria for USD 24.9 million and USD 22.4 million respectively. Consequent to the order of transaction, where the Group purchased the two shelf companies owned by our related party, MPC Münchmeyer Petersen Capital AG, which also entered the MoA with the seller of the vessels, the transaction was classified as related party transaction.

In October and November 2024, the Group took delivery of four 3,800 TEU wide beam eco-design vessels, AS Nele, AS Nanne, AS Natalie and AS Ninette for a total price of USD 180.0 million. All vessels were acquired with existing charter agreements until the second quarter of 2025.

Newbuilding deliveries

In January 2025 and April 2025, the Group took delivery of two 1,300 TEU dual-fuel methanol container vessels, NCL Vestland and NCL Nordland from its newbuilding program.

In May and July 2024, the Group took delivery of two 5,500 TEU eco-design container vessels, Mackenzie and Colorado from its newbuilding programs respectively.

Commitments:

As at December 31, 2025, the group have committed to retrofit five vessels (2024: eight) for USD 8.5 million (2024: USD 2.4 million), which is due in 2026.

Newbuildings:

As at December 31, 2025 the Group's newbuilding program consisted of a total of 17 newbuilding contracts (2024: two), with expected delivery between 2026 and 2029:

	Vessels contracted	Class	Expected delivery dates	Total price in million USD:	Commitments due in 2026 in million USD	Commitments due after 2026 in million USD
1	1	1,300 TEU	August 2026	39.0	27.3	-
2	4	4,500 TEU	2027-2028	228.0	20.0	173.9
3	2	1,600 TEU	2027	66.0	11.5	44.4
4	4	4,500 TEU	2028	232.0	34.8	197.2
5	6	3,700 TEU	2028-2029	292.5	58.5	234.0
Sum	17			857.5	152.1	649.5

In April 2025, the Group acquired the remaining 50 % interest in Palmaille 75 for USD 3.8 million, which owns a newbuilding contract for a 1,300 TEU container vessel. See further information in Note 6.1. The vessel is expected to be delivered in the second half of 2026. Palmaille 75 has been renamed to ““AS Friederike” Schiffahrtsgesellschaft mbH & Co. KG “

In July 2025, the Group signed contracts for four eco-design 4,500 TEU container vessels, with deliveries scheduled from the second half of 2027. The total investment amounts to USD 228.0 million. The eco design vessels have been fixed on a three-year time charter. As at December 31, 2025, total installments of USD 34.2 million were paid to the yard.

In October 2025, the Group signed contracts for two eco-design 1,600 TEU container vessels with deliveries scheduled in the second half of 2027. The eco design vessels have been fixed on an eight-year time charter. The total investment amounts to USD 66.0 million. As at December 31, 2025, total installments of USD 9.9 million were paid to the yard.

In November 2025, the Group signed contracts for four eco-design 4,500 TEU container vessels with deliveries scheduled from the first half of 2028. The eco design vessels have been fixed on a 10-year time charter. The total investment amounts to USD 232.0 million. As at December 31, 2025, no installments were made to the yard.

In December 2025, the Group signed contracts for six eco-design 3,700 container vessels with expected delivery in 2028, and the total investment amounts to 292.5 million. The eco design vessels have been fixed on a 10-year time charter. As at December 31, 2025, no installments to the yard had been paid.

As at December 31, 2025, total additions to Group’s newbuilding program was USD 57.8 million, including capitalized borrowing costs of USD 1.6 million (2024: USD 2.6 million), compared to USD 44.3 million as of December 31, 2024. The capitalization rate used for the borrowing cost in 2025 was 7.45% (2024: 8.69%). The remaining commitments as at December 31, 2025 was USD 801.6 million (2024: USD 38.9 million), of which USD 152.1 million is due in 2026 and USD 649.5 million is due after 2026.

As at December 31, 2024, the Group's newbuilding program consisted of two 1,300 TEU container vessels with a contract price of USD 39.0 million per vessel. The newbuildings were delivered in January and April 2025 and USD 86.5 million was transferred to vessels.

5.2 Depreciation, Amortization and Impairment

Accounting policy

Impairment of vessels

Indicators of impairment of vessels and other property, plant and equipment are assessed at each reporting date. The same applies when events or changes in circumstances that may entail that the vessels' carrying amount may not be recoverable. Such indicators may include depressed charter rates and lower second-hand vessel values. If impairment indicators are identified, the recoverable amount is estimated; and If the carrying amount exceeds its recoverable amount, an impairment loss is recognized; i.e. the asset is written down to the higher of the fair value less cost of sale and its value -in-use. Assets are grouped at the lowest level where there are separately identifiable independent cash flows, in which we have determined that each vessel is considered to be a separate cash-generating unit. The fair value less cost of disposal is the amount obtainable from the sale of an asset in an arm's length transaction less the costs of sale and the value in use is the present value of estimated future cash flows expected from the continued use of an asset.

The following assumptions have been made when calculating the value in use for container vessels:

- + Future cash flows are based on an assessment of expected development in charter rates and estimated level of administrative and operating expenses (including maintenance and repair) and dry-docking over the remaining useful life of the vessel plus any residual value.
- + The net present value of future estimated cash flows of each cash-generating unit is based on a discount rate according to a pre-tax weighted average cost of capital. The weighted average cost of capital (WACC) is calculated based on the expected long-term borrowing rate and risk-free USD SOFR rate plus an equity risk premium.

An impairment loss recognized in prior periods for an asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized.

Judgement and estimates

- + The carrying amounts of our vessels are reviewed for potential impairment charges whenever events or changes in circumstances indicate that the carrying amount of a particular vessel may not accurately reflect the recoverable amount. Management continuously monitors both external and internal factors to determine if there are indicators that the vessels may be impaired or, in case of previously recognized impairment, that there are indicators that this may be reversed. The factors evaluated in the assessment include both external and internal sources of information. External sources include a significant decline in market value that is not the result of the passage of time, normal use of the assets, depressed charter rates or increase in market interest rates. Internal sources of information include, among others, evidence of obsolescence of, or physical damage to the vessels.
- + As we obtain information from various industry and other sources, our estimates of charter-free market value of our vessels are inherently uncertain. In addition, vessel values are highly volatile; as such, our estimates may not be indicative of the current or future charter-free market value of our vessels or prices that we could achieve if we were to sell them.

Climate risk

+ Management continuously monitors climate related risks when assessing indicators of impairment. Future climate change measures may affect the shipping industry regarding fuel regulation, port fees and the recycling values of the vessels. Potential future fuel taxes or carbon emission regulation such as EU's emission trading system (EU ETS) or development of new more climate friendly fuel may increase the future operating expenses or capex of the Group that may be only partly offset by higher time charter rates. Technological developments enabling more climate friendly container vessels may affect the ability to obtain new charters in the future, the potential useful life of the vessels and the recycle values of the vessels. These effects may result in indicators of impairment or impairment losses of our vessels due to lower recycling value from mandatory EU approved yards, or generating less cash-flow from not reaching regulatory targets.

Impairment testing and calculation of recoverable amount

The Group performed an indicator assessment as at December 31, 2025, and an external indicator was identified as the Group's year-end price-to-book ratio was below 1. Accordingly, an impairment test was performed for each vessel (CGU) by comparing carrying amounts to recoverable amounts (the higher of fair value less costs of disposal and value in use). No impairment was charged for 2025 as well as 2024.

Note 6 Group Structure

6.1 Investments in Joint Venture and Associate

Accounting policy

Joint ventures are those entities whereby the Group has joint control and rights to the net assets. Associates are those entities where the Group has significant influence but not control or joint control (usually between twenty and fifty percent of the voting power). The Group's investments in associate and joint venture are accounted for using equity method. The investments in an associate or a joint venture are initially recognized at cost and thereafter adjusted for Group's share of post-acquisition profits or losses, movements in other comprehensive income or dividends received.

In USD thousands	December 31, 2025	December 31, 2024 (unaudited)
Investment in joint venture - Bluewater	-	-
Investment in joint venture - Palmaille 75	-	4010
Investment in other joint venture	1	4
Investment in associate	1,231	1231
Total	1,232	5,245

Investment in Joint venture

As at December 31, 2024, the Group had a 50 % interest in Palmaille 75 Einundachtzigste Beteiligungsgesellschaft mbH & Co. KG (Palmaille 75), Hamburg (Germany) which owns a newbuilding contract for a 1,300 TEU container vessel. The carrying amount of the investment as at December 31, 2024 was USD 4.0 million. In April 2025, the Company acquired the remaining interest in Palmaille 75, for net cash USD 4.0 million from an unrelated party. The total carrying amount of the interest in Palmaille 75 was USD 8.0 million as at December 31, 2025. Subsequent to the acquisition, the Company controls 100.0 % of the shares in Palmaille 75, which continues to own the newbuilding contract for a 1,300 TEU container vessel (refer to Note 5.1) . Palmaille 75 was fully consolidated into the Group from April 2025, and was renamed to “AS Friederike” Schiffahrtsgesellschaft mbH & Co. KG.

In 2024, the Group acquired the remaining interest 50 % interest in 2. Bluewater Holding Schiffahrtsgesellschaft GmbH Co. KG (Bluewater), Hamburg (Germany) for USD 1.0 million from an unrelated party. Bluewater used to own container vessels through respective fully owned subsidiaries. The carrying amount of the interest as at December 31, 2023 was USD 1.7 million. The total carrying amount of the interest in Bluewater was USD 3.0 million as at December 31, 2024. Subsequent to the acquisition, the Company controls 100.0% of the shares in Bluewater and it was fully consolidated into the Group from October 2024.

The following tables show the summarized financial information of the Group’s investment in joint ventures:

in USD thousands	December 31, 2025	December 31, 2024 (unaudited)
Non-current assets	-	7,833
Cash and cash equivalents	-	185
Other current assets	3	3
Equity	3	8021
Group’s carrying amount of the investment	1	4010
In USD thousands ¹	2025	2024 (unaudited)
Operating revenue	-	8
Operating costs	(4)	(850)
Net financial income/expense	-	73
Income tax	-	(21)
Profit after tax for the period	(4)	(790)
Total comprehensive income for the period	(4)	(790)
Group’s share of profit for the period	(2)	(395)

1 Palmaille 75 is included for the first three months of 2025, and Bluewater is included for the first nine months of 2024.

Investment in associate

In 2022, the Group entered into an agreement with INERATEC for the supply of synthetic Marine Diesel Oil (MDO) made from biogenic CO₂ and renewable hydrogen. The Group recorded its initial investment at a cost of USD 0.8 million to acquire 24.5% ownership interest in Siemssen KG which holds an investment in INERATEC. In January 2023, the Group further increased its investment of USD 0.4 million to maintain its ownership position. As at December 31, 2025, the Group's investment in Siemssen KG was USD 1.2 million. The investment is accounted under the equity method.

6.2 Group Companies

The Group's consolidated financial statements include the financial statements of the Company and its subsidiaries listed in the table below. The table excludes all general partner companies and non-operating companies.

Company	Country	Principal activity	Ownership
MPC Container Ships Invest B.V.	Netherlands	Holding company	100.0 %
“AS Angelina” ShipCo C.V.	Netherlands	Ship-owning entity	99.9 %
“AS California” ShipCo C.V.	Netherlands	Ship-owning entity	99.9 %
“AS Carelia” ShipCo C.V.	Netherlands	Ship-owning entity	99.9 %
“AS Clara” ShipCo C.V.	Netherlands	Ship-owning entity	99.9 %
“AS Clementina CV” ShipCo C.V.	Netherlands	Ship-owning entity	99.9 %
“AS Columbia” ShipCo C.V.	Netherlands	Ship-owning entity	99.9 %
“AS Cypria” ShipCo C.V.	Netherlands	Ship-owning entity	99.9 %
“AS Felicia” ShipCo C.V.	Netherlands	Ship-owning entity	99.9 %
“AS Patria” ShipCo C.V.	Netherlands	Ship-owning entity	99.9 %
“AS Petronia” ShipCo C.V.	Netherlands	Ship-owning entity	99.9 %
“AS Sara” ShipCo C.V.	Netherlands	Ship-owning entity	99.9 %
“AS Savanna” ShipCo C.V.	Netherlands	Ship-owning entity	99.9 %
“AS Selina” ShipCo C.V.	Netherlands	Ship-owning entity	99.9 %
“AS Sevillea” ShipCo C.V.	Netherlands	Ship-owning entity	99.9 %
“AS Sicilia” ShipCo C.V.	Netherlands	Ship-owning entity	99.9 %
“AS Sophia” ShipCo C.V.	Netherlands	Ship-owning entity	99.9 %
MPCC Second Financing GmbH & Co. KG	Germany	Holding company	100.0 %
“AS Serena” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
“AS Carlotta” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
“AS Christiana” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
“AS Sabrina” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
“AS Samanta” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
“AS Susanna” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
“AS Svenja” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
“AS Pamela” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
“AS Pia” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
“AS Nora” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
“AS Caspria” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
MPCC Fourth Financing GmbH & Co. KG	Germany	Holding company	100.0 %
“AS Stine” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
“AS Silje” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
“AS Simone” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
“AS Sabine” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
MPCC FIRST ECOFLEET GmbH & Co. KG	Germany	Holding company	100.0 %
“AS Nele” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
“AS Nanne” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
MPCC GREENBOX AS	Norway	Holding company	90.1 %
MPCC NORDLAND AS	Norway	Ship-owning entity	90.1 %
MPCC VESTLAND AS	Norway	Ship-owning entity	90.1 %
MPCC NCL Ammonia AS	Norway	Holding company	50.0 %
AS Shipping OpCo 2 GmbH	Germany	Holding company	95.0 %
MPC ECOBOX OPCO 5 GmbH & Co. KG	Germany	Ship-owning entity	100.0 %
MPC ECOBOX OPCO 6 GmbH & Co. KG	Germany	Ship-owning entity	100.0 %
“AS Carolina” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
MPCC Alva AS	Norway	Ship-owning entity	100.0 %
“AS Nina” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
“AS Claudia” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
“AS Camellia” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
“AS Nuria” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
“AS Nara” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
“AS Ninette” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
“AS Natalie” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
“AS Anne” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
“AS Freya” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
“AS Penelope” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
Zweite “AS Palina” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
“AS Constantina” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
“AS FRIEDERIKE” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %

“AS MARIE” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
“AS MAIKE” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
“AS METTE” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
“AS MARTHE” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
“AS ROSE” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
“AS REESE” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
“AS MATHILDE” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
“AS MARTINE” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
“AS MARLENE” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
“AS MAXINE” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
“AS NADINE” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
“AS NAOMIE” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
“AS NIKE” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
“AS NANCIE” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
“AS NICOLE” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %
“AS NORENE” Schiffahrtsgesellschaft mbH & Co. KG	Germany	Ship-owning entity	100.0 %

Note 7

Capital Structure and Financial Instruments

7.1 Financial Risk Management

This section provides additional information about the Group's policies that are considered most relevant in understanding the operations and management of the Group, in particular objectives and policies of how the Group manages its financial risks, liquidity positions and capital structure.

The Group owns and operates vessels for worldwide transportation of containerized cargo. Through its operation, the Group is exposed to market risk, credit risk, liquidity risk and other risks that may negatively influence the value of assets, liability and future cash flows.

Market risk

Market risk from financial instruments is the risk that future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise four types of risk: interest rate risk, foreign currency risk, credit risk and price risk.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates, i.e. interest payable on the bond issued and the non-recourse senior secured term loan depends on the short-term SOFR. An increase of the short-term SOFR rate by 100 basis points would cause the Group's annualized interest expenses to increase by USD 2.1 million on a net debt basis (total interest-bearing net minus cash and cash equivalents including restricted cash).

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The functional currency of most of the entities in the Group is USD, and the Group has only minor currency risk from its operations since all income and all major vessel costs are in USD. However, the Group has exposure to EUR and NOK as parts of administration and vessel operating expenses and a portion of cash and cash equivalents, other short-term assets, trade payables and provisions and accruals are denominated in EUR and NOK. Currently, currency derivatives have been entered into to mitigate this risk, see further in [Note 7.2](#).

The Group is subject to price risk related to the charter market for feeder container vessel which is uncertain and volatile and will depend upon, among other things, the global and regional macroeconomic developments. In addition, the future financial position of the Group depends on valuations of the vessels owned by the Group. Currently, no financial instruments have been entered into to reduce this shipping market risk. The Group will normally have limited exposure to risks associated with bunker price fluctuations as the bunkers are for the charterers account when the vessels are on time charter contracts.

Credit risk

Credit risk refers to the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The maximum credit risk exposure is related to the Group's trade receivables of USD 3.0 million as at December 31, 2025 as compared to USD 7.9 million as at December 31, 2024.

It is the aim of the Group to enter into contracts with creditworthy counterparties only. Prior to concluding a charter party, the Group evaluates the credit quality of the customer, assessing its financial position, past experience and other factors. Charter hire is paid in advance, effectively reducing the potential exposure to credit risk. Bank deposits are only deposited with internationally recognized financial institutions.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations when they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity and/or undrawn committed credit facilities at all times to meet its obligations. See Board of Directors' report for further description with respect to liquidity risk. To ensure this, the Group continuously monitors projected cash flows using a liquidity planning tool. This includes furnishing management with weekly cash reporting, monthly liquidity forecasts and furnishing management and the Board of Directors with rolling 12–24 months liquidity forecasts.

The following table summarizes the contractual maturities of financial liabilities on an undiscounted basis as at December 31, 2025:

in USD thousands	< 1 year	1-3 years	3-5 years	> 5 years	Total
Interest bearing loans and borrowings	62,978	137,367	254,075	92,510	546,930
Interest payments	35,404	56,421	20,764	14,518	127,106
Derivative financial instruments -current	174	-	-	-	174
Trade and other payables	11,107	-	-	-	11,107
Related party payables	109	-	-	-	109
Other liabilities ⁽¹⁾	16,011	-	-	-	16,011
Total	125,782	193,788	274,840	107,028	701,437

1 (excluded non-financial liabilities such as deferred revenue, social security taxes, income tax payable etc)

The following table summarizes the contractual maturities of financial liabilities on an undiscounted basis as at December 31, 2024 (unaudited):

in USD thousands	< 1 year	1-3 years	4-5 years	> 5 years	Total
Interest bearing loans and borrowings	39,757	78,048	184,535	37,091	339,431
Interest payments	25,267	39,863	28,962	12,226	106,318
Derivative financial instruments -current	101	-	-	-	101
Trade and other payables	12,632	-	-	-	12,632
Related party payable	72	-	-	-	72
Other liabilities	27,523	-	-	-	27,523
Total	105,352	117,911	213,497	49,317	486,077

1 (excluded non-financial liabilities such as deferred revenue, social security taxes, income tax payable etc)

7.2 Financial Instruments

Accounting policy

The Group may use certain hedging instruments, such as forward contracts or options, to manage foreign exchange or interest rate risk, for instance. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

At the inception of a hedge relationship, the Group formally documents the relationship between the hedge instrument and the hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship.

The Group makes an assessment at inception and on an ongoing basis according to IFRS 9, of whether the hedging instruments are expected to be effective in offsetting the changes in the fair value or cash flows. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that ultimately could affect profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- + fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment (except for foreign currency risk); or
- + cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable transactions.

Hedges which meet the criteria for hedge accounting are accounted for as follows:

The effective portion of the gain or loss on the hedging instrument is recognized in other comprehensive income (OCI) in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the statement of profit or loss. Amounts recognized as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognized or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognized as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction or firm commitment is no longer expected to occur, amounts previously recognized in equity are transferred to profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognized in equity remain in equity until the forecast transaction or firm commitment occurs.

Set out below is a comparison by category for carrying amounts and fair values of all of the Group's financial instruments that are carried in the financial statements. The estimated fair value amounts of the financial instruments have been determined using appropriate market information and valuation techniques.

Fair value of trade receivables, cash and cash equivalents and trade payables approximate their carrying amounts measured at amortized cost due to the short-term maturities of these instruments.

The fair value of interest-bearing debt is estimated by discounting future cash flows using rates for debt on similar terms, credit risk and remaining maturities. Fair value of interest-bearing debt approximates the carrying amounts as there have been no significant changes in the market rates for similar debt financing between the date of securing the debt financing and the reporting date.

in USD thousands

	December 31, 2025		December 31, 2024 (unaudited)	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Trade and other current assets	59,398	59,398	37,735	37,735
Other current financial assets	71,599	71,599	1,060	1,060
Restricted cash	9,453	9,453	6,364	6,364
Cash and cash equivalents	345,478	345,478	125,696	125,696
Total financial assets	485,928	485,928	170,855	170,855

	December 31, 2025		December 31, 2024 (unaudited)	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities at amortized cost				
Interest-bearing debt:				
Floating rate debt	310,175	310,175	218,865	218,865
Fixed rate debt	193,773	200,800	124,409	126,317
Derivative financial instruments	174	174	101	101
Trade and other payables	11,107	11,107	12,632	12,632
Related party payable	109	109	72	72
Other liabilities ⁽ⁱ⁾	31,405	31,952	27,523	27,523
Total financial liabilities	546,743	554,317	383,602	385,510

Fair value hierarchy

The Group uses a hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques. The table below shows the fair value measurements for both the Group's assets and liabilities as at December 31, 2025:

in USD thousands	Level 1	Level 2	Level 3	Total fair value	
Liabilities:					
Floating rate debt		-	310,175	-	310,175
Fixed rate debt		200,800	-	-	200,800
Derivative financial instruments		174	-	-	174
Assets:					
Other current financial assets		-	1,099	-	1,099

The table below shows the fair value measurements for both the Group's assets and liabilities as at December 31, 2024 (unaudited):

in USD thousands	Level 1	Level 2	Level 3	Total fair value	
Liabilities:					
Floating rate debt		-	218,865	-	218,865
Fixed rate debt		-	-	126,317	126,317
Derivative financial instruments		101	-	-	101
Assets:					
Financial instruments		-	1,060	-	1,060

Other current financial assets:

As at December 31, 2025, the Group had other current financial assets of USD 71.6 million, compared to USD 1.1 million as at December 31, 2024. The balance as at December 31, 2025 primarily comprises USD 70.5 million invested in six-month fixed-rate bank deposits (2024: nil) which are classified as other current financial assets. In addition, during 2025 the Company purchased foreign currency options with a total premium of USD 1.1 million and entered into several foreign currency forward contracts. The foreign currency options are measured at fair value and classified within Level 2 of the fair value hierarchy, as their valuation is based on observable market inputs.

Cash Flow Hedges

The Group uses interest rate swaps, caps and collars as hedges of its exposure to interest rate fluctuations in connection with its debt and bond financing.

As at December 31, 2025 the Group has six interest rate caps, as compared to three interest rate caps as at December 31, 2024.

The table below shows the notional amounts of current and future anticipated interest-bearing debt under existing debt facilities hedged by interest-rate caps as at December 31, 2025:

Instrument	Notional amount	Effective period	Interest cap/ fixed payer	Maturity
Interest-rate cap	USD 45.0-27.0 million	2024-2026	4.0%	December 2026
Interest-rate caps	USD 15.9-2.2 million	2024-2031	4.0%	May/June 2031
Interest-rate cap	USD 52.0-2.0 million	2025-2028	4.0%	August 2028
Interest-rate cap	USD 24.0-6.3 million	2025-2028	4.0%	April 2028
Interest-rate cap	USD 15.3-6.1 million	2025-2027	4.0%	December 2027

The table below shows the notional amounts of current and future anticipated interest-bearing debt under existing debt facilities hedged by interest-rate caps as at December 31, 2024 (unaudited):

INSTRUMENT	NOTIONA AMOUNT	EFFECTIVE PERIOD	INTEREST CAP	MATURITY
Interest-rate cap	USD 45.0-27.0 million	2024–2026	4.0%	December 2026
Interest-rate caps	USD 15.9–2.2 million	2024–2031	4.0%	May/ June 2031
Swaptions	USD 43.7-10.2 million	2024-2036	3.5%	July 2024

The fair value (level 2) of the Group's interest rate caps is the estimated amount that the Group would receive or pay to terminate the agreements as at the reporting date, considering, as applicable, the forward interest rate curves. The estimated amount is the present value of future cash flows. Fair value adjustment of the interest rate cap as at December 31, 2025 is recognized directly to Other reserves (other comprehensive income) in equity and are reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows (future interest payments) affect profit or loss.

In June 2025, the Group acquired three interest-rate caps agreements for a total notional amount of USD 91.3 million. The caps rate is a USD SOFR interest of 4%. The caps become gradually effective for future interest periods in 2025 with a declining notional amount matching the notional amounts of the related hedged loans. The interest-rate caps have been designated as hedging instruments of matching notional amounts of interest-bearing debt. The Group recognized USD 0.6 million loss in other comprehensive income in 2025,

In October 2024, the Group entered into foreign currency forward contracts to hedge against in EUR. Hedge accounting has not been applied for these forward contracts as no hedge relationships were designated at inception. Currency derivatives that are not hedging instruments are valued at fair value, and any changes in value are entered in the condensed consolidated statement of profit or loss as finance income or finance cost. As at December 31, 2024, the fair value of derivative financial instruments relating to the foreign currency forward contracts is a liability of USD 0.1 million.

7.3 Cash and Cash Equivalents and restricted cash

Accounting policy

Cash and short-term deposits in the statement of financial position comprise cash at banks, on hand and short-term deposits with a maturity of three months or less. Cash equivalents represent short-term, liquid investments which are readily convertible into known amounts of cash with original maturities of three months or less.

Cash not available for general use by the Group due to minimum liquidity requirements in the loan agreements and required class are classified as restricted cash.

in USD thousands	December 31, 2025	December 31, 2024 (unaudited)
Bank deposits denominated in USD	146,513	93,215
Bank deposits denominated in EUR	11,882	3,113
Bank deposits denominated in NOK	652	617
Money market	195,884	35,115
Total cash and cash equivalents and restricted cash	354,931	132,060

The fair value of cash and cash equivalents at December 31, 2025 is USD 345.5 million (USD 125.7 million at December 31, 2024). Restricted cash as at December 31, 2025 was USD 9.5 million compared to USD 6.4 million as at December 31, 2024. USD 2.4 million under the senior secured credit facility is restricted cash for the solely use for required class-related maintenance on the vessels, compared to USD 1.4 million at December 31, 2024. Further, the group have USD 3.6 million (2024: USD 4.3 million) in a retention account, related to repayment on the term loan facility, and USD 1.0 million (2024: 0.6 million) is kept as minimum liquidity as required by the loan agreements described in [Note 7.4](#).

Bank deposits earn interest at floating rates based on applicable bank deposit rates. Short-term deposits are made for varying periods, depending on the cash requirements of the Group.

7.4 Interest-Bearing Debt

Accounting policy

All loans and borrowings are initially recognized at fair value less directly attributable transaction costs and have not been designated as at fair value through profit or loss. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires.

Debt issuance costs, including debt arrangement fees, are capitalized and amortized using the effective interest method over the term of the relevant loan. Amortization of debt issuance costs is included in interest expense. If a loan is repaid early, any unamortized portion of the related debt issuance costs is expensed in the period in which the loan is repaid. The Group as recorded debt issuance costs as a direct deduction from the carrying amount of the related debt using the effective interest rate method.

Under a sale and leaseback transaction, when the transfer of vessels does not qualify as a sale under IFRS 15, the seller lessee does not de-recognize the transferred asset, and it accounts for the cash received as a financial liability.

In USD thousands	Currency	Facility amount	Interest	Maturity	December 31, 2025	December 31, 2024 (unaudited)
Sale-leaseback financing	USD	75,000	SOFR+2.6%	September 2027	26,164	39,818
Term loan and credit facility	USD	101,493	SOFR+1.5%-25%	May/July 2036	70,180	92,953
Term loan facility	USD	50,000	SOFR+ 2.8%-3.35%	July/August 2028	32,379	45,650
Term loan facility	USD	16,000	SOFR+ 1.75%	March 2031	13,750	-
Term loan facility	USD	54,460	SOFR+2.3%	January/April 2036	52,645	15,560
Term loan facility	USD	30,000	SOFR+1.95%	October 2028	24,000	30,000
Senior unsecured sustainability linked bonds	USD	200,000	Fixed 7.375%	October 2029	200,000	125,000
Term loan facility	USD	52,000	SOFR+1.9%	May 2032	46,600	-
Term loan facility	USD	47,510	SOFR+2.0%	June 2030	42,530	-
Term loan facility	USD	29,250	SOFR+2.1%	August 2033	1,950	-
Other long-term debt incl accrued interest					5,997	3,843
Total outstanding					516,195	352,824
Debt issuance costs/bond discount					(12,247)	(9,551)
Total interest-bearing debt outstanding					503,948	343,273
<i>Classified as:</i>						
Non-current					439,140	299,236
Current					64,808	44,037
Total					503,948	343,273

Changes in the interest-bearing debt

Changes in interest bearing debt over a period consisting of both cash effects and non-cash effects. The following is the changes in the Group's interest-bearing debt:

Changes in interest bearing debt

	Balance as at December 31, 2024	Cash flow	Non-cash changes Amortization of loan effect expenses	Balance as at December 31, 2025
			(3,173)	
Debt to credit institution	178,011	99,963	3,108	277,909
		(13,654)		
Sale-leaseback financing	39,247	)	676	26,269
Bond Loans	122,173	70,448	1,152	193,773
Total Interest-bearing liabilities		156,75	(3,173)	
	339,431	7	4,936	497,951

	Balance as at December 31, 2023	Cash flow	Non-cash changes Amortization of loan effect expenses	Balance as at December 31, 2024(unaudited)
		117,3		
Debt to credit institution	60,397	67	531 (284)	178,011
		(27,14		
Sale-leaseback financing	65,862	5)	530	39,247
		122,0		
Bond Loans	-	62	111	122,173
Total Interest-bearing liabilities		212,2		
	126,259	84	1,172 (284)	339,431

In May 2023, the Group entered into a pre-delivery term loan facility in an amount of USD 15.9 million and post-delivery term loan facility in an amount of up to USD 101.5 million with Crédit Agricole together with K-SURE Agent. The loan facilities were used to finance the construction of two 5,500 TEU eco-design vessels, Mackenzie and Colorado, which were subsequently delivered from the yard in May and July 2024. The commercial facility with Crédit Agricole carries an interest equivalent to the SOFR plus a margin of 250 basis points and matures in 2034 while the K-SURE facility carries an interest equivalent to the SOFR plus a margin of 150 basis points and matures in 2036. Upon delivery of both vessels in 2024, the Group repaid USD 15.9 million of the pre-delivery loan and drew USD 101.5 million of the post-delivery loan. As at December 31, 2025, USD 70.2 million remained outstanding and the carrying amount of the two vessels was USD 139.2 million.

In July 2023, the Group entered into a 5-year loan facility in an amount of up to USD 50.0 million with Hamburg Commercial Bank (HCOB) to finance part of the acquisition cost of the five modern eco-design vessels, AS Anne, AS Simone, AS Stine, AS Silje, and AS Sabine. The facility has a tenor of five years, carries an interest rate of SOFR plus a margin of a range from 280 basis points to 335 basis points depending on the Loan to Value (LTV) percentage. In March 2025, the Group entered into secured term loan facility in an amount of up to USD 16.0 million with SBI Shinsei Bank, Limited (SBI Shinsei Bank) and Development Bank of Japan Inc (DBJ) to refinance one modern eco-design vessel, AS Anne. The new facility has a tenor of six years, carrying an interest rate of SOFR plus a margin of 1.75%. The facility was fully drawn and the outstanding interest-bearing debt of USD 8.7 million in relation to AS Anne with HCOB was prepaid in February 2025. As at December 31, 2025, USD 32.4 million remained outstanding under the HCOB facility and the carrying amount of the four vessels was USD 92.1 million while USD 13.8 million remained outstanding under the SBI Shinsei Bank facility and the carrying amount for AS Anne was USD 16.9 million.

In September 2023, the Group entered into a sale and leaseback transactions with BoComm Leasing in an amount of USD 75.0 million for 12 of its vessels. The lease financing has a tenor of 48 months starting from September/October 2023 and carries an interest rate of SOFR plus a margin of 260 basis point, and includes purchase obligations for the 12 vessels at the end of the term. In 2025, the Group sold one (2024: two) of its sale and leaseback vessels, AS Floriana and subsequently exercised the purchase option. As a result, the Group made principal repayments of USD 2.5 million relating to the sale of vessels and discharged the financing liabilities of the vessel. As at December 31, 2025, USD 26.2 million remained outstanding with BoComm Leasing and the carrying amount of the nine vessels was USD 75.8 million (2024: USD 90.9 million).

In April 2024, the Group entered into ECA covered term loan facility of USD 54.5 million with Deutsche Bank (DB) and SINOSURE for its two dual-fuel methanol newbuildings. The facility carries an interest rate of 3 months USD Term SOFR plus a margin of 230 basis points. The facility shall be repaid in full upon delivery of the vessels while each of the post-delivery loan facility matures in 12 years from the delivery date of the vessels. Both vessels were subsequently delivered in January and April 2025 and the post-delivery facility was fully drawn as a result of the delivery. As at December 31, 2025, USD 52.6 million remained outstanding and the carrying amount of the two vessels was USD 84.4 million.

In September 2024, the Group entered a USD 30.0 million term loan facility with First-Citizens Bank & Trust Company relating to the financing of the acquisition of AS Nara and AS Nura. The loan facility carries an interest equivalent to the adjusted term SOFR plus a margin of 195 basis points and matures in 2028. The loan was fully drawn in October 2024. As at December 31, 2025, USD 24.0 million remained outstanding and the carrying amount of the two vessels was USD 46.7 million.

In October 2024, the MPC Container Ships ASA completed a USD 125.0 million senior unsecured sustainability-linked bond maturing on October 9, 2029. In March 2025, the Group completed a USD 75.0 million tap issue in the Group's outstanding senior unsecured sustainability-linked bond maturing on October 9, 2029. The bond pays a coupon of 7.375 % per annum and the tap issue was priced at 96.0% of par. Including the related bonds of USD 125.0 million issued in October 2024 issued at par value, the nominal amount of outstanding bonds is USD 200 million. In April 2025, the Company completed the listing of its senior unsecured sustainability-linked bonds 2024/2029 of USD 200 million with ISIN NO0013355248 on Euronext Oslo Børs.

In May 2025, the Group entered into a loan facility agreement of USD 52.0 million with KFW IPEX- bank GmBH to finance the acquisition cost of AS Ninette and AS Natalie. The facility will be repaid over a period of seven years. The interest rate includes a margin of 190 basis points over the reference interest rate. The facility was fully drawn in June 2025. As at December 31, 2025, USD 46.6 million remained outstanding and the carrying amount for both vessels was USD 92.3 million.

In June 2025, the Group entered into a loan facility agreement of USD 47.5 million with Deutsche Bank that features a USD 250.0 million accordion option for the acquisition of AS Nanne and AS Nele. The term of the facility is five years. The interest rate on the USD 47.5 million tranche includes a margin of 200 basis points to 230 basis points over the reference interest. In July 2025, the Group drew down USD 47.5 million on the loan facility. As at December 31, 2025, USD 42.5 million remained outstanding and the carrying amount for both vessels was USD 92.6 million.

In September 2025, the Group entered into a loan facility agreement with Société Générale to fund its newbuild, AS Friederike. The Group can utilize up to 20% of the total contract value to pay the progress installments and, upon completion, can borrow up to 75% of the total contract value for the vessel, or USD 29.25 million (or 75% of market value if lower). The loan facility will be repaid in quarterly installments over seven years following the completion of the vessel. The interest is USD Term SOFR plus a margin of 210 basis points. As of December 31, 2025, USD 1.95 million was utilized.

In December 2025, the Group entered into new amortizing senior secured revolving credit facility in an amount of up to USD 130.0 million with Hamburg Commercial Bank AG (HCOB) to refinance certain existing indebtedness and for general corporate purposes. The new facility has a tenor of five years, carrying an interest rate of SOFR plus a margin of 250 basis points. As at December 31, 2025, the facility has not been utilized.

The following main financial covenants are defined in the terms of the credit facility agreement with Crédit Agricole, Deutsche Bank, First Citizens, Société Générale, KFW IPEX- bank GmBH , the unsecured sustainability bond and HCOB:

- + The Parent company (MPC Container Ships ASA) shall maintain a minimum equity ratio of 40% throughout the term loan
- + The consolidated liquidity in the Group shall maintain a minimum liquidity of USD 250.000 per consolidated vessel throughout the term loan

The Group is in compliance with all loan and credit facility covenants as at December 31, 2025.

7.5 Equity

Accounting policy

Profit distribution includes dividends approved by the Board of Directors' Meeting. The distribution of profits proposed by the Board of Directors is recognized as a liability and a deduction of equity once the distribution is approved by the Group' shareholders at the Board of Directors' Meeting. Costs related to share issuances are recognized directly in equity.

Total equity consists of share capital, share premium, fair value reserves, reserves for invested unrestricted equity, retained earnings and non-controlling interest. Share premium includes the amount exceeding the accounting par value of shares received by the Company in connection with share subscriptions. Fair value reserve includes hedge accounted component of fair value changes of derivatives under hedge accounting. Retained earnings include profit for the period and previous periods. Paid dividends approved in the General Meeting are first deducted from share premium before charging against retained earnings.

Share Capital

	Number of shares	Share capital (USD thousands)	Other paid- in capital (USD thousands)	Share premium (USD thousands)	Retained earnings (USD thousands)	Non- controlling interest (USD thousand)
At January 1, 2025	443,700,279	48,589	286	1,879	762,602	4,524
Dividend paid	-	-	-	-	(119,798)	(119)
Share-based payment	-	-	(286)	-	-	-
Addition from non-controlling interest	-	-	-	-	-	-
Result for the period	-	-	-	-	237,170	201
At December 31, 2025	443,700,279	48,589	-	1,879	879,974	4,606

	Number of shares	Share capital (USD thousands)	Other paid- in capital (USD thousands)	Share premium (USD thousands)	Retained earnings (USD thousands)	Non- controlling interest (USD thousand)
At January 1, 2024	443,700,279	48,589	-	1,879	700,021	3,835
Dividend paid	-	-	-	-	(204,102)	(257)
Share-based payment	-	-	286	-	-	-
Addition from non-controlling interest	-	-	-	-	-	935
Result for the period	-	-	-	-	266,683	11
At December 31, 2024 (unaudited)	443,700,279	48,589	286	1,879	762,602	4,524

The share capital of the Company consists of 443,700,279 shares as at December 31, 2025, with nominal value per share of NOK 1.00. All issued shares are of equal rights and are fully paid up.

In July 2022, the Group entered into a contract to purchase two new carbon-neutral 1,300 TEU newbuildings, in collaboration with Topeka MPC Maritime AS (a joint venture between Topeka Holding AS and MPC Capital AG) under MPCC Greenbox AS. Topeka MPC Maritime AS acquired a 9.9% non-controlling interest. In 2024, MPCC Greenbox AS had a capital increase where Topeka MPC Maritime AS contributed USD 0.9 million and the Company contributed USD 8.5 million.

Furthermore, non-controlling interests as of December 31, 2024 consist of the 0.1% shares the ship managers hold in the ship-owning entities under the MPC Container Ships Invest B.V. Group. As at December 31, 2025, the non-controlling interest also includes the minority interest's share of result within these ship-owning entities, see [Note 6.2](#).

The table below summarizes the changes in components in other reserves.

In USD Thousands	Cash flow hedging	Currency translation adjustment	Change in Other comprehensive income
As at January 1, 2025	(151)	(109)	(260)
Change during year	(602)	-	(602)
As at December 31, 2025	(753)	(109)	(862)

In USD Thousands	Cash flow hedging	Currency translation adjustment	Change in Other comprehensive income
As at January 1, 2024	(734)	(109)	(843)
Change during year	583	-	583
As at December 31, 2024 (unaudited)	(151)	(109)	(260)

OVERVIEW OF THE 20 LARGEST SHAREHOLDERS AS AT DECEMBER 31, 2025

Name	Number of shares	In %	Type
MPC CSI GmbH	73 994 977,00	16,7%	Ordinary
CLEARSTREAM BANKING S.A.	24 445 803,00	5,5%	Nominee
Avanza Bank AB	21 082 274,00	4,8%	Broker
BNP Paribas	15 333 079,00	3,5%	Nominee
State Street Bank and Trust Comp	12 303 420,00	2,8%	Nominee
FOLKETRYGDFONDET	10 293 221,00	2,3%	Ordinary
Nordnet Bank AB	8 779 558,00	2,0%	Nominee
State Street Bank and Trust Comp	6 641 204,00	1,5%	Nominee
Brown Brothers Harriman & Co.	6 579 365,00	1,5%	Nominee
JPMorgan Chase Bank	5 257 861,00	1,2%	Nominee
NORDNET LIVSFORSIKRING AS	4 625 189,00	1,0%	Ordinary
Citibank	4 576 780,00	1,0%	Nominee
SIX SIS AG	4 238 996,00	1,0%	Nominee
State Street Bank and Trust Comp	4 095 089,00	0,9%	Nominee
Citibank	3 948 487,00	0,9%	Nominee
JPMorgan Chase Bank	3 626 974,00	0,8%	Nominee
Interactive Brokers LLC	3 495 773,00	0,8%	Nominee
The Bank of New York Mellon	3 043 425,00	0,7%	Nominee
VERDIPAPIRFONDET STOREBRAND INDEKS	2 719 060,00	0,6%	Ordinary
VERDIPAPIRFONDET DNB NORGE INDEKS	2 672 174,00	0,6%	Ordinary
Total	221 752 709	50,0%	

MPCC CSI LTD., a company affiliated with MPC Capital AG, holds 15,265,079 shares in MPC Container Ships ASA (“MPCC”), resulting in MPC Capital AG and its affiliated entities (including MPC CSI GmbH), collectively controls 89,260.056 shares and voting rights in MPCC which corresponds to 20.12%.

7.6 Capital Management

A key objective of the Group’s capital management is to ensure that the Group maintains a capital structure in order to support its business activities and maximize the shareholder value. The Group evaluates its capital structure in light of current and projected cash flows, the state of the shipping markets, new business opportunities and the Group’s financial commitments. Capital is primarily managed on Group level.

The Group monitors its capital structure using the book-equity ratio, which stands at 61.2% as at December 31, 2025 (2024: 66.4%). The Group’s debt facilities contain certain financial covenants which require the Company or the subsidiaries to maintain the following financial covenants, minimum value of vessels, and a certain level of free cash and equity ratio. The Group aims at maintaining an equity ratio with adequate headroom to the respective covenant requirements (refer to [Note 7.4](#)).

in USD thousands	December 31, 2025	December 31, 2024 (unaudited)
Book equity	934,186	817,620
Total assets	1,526,592	1,231,374
Book-equity ratio	61.2%	66.4%

In support of the Group's objective of maximizing returns to shareholders, the Group's intention is to pay regular dividends by way of distributing 30%-50% (2024: 75 %) of profits for the period after considering CAPEX and working capital requirements, including liquidity reserves and one-off effects. Dividends will be declared or proposed by the Board at the sole discretion of the Board and will depend upon the financial position, earnings, debt covenants, distribution restrictions, capital requirements and other factors related to the Group. The Company cannot guarantee that its Board will declare or propose dividends in the future. Furthermore, the Board may make event-driven distributions based on non-recurring proceeds, such as vessel sales, by way of extraordinary dividends or share buybacks, to be applied according to the Board's discretion.

During 2025, the Group distributed total dividends of USD 119.9 million (2024: USD 204.4 million), including distributions to non-controlling interests. The 2025 dividend consisted of USD 119.7 million from retained earnings (2024: USD 204.1 million) and USD 0.1 million (2024: USD 0.3 million) attributable to non-controlling interests.

The table below shows details of distributions announced in 2025:

Announcement date		Type	Cash distribution per share	Ex-dividend	Record	Payment
25.02.2025	Recurring		USD 0.09 /	20.03.2025	21.03.2025	27.03.2025
			NOK 0.9478			
22.05.2025	Recurring		USD 0.08 /	20.06.2025	23.06.2025	27.06.2025
			NOK 0.8031			
26.08.2025	Recurring		USD 0.05 /	22.09.2025	23.09.2025	26.09.2025
			NOK 0.4946			
27.11.2025	Recurring		USD 0.05 /	11.12.2025	12.12.2025	18.12.2025
			NOK 0.5067			

The table below shows details of the distributions announced in 2024:

	Announcement date	Type	Cash distribution per share	Ex-dividend	Record	Payment
	27.02.2024	Recurring	USD 0.13 / NOK 1.3734	19.03.2024	20.03.2024	26.03.2024
	28/05/2024	Recurring	USD 0.13 / NOK 1.3729	20.06.2024	21.06.2024	27.06.2024
	28/08/2024	Recurring	USD 0.10 / NOK 1.0583	17.09.2024	18.09.2024	24.09.2024
	26/11/2024	Recurring	USD 0.10 / NOK 1.1147	12.12.2024	13.12.2024	19.12.2024

Note 8

Other Notes

8.1 Commitment

As at December 31, 2025, the Group's newbuilding program consisted of 17 newbuildings (2024: two) and remaining commitments was USD 801.6 million (2024: USD 38.9 million), of which USD 152.1 million is due in 2026 and USD 649.5 million is due after 2026. See further in Note 5.1

As at December 31, 2025, the group have committed to retrofit five vessels (2024: eight) for USD 8.5 million (2024:USD 2.4 million), which is due in 2026.

Under the existing cash bonus program, participants in the program are entitled to receive cash compensation of up to USD 2.6 million over the vesting period, i.e July 1, 2028 . See further in Note 8.2.

In December 2022, the Company had entered into a put/call option with INERATEC GmbH through its investment in associates for the delivery of 1,500 MT green physical marine diesel oil between 2024 and 2026. The option would oblige the Company to purchase and take delivery of the at a maximum price of 2,500 USD/MT. As at December 31, 2024, the delivery of the green marine diesel oil is delayed and the put option was expired.

8.2 Related Party and Key Management Compensation

The Group has entered into a corporate service agreement to purchase administrative and corporate services from MPC Münchmeyer Petersen Capital AG and its subsidiaries.

The Company is responsible for the technical ship management of the vessels owned by the Group. Performance of technical ship management services is sub-contracted to Wilhelmsen Ahrenkiel Ship Management GmbH & Co. KG and Wilhelmsen Ahrenkiel Ship Management B.V, joint ventures of MPC Münchmeyer Petersen Capital AG, for 47 of the 51 vessels owned by the Group as at December 31, 2025.

Commercial ship management of the vessels owned by the Group and associated joint ventures is contracted to Harper Petersen B.V., which are joint ventures of MPC Münchmeyer Petersen Capital AG.

The following table provides the total amount of service transactions that have been entered into with related parties for the relevant period:

IN USD THOUSANDS	2025	2024 (unaudited)
Wilhelmsen Ahrenkiel Ship Man. GmbH & Co. KG / B.V.	10,795	7,796
Harper Petersen & Co. GmbH	5,348	5,701
MPC Münchmeyer Petersen Capital AG	1,020	520
Wilhelmsen Ahrenkiel Bulk GmbH & Co. KG	202	148
Total	17,365	14,165

Compensation to Key Management

The key management personnel of the Company include the Board of Directors and the leading personnel. For details on remuneration to leading personnel and board of directors, see remuneration report published on our website.

DIRECTORS' AND EXECUTIVE MANAGEMENT'S COMPENSATION AND SHAREHOLDING

	Shares at December 31 ,2025	2025 remuneration
Ulf Holländer (Chairman)	-	USD 90,000
Petros Panagiotidis		USD 50,000
Pia Meling	-	USD 50,000
Peter Fredriksen	200 000	USD 50,000
Ellen Hanetho	60 000	USD 55,000
Constantin Baack (CEO)	66 000	USD 1 022 685
Moritz Fuhrmann (Co-CEO/CFO)	-	USD 946 012
Christian Rychly (COO)	-	USD 558 041

DIRECTORS' AND EXECUTIVE MANAGEMENT'S COMPENSATION AND SHAREHOLDING

	Shares at December 31 ,2024 (unaudited)	2024 remuneration
Ulf Holländer (Chairman)	-	USD 90,000
Dr. Axel Schroeder	-	USD 47,397
Petros Panagiotidis (from 12.12.2024) ¹		USD 1,781
Pia Meling	-	USD 50,000
Peter Fredriksen	200 000	USD 50,000
Ellen Hanetho	60 000	USD 55,000
Constantin Baack (CEO)	66 000	USD 840,209
Moritz Fuhrmann (Co-CEO/CFO)	-	USD 808,184
Christian Rychly (COO)	-	USD 490,756

- ¹ In December 2024, Dr. Axel Schroeder resigned from his position as a member of the Board of Directors . Simultaneously, Mr. Petros Panagiotidis was appointed to the Company's Board of Directors. The change of the Board of Directors comes as a result of MPC Münchmeyer Petersen & Co. GmbH, an indirect shareholder of the Company, selling 74.09% of its stake in MPC Capital AG to Thalvora Holdings GmbH.

In April, 2025, the Company's general meeting resolved that each member of the Board of Directors shall receive USD 50,000 (USD 90,000 for the Chairman of the Board) in remuneration for the financial year 2025. The Board fees resolved for the year are paid out in the subsequent year. The total remuneration to the Board of Directors and executive management in 2025 was USD 2.1 million (2024: USD 2.1 million).

In 2024, the Board of the Company approved the introduction of a Long-Term Incentive Plan (LTIP) for certain key employees of the Company and its subsidiaries. The LTIP was structured as an employee option program, providing for either a share-based settlement or, alternatively, a virtual cash-settled mechanism. Under the share-based mechanism, each option would entitle the holder to acquire one ordinary share of the Company at an exercise price equal to the par value of the share. The options were designed to vest after four years and become exercisable on 1 July 2028.

Under the share option arrangement, option holders would have been entitled to receive dividend-equivalent distributions for any dividends or other distributions declared from 1 July 2024 onwards, as if the underlying shares had been issued prior to the respective record date. Where options had not yet vested at the distribution date, the corresponding amounts would have been withheld by the Company and paid upon vesting.

As the share-based settlement mechanism was not covered by the existing Remuneration Guideline, its implementation was subject to shareholder approval at the 2025 Annual General Meeting. The fair value of the option plan at December 31, 2024 was determined using the Black-Scholes option pricing model, reflecting management's expectation that the share-based mechanism would be approved. Accordingly, the Group recognized a share-based payment expense of USD 0.3 million in profit or loss for the year ended December 31, 2024.

Following discussions with proxy advisors and shareholders ahead of the Annual General Meeting, the revised Remuneration Guideline, including the share-based settlement mechanism, was not submitted for approval and therefore did not become effective. Consequently, the equity-settled share option arrangement did not become effective and, in accordance with the terms of the LTIP. Instead, pursuant to the terms of the LTIP, a bonus payment is payable, subject to the conditions of the LTIP, equal to a NOK amount calculated as the number of option shares accrued by the holder multiplied by 20. The cash bonus is payable on the vesting date of July 1, 2028.

Participants in the program are entitled to receive cash compensation of up to USD 2.6 million (of which key employees are entitled up to USD 1.9 million) over the vesting period. For the year ended December 31, 2025, the Group recognized an expense of USD 0.9 million in respect of this cash-settled arrangement, of which USD 0.6 million relates to 2025 and USD 0.3 million relates to 2024. The share-based payment expense of USD 0.3 million recognized in 2024 was reversed following the cancellation of the equity-settled program.

8.3 Subsequent Events

In January 2026, the Group entered into an agreement to sell its wholly-owned 2006-built vessel, AS Clementina for USD 24.0 million to an unrelated party.

In January 2026, Topeka MPC Maritime AS sold the remaining 9.9% equity interest in MPCC Greenbox AS for USD 3.8million. Following completion of the transaction, the Company became the sole shareholder of MPCC Greenbox AS, which owns the two vessels, NCL Vestland and NCL Nordland.

In January 2026, the Group prepaid USD 32.4 million of the existing USD 50.0 million loan facility with HCOB .

In February 2026, the Group pledged the 2010-built AS Nina as security under its existing USD 130.0 million senior secured revolving credit facility with HCOB.

In February 2026, the Group entered into joint investment with Uthalden AS to jointly own two existing 4,500 TEU newbuild container vessels.

In February 2026, the Group prepaid USD 4.0 million of the existing USD 101.5 million Crédit Agricole loan facility with K-SURE Agent.

In March 2026, the Group drew down USD 4.0 million from its existing USD 29.3 million loan facility with Société Générale, leaving USD 23.3 million available after the drawdown.

Subsequent to December 31, 2025, continued geopolitical tensions in the Middle East have affected international shipping. The Group's exposure to the region is limited and, as at the date of approval of the consolidated financial statements, no material financial effects have been identified